



From the Inspector General

This report highlights the activities of the National Science Foundation (NSF) Office of Inspector General (OIG) for the six months ending September 30, 2005. During this period, our office issued six audit reports and reviews that identified \$1,104,082 in questioned costs, and \$798,932 of promised cost-shared funds “at-risk” of not being contributed. In addition, we closed 35 civil/criminal cases and 44 administrative cases, while recovering \$1,888,971 in NSF funds.

Our list of the most serious management challenges facing NSF in FY 2006 appears on page 7. I am pleased to note that NSF has made significant progress this past year on several longstanding challenges. However, considerable work remains to be done in seven critical areas: award administration; human capital; budget, cost and performance integration; information technology; procurement; the U.S. Antarctic Program; and merit review.

A new management challenge related to “promoting integrity” among research scientists appears on the list this year. I am proud that our office has been in the forefront of the Federal Government’s efforts to address the growing problem of research misconduct. As Chairman of the Inspector General Working Group on Misconduct in Research, I am gratified to see the science community’s awareness of this important issue increase. It is not the “victimless crime” that some may think. Just as insider trading erodes public confidence in the stock market, plagiarism and the falsification and fabrication of data undermine the integrity of the science enterprise.

On page 8 of this report, we reaffirm our support for amending the Program Fraud Civil Remedies Act of 1986 (PFCRA) to include NSF. PFCRA enables designated agencies to handle allegations of program fraud, when the claims are less than \$150,000, without the assistance of the Department of Justice. At its September meetings, the National Science Board also recognized that the inclusion of NSF in PFCRA would provide the agency with authority to expeditiously resolve OIG investigations that come under the Act. I urge Congress to consider legislation to effect this change.

Finally, as we move into the new year I remain committed to assisting NSF as it addresses the challenges it faces in a rapidly changing world. The Office of Inspector General welcomes the recently confirmed Deputy Director, Dr. Kathie Olsen. We look forward to a productive working relationship with her.

A handwritten signature in cursive script, reading "Christine C. Boesz".

Christine C. Boesz, Dr.P.H.
Inspector General
November 17, 2005