

*Office of  
Inspector General*



**NSF Regional Grants Conference  
March 2011**

Paul Coleman, Senior Special Agent  
[pcoleman@nsf.gov](mailto:pcoleman@nsf.gov)

Jayne Hornstein, Program Manager  
[jhornste@nsf.gov](mailto:jhornste@nsf.gov)

Office of Inspector General, National Science Foundation

# OIG works with NSF and the research community

We investigate allegations of:

- Fraud, waste, and abuse
- Research misconduct
- Violations of law, regulation, directive, or policy

We conduct audits:

- Financial
- Performance

We invest in outreach:

- Presentations
- Briefings
- Publications and brochures
  - [www.nsf.gov/oig/outreach\\_all.jsp](http://www.nsf.gov/oig/outreach_all.jsp)



# NSF Proposals and Awards can be reviewed by OIG

- Proposals as submitted and reviewed
  - Prepared according to standards of scholarship
  - Accurate and complete
- Awards as administered
  - Timely annual and final reports
  - Accurate and complete records
  - Proper financial responsibility
  - Compliance with regulations (e.g., IRB)
- Research as completed and reported
  - Accurate and complete documents and publication
    - Three-year recordkeeping requirement
  - Data integrity and correspondence with reported results
  - Data management plan

# Examples of OIG Cases

Plagiarism, intellectual theft,  
fabrication and falsification (data or credentials)

- in NSF proposals (awarded and declined)
- in work supported by NSF (publications and reports)

Misuse of award funds

Embezzlement, theft, purchase card

Inappropriate costs

Duplicate funding

False certifications

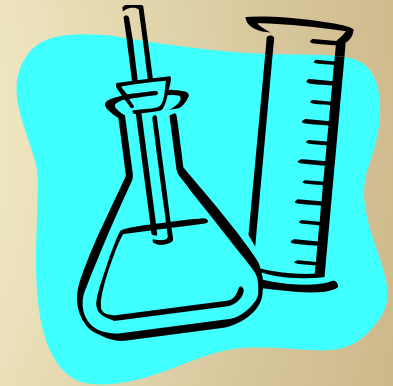
- Federal Financial Report
- Cost sharing
- Human subjects (IRB)





# NSF Regulation on Research Misconduct (RM)

- Tracks OSTP's Federal policy on research misconduct
- Defines **F**abrication, **F**alsification, **P**lagiarism
  - defines “research” and the “research record”
  - RM does not include “honest error”
- Final Rule - 67 FR 11936 (March 18, 2002)
- NSF Misconduct Regulation - 45 CFR Part 689

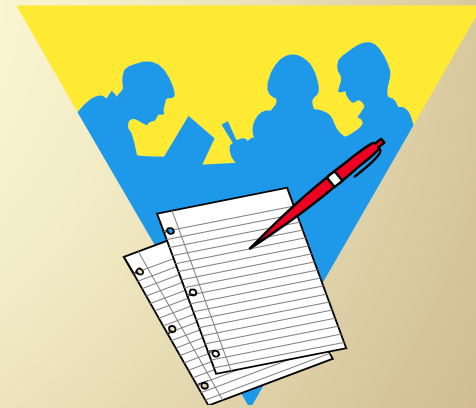


<http://www.nsf.gov/oig/misconscieng.jsp>

# Proposal Certifications

- Compliance with award terms and conditions
- Accuracy and completeness of statements
- Conflict-of-interest policy (written and enforced)
- Drug-free workplace
- Debarment and suspension
- Lobbying (proposal >\$100,000)

**Providing false information is a  
*criminal violation (18 USC §1001).***



# Standards for Case Investigation

- Focus on substantive issues with a link to NSF
- In RM, referral to institution is the usual procedure
- Maintain independence from proposal merit review
- Reliance on documentary evidence
- Production of accurate and timely reports
- Preponderance of evidence standard for Administrative and Civil Cases.
- Beyond a Reasonable Doubt Standard for Criminal Cases.

