

Office of Inspector General



NSF Grants Conference
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Janelle Hollingsworth
Investigative Attorney
jholling@nsf.gov

Keith Nackerud
Audit Manager
knackeru@nsf.gov



What We Do

Office of Audit

- We conduct audits of –
 - NSF operations and programs
 - NSF awardees (grantees and contractors)

Office of Investigations

- We investigate allegations of –
 - Fraud, waste, and abuse
 - Research misconduct
 - Violations of law, regulation, directive, or policy

Outreach

- We invest in outreach –
 - Presentations
 - Briefings
 - Publications and Brochures
 - www.nsf.gov/oig/outreach



Office of Audit

- Audit NSF-funded grants, contracts, and cooperative agreements
- Determine if claimed costs are allowable, reasonable, and allocable
- Audit NSF operations
- Oversee NSF financial statement audit and IT security review
- Review quality of Single Audits for NSF grantees



The Audit Workplan

- Work Required by Law
 - Agency Financial Statement Audit (CFO Act)
 - Federal Information Security Modernization Act (FISMA)
 - Improper Payment Elimination and Recovery Act (IPERA)
 - Digital Accountability and Transparency Act of 2014 (DATA Act)
- OIG Risk-based Assessments
- Congressional Requests
- National Science Board and NSF Suggestions
- Referrals from Investigations
- Single Audit reviews
- NSF Management Challenges



On-going* External Audits

17 Audits of Institutions of Higher Education

- 16 by Independent Public Accountant (IPA) Firms
- One by OIG

* As of April 30, 2019



Audit Selection

Risk-based methodology

- Risk model to select awardee institutions
- Focus attention on expenditure anomalies

Availability of Resources

- Audit staff
- Funds for IPA audits



Award Administration & Cost Compliance

We Look At

- Financial systems and expenditures
- Compare drawdowns to accounting system
- All costs claimed on NSF awards
- Data Analytics to identify risk



Communication

During the Audit

- Engagement Letter
- Entrance Conference
- Notice of Findings
- Exit Conference
- Official Draft
 - 30 days to comment
 - Provided to NSF
- Final Report

Ongoing and as needed



Audit Reporting – Final Reports

The screenshot shows the NSF Office of Inspector General website. The header includes the NSF logo and the tagline "WHERE DISCOVERIES BEGIN". A navigation menu contains links for Research Areas, Funding, Awards, Document Library, News, and About NSF. A search bar is located in the top right. The main content area is titled "More Reports & Reviews" and lists several reports with their dates. A left sidebar contains a menu for the Office of Inspector General, including links to Home, Report Fraud, Waste or Abuse, Reports & Publications, FOIA Request, and various leadership and division pages.

Report Title	Date
INTERNAL REPORTS INVOLVING NSF MANGEMENT AND OPERATIONS	September 28, 2017
EXTERNAL REPORTS AND AUDITS INVOLVING NSF'S AWARDEES	17-3-003
INTERNAL REPORTS INVOLVING NSF MANGEMENT AND OPERATIONS	
NSF's Relocation to its New Headquarters Location - Records Management	July 25, 2017
OIG Review of Institutions' Implementation of NSF's Responsible Conduct of Research Requirements	PR12030006
NSF Could Strengthen Key Controls Over Electronic Records Management	July 6, 2017
NSF Controls to Mitigate IPA Conflicts of Interest	17-2-009
Inspection of the National Science Foundation's Compliance with the Improper Payments Elimination and Recovery Act of 2010 for FY 2016	June 8, 2017
National Science Foundation FY 2016 Management Letter	17-2-008
Audit of the National Science Foundation's Fiscal Years 2016 and 2015 Financial Statements	May 16, 2017
Performance Audit of the National Science Foundation's Information Security Program for FY 2016	17-3-005

Shared with

- Awardee
- NSF
- Congressional Committees
- NSF OIG public website
<https://www.nsf.gov/oig/reports/reviews.jsp>
- CIGIE public website
www.oversight.gov
- Posted to Twitter feed
[@NSFOIG](https://twitter.com/NSFOIG)



Office of Investigations

- Detect and prevent fraud
- Investigate criminal, civil, administrative matters
- Address alleged wrongdoing involving proposals, awards, and those who conduct business with, or work for, NSF



Allegations

Allegations

- Violation of law, regulations, award conditions, or policies
- Mismanagement
- Waste of funds
- Abuse of authority

Type of Allegations Received

- Fraud
- False statements
- Theft or abuse of government funds
- Plagiarism or intellectual theft
- Falsification/fabrication of data
- Employee misconduct
- Conflict of interest
- Failure to share data



Sources* of Allegations

- Principal investigators/Co-PIs
- NSF program officers
- Other NSF employees
- OIG Office of Audit
- Review panelists
- Government agencies
- Graduate students
- University administrators
- Contractors
- Anonymous hotline callers or informants

