Systematically Ensuring Integrity in the Research Environment

Southern Section of the Society of Research Administrators
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A Partnership

- **The Agency** (National Science Foundation)
  - OIG
  - Program Officers
  - Grants Officers

- **Institution Officials**
  - Administrative
  - Financial
  - Education

- **Researcher**
  - Students
  - Colleagues
  - Postdocs
  - Administration
NSF’s Commitment

- Clear articulation of rules/expectations
- Timely notification
- Responsiveness
- Limit bureaucracy
- Coordination between agencies
- Balance compliance, institution responsibility and latitude, reduction of bureaucracy
- Numerous opportunities for funding (CAREER, REU, Fellowships, SGER, etc)
Expectations

- Certifications/ Obligations to the Federal Government
- Reasonable, allowable, allocable, consistent, verifiable
- Conduct the funded work
- Adhere to laws, regulations, and policies
- Documentable process
- Trained responsible individuals
- Rules apply to:
  - Employees
  - Sub-contractors, Suppliers, or Affiliated Researchers
  - International collaborators, SBI Rs
NSF’s Office of Inspector General

- **Provide leadership; coordinate and recommend policies necessary to:**
  - Prevent and detect fraud, waste, abuse
  - Promote economy, efficiency, effectiveness

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

Responsible for ensuring the integrity in NSF’s programs and operations
Institution Commitment

■ **Overall**
  - Financial and administrative system to manage projects and staff
  - An environment in which employees can operate with integrity

■ **Proposal**
  - Certification to comply with terms and conditions

■ **Award**
  - Responsibility for administrative, financial, and research management and oversight (e.g. Article 1, GC-1)
Researcher Commitment

Overall -- Uphold ethics and standards of community

- **Proposal**
  - Develop a proposal that responds to the review criteria
    1. Intellectual Merit of Proposal
    2. Broader Impacts of Activity / Education and Training
  - Know and adhere to the rules, regulations, and ethics

- **Award**
  - Conduct the funded activity
  - Know and adhere to rules, regulations and ethics
  - Ensure compliance and education of staff, students
Considerations

- A submission to NSF must be of the **highest level of scholarship; citations, co-authors, data accuracy**
- A sound, innovative research proposal
- Accuracy of NSF submissions / certifications
- Completeness of research oversight approvals (human subject, animal, materials)
- Oversight of financial and administrative responsibilities
- Accuracy of Current and Pending Support / Biographical Sketch / Annual and Final Reports
- Ensuring peer review confidentiality
- Compliance with misconduct policies and materials
The **awardee has full responsibility** for the conduct of the project or activity supported under this award and for adherence to the award conditions. Although the awardee is encouraged to seek the advice and opinion of NSF on special problems that may arise, such advice does not diminish the awardee’s responsibility **for making sound scientific and administrative judgements** and should not imply that the responsibility for operating decisions has shifted to NSF.

By accepting this award, the awardee agrees to **comply with the applicable Federal requirements** for grants and cooperative agreements and to the **prudent management** of all expenditure and actions affecting the award.

Reference: NSF’s Grant General Conditions, Article 1.
Key Risk Areas

Strategic / Operational / Reputational

Operational Considerations:
- Administration
- Finance
- Research
Administrative

- Conflict of Interest
- Research Misconduct
- Lobbying
- Patent Disclosure (Bayh-Dole Act)
- Training Requirements
- Original Work
- Current and Pending Support Information
  - time and effort (% to each project not > 100%)
  - 2/9th rule limiting summer salary
- Records Retention (financial, research, other)
- Equipment use and sale
- Debarment, Drugfree workplace, EEO
Financial Management

- Internal Systems Management
  - In NSF Grant Conditions
  - In OMB Circulars
- Contracts and Subcontracts
- Cost Sharing
- Program Income (research and conference grants)
- Rebudgeting
- FCTRs/Annual and Final Reports
- Equipment
- Time and Effort Reports
Research Management Spotlight

