NSF OIG CORNER

Detecting and Preventing Grant Fraud

By Maureen M. Weir

The National Science Foundation Office of Inspector General investigates grant fraud to help protect NSF funds supporting research projects, facilities, and STEM education. In this article, we'll explore our role in investigating grant fraud, and how you can help prevent it.

What exactly is grant fraud?

Anyone can make a mistake. Fraud is different because it entails *knowingly* and *intentionally* providing false information, fraudulent documents, or false statements. Examples of fraud include award proposals with falsified letters of support or lack of disclosure by the principal investigator (PI), annual or final reports containing false information, and fake financial records.

How does NSF OIG investigate grant fraud?

Our federal law enforcement officers (special agents) and investigative attorneys work together to investigate grant fraud allegations made by PIs, NSF program officers, other federal agencies, and auditors. We also receive grant fraud tips through our anonymous phone and internet hotlines. To investigate fraud allegations, we may issue subpoenas, conduct interviews, review grant documents, and examine financial records. We also coordinate with other federal agencies and the U.S. Department of Justice to further investigations, execute search and arrest warrants, and recommend administrative action as appropriate.

What are some red flags for grant fraud?

Red flags for fraud may include excess spending in a given budget category, charging expenses that are unrelated to an award's purpose, charging unrelated research to an award to spend down the funds, and continuing to spend funds after the end of an award. Issues often arise when a university does not have adequate controls in place or faculty and staff are not following university policies.

What can be done to help prevent grant fraud?

Knowledge of the rules and strong internal controls are key for identifying and preventing grant fraud. Although NSF solicitations and award letters reference applicable rules and regulations, formal training on current NSF grant requirements and government regulations can help ensure faculty and staff know which costs are allowable, allocable, and reasonable for NSF awards. In addition, institutions can find updates on notable policy changes and revisions on NSF's website (nsf.gov).

Ensuring the university has adequate safeguards and internal controls to identify and self-report possible instances of fraud are also critical. Examples of internal controls that may help prevent grant fraud include requiring detailed support for expenses charged to an award, and carefully reviewing those expenses to ensure all costs are allowable, allocable, and reasonable. Reviewing certifications made by PIs throughout the award is another way to help ensure grant funds are spent properly. Certifications are an important part of proving the elements of fraud because they include warnings such as "the statements made herein are true and complete to the best of his/her knowledge" and "willful provision of false information in this application and its supporting documents or in reports required under an ensuing award is a criminal offense." Faculty and staff should pay close attention to the representations made in the certifications and reach out to PIs to confirm answers are true, complete, and accurate.

How can I report fraud, waste, abuse, or whistleblower reprisal?

- **Web:** www.nsf.gov/oig/report-fraud/form.jsp
- **Anonymous Hotline:** 1.800.428.2189
- **Email:** oig@nsf.gov
- **Mail:** 2415 Eisenhower Avenue, Alexandria, VA 22314
  ATTN: OIG HOTLINE

Have a question or an idea for NSF OIG's Corner? Please contact us at OIGPublicAffairs@nsf.gov

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