

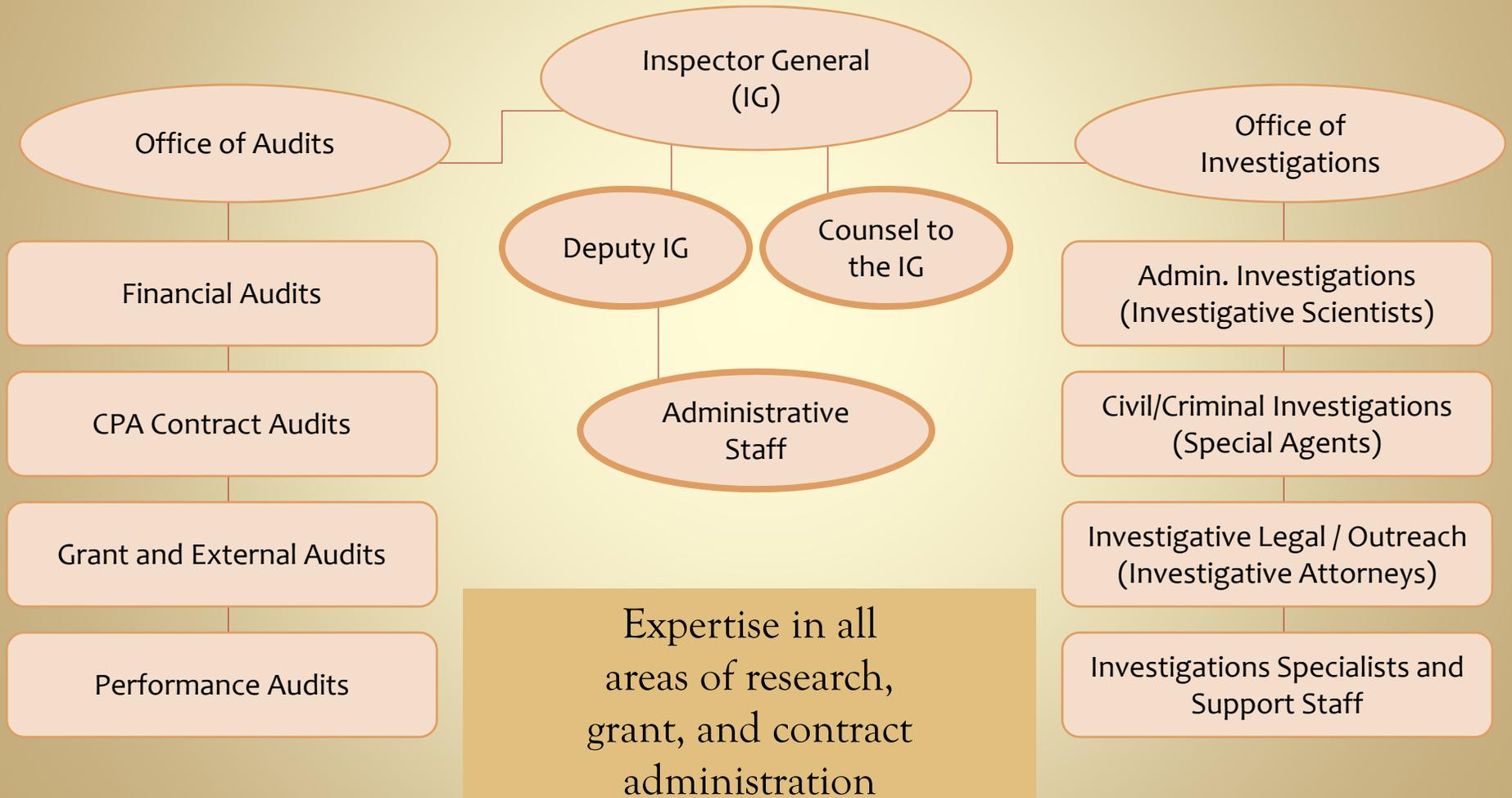
*Office of
Inspector General*



NSF Regional Grants Conference
October 2011

Allison C. Lerner
Inspector General
Office of Inspector General
National Science Foundation

Who is NSF OIG?



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



Importance of Integrity

- **Presidential Memorandum on Scientific Integrity (3/9/09)**
“The public must be able to trust the science and scientific process informing policy decisions.”
- **Professional society standards – general & discipline specific**
- **Funding agency standards**
“NSF expects strict adherence to the rules of proper scholarship and attribution.” – NSF Grant Proposal Guide II.D.3
- **Government-wide standards for conduct, procurement, and financial disclosures applicable to employees, contractors, grantees, etc.**



