

NATIONAL SCIENCE FOUNDATION
OFFICE OF INSPECTOR GENERAL
OFFICE OF INVESTIGATIONS

CLOSEOUT MEMORANDUM

Case Number: A01120045

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We received an allegation that an Assistant Director's¹ (AD's) reconsideration decision for a proposal represented a serious impropriety. A proposal² for creating a Center³ was received by NSF in May 1995. The Center was funded via a cooperative agreement beginning in 1996. The Center submitted a renewal proposal⁴ in its fifth year that was reviewed by *ad hoc* reviewers; following the *ad hoc* review, the Center received a (reverse) site visit. The *ad hoc* reviews were mixed, but the site visit panel unanimously recommended against further funding the Center. The Program Director (PD) recommended declination and the Division Director (DD) concurred. The cooperative agreement called for a 2-year phase-out, which the program began to implement.

The Center's PI and his university President requested reconsideration claiming (a) NSF had held up their fifth year funds prior to the review, which negatively affected their performance, and (b) the PI did not get an opportunity to respond to the reviewers' comments before a decision was made as promised. NSF's reconsideration procedure⁵ requires the Assistant Director (AD) to determine whether NSF's merit review was fair and reasonable, both substantively and procedurally at the written request of the PI. The AD, who was relatively new to NSF, asked various senior administrators for advice, including asking a senior scientist from a different division⁶ to assist with fact-finding.

The AD's reconsideration decision was to release the fifth year funds that had been held, extend the current award for 2 years, and allow the Center to submit another renewal proposal in one year. The AD told the Center to emphasize its research on specified core areas and to de-emphasize the activities that received the most negative comments from the reviewers.

The complainant,⁷ a member of the community who became aware of the situation, objected that the AD overrode the unanimous decision of the site reviewers, the PD, and the DD. He thought the (AD's) reconsideration decision was improper and any

¹ (footnote redacted).

² (footnote redacted).

³ (footnote redacted).

⁴ (footnote redacted).

⁵ GPM, Chapter IX; PAM, Chapter VI, Section K 3 b.

⁶ (footnote redacted).

⁷ (footnote redacted).

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additional funding for the Center would be a further waste of tax payer money.

We interviewed the AD about his reconsideration decision and requested documents he relied upon in making his decision. The AD said he relied heavily on the report given to him by the senior scientist. The senior scientist noted procedural and managerial concerns about the program's handling of the award and the review process for the renewal proposal. The senior scientist thought the PD's failure to release fifth year funds was, minimally, untimely, and, at worst, may have impeded the Center's research; the AD agreed and concluded it had inhibited how well the Center was able to carry out its research in the period before the site review. The senior scientist pointed out several questionable management practices that occurred prior, during, and after the review. His comments on questionable managerial practices notwithstanding, the senior scientist concluded the declination decision was reasonable and correct. Although the AD thought no questionable management decision by itself was enough to overturn the decision, he thought that taken together, along with the positive value he believed the reviewers had recognized from Center's research, were significant enough to substantiate his decision to overturn the declination.

While reasonable people may disagree with the AD's decision, one can understand why he made it, a sentiment essentially echoed by the current PD.⁸ The AD must consider both procedural and substantive matters in a reconsideration, and he did. He placed more emphasis on the procedural and management problems than the substantive issues (*i.e.*, the reviewers opinions) in reaching his conclusions. We conclude that the AD followed NSF's procedure for reconsideration, and, accordingly, this case is closed and no further action will be taken.

⁸ (footnote redacted).