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Description of document: National Aeronautics and Space Administration (NASA)  
Inspector General (OIG) various Closed investigation  
reports 2023

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Source of document: FOIA Request  
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[Electronic Freedom of Information Act \(FOIA\) Request Form](#)

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**NASA OFFICE OF INSPECTOR GENERAL**  
**OFFICE OF INVESTIGATIONS**  
SUITE 8U71, 300 E ST SW  
WASHINGTON, D.C. 20546-0001

May 27, 2025

Re: Freedom of Information Act (FOIA) Request Number # 25-00034-IG-F / OIG # 2025-54  
Initial Determination

Pursuant to the Freedom of Information Act (FOIA) (5 U.S.C. § 552), on April 26, 2024, you submitted a request to the NASA Office of Inspector General (OIG). Your FOIA request was received by this office on April 28, 2025 and assigned tracking number # 25-00034-IG-F / OIG # 2025-54. Specifically, you sought the following records:

"[...] final report, Report of Investigation, Closing Report, Closing Memo, Closing Letter, Referral Memo, Referral Letter or other conclusory document regarding each of the following closed NASA OIG Investigations: C-GO-08-0336-O, C-GO-12-0364-O, O-JS-16-0214-S, O-GO-16-0282-O, O-KE-17-0217-O, O-GO-17-0007-S, O-KE-18-0048-S, O-GO-19-0282-O, C-GO-19[]-0068-O, C-GO-19-0012-O, O-MA-19-0044-O, C-MA-19-0092-O, O-KE-19-0098-O, O-LB-19-0143-O, and C-HS-19-0162-O."

In response to your FOIA request, we conducted a search for responsive records within OIG's respective business units. Our search identified responsive information releasable under the FOIA as described below. Enclosed with this letter are the requested responsive records.

Certain exemptions have been applied to withhold information from the enclosed responsive documents that is not releasable under FOIA exemptions (b)(5), (b)(6), (b)(7)(C), and (b)(7)(E). The exempt information has been redacted. In applying these exemptions, we have determined that the withheld information would cause foreseeable harm if released.

FOIA exemption (b)(5) protects inter-agency or intra-agency memorandums or letters which would not be available by law to a party other than an agency in litigation with the agency. The courts have interpreted this exemption to incorporate the deliberative process privilege, the

general purpose of which is to prevent injury to the quality of agency decisions. The exemption protects not merely documents, such as predecisional documents, recommendations, and opinions on legal or policy matters, but also the integrity of the deliberative process itself where the exposure of that process would result in harm.

Exemption (b)(6) exempts from disclosure personnel and similar files, the disclosure of which would constitute a clearly unwarranted invasion of personal privacy. Exemption (b)(7)(C) provides protection for law enforcement information and records compiled for law enforcement purposes, the disclosure of which “could reasonably be expected to constitute an unwarranted invasion of personal privacy”. Exemption (b)(7)(C) is routinely applied to protect the personal privacy interest of law enforcement personnel involved in conducting investigations. Disclosure of the mere fact that an individual is mentioned in an agency's law enforcement files carries a stigmatizing connotation cognizable under FOIA Exemption (b)(7)(C). See, e.g., *Fund for Constitutional Government v. National Archives & Records Service*, 656 F.2d 856, 865 (D.C. Cir. 1981). Numerous courts have recognized that individuals' privacy interests are substantial given the nature of law enforcement records, whether they are suspects, informants, witnesses or investigators. See, e.g., *Fitzgibbon v. CIA*, 911 F.2d 755, 767 (D.C. Cir. 1990); *Dunkelberger v. DOJ*, 906 F.2d 779, 781 (D.C. Cir. 1990); *Stern v. FBI*, 737 F.2d 84, 91-92 (D.C. Cir. 1984)); see also *Neely v. FBI*, 208 F.3d 461, 464-66 (4th Cir. 2000). Among other concerns, an individual's connection to particular investigations can result in harassment, annoyance, and embarrassment. See, e.g., *Halpern v. FBI*, 181 F.3d 279, 296-97 (2nd Cir. 1999); *Manna v. DOJ*, 51 F.3d 1158, 1166 (3rd Cir.), cert. denied, 516 U.S. 975, 116 S. Ct. 477, 133 L.Ed.2d 405 (1995); *Nix v. United States*, 572 F.2d 998, 1005-06 (4th Cir. 1978).

Exemption (b)(7)(E) affords protection to all law enforcement information that “would disclose techniques and procedures for law enforcement investigations or prosecutions, or would disclose guidelines for law enforcement investigations or prosecutions if such disclosure could reasonably be expected to risk circumvention of the law.”

For your information, Congress excluded three discrete categories of law enforcement and national security records from the requirements of the FOIA. See 5 U.S.C. § 552(c) (2006 & Supp. IV 2010). This response is limited to those records that are subject to the requirements of the FOIA. This is a standard notification that is given to all our requesters and should be taken as an indication that excluded records do, or do not, exist.

You may contact our FOIA Public Liaison, Frank LaRocca at (202) 358-2575 for any further assistance and to discuss any aspects of your request. Additionally, you may contact the Office of Government Information Services (OGIS) at the National Archives and Records Administration to inquire about the FOIA mediation services they offer. The contact information for OGIS is as follows: Office of Government Information Services, National Archives and Records Administration, 8601 Adelphi Road-OGIS, College Park, Maryland 20740-6001, e-mail at [ogis@nara.gov](mailto:ogis@nara.gov); telephone at 202-741-5770; toll free at 1-877-684-6448; or facsimile at 202-741-5769.

