

Office of Inspector General



NSF Grants Conference
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What We Do

Office of Audits

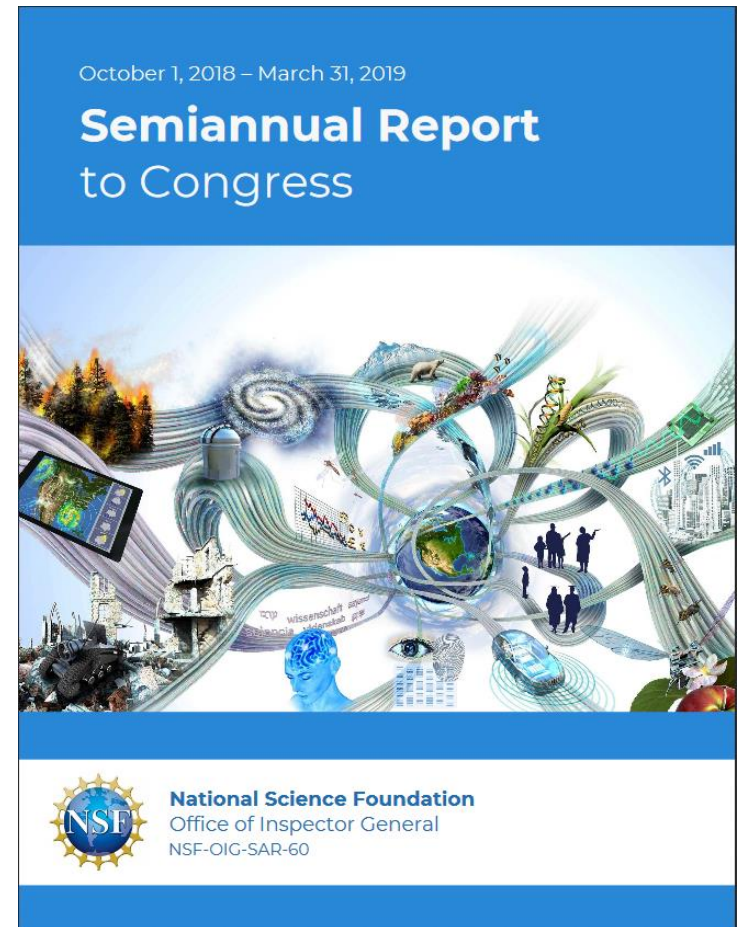
- We conduct audits of:
 - NSF operations and programs
 - NSF award recipients (grantees and contractors)

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 Audits

- 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



Ongoing* External Audits

16 Audits of Institutions of Higher Education

- 12 by Independent Public Accountant (IPA) Firms
- Four by OIG

* As of October 4, 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". The navigation menu includes "Research Areas", "Funding", "Awards", "Document Library", "News", and "About NSF". The left sidebar lists various sections such as "Office of Inspector General (OIG)", "OIG Home", "Report Fraud, Waste or Abuse", "Reports & Publications", "FOIA Request", "OIG Testimony", "Key Regulations", "Conference & Outreach", "IGNET", "OIG Leadership", "Allison Lerner, Inspector General", "OIG Divisions", "Office of Audit", "Office of Investigations", "Immediate Office", "Office of Management", and "About OIG". The main content area is titled "More Reports & Reviews" and lists several reports with their dates.

Report Title	Date
INTERNAL REPORTS INVOLVING NSF MANGEMENT AND OPERATIONS	
EXTERNAL REPORTS AND AUDITS INVOLVING NSF'S AWARDEES	
INTERNAL REPORTS INVOLVING NSF MANGEMENT AND OPERATIONS	
NSF's Relocation to its New Headquarters Location - Records Management	September 28, 2017 17-3-003
OIG Review of Institutions' Implementation of NSF's Responsible Conduct of Research Requirements	July 25, 2017 PR12030006
NSF Could Strengthen Key Controls Over Electronic Records Management	July 6, 2017 17-2-009
NSF Controls to Mitigate IPA Conflicts of Interest	June 8, 2017 17-2-008
Inspection of the National Science Foundation's Compliance with the Improper Payments Elimination and Recovery Act of 2010 for FY 2016	May 16, 2017 17-3-005
National Science Foundation FY 2016 Management Letter	March 10, 2017 17-2-005
Audit of the National Science Foundation's Fiscal Years 2016 and 2015 Financial Statements	January 17, 2017 17-2-001
Performance Audit of the National Science Foundation's Information Security Program for FY 2016	December 22, 2016

Shared with

- Award Recipient
- NSF
- Congressional Committees
- NSF OIG public website
<https://www.nsf.gov/oig/reports/reviews.jsp>
- Oversight.gov 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

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



Sources of Allegations

- Principal Investigators/Co-PIs
- NSF Program Officers & Other Staff
- OIG Office of Audits
- Review panelists
- Colleagues, Students, Post-Docs
- Contractors
- Ex-spouses/Ex-partners/Disgruntled Employees
- University administrators
- Other Government agencies
- Anonymous hotline callers or informants*

* Anyone may confidentially contact OIG to report potential wrongdoing,
<https://www.nsf.gov/oig/report-fraud/>



Investigative Process

- Analyze allegation, determine jurisdiction; identify issues
- Objectively gather evidence
- As appropriate, refer to audit, NSF, 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
 - 45 CFR Part 689
 - NSF regulation tracks OSTP's Federal policy
 - Defines fabrication, falsification, plagiarism (FFP) and defines "research"
- COIs, violations of confidentiality, etc.
- Human subjects research
- Whistleblower Retaliation

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
 - Falsification of records – 18 U.S.C. § 1519
 - Civil false claims – 31 U.S.C. § 3729(a)



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Investigative Outcomes

- Refer to law enforcement authorities (e.g., U.S. Dept. Of Justice)
 - 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 Office of Audits



Criminal and Civil Cases

- Our jurisdiction follows NSF funds
- Over 100 civil/criminal investigations underway
- Read our Semiannual Report to Congress*
 - Husband and Wife pled guilty to conspiracy to defraud NSF
 - Used shell companies to receive supplemental awards
 - Fabricated letters of support
 - Provided false information in proposals and reports re employees, facilities, etc.
 - 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
 - Falsified Documents During Audit Lead to Civil Settlement

*See <https://www.nsf.gov/oig/reports/>



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 fails to comply with IRB requirement
 - Award terminated early, with \$630,000 in funds put to better use



Whistleblower Protection



- A core value of OIG is protecting NSF employees, contractors, award recipients, and subrecipients 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 award recipients (and subcontractors/subrecipients)** 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



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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
<https://www.nsf.gov/oig/reports/>



When Should You Contact Us?

Report significant administrative or financial problems

Report allegations of wrongdoing

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



How to Contact Us

Website: www.nsf.gov/oig/

Mail: 2415 Eisenhower Ave, Alexandria, VA, 22314

Phone: 703.292.7100

Email: OIGPublicAffairs@nsf.gov

Twitter: [@NSFOIG](https://twitter.com/NSFOIG)

Report Fraud/Waste/Abuse/Whistleblower

Reprisal: 800.428.2189, oig@nsf.gov, nsf.gov/oig/report-fraud



Questions?

