

# OIG Management Activities

## Congressional Testimony

The Inspector General testified before the U.S. House of Representatives, Committee on Science, Subcommittee on Research on March 9, 2005. Dr. Boesz told Congress that she considers the two most important management challenges facing NSF to be strategic management of NSF resources and improved financial performance.

The IG said that strategic management of NSF administrative resources, especially human capital, remains a pressing issue. In 2002, NSF launched a multi-year business analysis effort to address this challenge, yet is still engaged in the development of a workforce plan. While NSF's workload has rapidly increased over the past few years, the agency has not identified the amount of staffing and other administrative resources needed to address this growing disparity. NSF's critical staffing shortage is evident in the agency's management and oversight of its large facility portfolio. It is also apparent by the lack of resources that have been assigned to carry out many of NSF's general post-award monitoring responsibilities.

The second challenge Dr. Boesz discussed was improved financial performance through better post-award administration. For four consecutive years auditors have found that NSF's monitoring of grantee institutions has significant weaknesses. Primarily, NSF's current program is not comprehensive enough for it to be effective in identifying and resolving issues. She said that an effective monitoring program would ensure that awardees are complying with federal requirements, making adequate progress toward achieving research objectives, and charging

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allowable costs. Further, a recent audit by OIG found that many research reports, which are used to monitor progress, are submitted significantly late or not at all.

While NSF has taken steps over the past 3 years to improve its post-award administration, progress is slow and much remains to be done. While new resources would be desirable, Dr. Boesz testified that she believed that realignment of certain management priorities would ease some of the burden. Just as the scientific enterprise has changed over the past few decades, NSF must address its changing administrative challenges by reassessing how it conducts its business. In an environment of increased accountability and stewardship of limited federal funds, effective award administration is essential.

On February 17, 2005, Dr. Boesz submitted a statement for the record before the U.S. Senate Committee on Appropriations. In addition to the two challenges emphasized before the House Subcommittee, the statement discussed in more detail NSF's challenge in managing large infrastructure projects. Although gradual progress is being made, the Large Facility Projects Office that was created by NSF to implement a viable management and oversight program for these projects, faces a number of obstacles. To enable this Office to develop a more influential role, NSF's senior management must clearly recognize and champion its oversight responsibility, and provide it the authority and resources necessary to handle it. Lacking formal influence and staff, the role of the Office is likely to remain primarily advisory and therefore less effective than it could be.

## Legislation Review

### *Statutory and Regulatory Review*

The Inspector General Act of 1978, as amended, mandates that our office monitor and review legislative and regulatory proposals for their impact on the Office of Inspector General (OIG) and the National Science Foundation's (NSF) programs and operations. We perform these tasks for the purpose of providing leadership in activities that are designed to promote economy, effectiveness, efficiency, and the prevention of fraud, waste, abuse and mismanagement. We also keep Congress and NSF management informed of problems and monitor legal issues that have a broad effect on the Inspector General community. During this reporting period, we reviewed 8 bills that either affected NSF, OIG, or both. The following legislation merits discussion in this section.

## ***Program Fraud Civil Remedies Act of 1986 (PFCRA)***

A legislative priority that we support is amending PFCRA to include NSF and the 26 other DFE agencies that are currently excluded from participation under the Act's enforcement provisions. The Office of Inspector General's concern related to PFCRA involves the ability of "Designated Federal Entity" (DFE) agencies to fully implement their statutory mission to prevent fraud, waste and abuse by availing themselves of the enforcement capabilities contained within the Act. In fact, we have raised the issue of NSF's inclusion under the PFCRA legislation in several prior semi-annual reports.

PFCRA sets forth administrative procedures that address allegations of program fraud when the claims are less than \$150,000.00. Currently, the executive departments, military departments, establishments, as defined under the Inspector General Act of 1978, and the United States Postal Service, are the only agencies permitted to proceed under PFCRA. NSF and other DFE agencies with Inspectors Generals appointed by agency heads are not included.

We believe that using the enforcement provisions of PFCRA will enhance NSF and other DFE agency recoveries in instances of fraud that fall below PFCRA's jurisdictional threshold of \$150,000.00. In short, including NSF and other DFE agencies under PFCRA will further the OIG community's statutory mission to deter fraud, waste and abuse.

## **Outreach**

As part our ongoing efforts to prevent and detect fraud, waste, and abuse, we seek opportunities to communicate face to face with the communities we serve in order to inform them about the OIG's mission and work, explain NSF's policies and regulations, and learn about the challenges that researchers face in trying to achieve compliance with federal requirements. Our community includes the national and international research communities, other Federal agencies and OIGs, and NSF.



**National Science Board members and the Inspector General tour a border crossing in Texas to observe how technology is being applied to improve homeland security.**

## *Working with the Research Community*

### **OIG Staff Present at Professional Conferences and Universities.**

Organizations within the national and international research communities continue to voice questions about the many complex issues associated with research misconduct, award administration, and regulatory compliance. OIG staff members were invited to attend and present at a wide range of conferences and events held by institutions and associations such as the Society for Research Administrators, the Conference on Institutional Conflicts of Interest, the National Council of University Research Administrators and the American Association for the Advancement of Science. In their presentations, OIG staff contributed to the community's effort to examine these issues, explained the processes in place to correct problems, and encouraged consideration of proactive measures to prevent their recurrence.

