

OIG Management Activities

FY 2007 Management Challenges

The Office of Inspector General submitted its list of what it considers to be the most serious management and performance challenges facing the National Science Foundation to agency management. The list is based on OIG audits and investigative work, general knowledge of the agency's operations, and the evaluative reports of others, such as the Government Accountability Office and NSF's various advisory committees, contractors, and staff. Ten challenges are drawn from last year's list, some of which reflect areas of fundamental program risk that are likely to require management's attention for years to come. One new management challenge appears on this year's list: enterprise architecture. The OIG's management challenges letter appears in its entirety in the appendix on page 49.

Legal 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. The following legislation merits discussion in this section.

Program Fraud Civil Remedies Act of 1986 (PFCRA)

We support a legislative initiative to amend PFCRA to include NSF and the 26 other agencies that are currently excluded from participation under the Act's enforcement provisions. PFCRA enables agencies to fully implement their statutory mission to prevent fraud, waste and abuse by availing themselves of the enforcement capabilities contained within the Act.

PFCRA sets forth administrative procedures that address allegations of program fraud when the claims are less than

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\$150,000. Currently, the U.S. Postal Service and the executive departments identified in the Inspector General Act of 1978 are the only agencies permitted to use PFCRA. NSF and the other agencies with Inspectors General appointed by agency heads are not included.

We believe that using the enforcement provisions of PFCRA will enhance NSF and other agency recoveries in instances of fraud that fall below PFCRA's jurisdictional threshold of \$150,000. In a March 2006 letter to Congress, the National Science Board made a formal request "that Congress amend the PFCRA to include NSF," and provide the agency with its investigative resolution authorities.

Outreach

NSF OIG continued to conduct outreach to NSF, the national and international research communities, and other federal agencies and their OIGs during this semiannual period. We saw an increase in the interest shown for grant-related oversight, particularly with the use of compliance programs. This interest was most evident at numerous international meetings and forums, where ideas were shared, questions asked, and advice sought on a broad range of topics relating to fostering effective oversight of government grant programs.

In conducting outreach activities, our intention is to inform and educate relevant audiences about all aspects of our mission. Our specific message for those institutions engaged in scientific research is that effective management and control systems must be maintained throughout the constituent parts of the research community, both to achieve technical compliance with federal requirements and to enhance the research enterprise and contribute to its success.

Working with Other Nations

Representing the U.S. at the Global Science Forum. As institutions from around the world increasingly collaborate to conduct scientific research, it is important that those who fund and perform research have an understanding of the rules, regulations, and research ethics that prevail in other countries. Because of her experience in dealing with issues of research misconduct, the Inspector General was designated as the United States representative to the Global Science Forum Expert Group.

In June, the Expert Group, which included representatives from 10 countries, gathered to discuss the growing need for mutual understanding of research misconduct issues and practical guidance for governments on research misconduct and ethical training. The Group developed a proposal addressing these matters, and it was accepted by the Forum. The IG will be part of a newly-formed steering committee that will meet again in Tokyo to consider information gathered from various countries and experts in order to develop international guidance on research misconduct issues.

Stressing Research Accountability at INORMS Conference. The NSF Inspector General was invited to speak at the International Network of Research Management Societies in Brisbane, Australia. Her presentation focused on the increasing number of allegations and research misconduct findings that have international implications, and the need for close coordination and consistent procedures for handling research misconduct and for ensuring adequate ethical training of researchers. She called for the development of national and international standards that can be used to investigate allegations of research misconduct.



Dr. Boesz at the IN-ORMS conference with Yue Zhangdou, National Natural Science Foundation of China and Jan Massey, Chair of the conference.

Co-hosting of International Accountability Workshop. The Accountability in Science Research Funding workshop was held last spring in The Hague, Netherlands. The sessions were co-hosted by Dr. Boesz and Gertjan Boshuizen of the Netherlands Organization for Scientific Research, and representatives of 11 countries attended. Topics included internal audit, risk assessment, and risk management. Presenters from NSF included the Chief Financial Officer, the Director of the Division of Grants and Agreements, and the Associate Inspector General for Audit.