* Anyone may confidentially contact OIG to report potential wrongdoing



Investigative Process

- Determine jurisdiction; identify issues
- Objectively gather evidence
- As appropriate, refer to audit or other OIG
- Prepare written Report of Investigation
- Work with DOJ, state prosecutors, NSF, and awardees to develop appropriate resolutions that protect the interests of the Federal Government and the U.S. taxpayer



Administrative Cases



Violations of Regulations

- Research Misconduct
 - NSF Research Misconduct Regulation: 45 CFR Part 689
<http://www.nsf.gov/oig/misconscieng.jsp>
 - NSF regulation tracks OSTP's Federal policy
 - Defines fabrication, falsification, plagiarism (FFP) and defines "research"
- COIs, violations of confidentiality, etc.
- Human subjects research
- CAREER award violations (must be tenure track position)

Criminal/Civil Cases

- Violation of Statutes:
 - Conspiracy – 18 U.S.C. § 371
 - False claims – 18 U.S.C. § 287
 - Embezzlement – 18 U.S.C. § 641
 - Theft of federal funds– 18 U.S.C. § 666
 - False statements – 18 U.S.C. § 1001
 - Mail fraud – 18 U.S.C. § 1341
 - Wire fraud – 18 U.S.C. § 1343
 - Civil false claims – 31 U.S.C. § 3729(a)
- Abuse of Federal rules and regulations
- Other actions that could compromise the integrity, efficiency, and operations of NSF



Outcomes of Investigations

- Refer to law enforcement authorities
 - Criminal or civil matters may result in:
 - Prosecution
 - Settlement agreement / compliance agreement
 - Fines, reimbursements, incarceration
- Refer to NSF
 - Administrative matters may result in:
 - Termination / restrictions on awards
 - Certifications / assurances
 - Suspensions / debarments
 - Reprimands / retractions
- Refer to OIG Audit



Criminal and Civil Cases

- Our jurisdiction follows NSF funds
- Over 100 civil/criminal investigations underway
- Read our Semiannual Report to Congress
 - SBIR PI pleads guilty to conversion
 - PI created shell company to receive \$200,000 in supplemental SBIR funding
 - Fabricated records to appear shell company had outside investment
 - University agrees to pay more than \$1.7 million to resolve False Claims Act allegations
 - Failed to maintain time & effort system to ensure salaries were charged to the proper grants
 - Involved multiple agencies



Research Misconduct and Administrative Cases

- Former graduate student fabricated and falsified data and figures
 - The fabricated and falsified data appeared in 2 papers, his dissertation, a draft manuscript, a patent, and proposals submitted to another agency
 - The university revoked the his Ph. D.
 - NSF debarred him for 1 year, required certifications and assurances for 4 years, and barred him from participating as a reviewer for 3 years
- PI violates terms of CAREER award
 - NSF recovered \$70,000 in misspent funds and \$200,000 in unspent funds



Whistleblower Protection



- A core value of OIG is protecting NSF employees, contractors, grantees, and subawardees 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



- **NSF Federal employees** are protected if they make a whistleblower disclosure to the U.S. Office of Special Counsel, the OIG, or a supervisor
- **Employees of NSF contractors and grantees (and subcontractors/subgrantees)** are protected if they make a whistleblower disclosure to their management, an OIG, or an official responsible for investigating misconduct
- **All of the above** are also protected for communications to Congress
- **Additional information** on Whistleblower Protection available at:
 - <http://www.osc.gov>
 - <http://www.nsf.gov/oig/whistleblower.jsp>

Whistleblower Protection Ombudsman



William J. Kilgallin

Senior Advisor, Investigations

National Science Foundation

Office of the Inspector General

(703) 292-4993

wkilgall@nsf.gov



OIG Outreach

- Presentations at conferences and seminars
 - For students, PIs, and administrators
 - OIG outreach visit can be requested
- Fact sheets and brochures, briefings, conference presentations

www.nsf.gov/oig/outreach

- OIG Semiannual reports

<http://www.nsf.gov/oig/pubs.jsp>



When Should You Contact OIG?

Report significant administrative or financial problems

Report allegations of wrongdoing

- Research misconduct
- Fraud / theft involving NSF funds
- Violation of regulation, directive, or policy



Contact Us

Internet:

- www.nsf.gov/oig/

Mail:

- 2415 Eisenhower Ave, Alexandria, VA, 22314

Phone:

- (703) 292-7100

Hotline:

- 1 (800) 428-2189

E-mail Hotline:

- oig@nsf.gov



Questions?

General

- Phone: (703) 292-7100
- Email: OIGpublicaffairs@nsf.gov

Hotline

- Phone: 1 (800) 428-2189
- Email: oig@nsf.gov

