

Report on Research Compliance Volume 18, Number 11. October 28, 2021

RRC E-Alerts: October 14, 2021

By Theresa Defino

North Carolina Firm Makes Restitution to NSF, EPA of More Than \$880,000

A private firm spun off from North Carolina Agricultural and Technical State University (A&T) has been sentenced to five years' probation and ordered to make restitution to the National Science Foundation (NSF) and the Environmental Protection Agency (EPA) of \$562,500 and \$319,199, respectively, settling allegations of false statements in grant applications. Bio-Adhesive Alliance Inc. (BAA), pleaded guilty in March and was sentenced this summer for two counts of making false statements, the U.S. Attorney's Office for the Middle District of North Carolina announced. According to its website, BAA produced "eco-friendly, durable, low cost bio-adhesive from swine manure to help facilitate swine manure management while creating added value products for [the] construction industry." It is not clear if the firm is still in business.

Its NSF and EPA awards were from the agencies' Small Business Innovative Research (SBIR) and Small Business Technology Transfer (STTR) programs. "Bio-Adhesive applied for and received multiple STTR and SBIR grant awards from NSF and EPA between 2013 and 2016," the government said. Although awards "totaled \$1,375,000," \$881,669 was disbursed. BAA misrepresented "its eligibility to seek SBIR and/or STTR grant awards from NSF and EPA, as well as other material aspects of their project, including employees, budget, and recommenders," according to the sentencing announcement. In a 2015 application to NSF, for example, BAA reported as its principal investigator an A&T graduate assistant enrolled in the master's in civil engineering program who was ineligible to be a PI. BAA also allegedly identified as the chief technology officer a person who had not agreed to the job, and claimed someone had written a letter of recommendation who had not. BAA also promised to make a subaward of \$134,058 to A&T, but did not, the government said.

[Link to sentencing announcement](#)

This document is only available to subscribers. Please log in or purchase access.

[Purchase Login](#)