

# OIG Management Activities

## Legal Review

### Program Fraud Civil Remedies Act of 1986

Over the past several years, OIG Semiannual Reports have noted our long-standing support for an amendment to the PFCRA to bring the National Science Foundation (NSF) within the statute's coverage. The 2007 NSF Reauthorization Act, which passed in August, included this amendment. PFCRA authority provides the agency an administrative mechanism to recover losses resulting from fraud cases under \$150,000 when DOJ declines to prosecute. We believe that PFCRA, when implemented by NSF, offers a valuable and important opportunity to protect appropriated dollars and to ensure such funds serve their intended purposes. OIG looks forward to working with the Foundation to expedite implementation of the Act.

### H.R. 928 -- Improving Government Accountability Act

OIG has concerns regarding certain provisions of H.R. 928, which passed the House on October 3, 2007, and which would amend the Inspector General Act of 1978 in several major respects. Specifically, OIG is concerned that amendments designed to strengthen independence may, in fact, erode it (e.g., seven-year term because of the possibility of reappointment). In a recent letter to members of Congress, the National Science Board also expressed concern over provisions in the bill.

As the Board noted, provisions that alter compensation would undermine its ability to recruit and retain the best qualified individuals to serve in the IG position. More precisely, the lack of bonus and award eligibility would create an incentive for incumbents and candidates alike to seek other positions that offer more competitive pay packages. Similar concerns extend to the seven-year term limits that the bill seeks to impose. Unlike their presidentially-appointed counterparts, most IGs who are appointed by agency heads are career federal employees who have served in positions with civil service status. The imposition of term limits could very well deter candidates from exchanging a permanent position for the temporary status of a term appointment.

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## Outreach

During this semiannual period, NSF OIG continued to conduct outreach to other federal agencies and their OIGs, the national and international research communities, and to NSF. Our outreach activities are intended to inform and educate the research community about all aspects of our mission of prevention and detection of fraud, waste, and abuse, and to enhance the efforts of federal and international oversight officials in addressing these issues.

Many of our presentations emphasize the value of compliance programs, particularly when we attend outreach events that include administrators, principal investigators, university officials, and international funding agencies. We explain the value of such programs and the significant risks that universities and other members of the research community assume in their absence. Effective compliance programs reduce the risk of fraud and abuse, achieve technical compliance with federal requirements, enhance the research enterprise, and contribute to the successful commitment of federal funds for their intended purposes. During this semiannual period, OIG staff members wrote an article for an IG community publication demonstrating the positive impact compliance programs can have on research institutions and organizations.

## Working with the Federal Community

**NSF IG Appointed Vice-Chair of ECIE.** In May, Dr. Christine C. Boesz was appointed Vice-Chair of the Executive Council for Integrity and Efficiency (ECIE) by the Deputy Director of the Office of Management and Budget. The ECIE is comprised of 34 Inspectors General who are appointed by the heads of their respective agencies. It was established by executive order in 1992 to address integrity, economy, and effectiveness issues that transcend individual government agencies; and increase the professionalism and effectiveness of IG personnel throughout the federal government. To accomplish their mission, the ECIE members conduct interagency and inter-entity audit, inspection, and investigation projects to promote efficiency in federal programs and operations and better address government-wide issues of fraud, waste, and abuse. The Council members also develop policies, standards, and approaches to aid in the establishment of a well-trained and highly skilled IG workforce.

**Investigators, Auditors Engage Federal Colleagues.** NSF OIG staff worked with individuals from a number of other federal agencies and OIGs on a wide range of professional matters. These included activities in conjunction with the Inspector General Academy, the Federal Law Enforcement Training Center, the Federal Bureau of Investigation, the U.S. Forest Service, the Office of Management and Budget, the Office of Science and Technology Policy, and the Department of Justice. We also interacted with OIGs from the Department of Defense, Department of Treasury, the Denali Commission, and NASA. These contacts were pursued directly with other offices, community-wide through the Council of Counsels to Inspectors General, and in multi-agency efforts coordinated by one of the committees of the PCIE/ECIE.

During this semiannual period, NSF OIG investigators continued to actively participate in the Grant Fraud Subcommittee of the Department of Justice National Procurement Fraud Task Force. We actively supported the initiative to increase outreach efforts to the grant community and to enhance federal certification standards. We worked with the Federal Law Enforcement Training Center in developing a grant fraud investigation training program in support of the Grant Fraud Subcommittee. Investigators also contributed to the Regional Procurement Fraud Working Group, hosted by the U.S. Attorney's Office for the Eastern District of Virginia. NSF OIG staff also participated in the Task Force's Legislation Committee.

