

# OIG Management Activities

## Appointment of New IG

Allison C. Lerner assumed the duties of Inspector General (IG) of the National Science Foundation (NSF) in April 2009, reporting to the National Science Board and the Congress. Ms. Lerner previously served as Counsel to the Inspector General at the Department of Commerce, a position through which she acted as the IG's principal legal advisor and managed the office's staff attorneys and legal services.

Ms. Lerner began her federal career in 1991, joining the Office of Inspector General at Commerce as assistant counsel, and has been a member of the senior executive service since 2005. During her tenure at Commerce she also served as special assistant to the IG, Deputy Assistant Inspector General for Auditing, and Acting Assistant Inspector General for Auditing. Prior to joining the federal government, she was an associate at the law firm of Foster, Lewis, Langley, Gardner & Banack in San Antonio, Texas.

The President's Council on Integrity and Efficiency (PCIE) has honored Ms. Lerner with three awards for excellence: in 2001, for her work reviewing the Department of Commerce's management of 5,000 intra-agency and special agreements worth over \$1 billion; in 2002, for her assistance in a complex investigation of false claims submitted under a financial award from the National Institute of Standards and Technology; and in 2005, for her review of a controversial Booz-Allen Hamilton study that recommended significant structural changes to the National Oceanic and Atmospheric Administration's Office of Finance and Administrative Services.

Ms. Lerner received her law degree from the University of Texas School of Law and a B.A. in liberal arts from the University of Texas. She is admitted to the bar in both Texas and the District of Columbia.

## The American Recovery & Reinvestment Act

As part of the American Recovery and Reinvestment Act (ARRA) signed into law on February 18, the National Science Foundation received \$3 billion in stimulus funding and the Office of Inspector General received \$2 million to provide oversight of NSF's funds. As this is written, NSF is currently working with OSTP, OMB, and Congress on its spending plan, which is expected to be approved sometime in April.

While waiting to review NSF's final plan, OIG is taking a two-stage approach to its ARRA responsibilities: 1) a *proactive* phase for risk mitigation activities that can be accomplished in the near term to



NSF IG Allison Lerner

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help the agency and OIG prevent problems and prepare for more substantive work and; 2) an *operational* phase during which audits, investigations, and other types of reviews are conducted. Since the Recovery Act was passed, OIG staff have taken the following proactive steps:

- Staffed and organized an internal working group to coordinate OIG Recovery Act planning.
- Participated on five NSF ARRA implementation teams that are engaged in planning how the agency will execute its plans.
- Developed audit and investigative plans for both proactive and operational phases.
- Shared informational resources with the agency concerning the management of grant fraud risk.
- Reviewed past audit and investigative findings for their relevance to Recovery Act implementation efforts.
- Re-evaluated OIG staffing needs and applied to OPM for additional hiring authority.
- Begun filing monthly reports on-line about its major actions and expenditures related to the Recovery Act.

In addition, our office has joined a working group of OIGs from agencies that are receiving Recovery Act funds and holding regular meetings with the new Recovery Accountability and Transparency Board to coordinate their activities and share best practices. The purpose of the Board is to coordinate and conduct oversight of Recovery Act funds to prevent fraud, waste and abuse.

## Congressional Testimony

Thomas C. Cross, NSF's Interim Inspector General testified before the House Committee on Science and Technology, Subcommittee on Investigations and Oversight on March 19, 2009 to discuss how the OIG intends to perform its oversight responsibilities under the Recovery Act. Mr. Cross discussed OIG's plan for monitoring NSF's Recovery Act spending, challenges facing NSF with regard to the Recovery Act, and OIG efforts to address its own staffing needs to perform Recovery Act work.

