

Audit of NSF's Vetting Process for Individuals Assigned Under the Intergovernmental Personnel Act

NATIONAL SCIENCE FOUNDATION
OFFICE OF INSPECTOR GENERAL

January 9, 2023
OIG 23-2-003





AT A GLANCE

Audit of NSF's Vetting Process for Individuals Assigned Under the Intergovernmental Personnel Act

Report No. 23-2-003

January 9, 2023

WHY WE DID THIS AUDIT

NSF provides scientists, engineers, and educators the opportunity to temporarily serve as NSF program directors, advisors, and senior leaders. Most of these non-permanent staff members are individuals assigned under Title IV of the *Intergovernmental Personnel Act* (the Act, 5 U.S.C. §§ 3371 – 3376) and are referred to as IPAs. Federal agencies such as NSF benefit from IPAs, who can bring fresh perspectives and innovative approaches to solving problems facing the federal government. The objective of this audit was to determine whether NSF's process for vetting IPAs is sufficient to ensure candidates meet all IPA program and NSF requirements.

WHAT WE FOUND

NSF has established policies and procedures to help guide it in assigning IPAs. However, NSF did not always ensure IPA candidates met all program eligibility requirements or verify IPAs' salary and employment history prior to assignment. Additionally, NSF did not update its personnel security and suitability review process to address risks associated with foreign influence. These problems occurred, in part, because NSF's IPA vetting process is decentralized; there is no single office or individual that has full visibility of the entire vetting process, and the NSF offices that participate in the IPA vetting process did not always coordinate and communicate effectively. We also found other matters of concern related to home institution policies, documentation of IPA salary calculations, and cost share waiver approvals. NSF has taken steps to strengthen its IPA vetting process.

WHAT WE RECOMMEND

We made five recommendations aimed at improving NSF's administration of the IPA program.

AGENCY RESPONSE

NSF agreed with all five recommendations. NSF's response is included in its entirety in Appendix A.

FOR FURTHER INFORMATION, CONTACT US AT OIGPUBLICAFFAIRS@NSF.GOV.



National Science Foundation • Office of Inspector General
2415 Eisenhower Avenue, Alexandria, Virginia 22314

MEMORANDUM

DATE: January 9, 2023

TO: Karen Marrongelle
Chief Operating Officer
Office of the Director

Wonzie L. Gardner
Office Head
Office of Information and Resource Management

FROM: Mark Bell [REDACTED]
Assistant Inspector General
Office of Audits

SUBJECT: Final Report No. 23-2-003, *Audit of NSF's Vetting Process for Individuals Assigned Under the Intergovernmental Personnel Act*

Attached is the final report on the subject audit. We have included NSF's response to the draft report as an appendix. This report contains five recommendations aimed at improving NSF's administration of the IPA program. NSF concurred with all of our recommendations. In accordance with Office of Management and Budget Circular A-50, *Audit Followup*, please provide a written corrective action plan to address the report recommendations. In addressing the report's recommendations, this corrective action plan should detail specific actions and associated milestone dates. Please provide the action plan within 60 calendar days.

We appreciate the courtesies and assistance NSF staff provided during the audit. If you have any questions, please contact Ken Lish, Audit Director, 703.292.7100 or oigpublicaffairs@nsf.gov.

cc:
Stephen Willard
Dan Reed
Victor McCrary
Ann Bushmiller
John Veysey
Teresa Grancorvitz
Christina Sarris
Rebecca Lynn Keiser
Jim Ulvestad

Ona Hahs
Karen Santoro
Robin Clay
Francisco Ruben
Peggy Gartner
William Malyszka
Maren Williams
Jennie Fitzgerald
Allison Lerner
Ken Chason
Harrison Ford
Lisa Vonder Haar
Karen Scott
Dan Buchtel
Ken Lish
Melissa Prunchak
Heather Gallagher
Nacole White



Table of Contents

Background.....	1
Results of Audit	3
NSF Generally Followed Its Processes and Procedures to Help Ensure Compliance with IPA Program and Federal Requirements.....	4
NSF Did Not Ensure an IPA Met Eligibility and Salary Requirements.....	4
NSF Could Strengthen Adjudication Procedures to Better Address Foreign Influence Risk.....	6
Other Matters.....	7
Recommendations	10
OIG Evaluation of Agency Response	10
Appendix A: Agency Response.....	11
Appendix B: Objective, Scope, and Methodology.....	12

Abbreviations

HRM	Division of Human Resource Management
IPA	Intergovernmental Personnel Act
OGC	Office of General Counsel
PI	Principal Investigator
PSS	Personnel Security and Suitability team



Background

The National Science Foundation is an independent federal agency created by Congress in 1950 “[t]o promote the progress of science; to advance the national health, prosperity, and welfare; to secure the national defense; and for other purposes” (Pub. L. No. 81-507). With an annual budget of \$8.8 billion for fiscal year 2022, NSF funds approximately 27 percent of all federally supported basic research conducted by America’s colleges and universities. In fields such as mathematics, computer science, and the social sciences, NSF is the primary source of federal funding.

