Office of the Inspector General

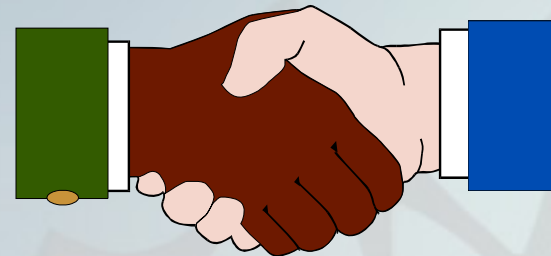## **NSF Regional Grants Conference**
October 2008

Jayne Hornstein
Office of Audit

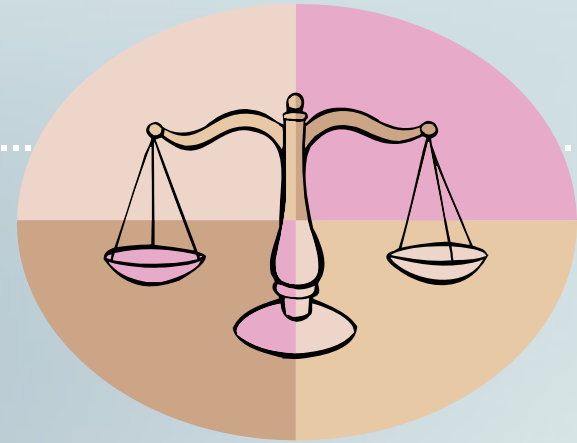# Working with NSF and the Community

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

- We conduct audits:
  - Financial
  - Performance

- We perform Outreach:
  - Presentations
  - Briefings
  - Informational brochures

Cases

Plagiarism in proposals

Data fabrication

Plagiarism and intellectual theft

Falsification of data / false statements

Contract over-charging

False certifications

NSF Regulation on Research Misconduct

- Tracks OSTP's Federal policy on research misconduct

- Defines **F**abrication, **F**alsification, **P**lagiarism
  - violation of peer review
  - defines "research" and the "research record"

- Final Rule - 67 FR 11936 (March 18, 2002)
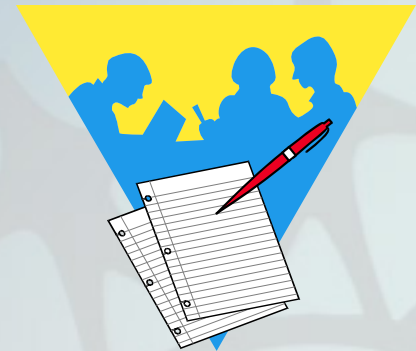
- NSF Misconduct Regulation - 45 CFR Part 689
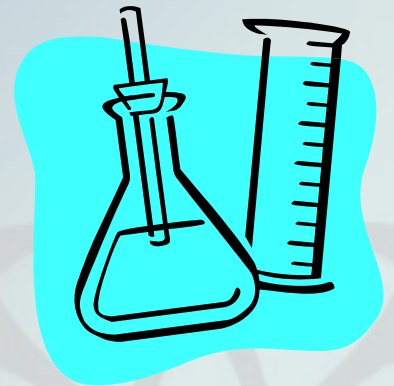
Proposal Certifications*

- Compliance with award terms and conditions

- Accuracy and completeness of statements

- COI Policy

- Drug-Free Workplace

- Debarment and Suspension

- Lobbying (proposal >$100,000)
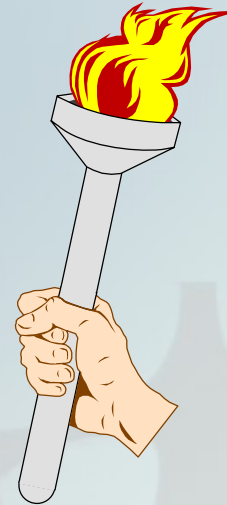
*Providing False Information
is a *criminal violation* of U.S.
Code, Title 18, Section 1001.

Guiding Principles of Investigations

- Partnerships

- Confidentiality

- Focus on substantive issues

- Fair, accurate, and timely products

- Reliance on carefully documented evidence

- Prospective impacts

What do we do with allegations?