Mr. Cross stated that the office will pursue a strategy aimed not only at safeguarding Recovery Act funds from waste, fraud and abuse, but also at helping assess whether those funds produce the results sought by the Act. Based on past OIG work, Mr. Cross noted that major research equipment (MREFC) expenditures, NSF's post-award monitoring, and the agency's management of contracts as areas that OIG considers high-risk for Recovery Act purposes. He concluded his testimony by commenting on OIG staffing, saying that options for hiring temporary staff were being explored, while the office sought approval to add additional auditors and investigators in 2010. The full text of his testimony is available on our website at: <http://www.nsf.gov/oig/oignews.jsp>

## Legal Matters

As reported in past Semiannual Reports, the 2007 NSF Reauthorization Act, enacted in August 2007, amended the PFCRA to bring the National Science Foundation within the statute's coverage. This amendment was supported by both OIG and NSF because it gave the agency authority to use administrative procedures to recover losses resulting from fraud cases under \$150,000 when the Department of Justice declines to prosecute. On December 30, 2008, NSF published proposed PFCRA regulations in the Federal Register for comment. Once final regulations are issued, NSF will be able to use this powerful tool to recover funds diverted due to fraud and ensure that appropriated funding serves its intended purpose.

## Outreach

During this semiannual period, the Outreach efforts of our office were challenged as a result of both an increase in their audit and investigative workload and budgetary constraints imposed as the result of a continuing resolution. As a result of these challenges, we had less of an opportunity to bring our message to the research community by means of presentations at universities, societies, and other organizations. This is a significant issue in light of the Recovery Act's proactive emphasis, and its enactment of additional outreach and training requirements to prevent or mitigate fraud, waste, and abuse related to Recovery Act funds. Recognizing the importance of meaningful communications with stakeholders such as the Congress, the National Science Board, and the National Science Foundation as well as with major institutions, national and international research organizations, and other federal agencies and their OIGs, essential outreach activities continued during this period.

Our continuing efforts to encourage the research community to embrace compliance-based programs at every research institution proceeded at a reduced number of outreach events targeting university officials, research administrators, principal investigators, students and post-docs, and international funding agencies. We highlighted the value of such programs and the significant risks that are assumed when universities and other members of the research community fail to develop and implement such programs. In a number of OIG presentations that were appreciated by our audiences, we included case studies of recent prosecutions that have resulted in prison sentences for those found guilty of committing fraud. We also increased access to our outreach material through a redesign of our webpage, making available updated brochures, presentations, and posters for the workplace.

### *Working with the International Community*

During this semiannual period, Inspector General Boesz participated in international forums addressing the prevention of, and response to research misconduct. In October, Dr. Boesz attended a conference in Beijing sponsored by China's Ministry of Science and Technology, and visited China's National

Natural Science Foundation as well as NSF's Beijing office. On November 17-18, she and the Associate Inspector General for Investigations, Dr. Peggy Fischer, attended a workshop hosted by the European Science Foundation, where Dr. Fischer presented on Investigating Allegations of Research Misconduct, and Dr. Boesz reported on the activities of the Global Science Forum.

Prior to her retirement in January, Dr. Boesz served as the Co-Chair of the Coordinating Committee for International Research Misconduct Investigations of the Global Science Forum (GSF). This committee comprises 30 nominated participants from 25 countries and international organizations. It held three meetings in Washington, D.C., Paris, and Vienna. The IG, together with the AIG for Investigations, played a significant role in the drafting of the Coordinating Committee's white paper entitled "Global Science Forum Best Practices for Ensuring Scientific Integrity and Preventing Misconduct," a report that the GSF Chair called "one of the best pieces of work the Forum has ever done." This important document will provide a basis for Research Integrity Frameworks in international collaborations.

In addition, other OIG staff participated in numerous meetings and presentations to further the Inspector General's international efforts. Members met with and briefed delegations from the European Science Foundation, the Science Foundation of Ireland, Health-Canada, and the Research Council of the United Kingdom. In each forum, OIG personnel explained our processes and oversight procedures, and answered questions from our international audiences.

### *Working with the Research Community*

**OIG Staff Participate in Conferences.** From among the wide range of workshops, conferences, and other events sponsored by institutions and associations of research professionals that invited our participation, we sought to identify those that offered the greatest opportunity to connect with the research community as a whole. We presented to the Society of Research Administrators International and addressed the national meeting of National Council of University Research Administrators. We conducted an outreach event at the American Association for the Advancement of Science (AAAS) that we hope will facilitate closer cooperation in the future. We met with editors from AAAS's Nature Magazine and discussed ways to address matters of mutual concern. Additional community-wide outreach events included two NSF Regional Grants Workshops and a presentation to NSF's Ethics Education in Science and Engineering Awardees. Through these interactions with the research community, we sought to inform key groups on best practices that have been identified and to encourage the development of systems to detect, resolve, and prevent the recurrence of misconduct or mismanagement within the research enterprise.