Confidential

# Case Directions Outcomes from Findings



- Inquiry/Investigation of criminal, civil, administrative allegations
- Refer to federal, state, local authorities, or to OIG audit
- Criminal or civil outcomes may include:
  - Prosecutions or Settlement Agreements
  - Fines; Reimbursements; Compliance Agreements; Incarceration
- Administrative outcomes include:
  - Termination/Restrictions on Awards; Certifications; Assurances; Debarments; Reprimands; Retractions



# Non-administrative case outcomes

- False Claims - 18 USC 287
- Conspiracy - 18 USC 371
- Embezzlement - 18 USC 641
- Theft of Federal Program Funds - 18 USC 666
- False Statements - 18 USC 1001
- Mail Fraud - 18 USC 1341
- Wire Fraud - 18 USC 1343
- Civil False Claims - 31 USC 3729(a)

# MENTORING AND RCR

Each proposal that requests support for postdoctoral researchers must include a description of the mentoring activities that will be provided, irrespective of whether they reside at the submitting organization, any sub-awardee organization, or at any organization participating in the project.

Proposals that do not include the requisite mentoring plan for supported postdoctoral researchers and will be returned without review.

Policies and Procedures Guide; Part I, Grant Proposal Guide  
Chapter II, Proposal Preparation Instructions  
§ J – Special Information and Supplementary Documentation

**NSF Proposal and Award  
Policies and Procedures Guide; Part II, Award and Administration Guide  
Chapter IV Grantee Standards. B. Responsible Conduct of Research (RCR)**

America COMPETES Act (42 U.S.C. 1862o)  
requires RCR plans

## **Institutional Responsibilities:**

- Have a plan in place
- Certification to this effect is required for each proposal
- Training plans are subject to review, upon request
- Designated individual(s) to oversee compliance with RCR training
- Verify training in responsible and ethical conduct of research was received by undergraduate students, graduate students, and postdoctoral researchers supported by NSF to conduct research

# Why is the RCR requirement important?

- Subject's responses to RM inquiry and investigation
  - I didn't know about (insert topic here)
  - I didn't think my actions were unreasonable
  - I never had any training
  - It didn't make any difference
- Better-informed expectations in student/mentor and research collaborations
  - Intellectual property issues
  - Data integrity and data sharing (data management plans)
  - Publication responsibilities



# NSF OIG Office of Audit

- ARRA issues
- Financial audits
- Performance audits
- Review OMB Circular A-133 Single audits

# OIG Oversight of ARRA Awards

## Expenditures

- Consistent with ARRA purpose and goals
- Subject to appropriate internal controls
- High risk in A-133 audits, FY 2010-2013

## Compliance with reporting and special provisions

- Report jobs for all dollars regardless of payment size
- Check for clerical errors

Investigate allegations of retaliation, wrongdoing

# Common Audit Findings

- Costs (unallowed or undocumented)
- Award administration questions
- Cost sharing (a shifting field)

# Cost Determinations

Costs must be allowable, reasonable, allocable, documented, consistent in the treatment of costs

## Unsupported expenditures

- Reimbursements not documented (invoices, etc.)
- Time and effort not timely, not signed/certified

## Unallowable expenditures

- Direct charges for costs in the indirect pool
- Overload salary (unless NSF-approved)
- Meals, non-related travel, alcohol
- Unapproved changes in participant support



# Award Administration

- Financial Management System
  - Project accounting
  - Segregation of duties
  - Approvals, procedures for determining allowable costs
  - Budget compared to actual expenditures
- Accuracy and timeliness of reporting, notifications
- Effort reporting, equipment inventory maintained
- Participant support documented per award
  - Reallocation only with prior written approval

# Effort Reporting

- Documentation (Support for Award Charges)
  - Report 100% of Effort
  - Certification (Suitable Means to Verify)
  - Cost Transfers Explained and Approved
- Policies and Procedures
  - Define Variance for Salary Adjustments
  - Timeliness
  - Training

# Participant Support

Participants or trainees for NSF-sponsored conferences, meetings, symposia, training activities and workshops.

