NEWS FROM THE OFFICE OF INSPECTOR GENERAL
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The Office of Inspector General at the National Science Foundation conducts independent audits and investigations involving NSF funds and operations. Our goal is to keep the Congress, the Administration, the National Science Board, NSF management, the research community, and the public informed about problems we identify and corrective actions that are taken. More information about our work is available on our website: http://www.nsf.gov/oig/index.jsp

- OIG recently issued its FY 2010 Audit Plan, which focuses on three key areas: (1) NSF and its awardees' management of the $3 billion received under American Recovery and Reinvestment Act (ARRA); (2) Workforce management, including NSF's reliance on temporary appointees to manage its programs, and (3) Financial and programmatic accountability, including specifically, NSF's management of conflicts of interest, which can jeopardize the integrity of NSF's mission; and more generally, the entire award lifecycle, to ensure that NSF funds the most meritorious projects, potential awardees have the capability to manage NSF funds, and the agency appropriately evaluates research results and adequately monitors awardees for compliance with applicable financial and administrative requirements. OIG will also continue to review annual Single Audits, which are audits required of NSF grantees expending $500,000 or more annually in federal funds. Single audits are an important tool to identify grantees' internal control weaknesses, which may result in unallowable expenditures of taxpayer funds. OIG's audit plan is available at: http://www.nsf.gov/oig/FY2010AuditPlan.pdf.

- OIG hosted its sixth annual Grant Fraud Investigations Workshop on October 21. The workshop, attended by 130 investigators, auditors, and attorneys from 24 federal agencies, included case study presentations and training materials. Grant fraud awareness is an increasingly critical area as ARRA has resulted in an unprecedented influx of funds being expended through grants.

  OIG presented a case study of a multi-agency investigation involving a major university that covered nearly 6,300 awards from more than 20 federal agencies totaling approximately $3 billion over six years. The investigation revealed significant overcharges from cost transfers and effort reporting and resulted in the university paying $7.6 million to the government and implementing comprehensive improvements in its internal controls. This resolution could have a deterrent effect on federal grant recipients. In addition, the investigation raised a number of complex and novel factual and legal issues, and has led to the development of grant-related legal arguments that will be useful in similar investigations. The investigative team, which along with NSF OIG included the HHS, NASA, DOE, and DoD OIGs, and the Connecticut U.S. Attorneys Office, was honored in October 2009 with an Award for Excellence from the Council of Inspectors General on Integrity and Efficiency.

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