



NATIONAL SCIENCE FOUNDATION  
OFFICE OF INSPECTOR GENERAL  
OFFICE OF INVESTIGATIONS

## CLOSEOUT MEMORANDUM

Case Number: I-22-0007-O

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We investigated allegations by a former employee (Chief Technology Officer/CTO) of a small company (Company) that the Company and its Chief Executive Officer (CEO) retaliated against him for making covered disclosures regarding violations of laws, rules, or regulations related to an NSF grant. We interviewed the CTO, CEO, and former employees and reviewed documents provided by the CTO and by the Company in response to our subpoena.

Our investigation determined:

- 1) The CTO was an employee of the Company.
- 2) The CTO made nine protected disclosures to the CEO over a period of nearly 3 years regarding violations of laws, rules, or regulations related to the NSF Phase II award. Specifically, the CTO made three about misuse or waste of NSF SBIR Phase II funds; two about inaccurate statements to NSF; one each about improper receipt of a PPP loan; retaliation; and disparate treatment. The CTO also told the CEO he planned to disclose wrongdoing to Federal officials.
- 3) Within 8 months of his initial disclosure and less than a month after his second disclosure, the CTO was stopped from conducting high-level research at a national lab; within a few months of the CTO's email about the PPP loan, the CEO began asking the NSF Program Officer about changing the PI; and the day the CTO complained his PI-related duties had essentially been taken from him, the CEO began the logistical work to remove the CTO as PI and to acquire online performance management software.
- 4) The CEO provided testimonial and written evidence supporting his contention that he would have stopped the CTO from conducting research at a national lab, removed him as NSF PI, subjected him to heightened work requirements, and terminated him absent the disclosures.

We submitted a report of our findings to NSF and shared redacted copies with the CTO and CEO. NSF reviewed the report and concluded that the CEO and the Company did not subject the CTO to a prohibited reprisal. NSF provided its decision to the CTO and the CEO.

This case is closed with no further action taken.