Examples of OIG Cases

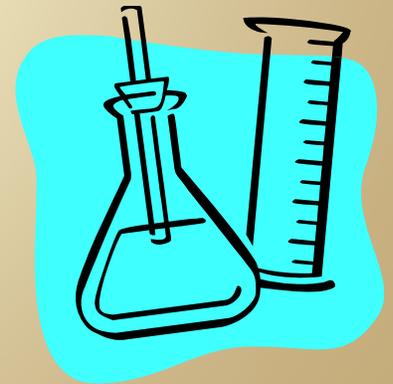
- Plagiarism, intellectual theft, fabrication and falsification in:
 - NSF proposals (awarded and declined)
 - Work supported by NSF (publications and reports)
- Misuse of award funds
 - Fraud, Embezzlement, Theft, Purchase Card Abuse
- Inappropriate costs
- Duplicate funding
- False certifications in:
 - Federal Financial Report
 - Cost Sharing
 - Human Subjects



NSF Research Misconduct (RM) Regulation

- Tracks OSTP's Federal policy on research misconduct
- Defines Fabrication, Falsification, Plagiarism (FFP)
- 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>



Common Civil/Criminal Offenses

- Conspiracy - 18 USC 371
- False Claims - 18 USC 287
- 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)



Outcomes of Investigations

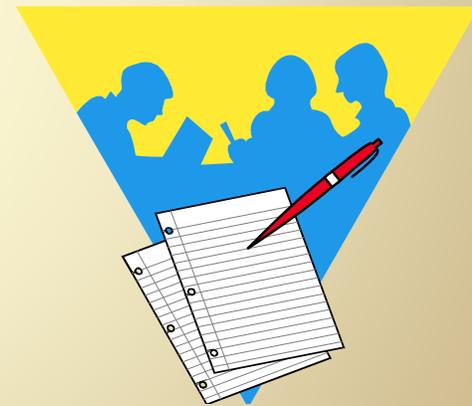


- Refer to federal, state, local authorities
 - Criminal or civil matters may result in:
 - Prosecution
 - Settlement Agreement / Compliance Agreement
 - Fines; Reimbursements; Incarceration
 - Administrative matters may result in:
 - Termination / Restrictions on Awards
 - Certifications / Assurances
 - Suspensions / Debarments
 - Reprimands / Retractions
- Referral to OIG audit

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).***



Lessons Learned



- Transparency of research (data availability / research methodology) can be key to avoiding RM allegations
- Interplay between science and law can be complex; RM cases can easily turn into civil / criminal fraud cases or involve complex intellectual property concepts
- Cross-disciplinary and/or multi-agency research brings unique problems and allegations
- Research across international boundaries requires preplanning and understanding of responsibilities by the parties
- Many cases end with monitoring, training requirements, and compliance plans

Audit Issues

- ARRA Awards
- Costs (unallowed or undocumented)
- Award administration questions
- Cost sharing (a shifting field)
- Effort Reporting
- Participant Support
- Sub recipient monitoring



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
- OIG will investigate allegations of retaliation, wrongdoing



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

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



Effort Reporting

- Documentation (Support for Award Charges)
 - Report 100% of Effort
 - Certification (Suitable Means to Verify)
 - Cost Transfers Explained and Approved
- Recipient Policies and Procedures
 - Set Variance for Salary Adjustments
 - Timeliness in approval/certification
 - Train on Effort Reporting requirements



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 ac



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
- **OIG Semiannual Report**
 - <http://www.nsf.gov/oig/pubs.jsp>



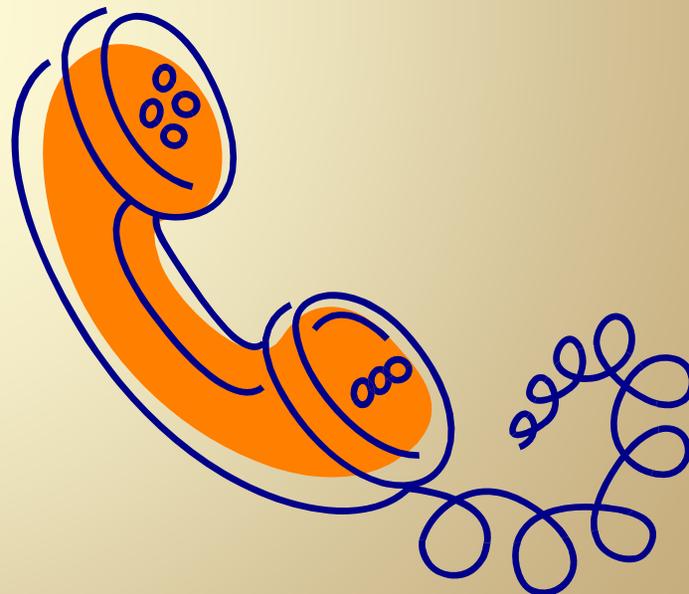
When should you contact OIG?

- Report significant administrative or financial problems
- Report allegations of wrongdoing
 - Research misconduct
 - Fraud /theft involving NSF funds
 - Violation of regulation, directive, or policy
- Request an outreach visit

NSF Hotline

Contact NSF OIG

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





Celebrating
60 *Years*
of Discovery