Intergovernmental Personnel Act

NSF provides scientists, engineers, and educators the opportunity to temporarily serve as NSF program directors, advisors, and senior leaders. Most of NSF’s non-permanent staff members are individuals assigned under Title IV of the *Intergovernmental Personnel Act* (IPA, the Act), 5 U.S.C. §§ 3371 – 3376, and are referred to as IPAs. The Act authorizes the temporary detail of personnel from institutions of higher education and other eligible entities to federal agencies. IPA assignments are voluntary and made for the benefit of both federal agencies and non-federal organizations. Federal agencies such as NSF benefit from hosting IPAs, who can bring fresh perspectives and innovative approaches to solving problems facing the federal government.

IPA program regulations are detailed in Title 5 of the Code Federal Regulations, Part 334. Additionally, individuals assigned under the Act are subject to government-wide ethics, suitability, and security laws and regulations.

NSF’s Vetting and Onboarding Process for IPAs

The responsibility for vetting and onboarding IPAs is shared primarily between NSF’s Division of Human Resources Management (HRM) and the Division of Administrative Services’ Personnel Security and Suitability (PSS) team, both within the Office of Information and Resource Management. Hiring managers across NSF’s directorates and offices work with HRM to recruit and hire staff, including IPAs, for their organizations. HRM is involved early in the hiring process for IPA assignments, including executive-level IPA assignments other than [REDACTED].

At the time of our audit, the Office of the Director led the hiring process for IPAs hired at [REDACTED] level, and HRM did not become significantly involved until after a selection had been made. In all cases, HRM issues tentative offer letters to IPAs, ensures necessary forms are complete, and processes IPA agreements (an agreement among the individual, the institution, and NSF).¹ HRM also requires that IPA home institutions provide a minimum of 10 percent cost share for the salary and benefit costs for all new full-time IPA agreements.²

¹ The IPA assignment agreement is the written record of the obligations and responsibilities of the parties to a temporary assignment arranged under the provisions of the *Intergovernmental Personnel Act*. The agreement includes reasons for the assignment, position description, benefits, as well as salary paid by the agency and cost share information.

² Strongly justified waiver requests may be considered and approved by the NSF Office of the Director.



All IPAs must go through NSF's security vetting process, which aligns with government-wide standards.³ This process is designed to ensure that NSF staff are fit⁴ to perform work for or on behalf of the federal government and considers all available information when making a national security eligibility determination. NSF's PSS team in the Division of Administrative Services conducts an adjudication of pertinent data in the background investigation and makes a favorable or unfavorable determination. To determine the level of investigation needed, NSF completes an Office of Personnel Management position designation record to identify the position's sensitivity and risk levels. The Defense Counterintelligence and Security Agency conducts the investigation, which includes an applicant's employment, criminal, and personal history. The NSF vetting process also includes a Federal Bureau of Investigation fingerprint check.

If PSS identifies potentially disqualifying issues in an individual's initial or final background investigation, PSS sends the individual a Letter of Interrogatory requesting information that could help mitigate the issue. If PSS is unable to mitigate the issue, it will make an unfavorable adjudication and, if the individual has already begun the assignment, the individual's employment is terminated by HRM.

NSF also reviews the IPA's award and proposal history for potential conflicts of interest and documents any associated resolution before making a final offer of employment.⁵ This review is completed by the Conflicts Officer from the NSF recruiting division or office.

Research Security and Risk of Foreign Influence

Over the past 3 years, NSF's research security initiatives have clarified disclosure requirements and educated the research community about the importance of safeguarding the U.S. research enterprise from threats of inappropriate foreign influence. Some foreign governments sponsor activities that pose risks to the U.S. research enterprise, such as talent recruitment programs that incentivize behavior that is inconsistent with the values of openness, transparency, and reciprocal collaboration. Many of the recent concerns about foreign influence in the U.S. research enterprise have arisen from scientists' undisclosed membership in foreign talent recruitment programs.⁶ According to the Office of Science and Technology Policy, a foreign government sponsored talent program is an effort directly or indirectly organized, managed, or funded by a foreign government to recruit science and technology professionals and students. Many countries sponsor such

³ NSF's *New Employee Vetting and Onboarding Process Standard Operating Procedures, February 13, 2018, Version #5*, "To align with changing Government-wide standards, all new NSF employees, contractors and temporary appointees/assignments are required to complete the security vetting process and must be granted a favorable interim suitability/fitness determination **prior to** a final offer and enter on duty (EOD) or be granted reciprocity if they have an existing background investigation that meets the requirements." [emphasis original]

⁴ The term "suitability" is used when referring to federal employees. The term "fitness" refers to the level of character and conduct determined necessary for an individual to perform work for, or on behalf of, a federal agency as a contractor (including IPAs).

⁵ This process is documented on NSF Form 1255 *Potential Conflicts-of-Interest Certification for Incoming Personnel*.