You also have the right to appeal this initial determination to the NASA OIG FOIA Appeal Designee. Pursuant to 14 CFR §1206.700(b), the appeal must (1) be in writing; (2) be addressed to the following:

NASA, Office of Inspector General  
Headquarters  
300 E Street, S.W., Suite 8V39  
Washington, D.C. 20546-0001  
Attn: Robert Steinau, NASA OIG Senior Official;

(3) be identified clearly on the envelope and in the letter as “Freedom of Information Act Appeal”; (4) include a copy of the request for the Agency record and a copy of the adverse initial determination; (5) to the extent possible, state the reasons why the requester believes the adverse initial determination should be reversed; and (6) must be postmarked and sent to the NASA OIG Senior Official within 90 calendar days of the date of receipt of the initial determination.

Sincerely,

**Michael  
Graham**

Michael Graham  
Acting Assistant Inspector General for Investigations  
OIG FOIA Officer – Investigations

Enclosures

National Aeronautics and  
Space Administration

Approved:



Office of Inspector General  
Office of Investigations

C-GO-08-0336-0

March 27, 2023

**SUBJECT UNKNOWN – “GOOGLE”, ET AL.**

Computer Intrusion

Goddard Space Flight Center, Md

**CASE CLOSING:** This investigation was initiated on June 13, 2008, in response to a notification from the NASA Office of Chief Information Officer (OCIO) that malware infections from a type of computer malware known as Zlob had cost the agency an estimated \$30,000 USD to remediate.

This investigation revealed that the malware affecting NASA computer systems was delivered via a botnet known as Cutwail. Over the course of this investigation the RA worked with the FBI, Southern District of New York (SDNY) to identify two primary subjects who were likely responsible for the creation, administration and operation of the Cutwail botnet: (b) (6), (b) (7)(C) (alias ‘Google’) and (b) (6), (b) (7)(C) (alias ‘TCP/IP’ or NATO).

Neither NASA OIG nor the FBI ever uncovered enough relevant information about (b) (6), (b) (7)(C) to pursue legal action in coordination with the United States Attorney’s Office (USAO). However, coordination with FBI, SDNY eventually revealed enough identifying information about (b) (6), (b) (7)(C) for the USAO, SDNY to issue a formal complaint.

Assistant United States Attorney (b) (6), (b) (7)(C) (SDNY) confirmed a sealed complaint against (b) (6), (b) (7)(C) was submitted to the court and NASA was referenced as a victim organization within the complaint. However, (b) (6), (b) (7)(C) (FBI) later notified the RA that the federal court dismissed the complaint against (b) (6), (b) (7)(C). As a result, neither the FBI nor DoJ would pursue an indictment against the only other remaining subject of this investigation (b) (6), (b) (7)(C).

On January 13, 2023, the RA received notification via email from (b) (6), (b) (7)(C), AUSA that both the FBI and DoJ closed their investigation into this matter. Based on these facts, this case is being closed.

Prepared by (b) (6), (b) (7)(C) , HQ  
DISTR: File

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(b) (5)  
(b) (6), (b) (7)(C) AUSA recommended NASA's Acquisition Integrity Program (AIP) review the allegations.

On December 15, 2022, AIP concurred with the declination as to the civil allegations. AIP specified that "Based on this information, NASA does not object to the proposed decision that the Government decline to intervene in the subject qui tam matter at this time. (b) (5)

On July 27, 2023, AUSA (b) (6), (b) (7)(C), declined the case for criminal prosecution (b) (5)  
The Department of Defense will present this investigation to the US Army CID for suspension and debarment consideration.

Due to the aforementioned, no further investigative activity anticipated. This matter is closed.

Prepared by: (b) (6), (b) (7)(C), GSFC  
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O-GO-17-0007-S

November 21, 2023

## **PROACTIVE PROJECT: CRIMINAL INTELLIGENCE DEVELOPMENT**

Goddard Space Flight Center  
Greenbelt, MD 20771

**CASE CLOSING:** This proactive investigation was initiated to serve as a central, periodic repository of various ongoing and informal investigative efforts to develop criminal intelligence and/or generate leads for further investigative pursuit. These investigative efforts may include such activities as: proactive outreach or contacts with parties who may serve as sources of relevant information or provide resources in furtherance of NASA OIG investigative interest, but do not warrant immediate investigative attention; fraud awareness or acquisition integrity briefings; or other proactive reviews or analyses of a general nature not leading to sufficient predication for a separate investigative action. In the event intelligence or predication is developed which warrants dedicated investigative attention, a separate case will be established referencing activities from this proactive effort.

During the investigation many hours were expended proactively to open lines of communication and coordinate with other law enforcement agencies in numerous areas where NASA is susceptible to fraud. On spin-off investigation was initiated due to a GSFC Office of Investigations under cover operation. As a result, an SGT Inc contractor pleaded guilty to Theft and was ordered to pay \$21,422 back to SGT, for their role in swapping new hard drives for old ones from SGT laptop computers and selling them on the eBay. The subject was ordered to 5 years (suspended all but 3 days) with 3 days confinement, which converted to 5 years' probation with 3 days confinement

Given the success of this proactive file, additional proactive projects will be developed to serve as repositories of similar efforts but limited in time to their corresponding calendar years. It is recommended that due to the length of time this investigation has remained open, the proactive be closed with no further action needed.

