Inspectors General & Congress

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What is an OIG?

- **What are Offices of Inspector General?**
  - Provide leadership and coordination to implement policies to:
    - Prevent and detect fraud, waste, abuse
    - Promote economy, efficiency, effectiveness
    - Conduct civil, criminal, and administrative investigations
    - Conduct audits, inspections, reviews of agency programs (funded activities) and operations

- **Features:**
  - Independent of agency management
  - Jurisdiction (NSF activities, programs, operations)
  - Staff of experts: administrators, attorneys, auditors, criminal investigators, and scientists
NATIONAL SCIENCE FOUNDATION

- Independent Federal Agency
  - funds researchers through merit-based review of proposals, supports Antarctic/Arctic research, ships, major facilities and centers
  - principal federal agency promoting science and engineering education

- Annual budget is allocated as follows:
  - <4% federal budget for research and development.
  - nearly half of the federal support for non-medical basic research at U.S. colleges and universities.
    - Physical sciences $\sim 41\%$
    - Engineering $\sim 41\%$
    - Environmental Sciences $\sim 49\%$
    - Social Sciences $\sim 52\%$
    - Mathematics $\sim 60\%$
    - Biology (ex. NIH) $\sim 67\%$
    - Computer Science $\sim 86\%$
WHO IS NSF OIG?

Expertise in all areas of research, grant, and contract administration
OFFICE OF AUDIT

• **Financial and Information Technology Audits**
  - Financial statements
  - OMB Circular A-133 (Single Audit Act) oversight
  - IT security, policies

• **Grant and Contract Audits**
  - Compliance with terms and conditions
  - Internal controls
  - Allowability of costs (per OMB circulars and NSF rules)

• **Performance Audits**
  - NSF program oversight and operations
  - Economy and efficiency of programs
SOURCES OF AUDITS

• Annual audit work plan
• Statutory requirements
  – CFO Act financial statement audits
  – Federal Information Security Management Act (FISMA)
  – OMB Circular A-133 (Single Audit Act) oversight
• Risk-based
  – Trends from prior audit results
  – Investigative referrals and hotline complaints
  – Data analytics
• Congressional requests
• NSF and National Science Board requests
• Quick response audits of current issues
INVESTIGATIONS

• **Civil and Criminal Investigations**
  – Cases of Fraud, Theft, Conspiracy, Embezzlement, False Statements, Etc.
  – Consequences: Restitution, Fines, Prison, Compliance Plans
  – Also investigations of NSF employees for Conflicts of Interests, Embezzlement, False Statements

• **Administrative Investigations**
  – Cases of Research Misconduct; Breach of Confidentiality; Human Subjects; Animal Welfare
  – Consequences: Debarment, Certifications and Assurances, Remedial Training, etc.

• **Management Implication Reports**
  – Overarching issues of policy or procedure distilled from individual cases or allegations.
WHAT IS FRAUD?

– It’s a civil or criminal investigation (Civil Fraud, Qui Tam, 18 USC 1001, Conflicts of Interest))


– Is not a synonym for Research Misconduct (administrative).

Common Types of Civil/Criminal Allegations

*Includes mail fraud, false identification insurance fraud, impersonating a government officer, and copyright infringement.
Research Misconduct (RM)

- RM means “fabrication, falsification, or plagiarism in proposing or performing research funded by NSF, reviewing research proposals submitted to NSF, or in reporting research results funded by NSF.” 45 C.F.R. 689.1(a)

- Does not include mistake or honest error.

- “Awardee institutions bear primary responsibility for prevention and detection of [RM]. . .” 45 C.F.R. 689.4(a)

- OIG reviews institution reports for accuracy, fairness, and completeness. If warranted, conducts additional investigation and reports to NSF Deputy Director, who adjudicates.
OIGs Were Designed to Be Independent of Their Agency Heads

- **Inspector General Act of 1978**, as amended:
  
  - §2: “Purpose ... to create independent and objective units ... to provide a means for keeping the head of the establishment ... fully and currently informed about problems and deficiencies...”
  
  - §3(a): The agency head shall not “prevent or prohibit the Inspector General from ... carrying out ... any audit or investigation, or from issuing any subpoena....”
  
  - §3(b): “If an Inspector General is removed from office ..., the President shall communicate in writing the reasons for any such removal ... to both Houses of Congress, not later than 30 days before the removal or transfer.”
OIGs Were *Designed* to Have Close Ties to Congress

- **Inspector General Act of 1978**, as amended:

  - **§2**: “Purpose ... In order to create independent and objective units ... to provide a means for *keeping ... the Congress fully and currently informed* about problems and deficiencies...”

  - **§5(d)**: “Each Inspector General shall report immediately to the head of the establishment ... *particularly serious or flagrant problems*, abuses, or deficiencies.... The head of the establishment shall transmit any such report *to the appropriate committees or subcommittees of Congress within seven calendar days*...”
OIGs Are Required to Report to Agency, Congress, & the Public Twice a Year

- **Inspector General Act of 1978**, as amended:

  - §5: “Semiannual reports…”

  - (a) “Each Inspector General shall, not later than April 30 and October 31 of each year, prepare **semiannual reports summarizing the activities of the Office**…”

  - (b) “Semiannual reports of each Inspector General … shall be **furnished to the head of the establishment** … and **transmitted** … to the appropriate committees or **subcommittees** of the Congress…”

  - (c) “… shall make copies of such report **available to the public**…”
OIGs Are Required to Coordinate with Congress’s Government Accountability Office

- **Inspector General Act of 1978**, as amended:
  - **§4(c):** “In carrying out the duties and responsibilities established under this Act, each Inspector General shall give particular regard to the activities of the Comptroller General of the United States with a view toward avoiding duplication and insuring effective coordination and cooperation.”
OIGs Have Their Own Budgets

• **Inspector General Act of 1978**, as amended:

  • §6(d) In the President’s budget submission to Congress, each agency’s budget includes a separate OIG line item, as well as “any comments of the affected Inspector General with respect to the proposal if the Inspector General concludes that the budget submitted by the President would substantially inhibit the Inspector General from performing the duties of the office.”
Congressional Requests for Information

• **Broad requests**
  - January 2011, Rep. Issa sent letter to 180 federal offices across the government, requesting details of every FOIA request agencies and their OIGs received during the last five years—including the names of people who made the requests, dates of their requests, descriptions of what they asked to receive, and what was provided to them.

• **Targeted requests**
  - Sen. Grassley requested information from the NSF OIG regarding specific cases reported in SAR about inappropriate use of IT resources by NSF employees, and NSF’s response.

• **However, the Privacy Act** prohibits release of privacy-protected information unless the request is from a committee or subcommittee chair.
Congressional Committee Hearings

• **Hearings can result from general concern**
  • Rep. Issa has said he is planning to hold “hundreds” of hearings this term
  • February 9-10, 2011, the Commerce, Justice, Science, and Related Agencies Subcommittee of the House Appropriations Committee heard testimony from the IGs from DoC, NASA, and NSF, about issues that concern the IGs

• **Or specific concern**
  • August 6, 2009, the Senate Committee on Commerce, Science and Transportation held a “Hearing on Waste, Fraud and Abuse in the SBIR Program,” with testimony from GAO and the IGs from NSF and NASA
Informal Interactions with Congressional Staff

• Keeping agency’s authorization and appropriation committees apprised of hot-button issues—avoiding surprises

• Seeking input about issues of interest to Congressional committees and members
QUESTIONS, THOUGHTS??
CONTACT INFORMATION

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