• Human Subjects Review (IRB)
• Animal Welfare (IACUC)
• Radiation Safety
• Biosafety (Recombinant DNA and other issues)
• Collection Permits
• Variety of Environmental Permits
• Data Sharing, Sample Sharing
Research Management (cont’d)

- Change or Absence of PI
- Current and Pending Support Information Duplicate Proposal Submission to other agencies, to NSF
- Progress and Final Reports
- Bioterrorism Preparedness and Response Act, 2002 (Agents, Toxins --- human, animal, or plant)
- Enhanced Border Security Act (student registration)
Institutional Compliance

7 elements of a good compliance program

1) Reasonable Compliance Standards and Procedures

2) Specific High-level Personnel Responsible

3) Due Care in Assignments with Substantial Discretionary Authority

4) Effective Communication of Standards and Procedures
Institutional Compliance

5) Establish Monitoring and Auditing Systems \textbf{and} Reporting System (Whistleblowing without fear of Retaliation)

6) Consistent Enforcement of Standards through Appropriate Mechanisms (including failure to detect)

7) Respond Appropriately to the Offense (reporting to law enforcement, modify program, prevention)
Oversight and Monitoring

- Balance compliance, awardee responsibility with latitude, reduction of bureaucracy

- Oversight
  - Audits and reviews (A-133, agency, OIG)
  - Inspections or site visits (agency or OIG)
  - Civil and criminal investigations (OIG)
  - Administrative investigations (OIG)
  - Proactive reviews from investigations (OIG)
Education Prevention and Integrity

- Focus on Integrity: People and Attitude
- Integration of Process, Documentation, and Education
- Integrity of system ensuring comprehensive oversight
- Specific oversight programs, responsibilities
  - committees function and are properly convened
  - document work
- Training programs for managers, researchers, support staff, and oversight staff
- Partnership and communication between Awardee research, administrative, compliance staff and Agency
Specific Risk Areas

- Parking Charges?
- Double Charging?
- Questionable PI Effort Allocations?
- Unspent Grant Funds?
- Staff too thin?
- Lack of training?
- Lack of independent or oversight?
- Absence of UP-TO-DATE policies and procedures? (COI)

Tailor your program to reduce your risk
Consequences of Significant Errors

- Special Oversight/Review Status
- Administrative Sanctions
- Suspension or Termination of Awards
- Civil/Criminal Violations
- Suspension/Debarment/Exclusion
- Corrective Action Plans
- Compliance Plans
- Fines, Penalties
- Exceptional Status

May apply to either awardee or PI
Penalties

- $15 M; overcharging IDC
- $30 M, exceptional status and oversight program; misuse of federal grants
- $12 M; overbilling
- $650,000; research fraud and abuse
- $.5M; Sexual harassment
- $1.2M inflated research grant costs
- $150,000 and 5-year compliance program, misuse of federal funds
Let’s Talk About

- Managing the Process
- Cost Sharing
- Program Income
- Effort Reporting
- Subrecipient Monitoring
- Participant Support
- Signature Responsibilities
Managing Integrity in the Award and Proposal System
Electronic or Paper Format

Ensure coordinated reviews and approvals.
Issues and Information

- Internal Proposal Review and Sign off
- Award Performance and Financial Monitoring
- Key Documents and Information
  - Circulars, Regulations, Policies
  - GC-1, FDP, Special Conditions
  - Grant Proposal Guide
  - Grant Policy Manual
  - Specific Announcement or Solicitation Guidance
  - Program Officer, Grants Administrator
Cost Sharing and Program Income
Allowable Cost Sharing

→ **verifiable.**
→ a *specific* contribution for only one federally-assisted project.
→ *necessary and reasonable* for project objectives.
→ *allowable* under the applicable cost principles.
→ *not paid by the federal government* under another award, except where authorized.
→ provided for *in the budget* (NSF’s line “M”).

Reference: OMB A-110, Subpart C (23)
Program Income

Program income means **gross income** earned by the awardee that is directly generated by a supported activity or earned as a result of the award.

Must be received or accrued during the period of the award and added to the funds committed to the project by NSF and used to further project objectives.