Prepared by: (b) (6), (b) (7)(C), GSFC  
DISTR: File

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O-GO-19-0282-O

October 6, 2023

(b) (6), (b) (7)(C) - (Foreign Influence)  
(b) (6), (b) (7)(C)

**CASE CLOSING:** This investigation was predicated on a referral from the National Science Foundation (NSF) Office of Inspector General (OIG) from a proactive review conducted to determine if Chinese government sponsored Talent Programs/Talent Plans have resulted in the fraudulent application for and expenditure of NSF funds by NSF Principal Investigators or Co-Principal Investigators (PIs). This NSF OIG proactive review was initiated due to previous investigations that revealed that Thousand Talent members were employed by both United States and Chinese institutions and may receive funding for their research activities from Chinese institutions, in addition to receiving federal funding. Failure to disclose such affiliations, active positions, or funding from any source, including a foreign government, when applying for and conducting research, potentially violates criminal statutes as well as policies and grant terms and conditions.

NSF OIG determined that (b) (6), (b) (7)(C) was a member of the Thousand Talents Program since April 2014 and affiliated with Wuhan University, China since 2012. (b) (6), (b) (7)(C) in (b) (6), (b) (7)(C) capacity as a (b) (6), (b) (7)(C) at University of California, (b) (6), (b) (7)(C) completed work as a Co-PI on a NASA (b) (6), (b) (7)(C) grant<sup>1</sup>. GSFC was the funding center for (b) (6), (b) (7)(C) grant<sup>2</sup>, the final award was for \$499,620.86. Additionally, (b) (6), (b) (7)(C) was awarded grant funding by NSF for 19 research projects, valued at over \$7.6 million. (b) (6), (b) (7)(C) also received funding from the Department of Energy and Department of Defense. NSF OIG provided that (b) (6), (b) (7)(C) failed to disclose (b) (6), (b) (7)(C) membership as a Thousand Talent member or this foreign affiliation on all of the listed proposals and applications. This joint investigation comprised of NASA OIG, NSF OIG, Navy Criminal Investigative Service, and the Department of Energy OIG conducted numerous investigative steps including subpoenas, surveillance, search warrants, pen registers and a mail cover, which revealed (b) (6), (b) (7)(C) disclosed (b) (6), (b) (7)(C) foreign affiliation to the University of California.

<sup>1</sup> NASA Grant (b) (6), (b) (7)(C) with the University of California- (b) (6), (b) (7)(C) with a period of performance from (b) (6), (b) (7)(C) until (b) (6), (b) (7)(C). The grant was awarded for research on (b) (6), (b) (7)(C)

<sup>2</sup> Based on the GSFC funding, the venue for this investigation will be the US Attorney's Office, District of Maryland, Southern Division.

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The case was criminally declined from the District of Maryland, Southern District, Department of Justice as (b) (6), (b) (7)(C) disclosed (b) (6) foreign affiliation to the University of California. (b) (5)

This investigation was referred to the NASAs Acquisition Integrity Program (AIP) for potential administrative remedies related to the University of California and is pending AIP actions deemed appropriate.

Based on the aforementioned, no further investigative activity is required. This matter is closed.

Prepared by: (b) (6), (b) (7)(C), GSFC  
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**Office of Inspector General  
Office of Investigations**

O-JS-16-0214-S

May 11, 2023

**PROACTIVE PROJECT: INCURRED COST REVIEW**

2101 NASA Parkway  
Houston, Texas 77058

**CASE CLOSING:** The NASA Office of Inspector General (OIG) initiated this proactive investigation to provide oversight of NASA contractors which have submitted Incurred Cost Electronically (ICE) proposals to the Defense Contract Audit Agency (DCAA) or NASA Contracting Officers. A contractor was required to submit an ICE proposal when they have a Government contract which contains Federal Regulation Acquisition (FAR) 52.216-7. The ICE proposal documents the indirect and direct costs associated with flexibly and firm priced Government contracts.

During the conduct of this investigation, the NASA OIG issued a letter to NASA recommending the implementation of a requirement in the contract audit services (CAS) procurement which would require that fraud indicators discovered during the course of an audit, attestation, or agreed upon procedures be referred to the NASA OIG. Additionally, it was recommended that NASA incorporate NASA Policy Directive 9800.1B, NASA OIG Programs, as a contract clause of the CAS contract.

In response to the recommendation, NASA incorporated the following into the CAS contract:

As part of conducting a contract audit, the contractor will refer indications of potential fraud or other criminal acts discovered during an audit to the NASA, Office of Inspector General (NASA-OIG). Guidance on and examples of fraud indicators can be found at <http://www.dodig.mil/resources/Fraud/redflags.html> Contact information for the NASA OIG is at <https://oig.nasa.gov/contact.html>.

Analysis of ICE Proposals during this investigation resulted in opening case numbered O-JS-16-0263-O, Tietronix Software, Inc., in addition to numerous analyzed ICE proposals for proactive and ongoing investigations. The DCAA low risk memorandums issued for NASA contractors were analyzed for fraud indicators which would require further investigative work.

The NASA OIG also conducted fraud briefings with the five certified public accountant firms which were selected to conduct attestation services for the CAS contract. The fraud briefings

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discussed the NASA OIG 's mission, structure, and results from previous investigations and audits. It was explained that the NASA OIG had a large interest in the audits performed by the firms and the referrals of fraud indicators discovered during the audits. A pro-forma fraud indicator referral and guidelines was also presented. NASA OIG informational pamphlets and business cards were passed out to each firm, with guidance that they could call at any time to discuss potential fraud indicators.

The NASA OIG initiated the Investigative Analyst Division (IAD) which incorporated many of the investigative procedures which were being conducted for this proactive investigation. Based upon the work being done by the IAD, and the completion of all current work, this investigation is now closed.