OIG auditors provided extensive comments to OMB on best practices for coordinating federal financial statement audits and participated in the IG community's Federal Audit Executive Council (FAEC), which helps coordinate audit policy and operations government-wide. Auditors met monthly with the Financial Statement Audit Network, a working group of a FAEC standing committee, and worked with other OIGs on human resource issues. Our auditors also assisted in updating the GAO/PCIE *Financial Audit Manual*, which helps ensure consistent, efficient, and high quality financial statement audits of federal agencies.

The Inspector General, who is Chair of the PCIE/ECIE Misconduct in Research Working Group, continued to coordinate efforts within the IG community to identify, investigate, and prevent research misconduct. NSF OIG staff were also active in the PCIE Inspections and Evaluation Committee, the PCIE/ECIE Computer Forensics Working Group, and the PCIE GPRA Round-table.

## Working with the Research Community

**International Meetings Promote Dialogue.** Dr. Boesz co-hosted an International Workshop on Accountability Challenges with the European Science Foundation, which took place in June in Strasbourg, France. The agenda focused on evaluating and managing risks, general auditing and internal control issues, and investigating misconduct in research allegations. The IG and the Associate IG for Audit made a total of three presentations on audit committee responsibilities, the single audit concept, and effective compliance programs. Fourteen countries were represented at the workshop.

In addition, the Inspector General and Associate IG for Investigations (AIGI) attended a World Conference on Research Integrity in Lisbon, Portugal, in September. The IG made a keynote presentation to the conference on Legal Aspects of Investigations and International Cooperation and the AIGI made a presentation on investigating research misconduct across international borders. The purpose of the conference was to further world dialogue on the topic of research misconduct, understand the varied regulations and practices among the participating countries, recognize



The IG and AIG for Audits pose with other participants at the International Workshop on Accountability Challenges.

common problems, and identify best practices for addressing them. There is not yet a standard definition world-wide for research misconduct, conflict of interest, or plagiarism, and the conference represented an initial effort to begin the dialogue and establish a framework for future discussions. The event was closely linked to the OECD Global Science Forum and attracted many of the same participants.

**OIG Staff Participate in Conferences.** To maximize our limited resources, we try to select the best opportunities to communicate our message to the research community from among the many workshops, conferences, and other events sponsored by institutions and associations of research professionals. During this semiannual period, our audiences included the Society of Research Administrators International, the National Council of University Research Administrators, and the National Grants Management Association. We also presented at several NSF-sponsored events, including the Small Business Innovation Research grant recipients, Education and Human Resources' Joint Annual Meeting, the Regional Grant Recipients Seminars, and Experimental Program to Stimulate Competitive Research (EPSCoR) Project Administrators Annual Meeting.

These events afforded us the opportunity to educate the research community, to obtain its input on matters of concern to OIG, and to collaborate with other organizations in identifying and communicating best practices in the operation of the research enterprise. Our goal is to assist individuals and organizations in their efforts to create systems and tools to identify, resolve, and prevent misconduct or mismanagement, and thereby promote an environment of ethical conduct in scientific research and grant administration.

**Presentations at Universities.** NSF OIG staff members are frequently invited to provide training to, and answer questions from, university officers and other individuals. During this semiannual period, we addressed audiences at ten universities involved in applying for or administering NSF awards, performing supported research, or conducting university-level inquiries into allegations of research misconduct. When we presented to faculty and administration officials involved in the performance of research misconduct inquiries and investigations, we also shared best practices on the enhancement of compliance and ethics programs that can help reduce research misconduct.

### **Working with NSF**

Our many briefings, meetings, and presentations within NSF reflect our commitment to maximizing the frequency and effectiveness of communications between OIG personnel and agency personnel. During this semiannual period, OIG staff and their contractors briefed National Science Board members at each Audit and Oversight Committee meeting on significant audit and investigative matters, such as the annual audit of NSF's financial statements. Staff also participated as resource personnel in the NSF Program Managers Seminars, which provide new NSF staff with detailed information about the Foundation and its activities. In addition, we regularly participate in an internal media communication effort within NSF, whereby we explain the OIG mission and responsibilities and the channels through which employees can bring matters to our attention.

Much of our success in establishing and maintaining effective communication and professional relationships with the individual directorates and offices within NSF is due to the strength of our liaison program. Our liaison teams (generally one investigator and one auditor) served as valuable conduits of information between our offices in the course of approximately 20 liaison events.