Conference grants have no time limit on income and income is used to offset NSF contribution.
What we found

- Unreported
- Spouses
- Liquor
- Unnecessary items
- Federal employees
- Grantee employees
- Excessive travel
Effort Reporting
- Total compensation is reasonable and is not included as indirect costs.

- **Academic Year Salaries** are based on regular compensation.

- **Outside Academic Year Salary** may not exceed the base salary divided by the number of months in the period for which the base salary is paid.

- **Summer Salary** may not exceed two-ninths of the academic year salary aggregated over all NSF awards.
- **Extra Compensation Above Base Salary** only for education projects where specifically approved by NSF.

- **Sabbatical Leave Salary** must be approved by NSF and be
  - proportional to the service rendered;
  - in accordance with established institutional sabbatical policies
  - may not exceed the individual's base salary
Effort Reporting

- Current and Pending Support
- Summer Salary
- No one can work more than 100% of their time
- Must be after the fact certification
- Two signatures (individual and reviewer)
- No whiteout
Subrecipient Monitoring
No significant part of the research or substantive effort under an NSF grant may be contracted or transferred without prior NSF authorization.

The grantee shall submit

- a clear description of the work to be performed;
- the basis for selection of the subawardee); and
- a separate budget for each subaward.

If NSF approves award will be amended

Grantees shall ensure conditions flow down to all subawardees
NSF Expectations

- An effective system for monitoring subrecipients; consider:
  - program complexity, dollar amount, percentage passed through
  - subrecipient (contract) vs. vendor (purchase order)
  - Nature of deliverable (a thing, research, a service)
  - fixed price vs. cost reimbursement.
  - Type of subawardee

- Technical, Financial, and Compliance reviews
- Comply with applicable A-133 subparts
- Comply with applicable A-110 parts
Participant Support
Be aware of the rules

- Use caution when supporting employees
- Use caution when supporting federal employees
- Direct costs of stipends, subsistence or travel allowances and registration fees
- Direct costs of dissemination and sharing of research results and publication / distribution of grant materials.
Participant Support Costs

- Reduced indirect cost recovery
- Do not use for supplies
- Keep documentation
- Monitor subcontracts

TO REBUDGET OBTAIN PRIOR APPROVAL FROM PROGRAM OFFICER
Cautions:

- Funds may not be used for other purposes without the specific prior written approval of the cognizant NSF Awardee.
- Awardee must account for participant support costs separately.
Signature Responsibilities
Proposal Signatures

- Compliance with award terms and conditions
- Accuracy and completeness of statements
- COI Policy
- Drug-Free Workplace
- Debarment and Suspension
- Lobbying (proposal >$100,000)
- Certification (18 USC 1001)
Conflict of Interests

Institutional and Personal

Financial and Commitment
Process managed by Institution

- knowledgeable disclosures
- objective review by trained staff
- A signature, a date, an approval number, a responsibility warning
- incorporation with other review procedures
- disclosure of unmanaged situations to NSF
- Audit for compliance, proactive reviews

covers SBIRs, commitments other than financial
Acting ethically may require that you choose among shades of gray.

A well-structure compliance program can reduce your risk and guide your decisions.
References

- http://oig.hhs.gov/fraud/complianceguidance.html
- Grant, G. Odell, G., and Forrester, R; *Creating Effective Research Compliance Programs in Academic Institutions*; *Academic Medicine*, Vol 74, No. 9, September 1999, p. 951.
- Jordan, K.S.; and Murphy, J.E.; *Compliance Programs: What the Government Really Wants*. Page 121.
- A variety of University web sites
INTEGRITY STARTS WITH YOU!

If you are aware of, or suspect
- research misconduct
- fraud
- waste
- abuse

Issues of economy or efficiency
or if you just have questions,
Please contact the
NSF Office of Inspector General
- Internet: www.nsf.gov/oig/oig.html
- E-mail: oig@nsf.gov
- Telephone: 703-292-7100 (Peggy x4889)
- Anonymous: 1-800-428-2189
- Write: 4201 Wilson Blvd. Suite II-705
  Arlington, VA 22230