Prepared by: (b) (6), (b) (7)(C) , JSC  
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O-KE-17-0217-O

May 19, 2023

**ACCELOGIC, LLC**  
1633 Bonaventure Blvd.  
Weston, FL 33326

**CASE CLOSING:** This case was initiated in May 2017 when the Department of Energy - Office of Inspector General (DOE OIG) provided information related to Accelogic, LLC (Accelogic), a Small Business Innovation Research/Small Business Technology Transfer (SBIR/STTR) company located at 609 Spinnaker, Weston, FL 33326, a residential address. Multiple fraud indicators were identified (b) (7)(E)

The preliminary investigation by DOE OIG suggested that Accelogic's owners may have created a shell company, Intellectual Property Systems (Intellep), to legitimize Accelogic to the government through the commitment of illegitimate investment funds.

From 2008 to 2018, Accelogic received approximately \$7M in SBIR/STTR awards from DOE, NASA, Army and Air Force. The owner/operator of Accelogic was Juan Gonzalez (Gonzalez). Gonzalez appeared as the Principal Investigator on all government awards. Gonzalez's girlfriend, Ana Hernandez (Hernandez), was the managing member of Accelogic and was also listed as an employee of Accelogic on government awards. The investigation substantiated that both individuals resided at (b) (6), (b) (7)(C). This address was also listed as the business address for Intellep. Gonzalez was listed as the owner of Intellep and Hernandez was listed as a managing member.

During the review of subpoena production from multiple DOE OIG issued subpoenas to financial institutions for Accelogic's corporate bank records, investigators identified a check to Intellep from Accelogic in the amount of \$35,000. However, the back of the check requested the funds be subsequently deposited back into Intellep's bank account. The investigation would find repeated instances of this circular money cycle with Intellep's payments to Accelogic originating from money received by Accelogic from the government, but only after the money had been transferred through one or more personal accounts belonging to Gonzalez and/or Hernandez.

After reviewing the Florida Division of Corporation website, investigators further learned that Hernandez and Gonzalez opened Intellep in 2009. According to Florida Department of Revenue records, Intellep had only one employee associated with the company in 2009, and the company

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never again reported any wages or employees since 2009. However, in multiple proposals submitted to the Government, Accelogic, in an effort to enhance their chances of receiving awards claimed that Intellep, a purported capital investment company, would provide Accelogic with approximately \$4M of equity investments in furtherance of the SBIR/STTR awards. Subsequently, those proposals were evaluated by the government and awarded to Accelogic partly based on their ability to obtain these investment funds. Furthermore, the letters of support provided by Intellep were signed by an individual named (b)(6), (b)(7)(C), purported Intellep co-chairman.

The investigation would ultimately substantiate that Intellep had neither legitimate employees nor a legitimate board of directors. The only individuals associated with the company were Gonzalez and Hernandez. In addition, the investigation confirmed that the signatures of (b)(6), (b)(7)(C) identified on multiple Intellep letters to Accelogic, which were included in Accelogic's government proposals, were cut and pasted from one letter to the next.

In May 2017, this matter was accepted for criminal prosecution by the United States Attorney's Office (USAO), Southern District of Florida, West Palm Beach Division. In June 2022, criminal informations were filed charging Accelogic and Intellep each with violating Title 18 United States Code 1343; Wire fraud. Additionally, a criminal information was filed charging Gonzalez with one count of violating Title 18 United States Code 1030(a); Fraud and related activity in connection with computers. Hernandez was charged with one count of violating Title 18 United State Code 1028(a); Fraud and related activity in connection with identification documents, authentication features, and information. All entities pleaded guilty as charged.

The matter was referred to NASA's Acquisition Integrity Program (AIP) in June 2022.

In September 2022, Accelogic and Intellep were sentenced to 36-months of probation, ordered to pay a \$400 fine and a \$2,902,984.98 criminal forfeiture. Gonzalez was sentenced to 32-months imprisonment, 12-months of probation, was ordered to pay a \$100 special assessment and was ordered to pay \$1,749,776.80 in restitution, of which \$703,125.00 was returned to NASA. Hernandez was sentenced to 24-months of probation, was ordered pay a \$25.00 special assessment and was also ordered to complete 50 hours of community service.

On April 28, 2023, the USAO approved the disposal of evidence in this matter.

On May 20, 2023, Accelogic, Intellep, Gonzalez and Hernandez were **debarred** from federal procurement activities for a period of five years.

All criminal, civil, and administrative effort in this investigation has been completed. This matter is closed.

Prepared by: (b)(6), (b)(7)(C), KSC  
DISTR: File

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O-KE-18-0048-S

August 30, 2023

## **PROACTIVE PROJECT: PRODUCT SUBSTITUTION**

Kennedy Space Center, FL

**CASE CLOSING:** This proactive project was initiated in November 2017 to develop actionable information pertaining to individuals, businesses or other parties involved in supplying substandard or non-conforming parts or material to NASA or to NASA's prime contractors and suppliers. When substandard parts and materials are sold to NASA under false pretenses (i.e., when they are certified to meet a certain standard when in fact they do not) the risk to NASA's personnel, programs and mission increases. Such increased safety risks may result in mishaps due to degraded performance or mission failures involving NASA payloads or manned spaceflight missions.

This proactive was also created as a platform to document other ongoing efforts focused on assessing the impact to NASA, and to Kennedy Space Center (KSC) specifically, of known suppliers of substandard parts, as well as to develop relationships and perform outreach to provide awareness of the NASA Office of Inspector General (OIG) and its mission, both locally and nationally.

As a result of this proactive project over the past five years, the NASA OIG, KSC Resident Agency (RA), established significant working relationships through outreach and fraud briefings with many NASA KSC organizations including but not limited to the Office of the Center Director (AA), Human Resources (BA), Office of Chief Counsel (CC), Launch Services Program (VA), Commercial Crew Program (FA), Office of Chief Financial Officer (GG), Procurement (OP), and Safety and Mission Assurance (SA).