Delegation of Ministry of Supervision of P.R. China Visits OIG. Twenty-two representatives of the Chinese Ministry of Supervision visited the NSF OIG in September to meet with Dr. Boesz and Barry Snyder, Inspector General of the Federal Reserve Board. The IG presented information about how Offices of Inspector General are organized and operate, as well as their role and responsibilities. The delegation was particularly interested in how the independence of OIG is assured and how government corruption is prevented and detected.

International Conference on Research Integrity. NSF OIG staff also participated in a planning meeting for the 2007 International Conference on Research Integrity in Portugal. The planning session, attended by 20 representatives from a number of countries and organizations, will facilitate discussion of coordination on research misconduct and education on ethical behavior. NSF OIG has participated in discussions with representatives from Poland, Japan, and China while these representatives were visiting with their NSF counterparts. During these discussions, we again learned of the growing international concern for addressing research misconduct and for developing consistent rules and expectations for training and enforcement.

Working with the Research Community

OIG Staff Participation in Conferences. Members of the OIG staff were invited to participate in a wide range of workshops, conferences, meetings,

and other events conducted by institutions and associations of research professionals. Participation in such events allowed OIG staff to address the community in various forums and to discuss how best to advance our common goal of ensuring integrity and accountability in the operation of the research enterprise. The purpose of our outreach presentations is to assist individuals and organizations within the national and international research communities in their efforts both to create systems to identify, resolve, and prevent recurrence of misconduct or mismanagement, and to foster an environment of ethical conduct in scientific research and grant administration.



The IG discusses International Accountability Workshop agenda with Gertjam Boshuizen of the Netherlands.

During this semiannual period, OIG staff participated in events sponsored by the Society of Research Administrators (SRA) International; the National Council of University Research Administrators; the Foundation for Polish Science; the Korean Science and Technology Policy Institute; the European Science Foundation; the Global Science Forum; the Czech Science Foundation; the Japanese Ministry of Science and Technology; and the Federal Audit Executive Council. In each of these forums, our staff engaged a broad spectrum of the community involved with the provision, use, administration, and oversight of grant funds.

Presentations at Universities. Members of the NSF OIG continue to receive numerous invitations to provide training to, and answer questions from, university officials and others involved in applying for and administering NSF awards, performing supported research, or conducting university-level inquiries into allegations of research misconduct. During this semiannual period, we visited six universities or university systems for such presentations. In each, the participants demonstrated great interest in the presentations and engaged NSF OIG staff in constructive question-and-answer sessions to refine their understanding of the subjects being discussed. In addition, we participated in an event sponsored by the American Association of State Colleges and Universities.

Working with the Federal Community

Outreach on Grant Fraud. NSF OIG staff members interact with their counterparts in the IG community on a regular basis. Our investigators led efforts to educate the community about grant fraud and achieve a greater understanding of the similar characteristics of grant fraud and procurement fraud. OIG received increasing requests for our grant fraud investigators to serve as instructors to other IGs, and we frequently met and worked with individuals from a number of federal agencies and OIGs on a host of professional matters. These included presentations in conjunction with the Inspector General Academy and for OIGs at agencies including USDA, USAID, and NASA. We participated in an event sponsored by the Metropolitan Washington Council of Governments, and we made a presentation to the Procurement Fraud Working Group for the Eastern District of Virginia U.S. Attorney's

Office. These professional interactions were pursued both on an office-to-office level, to address requests for particular assistance, and within the context of the Council of Counsels to Inspectors General and numerous committees of the President's / Executive Councils on Integrity and Efficiency (PCIE/ECIE). NSF OIG continues to actively participate in the PCIE/ECIE Investigations Committee, the PCIE/ECIE Inspection and Evaluation Committee, and the PCIE GPRA Roundtable meetings.

Audit Outreach Activities. OIG auditors have met monthly during this reporting period with auditors from a number of other federal OIGs at the Financial Statement Audit Network to review and comment on proposed accounting standards and requirements for federal financial statement audits, changes to the Government Auditing Standards, 2006 Revisions (the "Yellow Book"), and the Federal Accounting Standards Advisory Board's Proposed Statement of Federal Financial Accounting Concepts on Definition and Recognition of Element of Accrual-Basis Financial Statements. Additionally, we actively participated in interagency workgroups focused on updating the GAO/PCIE Financial Audit Manual, standardizing the government-wide statement of work used to procure the financial statement audit contractors, and updating the Audit Monitoring Guide that assists OIGs in monitoring the quality of the financial audit performed by the external auditors.