- Investigate criminal, civil, administrative allegations

- Refer to federal, state, local authorities; referral for audit

- Criminal or civil outcomes include:

  - Prosecutions or Settlement Agreements

    - Incarceration; Monetary Fines; Reimbursement; Compliance Agreements

- Administrative outcomes include:

  - Termination/Restriction on Awards; Certifications; Assurances; Debarments; Reprimands

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Audits

- Financial audits

- Performance audits

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Audit Findings & Resolution

- Common areas for audit findings
  - Costs
  - Award administration
  - Subrecipient monitoring
  - Cost sharing

Costs Determinations

- Allowable, reasonable, allocable, documented, consistent treatment of costs
- Unsupported expenditures
  - Reimbursements not documented (invoices, etc.)
  - Time and effort not timely, not signed/certified
  - Unallowable expenditures
    - Direct charges for costs in the indirect pool
    - Overload salary (unless NSF-approved)
    - Meals, alcohol

Award Administration

- Financial Management System
    - Project Accounting
    - Procedures for determining allowability of costs
    - Approvals
    - Budget compared to actual expenditures
- Participant support per award
- Accuracy and timeliness of reporting, notifications
- Equipment inventory maintained

Subrecipient Monitoring

Awardee is responsible for oversight of the Subawardee

- Written agreements
    - Flow-down award terms/Federal requirements
    - Reporting of costs and performance

- Assess and monitor subrecipient's award administration capability
    - Site visits, other contacts
    - A-133 audits
   - Ensure timely and appropriate corrective action

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Cost sharing

- No Federal funds

- Track cost sharing per award (no duplication)

- Documented and certified (AOR >$500,000)
  - Valuation at actual/fair market value
  - Report annual and cumulative amounts
  - Both awardee and subawardee cost sharing

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Keys to Success

- Know requirements (award letter and manuals)

- Focus on research objectives

- Good accounting practices—sufficient support documents

- Document approvals and conversations between awardee and NSF program and grant officials

- Ask if you have questions
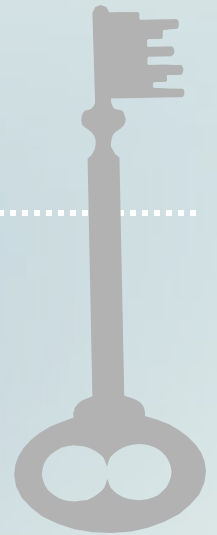
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Where can I get information on-line?

- General
  - www.oig.nsf.gov

- Proposal and Award Policies & Procedures Guide
  - http://www.nsf.gov/pubs/policydocs/pappguide/nsf08_1/aag081print.pdf

- Regulations
  - http://www.gpoaccess.gov/cfr/index.html
  - http://www.whitehouse.gov/omb/circulars

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How might we interact with each other?

- Our door is always open
    - To seek assistance to resolve issues / answer questions
    - To report matters that are or may be improper

- We may call upon you to
    - Provide information as an advisor or expert
    - Participate in performance and financial reviews
    - Participate in an inquiry or investigation
   - Participate in an Outreach seminar or training session

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When should you contact OIG?

- Report significant administrative or financial problems
- Report allegations of wrongdoing
  - Research misconduct
  - Financial fraud, theft from NSF or NSF-funded activities
  - Violation of research related regulations, directives, or policy
- Request an Outreach event or training session
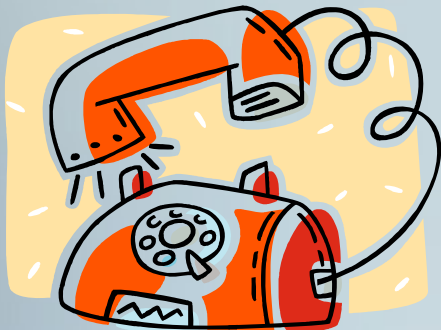
OIG Outreach

- Presentations, Seminars, and On-Site Visits

  - For students, PIs, and administrators

  - Emphasize education, partnerships, and lessons learned

  - Assistance with matters relating to Investigations and NSF activities

- Website: http://www.nsf.gov/oig/outreach_all.jsp

  - Brochures

  - Conference Presentations
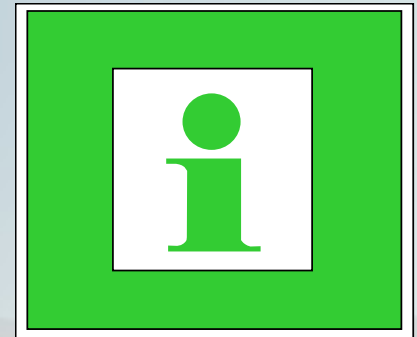
  - Briefings

  - Fact sheets

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How to contact OIG

- Internet: http://www.nsf.gov/oig/

- E-mail: oig@nsf.gov

- Postal Mail:

  4201 Wilson Blvd., Arlington, VA 22230

- Phone: 703-292-7100

- Hotline: 1-800-428-2189