The proactive documented the ongoing partnership with the U.S. Department of Homeland Security, Federal Law Enforcement Training Center (FLETC), to provide instruction for FLETC's Product Substitution Investigations Training Program in Brunswick, Georgia, and St. Augustine, Florida, on a routine basis.

The proactive successfully completed meaningful outreach and liaison with participation in quarterly briefings with the KSC and NASA Headquarters Office of Government Industry Data Exchange Program (GIDEP). The KSC RA will continue its participation in GIDEP related activities at the local and national levels.

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This effort led to participation in a fraud briefing for NASA OP during the OP Quarterly Webinar, “Contract Mitigation Strategies, EPO Roadshow & IPMDAR Rollout” event. Approximately 345 participants from NASA centers nationwide were present.

The KSC RA recently participated in a series of five NASA Acquisition Integrity Program (AIP) fraud briefings, both virtually and in person, where several hundred NASA employees attended. AIP worked with the KSC RA to update their fraud briefing that was used nationwide. These briefings will continue every two years, and as such, the NASA OIG/AIP partnership has been strengthened.

Since November 2017, this proactive project has been instrumental in disseminating the NASA OIG mission by establishing relationships through outreach, instruction, and fraud briefings. This effort will now continue organically.

One matter involving a steel supplier was preliminarily examined under this proactive, but no separate spinoff was initiated.

This proactive project is closed.

Prepared by: (b) (6), (b) (7)(C), KSC  
DISTR: File

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O-KE-19-0098-O

August 9, 2023

(b) (6), (b) (7)(C)

**CASE CLOSING:** This matter was opened in February 2019 when the NASA Office of Inspector General (OIG), Kennedy Space Center (KSC) Resident Agency, received information referencing an ongoing, multi-agency criminal investigation of a fraud scheme involving Florida resident (b) (6), (b) (7)(C). Participating agencies included the General Services Administration (GSA) OIG, the Department of Transportation (DOT) OIG; and the Defense Criminal Investigative Service (DCIS) who initiated their investigation in October 2018.

Since October 2018, the lead agencies established probable cause that (b) (6), (b) (7)(C) fraudulently obtained multiple Department of Defense (DOD) and NASA aircraft through the GSA Federal Excess Property Program (Property Program) from July 2015 to April 2017, and then converted them for personal gain.

In December 2018, the investigative team briefed this matter to the United States Attorney's Office (USAO) – Southern District of Florida, Ft. Lauderdale Division. The matter was accepted for criminal prosecution. Potential violations included Fraud Involving Aircraft Parts (Title 18 U.S.C. § 38), Wire Fraud (Title 18, U.S.C. § 1343) and Theft of Public Property (Title 18, U.S.C. § 641).

The initial investigation located and reviewed written agreements between GSA and (b) (6), (b) (7)(C) where (b) (6), (b) (7)(C) promised to use the aircraft as static displays for the Royal Air Museum (RAM) located in Ft. Lauderdale, FL. (b) (6), (b) (7)(C) listed (b) (6), (b) (7)(C) as the owner, operator and director of the museum. As part of (b) (6), (b) (7)(C) agreement with GSA, (b) (6), (b) (7)(C) was also restricted from selling, transferring, or otherwise disposing of the aircrafts for a period of 60 months.

The initial investigation substantiated that (b) (6), (b) (7)(C) not only lied to GSA about displaying the aircraft in (b) (6), (b) (7)(C) museum, but (b) (6), (b) (7)(C) also submitted falsified documents to the Florida State Agency for Surplus Property (SASP) and to the Federal Aviation Administration (FAA). The investigation determined that (b) (6), (b) (7)(C) made these misrepresentations in an effort to hide the fact the aircraft were never going to be displayed in his museum, but converted for (b) (6), (b) (7)(C) own personal benefit and financial gain.

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(b) (6), (b) (7)(C)  
**Approved:**

In September 2018, SASP performed a site visit of the RAM. (b) (6), (b) (7)(C) had purported the museum to be located inside a secure aircraft hangar located within the Fort Lauderdale Executive Airport. The site visit discovered the museum had been abandoned. Witness interviews revealed the museum had been closed for months. Further, SASP representatives received information indicating (b) (6), (b) (7)(C) sold some of the aircraft to the general public in direct conflict with not only (b) (6), (b) (7)(C) representations made to the government, but also with the rules of the GSA's Property Program.

The initial investigation identified the following aircraft were fraudulently transferred to (b) (6), (b) (7)(C) from the GSA Property Program based on (b) (6), (b) (7)(C) false information and inducements:

<u>Aircraft</u>	<u>Serial #</u>	<u>Transfer</u>	<u>Current Status/Location</u>
Beechcraft C-12D (DoD)	S/N 23545	07/15/2015	Sold/World Jet, Inc, Ft. Lauderdale, FL
Gulfstream C20-D (DoD)	S/N 163691	04/06/2017	Cannibalized/Scrapped, Bartow FL
Learjet C-21A (DoD)	S/N 84-0111	01/25/2016	Cannibalized/World Jet, Inc, Ft. Lauderdale, FL
Learjet C-21A (DoD)	S/N 84-0123	03/29/2017	Sold/World Jet, Inc., Fort Lauderdale, FL
Learjet C-21 (DoD)	(b) (6), (b) (7)(C)	11/23/2015	Sold/Bartow, FL
X34 (NASA)	S/N A1	10/15/2015	Stored/Quickrane, Lancaster, CA
X34 (NASA)	S/N A2	10/15/2015	Stored/Quickrane, Lancaster, CA

The fair market value of the above described aircraft was estimated at approximately \$10M. The fair market value of the NASA X34 aircraft were estimated at \$115,000 each. Three of the above aircraft (Beechcraft C-12D; Learjet C-21A; Learjet C-21A) were located at World Jet, Inc., located at the Fort Lauderdale Executive Airport. Learjet C-21A with serial number 84-0111 had been disassembled and the engine was located inside a separate aircraft at World Jet, Inc. The owner of World Jet, Inc. cooperated with the investigation and safeguarding of the aircraft.

