Who We Are

Inspector General (IG)

Assistant Inspector General for Audit

Deputy IG

Counsel to IG Legal/Legislative

Admin. Staff

Assistant Inspector General for Investigations

Advisor/Ombud

Admin. Investigations (Investigative Scientists)

Civil/Criminal Investigations (Special Agents)

Investigative Legal / Outreach (Investigative Attorneys)

Proactive/Analytic Evaluations (Investigators and Analysts)

Investigations Specialists and Support Staff

Financial Statement and IT Audit

CPA Contract Audit Oversight

External Audit

Performance Audit

Expertise in areas of research, grant, and contract administration
OIG works with NSF and the research community

- 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
  “NSF expects strict adherence to the rules of proper scholarship and
attribution.” – NSF Grant Proposal Guide II.D.3

- 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/misconsiche.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)
Outcomes of Investigations

- 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

DATA ANALYSIS

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
Award Administration

- 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
• **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
  • http://www.nsf.gov/oig/pubs.jsp
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