University research administrators make requests for OIG staff to provide training or answer questions from university officials involved in applying for and administering NSF awards, conducting supported research, and pursuing university-level inquiries into allegations of research misconduct. During this semiannual period, we visited eight universities for such presentations. In each of these forums, our staff engaged a broad spectrum of the research community in both formal and informal discussions. Among the topics of discussion were identification and prevention of fraud; research misconduct (plagiarism, fabrication, and falsification); cost-sharing and time/effort documentation and reporting; conflicts of interests; and the establishment of compliance programs and committees at research institutions.

## *Working with the Federal Community*

**OIG Hosts the 2004 Grants Fraud Workshop.** During this semiannual period, we organized and hosted a successful one-day Grant Fraud Workshop that was attended by 80 individuals from the Inspector General communities. Presentations were given by 10 representatives from 6 agencies. Case studies on successful grant fraud investigations and prosecutions were presented and discussed at length. The workshop gave participants an opportunity to make new professional acquaintances and discuss best practices currently in use. Our survey of participants indicated that they found the workshop relevant and valuable.

**Participation on PCIE/ECIE Committees.** OIG continues to lead the PCIE/ECIE Misconduct in Research Working Group (MIRWG), which is chaired by NSF's Inspector General. The MIRWG met during this period to

review and update the status of agency efforts to establish policies addressing research misconduct. Many agencies now have active policies regarding this issue. The MIRWG also reviewed case studies of research misconduct that constituted fraud, which OIG representatives found helpful in understanding the potential link between research misconduct and fraud. The MIRWG finalized its Assessment Checklist, which OIGs may use to assess if their respective agencies are complying with the federal policy and investigative standards when conducting their own research misconduct investigations.

The Inspector General serves as an elected member of the Executive Council of IGs, a steering committee for PCIE/ECIE policies and activities. OIG staff continue to actively participate in the PCIE/ECIE Investigations Committee, the PCIE/ECIE Inspections and Evaluation Committee, and the PCIE GPRA Roundtable, which is a forum for discussion of the integration of GPRA requirements into the audit function.

**Audit Community Activities.** NSF OIG audit staff is participating in the Comptroller General's Domestic Grant Working Group with auditors from Federal agencies, states, and a local agency to develop a guide for improving accountability for grant funds. The final document will convey that accountability for dollars and results needs to be considered throughout the grant process, from planning a grant program through managing the grant and evaluation of program results.

Audit staff is also actively involved with the PCIE/ECIE Federal Audit Executive Council, which discusses and coordinates the implementation of Federal initiatives that affect the policy and operations of OIG audit organizations. OIG auditors work with the Financial Statement Audit Network, a committee of the Federal Audit Executive Council, which conducts a forum to discuss key issues concerning the preparation and audit of federal financial statements.

OIG staff serve as members of the Working Group on Stewardship and Accountability sponsored by the National Science and Technology Council Research Business Models Subcommittee. This working group is addressing ways to streamline subrecipient monitoring and improve financial performance.

### **Office of Investigations Undergoes Successful Peer Review**

NSF OIG has played a leading role in a working group designed to assist in the development of effective policies and procedures for voluntary investigative peer review. In October 2004, our Office of Investigations was peer reviewed by a team from the Office of Inspector General of the Government Printing Office. Over a two-week period, the peer review team evaluated the Office of Investigations' internal safeguards and management procedures. The peer review was conducted according to the Qualitative Assessment Review Guidelines for federal Offices of Inspector General. The team concluded that the system of internal safeguards and management procedures for the investigative function of NSF OIG is in full compliance with the quality standards and guidelines established by the PCIE and ECIE.

## **Working with NSF**

**OIG/NSF Liaison Program.** OIG has continued its efforts to establish and maintain effective communication and professional relationships with the individual directorates and offices within NSF. Each NSF office has two OIG liaisons, generally one investigator and one auditor. During this semi-annual period, OIG requested an opportunity to present to each office. In addition, for the first time OIG provided a voluntary survey to Directors, Division Directors, and other staff principals to evaluate the effectiveness of our liaison program. We received replies from over 90% of those surveyed. The overall results of the survey have been very positive. Of particular note, 96% of our NSF colleagues know and are comfortable communicating with their OIG liaisons, and 92% understand both the IG mission and how it supports the NSF mission. OIG is committed to building strong lines of communication with the agency and plans to use information from the survey to identify opportunities to improve.

OIG Staff participated in several NSF sponsored events:

- **NSF Regional Grants Conference at Washington University.** OIG auditors and investigators traveled to Washington University in St. Louis to discuss our activities with awardees from the region, and what is reviewed during a financial and compliance audit.
- **Conflict-of-Interest Briefings.** At the mandatory conflict of interest briefings conducted approximately twice per month by NSF's Designated Agency Ethics Official, we continue to provide a brief overview of the OIG mission and responsibilities; our ongoing liaison program with NSF; and the manner by which employees can bring matters to our attention.
- **Program Manager Seminar Briefings.** OIG staff continue to participate as Resource Personnel in the NSF Program Manager Seminar, which provides new NSF staff with detailed information about the Foundation and its activities.