Learjet C-21, (b) (6), (b) (7)(C) bearing tail number (b) (6), (b) (7)(C) was sold to (b) (6), (b) (7)(C) on or about October 2016. The investigation substantiated it was delivered to (b) (6), (b) (7)(C) in Henderson, NV. On approximately March 5, 2018, (b) (6), (b) (7)(C) received a text message from (b) (6), (b) (7)(C) asking if (b) (6), (b) (7)(C) associate could borrow the plane to attend a funeral. (b) (6), (b) (7)(C) agreed and allowed use of the aircraft. That was the last time (b) (6), (b) (7)(C) saw the aircraft. (b) (6), (b) (7)(C) cooperated with the investigation.

With respect to NASA interests, the initial investigation uncovered that (b) (6), (b) (7)(C) utilized the Property Program on October 15, 2015, to cause two NASA X34 aircraft to be transferred from NASA/Edwards Air Force Base to a company called Smith's Quickrane (Quickrane) in Lancaster, California. The aircraft were never sent to the RAM in Florida. Instead, (b) (6), (b) (7)(C) asked Quickrane to hold the aircraft for ten days, but became unresponsive after that.

From 2016 – 2019, (b) (6), (b) (7)(C) contacted Quickrane three times, once with a lawyer, to discuss the aircraft. Quickrane hired a collection company as (b) (6), (b) (7)(C) failed to pay storage fees. (b) (6), (b) (7)(C)

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(b) (6), (b) (7)(C)  
**Approved:**

called after being contacted by the collection company. (b) (6), (b) (7)(C) stated that (b) (6), (b) (7)(C) would pay Quickrane in five days, but never did. Quickrane never heard from (b) (6), (b) (7)(C) afterward.

In March 2019, the DOT OIG, GSA OIG and DCIS executed a search and seizure warrant at the Fort Lauderdale Executive Airport, 6000 NW 21<sup>st</sup> Ave Ft. Lauderdale, FL 33309. The three DOD aircraft that were seized included the Beechcraft C-12D, Serial Number 81-23545; the Learjet C-21A, Serial Number 84-0123; and the Learjet 35, Serial Number 35-037. Learjet C-21A, Serial number 84-0111, as described in the warrant could not be seized due to the engine being removed and installed in another aircraft. The Broward County Sheriff's Office took possession of the seized aircraft until case adjudication.

In June 2019, the NASA OIG, GSA OIG and DCIS executed a search and seizure warrant at the Bartow Municipal Airport, 5993 Airport Blvd, Bartow, FL 33830. The two DOD aircraft that were seized included the Learjet C21A, serial number (b) (6), (b) (7)(C), and its associated parts, documents, and log books; and the Gulfstream C-20D, serial number 163691. The seized aircraft remained in a secured location adjacent to the Bartow airport runway until case adjudication.

In June 2019, the USAO – Southern District of Florida sent (b) (6), (b) (7)(C) a target letter. The letter cited theft of public property, wire fraud and fraud involving aircraft or space vehicle parts.

During the investigation, GSA OIG served a search warrant on Google for emails and other data related to (b) (6), (b) (7)(C). The data received from Google was then provided to and reduced onto Intella by the NASA OIG Cyber Crimes Division. Documents produced from the search warrant included notable information substantiating that (b) (6), (b) (7)(C) after acquiring the NASA X34 aircraft, entered into an agreement with Orbital Science Corporation (Orbital) on July 26, 2016, in which both parties agreed to facilitate discussions regarding the "future business opportunities and proposal efforts" associated with the X34's a.k.a. XS-1 Experimental Spaceplane. Several emails between (b) (6), (b) (7)(C) and Orbital included business discussions regarding the allocation, re-engineering and reverse engineering of the X34s. At no time during these discussions did (b) (6), (b) (7)(C) mention the RAM, the GSA Property Program, or the original agreement with GSA to display the X34s in the museum. Ultimately, while in (b) (6), (b) (7)(C) possession, the X34s were gutted, cannibalized and disassembled before being shipped to Quickrane.

Beginning in July 2019, NASA OIG began drafting a search warrant affidavit for the seizure and recovery of the X34 aircraft. Coordination with the NASA OIG – Western Field Office, the NASA Ames Research Center (ARC) Office of General Counsel, and coordination with an ARC contractor who could securely transport the X34s was completed.

In October 2019, investigators with NASA OIG interviewed (b) (6), (b) (7)(C) (b) (6), (b) (7)(C) at (b) (6), (b) (7)(C) residence. Also present during the interview was (b) (6), (b) (7)(C) assistant, (b) (6), (b) (7)(C) and their attorney, (b) (6), (b) (7)(C). The purpose of the interview was to obtain additional information about (b) (6), (b) (7)(C) personal and professional relationship with (b) (6), (b) (7)(C) to notably include (b) (6), (b) (7)(C) knowledge of the "(b) (6), (b) (7)(C) (b) (6), (b) (7)(C) Museum" which had

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Approved: (b) (6), (b) (7)(C)

been promoted by (b) (6), (b) (7)(C) In short, (b) (6), (b) (7)(C) was unaware this name and/or likeness was being used by (b) (6), (b) (7)(C) and offered to cooperate with the investigation.