**OIG Staff Present at Universities.** We continue to receive many invitations to give presentations to, train, or consult with university officers and other organizations associated with the research enterprise. We addressed numerous groups that were involved in either applying for or administering NSF awards, performing supported research, or conducting university-level inquiries into allegations of research misconduct. During this semiannual period we made nine such presentations at universities. During each, we shared best practices on the enhancement of compliance and ethics programs that can contribute

to decreasing the recurrences of research misconduct. We also explained relevant rules, addressed risk factors of which they should be aware, and shared case studies and lessons learned during our audits and investigations. Our staff answered questions and provided fact sheets, brochures, posters, and other educational materials.

### *Working with the Federal Community*

During this semiannual period, NSF OIG personnel interacted with their counterparts in the federal community, including other federal OIGs, in a number of capacities. Our experience in grant fraud investigations enables us to take an active role in leading federal efforts to limit such misconduct. As in the past, we participated in numerous events and initiatives established to coordinate the fight against grant fraud. These included the National Procurement Fraud Working Group and the Grant Fraud Subcommittee of the Department of DOJ's National Procurement Fraud Task Force, in which we contributed significantly to the latter's publication of "A Guide to Grant Oversight and Best Practices for Combating Grant Fraud."<sup>1</sup>



CIGIE Chair Phyllis Fong speaks at Dr. Boesz' retirement event.

We worked with other federal agencies and Offices of Inspectors General on a variety of matters. These included meetings and events in conjunction with the Office of Management and Budget, the Department of Justice, the Government Accountability Office, the Department of Agriculture, and the Department of Homeland Security. Such professional interactions were often sought to address requests for particular assistance, but also occurred within the context of the Council of Counsels to Inspectors General and various committees of the Council of the Inspectors General on Integrity and Efficiency (CIGIE).

The Interim Inspector General continued in the role of the previous NSF IG as the Chair of the CIGIE Misconduct in Research Working Group. The Working Group coordinates efforts within the IG community to identify, investigate, and prevent research misconduct. Additionally, we continued to participate in the Federal Audit Executive Council and the Financial Statement Audit Network.

Finally, we provided requested information to committees in both the Senate and House, including the Senate Finance Committee, the House Committee on Oversight and Government Reform, the House Science and Technology Committee, and the House Rules Committee, on NSF management issues and our plans for implementing the Recovery Act.

### *Working with NSF*

During this semiannual period, we routinely made presentations to the National Science Board to keep the leadership of NSF informed of matters of importance for the oversight of agency operations. We have also continued our extensive outreach to NSF. The goal of our outreach mission is to constantly improve communications between OIG and agency personnel. Our NSF liaison

<sup>1</sup> <http://www.usdoj.gov/oig/special/s0902a/final.pdf>.

program has built on our prior success in establishing and maintaining effective communication and professional relationships with the individual directorates and offices within NSF. Our liaison teams (generally one investigator and one auditor) served as valuable conduits of information between our offices in the course of approximately 25 liaison events.

In addition, we gave briefings at 14 NSF orientations for new employees on the mission and role of OIG and how they can bring matters of concern to our attention. We also continued to participate in joint activities with NSF, including four Program Management Seminars. These sessions provided OIG staff an opportunity to develop personal and professional relationships with their NSF colleagues and learn about new developments within NSF programs, while educating our colleagues about the activities of NSF OIG. We participated in the NSF "Green Day" activities and in the NSF "Got Green" initiative. Our staff provided input for the design of a new NSF intranet and for a new NSF training module on the Notification and Federal Employee Anti-Discrimination and Retaliation (NO FEAR) Act. We also continued our internal media communications within NSF, whereby we educate NSF staff about OIG in general and our Hotline in particular.

Finally, during this semiannual period we have conducted extensive interaction with NSF concerning the development of NSF plans and processes relating to the Recovery Act. Members of our staff have been invited to participate in teams assembled by NSF to address Recovery Act pre-award, budget, post-award, contracting, and reporting issues. We look forward to working collaboratively with NSF to contribute to the successful completion of these tasks.