Who We Are

Inspector General (IG)

Deputy IG

Assistant Inspector General for Audit

Financial Statement and IT Audit

Counsel to IG Legal/Legislative

Financial Statement and IT Audit

CPA Contract Audit Oversight

Advisor/Ombud

Admin. Investigations

Admin. Staff

Expertise in areas of research, grant, and contract administration

Assistant Inspector General for Investigations

Civil/Criminal Investigations (Special Agents)

Performance Audit

Performance Audit

Investigative Legal / Outreach (Investigative Attorneys)

Investigations Specialists and Support Staff

Proactive/Analytic Evaluations (Investigators and Analysts)
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

- 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
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).
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)
Refer to federal, state, local authorities

Criminal or civil outcomes may include:
- Prosecution
- Settlement Agreement / Compliance Agreement
- Fines; Reimbursements; Incarceration

Administrative outcomes may include:
- Termination / Restrictions on Awards
- Certifications / Assurances
- Suspensions / Debarments
- Reprimands / Retractions

Referral to OIG audit
### End to End Process for Grant Oversight

**PRE-AWARD RISKS**
- Funding Over Time
- Conflict of Interest
- False Statements
- False Certifications
- Duplicate Funding
- Inflated Budgets
- Candidate Suspended/Debarred

**ACTIVE AWARD RISKS**
- Unallowable, Unallocable, Unreasonable Costs
- Inadequate Documentation
- General Ledger Differs from Draw Amount
- Burn Rate
- No /Late/Inadequate Reports
- Sub-awards, Consultants, Contracts
- Duplicate Payments
- Excess Cash on Hand/Cost transfers
- Unreported Program Income

**AWARD END RISKS**
- No /Late Final Reports
- Cost Transfers
- Spend-out
- Financial Adjustments
- Unmet Cost Share

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Dr. Brett M. Baker, 2010
Audit Issues

- ARRA Awards
- Costs (unallowed or undocumented)
- Award administration
- 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

• OIG will address Whistleblower allegations /retaliation claims
Cost Determinations

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

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

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

- Ensure subawardee not debarred/suspended

- 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 core value of OIG is protecting NSF employees, contractors, and grantees who step forward to identify potential wrongdoing.

Federal law prohibits retaliation for providing information reasonably believed to evidence:

- a violation of law, rule, or regulation
- gross mismanagement
- gross waste of funds
- abuse of authority, or
- a substantial and specific danger to public health and safety
Whistleblower Protection

- Protection for employees found in
  - Inspector General Act of 1978
  - Whistleblower Protection Act of 1989
  - Whistleblower Protection Enhancement Act
- Protection for contractors/grantees found in
  - Federal Acquisition Streamlining Act of 1994
  - ARRA
  - Federal Acquisition Regulations
  - Fraud Enforcement and Recovery Act of 2009
Whistleblower Protection

- NSF federal employees are protected if they make a whistleblower disclosure to the US Office of Special Counsel, the OIG, or a supervisor
- Employees of NSF contractors and grantees are protected if they make a whistleblower disclosure to their management, an OIG, or an official responsible for investigating misconduct
- Both federal employees and contractor/grantee employees are also protected for communications to Congress or the media
How to File Reprisal Complaints

- NSF federal employees and covered contractor/grantee employees may make reprisal complaints
  - by contacting the US Office of Special Counsel (which under the WPA has sole authority to both investigate and prosecute complaints of reprisal from federal employees) or
  - through the OIG Hotline
• IAW the Whistleblower Protection Enhancement Act of 2012 (WPEA), the NSF IG established a Whistleblower Protection Ombudsman to educate employees
  • About prohibitions on retaliation for protected disclosures, and
  • (for those who have made or are contemplating making a protected disclosure) about the rights and remedies against retaliation for protected disclosures
• Note, however, that the WPEA prohibits the Whistleblower Ombudsman from acting as a legal representative, agent, or advocate of the employee
The NSF Whistleblower Protection Ombudsman is:

William J. Kilgallin  
Senior Advisor, Investigations  
National Science Foundation  
Office of the Inspector General  
(703)292-4993  
wkilgall@nsf.gov
When should you contact OIG?

• Report significant admin or financial problems
• Report allegations of wrongdoing
  • Research misconduct
  • Fraud /theft involving NSF funds
  • Violation of regulation, directive, or policy
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
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