A federal search warrant to seize the X34s was approved in November 2019, but never executed due to inclement weather on two occasions. The vehicles needed to transport the X34s were unable to navigate the significant muddy conditions at Quickrane. NASA OIG advised Quickrane to secure the X34s until a time they could be seized. Quickrane disregarded the instruction and sold the aircraft to an unknown party. Note: the search warrant documents do not appear in NORS as they were never executed.

During the COVID-19 pandemic, court operations in the Southern District of Florida were limited to emergency actions only. By mid-2021, the USAO – Southern District of Florida determined there was no evidentiary need to seize the X34s as the investigation had acquired sufficient evidence to charge (b) (6), (b) (7)(C)

On December 1, 2021, (b) (6), (b) (7)(C) was indicted on one count of wire fraud related to one of the DOD aircraft. On December 10, 2021, (b) (6) was arrested and taken into custody without incident.

On October 5, 2022, the RAM was charged via criminal information with one count of major government fraud. The criminal information included all of the aircraft (b) (6), (b) (7)(C) had fraudulently obtained from the GSA Property Program.

On October 17, 2022, the indictment against (b) (6), (b) (7)(C) was dismissed.

On October 19, 2022, (b) (6), (b) (7)(C) signed a plea agreement where the RAM pleaded guilty to one count of major government fraud, agreed to pay a \$1,000,000 fine and \$4,000,000 in restitution.

On October 20, 2022, NASA OIG confirmed with the NASA Office of Chief Counsel there was no desire to reacquire the X34s that were purloined from GSA.

On July 27, 2023, the RAM was sentenced to five years of probation, was fined \$1,000,000 and was ordered to pay \$4,000,000 to the GSA and to pay a \$400 special assessment.

The matter was referred by GSA OIG to the Defense Logistics Agency for debarment considerations.

On August 10, 2023, GSA OIG alerted NASA OIG that they had successfully sold 3 of the recovered aircraft through GSA Auctions for a total recovery of \$545,100.

No evidence was collected in this matter. All investigative effort has been completed. This matter is closed.

Prepared by: (b) (6), (b) (7)(C) , KSC  
DISTR: File

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**Office of Inspector General  
Office of Investigations**

O-LB-19-0143-O

February 28, 2023

**VESCENT PHOTONICS INC.**

**CASE CLOSING:** This case was initiated based on information which alleged Vescent Photonics Inc. (Vescent) used foreign nationals to work on a NASA Small Business and Innovative Research (SBIR) contract. During a review of Vescent's New Technology Summary Report for NNX16CP09C by the Contracting Officer (CO), it was noted one of the consultants was a Canadian citizen. The CO instructed Vescent that all work on SBIR contracts needed to be performed in the United States by U.S. Persons, unless pre-approved by NASA. The investigation uncovered similar unauthorized usage of foreign nationals on an Air Force SBIR contract.

The investigation included interviews of Vescent and NASA officials, review of contractual documents and related communications. The investigation disclosed that although Vescent was instructed and agreed to replace the Canadian citizen and a Taiwanese citizen that was later identified, Vescent without the Government's approval, continued to utilize their services. The investigation determined that Vescent knowingly failed to comply with the SBIR requirements that all research/research and development be performed in the United States by U.S. Persons for the NASA and Air Force awards.

On January 31, 2023, the U.S. Government and Vescent agreed to a civil settlement that resulted in Vescent paying \$402,621.00 with NASA's apportionment of \$201,310.50. The investigation was coordinated with NASA's Acquisition Integrity Program for suspension and debarment which declined to act. The investigation was a joint case with the U.S. Attorney's Office, District of Colorado; Defense Criminal Investigative Service; Air Force Office of Special Investigations. The Reporting Agent (RA) has completed all investigative steps in support of this investigation and there is no pending action. The RA recommends closure.

Prepared by: (b) (6), (b) (7)(C), RMPOD  
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Office of Inspector General  
Office of Investigations

O-MA-19-0044-O

July 18, 2023

(b) (6), (b) (7)(C), et al.  
Knoxville, TN

**CASE CLOSING:** We initiated this case based on information provided by the Department of Energy (DOE) Office of Inspector General (OIG) and the Federal Bureau of Investigation (FBI), concerning NASA Cooperative Agreement (CA) recipient (b) (6), (b) (7)(C) Assistant Professor, Department of (b) (6), (b) (7)(C), University of Tennessee, Knoxville (UTK), and potential failure to report information concerning (b) (6), (b) (7)(C) connections and communications with China and Chinese citizens.

We participated in a conference call with Special Agent (SA) (b) (6), (b) (7)(C), DOE OIG, Oak Ridge, TN and SA (b) (6), (b) (7)(C), FBI, Knoxville Field Office, who initially met (b) (6), (b) (7)(C) during proactive interviews of subjects related to the 1K Talents program. (b) (6), (b) (7)(C) stated (b) (6), (b) (7)(C) is a Canadian citizen with no ties to China, and has renounced (b) (6), (b) (7)(C) Chinese citizenship; however, information discovered by SA (b) (6), (b) (7)(C) and SA (b) (6), (b) (7)(C) revealed professional publications that implied (b) (6), (b) (7)(C) affiliation with Chinese Universities, persons who are Chinese (b) (6), (b) (7)(C) and other details that contradict (b) (6), (b) (7)(C) claims.

