

*Office of
Inspector General*



**NSF Regional Grants Conference
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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



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

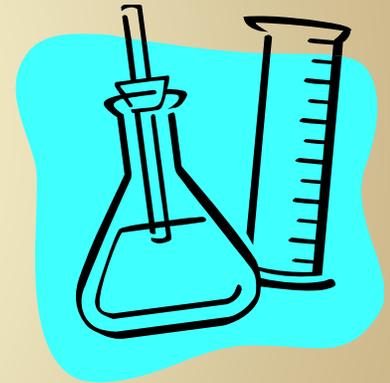
False certifications

- 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

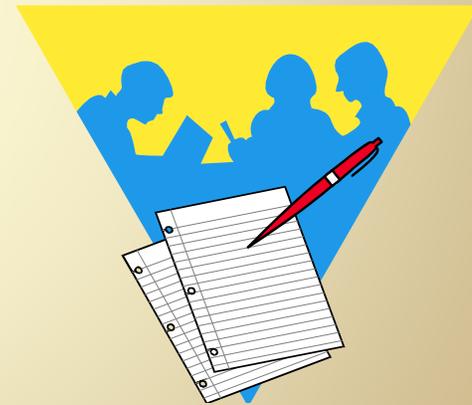


<http://www.nsf.gov/oig/misconscieng.jsp>

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

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)

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

Each proposal that requests funding to support postdoctoral researchers must include, as a supplementary document, a description of the mentoring activities that will be provided for such individuals, irrespective of whether they reside at the submitting organization, any subawardee organization, or at any organization participating in the project.

Proposals that include funding to support postdoctoral researchers, and, do not include the requisite mentoring plan will be returned without review.

MENTORING AND RCR

**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 requirement
- Verify that undergraduate students, graduate students, and postdoctoral researchers supported by NSF to conduct research have received training in responsible and ethical conduct of 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

Audits in NSF OIG

- ARRA-related issues
- Financial audits
- Performance audits
- OMB Circular A-133 /Single audits

ARRA Fund Recipients

Separate ARRA funds from regular grant funds
(CFDA 47.082)

Submit recipient quarterly reports on time; correct errors as identified and directed

Report “credible” evidence of wrongdoing to OIG
Post whistleblower protection notices for employees
Avoid retaliation against whistleblowers

Ask NSF (early and often), and document approvals and answers from NSF

OIG Oversight of ARRA Awards

Expenditures

- Consistent with ARRA purpose and goals
- Subject to appropriate internal controls

Compliance with requirements, including special ARRA provisions

Investigate allegations of retaliation, wrongdoing

ARRA and A-133 Audits

ARRA awards will be treated as “high-risk” and emphasized in FYs 2010-2013

Report ARRA funds separately on Schedule of Expenditures of Federal Awards (CFDA 47.082)

Note: Type B programs will be considered as major programs at least once in the next 3 years

Single audit/ A-133 audit reports

- Review independent auditor's report
- Review additional comments to management
- Review findings and questioned costs

- May review work of auditors
- May conduct on-site audit of grantee

- Refer resolution of audit findings to NSF

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

SIMPLE

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

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

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

When might you encounter NSF OIG?

You have access to OIG

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

We may ask 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

OIG Semiannual Report

www.nsf.gov/oig/outreach_all.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/
- E-mail: 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
- 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
- www.nsf.gov/pubs/policydocs/pappguide/nsf10_1/index.jsp?org=NSF

More information on-line

NSF Recovery Act Website:

www.nsf.gov/recovery/

Recipient Reporting Website:

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



Celebrating
60 *Years*
of Discovery