Costs: transportation, per diem, stipends, related

- No indirect costs
- Not for employees (except some training projects)
- NOT working meals
- Records: name, amount, date, purpose

# Subrecipient Monitoring

Awardee is responsible for oversight of the Subawardee

- Written agreements
  - Flow-down award terms/Federal requirements
  - Reporting of costs and performance
- Assess and monitor subrecipient award administration
  - Site visits, other contacts
  - A-133 audits
  - Ensure timely and appropriate corrective action



## A-133 Single Audit Reports

- Review independent auditor's report
- Review additional comments to management
- Review findings and questioned costs
  - Monitor corrective actions
  
- Audit resolution of recipient findings (NSF)
- May review work of auditors (OIG)
- May conduct on-site audit of grantee (OIG)

# Cost sharing

- No Federal funds can be used
- Track cost sharing per award (no duplication)
- Documented and certified (AOR for >\$500,000)
  - Valuation at actual/fair market value
  - Report annual and cumulative amounts
  - Both awardee and subawardee cost sharing

# Your Access to OIG

You have access to OIG

- Ask questions
- Report matters that are or may be improper

We may ask for your participation

- As an advisor or expert
- In performance and financial reviews
- As part of inquiry or investigation

# OIG Outreach

Presentations, seminars, and on-site visits

Designed for students, PIs, and administrators

Topical fact sheets and brochures

Briefings, conference presentations

[www.nsf.gov/oig/outreach\\_all.jsp](http://www.nsf.gov/oig/outreach_all.jsp)

- **OIG Semiannual Report**

<http://www.nsf.gov/oig/pubs.jsp>



# When should you contact OIG?

Report significant administrative or financial problems

Report allegations of wrongdoing

- Research misconduct
- Fraud /theft involving NSF funds
- Violation of regulation, directive, or policy

**NSF Hotline**

Request an outreach visit



# Contact NSF OIG

- Internet: [www.nsf.gov/oig/](http://www.nsf.gov/oig/)
- E-mail: [oig@nsf.gov](mailto:oig@nsf.gov)
- Postal Mail:  
4201 Wilson Blvd., Arlington, VA 22230
- Phone: 703-292-7100
- Hotline: 1-800-428-2189

# Information online

## OIG General

- [www.oig.nsf.gov](http://www.oig.nsf.gov)
- [www.nsf.gov/oig/recovery.jsp](http://www.nsf.gov/oig/recovery.jsp)

## Regulations / NSF Proposal and Award Policies and Procedures

- [www.gpoaccess.gov/cfr/index.html](http://www.gpoaccess.gov/cfr/index.html)
- [www.whitehouse.gov/omb/circulars](http://www.whitehouse.gov/omb/circulars)
- [www.nsf.gov/pubs/policydocs/pappguide/nsf10\\_1/index.jsp?org=NSF](http://www.nsf.gov/pubs/policydocs/pappguide/nsf10_1/index.jsp?org=NSF)

# More information on-line

NSF Recovery Act Website:

[www.nsf.gov/recovery/](http://www.nsf.gov/recovery/)

Recipient Reporting Website:

[www.nsf.gov/recovery/reporting.jsp](http://www.nsf.gov/recovery/reporting.jsp)

The Responsible Conduct of Research (RCR) requirement is implemented in the *NSF Proposal and Award Policies and Procedures Guide*. RCR FAQs are available on the Policy Office website at:

[www.nsf.gov/publications/pub\\_summ.jsp?ods\\_key=rcrfaq](http://www.nsf.gov/publications/pub_summ.jsp?ods_key=rcrfaq)



*Celebrating*  
**60** *Years*  
*of Discovery*