(b) (6), (b) (7)(C) was the recipient of multiple awards from NASA in the form of CAs, with the most recent awarded on November 13, 2018, for \$50,000 (CA (b) (6), (b) (7)(C) attached). (b) (6), (b) (7)(C) research was based on "(b) (6), (b) (7)(C)", and (b) (6), (b) (7)(C) was partnered with the Marshall Space Flight Center's Materials and Process Laboratory. (b) (6), (b) (7)(C) was the UTK Principal Investigator (PI) for the CA, and NASA contract employee, (b) (6), (b) (7)(C), CK Technologies, was acting as the NASA Co-PI. Based on analysis of (b) (6), (b) (7)(C) computer and NASA email, it was apparent (b) (6), (b) (7)(C) had numerous overseas contacts, primarily Chinese, and conducted a substantial amount of business with Chinese companies in the purchasing of additive manufacturing materials.

The CA (b) (6), (b) (7)(C) was working on contained NASA FAR clause 1800.0700 *RESTRICTIONS ON FUNDING ACTIVITIES WITH CHINA*. This clause states the following:

*(a) NASA is restricted from using appropriated funds to enter into or fund any grant or cooperative agreement of any kind to participate, collaborate, or coordinate bilaterally with China or any Chinese-owned company, at the prime recipient level or at any sub*

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*recipient level, whether the bilateral involvement is funded or performed under a no-exchange of funds arrangement.*

*(b) Definition: "China or Chinese-owned Company" means the People's Republic of China, any company owned by the People's Republic of China, or any company incorporated under the laws of the People's Republic of China.*

*(c) The restrictions in the Acts do not apply to commercial items of supply needed to perform a grant or cooperative agreement.*

*(d) Sub award - The recipient shall include the substance of this provision in all subawards made hereunder.*

Based on questions concerning this clause, NASA provided the following guidance to grantees:

*The appropriations law does not restrict the use of NASA funds to support Chinese national students or visiting researchers as long as they do not have a current affiliation with a Chinese university. NASA grants guidance document states participation by Chinese nationals will be reviewed by NASA grant and technical officers prior to awarding grants or cooperative agreements (including amendments), and the University will continue to monitor these developments to ensure no citizenship restrictions are accepted in violation of university policy.*

The key requirement in this guidance was the affiliation with Chinese Universities. The initial research conducted during this investigation implies (b) (6), (b) (7) affiliation and employment, in some form, with Chinese Universities, which would preclude (b) (6), (b) (7) from working on NASA grants and cooperative agreements.

In entering into agreement with NASA, UTK relied on (b) (6), (b) (7) certifications on their "Faculty and Staff Outside Interests Disclosure Form" that (b) (6), (b) (7) was not affiliated with any other business entities (for-profit or non-profit), as well as certifications that (b) (6), (b) (7) did not have any conflicts of interest nor receive income from outside sources. The matter was briefed to Assistant United States Attorney's (AUSA) (b) (6), (b) (7)(C) and AUSA (b) (6), (b) (7)(C), Eastern District of Tennessee.

Throughout the investigation numerous meetings were held with various officials at UTK to include the Provost, Chief of Staff to the Chancellor, Deputy General Counsel, and all levels of the Office of Sponsored Programs. During these meetings it was expressly stated and agreed that that the University would not have signed the CAs with NASA listing (b) (6), (b) (7) as the PI based on their new knowledge of (b) (6), (b) (7) undisclosed affiliations and employment with Chinese universities.

The Reporting Agent (RA) served as the primary witness during Grand Jury indictment proceedings against (b) (6), (b) (7) in Chattanooga, TN. (b) (6), (b) (7) was indicted on three counts of wire fraud and three counts of false statements.

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The RA and SA (b) (6), (b) (7)(C) executed an arrest warrant for (b) (6) (b) (6) (b) (6) (b) (6) residence located in Knoxville, TN, while agents from NASA OIG, FBI, DOE OIG, and HSI executed search warrants at (b) (6), (b) (7) residence and office at UTK. (b) (6) (b) (6) (b) (6), (b) (7)(C) was processed by the RA and SA at the FBI office in Knoxville and an interview was attempted after Miranda rights were read and waived. Shortly after starting the interview, (b) (6) (b) (6) (b) (6) (b) (6) invoked (b) (6) (b) (6) right to counsel and the interview was stopped. (b) (6) (b) (6) was transported to the federal courthouse in Knoxville and processed by the U.S. Marshals Service before attending (b) (6) (b) (6) initial appearance. Based on a “go bag” found in (b) (6) (b) (6) residence with multiple passports and cash in different currencies, (b) (6) (b) (6) was detained until (b) (6) (b) (6) next hearing. (b) (6) (b) (6) was eventually released with a monitor and under house confinement.

The NASA Suspension and Debarment Official suspended (b) (6) (b) (6) (b) (6) based on the indictment. The suspension was subsequently terminated following (b) (6) (b) (7) acquittal through Rule 29.

After numerous delays due to the COVID-19 pandemic and motions from both parties, trial began on May 25, 2021, and concluded with a hung jury.

On September 9, 2021, after the U.S. Attorney’s Office decided to retry the case, U.S. District Court Judge (b) (6), (b) (7)(C) granted a Rule 29 motion from the defense, acquitting (b) (6) (b) (6) of all charges.

We requested a fact-based debarment through the NASA Acquisition Integrity Program (AIP), which has been pending since the termination of the suspension on October 19, 2021.

On July 12, 2023, NASA AIP notified us that they would not pursue a fact-base debarment of (b) (6), (b) (7) however, they have implemented several procedural changes to bolster and tighten the NASA Grant and Cooperative Agreement Manual Certification language regarding China funding restriction to NASA grantees.

Based on the conclusion of all investigative and administrative activities, this case is now closed.

Prepared by: (b) (6), (b) (7)(C), MSFC  
DISTR: File

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