Working with NSF

Participation in NSF briefings and seminars. Our work within NSF continues to advance our goal to improve OIG effectiveness by enhancing communications with agency management and staff. During this semiannual period, three OIG presentations were made to the National Science Board. We also continued to speak at the conflict-of-interest briefings conducted by the NSF ethics official approximately twice per month. Our participation allows us to communicate directly with the majority of NSF employees about the OIG mission and responsibilities, our ongoing liaison program with NSF, and the channels through which employees can bring matters to our attention.

Another valuable forum for OIG outreach within the agency is the NSF Program Manager's Seminar. OIG staff gave presentations at each of these seminars, which provide new NSF program managers with detailed information about the Foundation and its activities. These sessions gave OIG staff an opportunity to develop personal and professional relationships with their NSF colleagues, as well as educate them about the role and activities of the NSF OIG. Conversely, we also learn about new developments within NSF program management.

During this semiannual period, we continued to build on our success in establishing effective communications and professional relationships with

Helping to Train the IG Community

OIG is frequently invited to contribute to training events for others within the IG community to share our experience in handling research misconduct and grant fraud cases.

During the last six months, a team from NSF OIG provided two training sessions on research misconduct investigations to approximately 100 USDA OIG personnel during that office's National Professional Development Conference. Another NSF OIG team provided training on grant fraud investigations to United States Agency for International Development OIG personnel during their training conference. A third OIG team provided training at the IG Academy as part of its Procurement Contract and Grant Fraud Training Program.

the individual directorates and offices within NSF through our liaison program. OIG liaison teams (each normally consisting of an investigator and an auditor) serve as a valuable conduit of information between our offices in the course of approximately 30 liaison events. We also solicited ideas from the individual directorates and offices for matters we should consider for OIG review in the future.

Special Projects

Assistance in NSB's Examination of Federal Policies Concerning Suppression of Research Findings. At the request of the National Science Board, the Inspector General surveyed her counterparts at agencies engaged in science research to determine whether the issue of suppression or distortion of research findings among scientists had surfaced in any OIG audits, inspections or evaluations. The OIG requested information from National Aeronautics and Space Administration, National Oceanic and Atmospheric Administration, Fish and Wildlife Service, U.S. Geological Survey, U.S. Department of Agriculture, Environmental Protection Agency, Department of Energy, and Department of Health and Human Services. The OIGs at these agencies had issued no reports that indicated scientific information had been suppressed or distorted. This information helped the NSB respond to a request from Senator John McCain for an examination of existing policies of federal science agencies regarding the suppression and distortion of research findings and the impact of such actions.

Updating of Audit Position Descriptions. The Office of Audit updated 14 position descriptions, including its auditor and management analyst positions, to include the skills and capabilities that have become necessary to perform these jobs successfully, such as critical thinking and effective communication. The existing position descriptions, which were more than 15 years old, were outdated and contained many irrelevant details. A team of OIG auditors and management analysts worked with NSF personnelists to define new core competencies and describe how each would be executed at the entry, intermediate, journeyman, and senior level. By more clearly specifying what the Office of Audit expects of auditors and management analysts at each grade level, the new position descriptions will enable us to improve the hiring process, identify training needs more effectively, and improve our ability to coach and evaluate employees.

Coordination of the FY 2005 PCIE/ECIE Progress Report to the President. The President's Council of Integrity and Efficiency and the Executive Council of Integrity and Efficiency each year issue a report to the President on the most significant activities and accomplishments of the federal Inspectors General community. This year's report was prepared jointly by the Department of Agriculture and the National Science Foundation OIGs. In FY 2005, the Inspectors General identified \$20 billion in potential savings government-wide, and completed investigations that resulted in 9,900 suspensions and debarments of business and individuals for inappropriate activities and 7,700 successful prosecutions. The report can be found at www.ignet.com.