⁶ JASON, *Fundamental Research Security*, JSR-19-2I, December 2019



programs for legitimate purposes, but some programs encourage or direct unethical and potentially criminal behaviors.

According to NSF policy, NSF personnel, including IPAs, are not permitted to participate in foreign government talent recruitment programs.⁷ The NSF policy states: “[s]uch participation poses significant risks of inappropriate foreign influence on NSF policies, programs, and priorities, as well as risk to the integrity of NSF’s merit review process and to U.S. national interests.”⁸ Staff are directed to the NSF Designated Agency Ethics Official in the Office of General Counsel (OGC) for questions related to whether an affiliation meets the definition of a foreign government talent recruitment program. At the award recipient level, NSF requires individuals to disclose all professional appointments as well as current and pending support information to help NSF’s assessment of research proposals for any potential overlap or duplication with the project being proposed.⁹

NSF established the Chief of Research Security Strategy and Policy position in the Office of the Director in March 2020 as part of its continuing effort to ensure the security of federally funded research while maintaining open international collaboration. This position is tasked with providing the NSF Director with policy advice on all aspects of research security strategy and leading NSF’s coordination with its partners in academia, law enforcement (including the Office of Inspector General Office of Investigations), intelligence, and other federal agencies.

Audit Objective

The objective of this audit was to determine whether NSF’s process for vetting IPAs is sufficient to ensure candidates meet all IPA program and NSF requirements. To accomplish this objective, we reviewed a judgmental sample of 25 IPA assignments from the 150 new IPA agreements that began in 2018 and 2019. We also surveyed the IPAs’ home institutions to help verify eligibility for the IPA program and outside employment and positions. Please see [Appendix B](#) for more information about our objective, scope, and methodology.

Results of Audit

NSF has established policies and procedures to help guide it in assigning IPAs. However, NSF did not always ensure IPA candidates met all program eligibility requirements or verify IPAs’ salary and employment history prior to assignment. Additionally, NSF did not update its personnel security and suitability review process to address risks associated with foreign influence. These problems occurred, in part, because NSF’s IPA vetting process is decentralized; there is no single office or individual that has full visibility of the entire vetting process, and the NSF offices that

⁷ NSF Office of the Director, *Personnel Policy on Foreign Government Talent Recruitment Programs*, July 11, 2019. 19 of the 25 IPAs we reviewed as part of this audit had agreements that began prior to the issuance of this policy.

⁸ NSF, *Personnel Policy on Foreign Government Talent Recruitment Programs*, July 11, 2019

⁹ NSF 22-1, *Proposal and Award Policies and Procedures Guide*, effective October 4, 2021, Chapter II: Proposal Preparation Instructions



participate in the IPA vetting process did not always coordinate and communicate effectively.

We also found other matters of concern related to home institution policies, documentation of IPA salary calculations, and cost share waiver approvals. NSF has taken steps to strengthen its IPA vetting process by establishing an NSF Working Group on Intergovernmental Personnel Act Candidate Vetting.

NSF Generally Followed Its Processes and Procedures to Help Ensure Compliance with IPA Program and Federal Requirements

NSF offices involved in the IPA vetting process have established policies and procedures to help ensure NSF complies with federal requirements. Specifically, NSF has established standard operating procedures, policies, and forms to help guide the IPA assignment process and the adjudication of background investigations. We found NSF offices generally followed these procedures; however, we also identified instances of noncompliance, as well as risks that could be addressed with process and policy improvements. Although we only reviewed the vetting of IPAs, the issues and opportunities for improvement we identified could apply to NSF's vetting of other types of staff as well.

NSF Did Not Ensure an IPA Met Eligibility and Salary Requirements

Although NSF generally followed its established processes for approving IPA assignments, it did not ensure one IPA assignment of the 25 we reviewed met the requirements of the Act.

The Act permits the transfer of employees from eligible institutions, such as universities, to federal government positions, provided the transferred employee has been in a career position at the eligible institution for at least 90 days prior to the individual's federal assignment.¹⁰ To help ensure it complies with this requirement, NSF requires the institution to complete the IPA Assignee Cost Data form and to certify that the individual has been on the institution's payroll in a career position for at least 90 days before starting the IPA assignment.¹¹ NSF relies on the IPA's home institution to confirm the IPA's eligibility for the assignment, and requires the institution to provide salary and fringe benefit information. NSF does not verify the employment history or salary reported by an IPA's home institution before making IPA assignments.

As part of our review, we requested supporting documentation from the home institutions of the 25 IPAs in our sample to validate employment history and salary information and to verify individuals' eligibility for the IPA assignments. We found that NSF approved an ineligible individual for [REDACTED] IPA assignment — the equivalent of a Senior Executive Service position in the federal government. This individual was not eligible for the IPA assignment because the

¹⁰ 5 CFR 334.102 Definitions

¹¹ As part of the IPA Assignee Cost Data Form, NSF requires the IPA home institution to attest and agree that the certified salary is the actual salary paid by the institution and that the salary may not be adjusted for the purpose of the assignment.



individual was not a paid employee of the home institution and was not in a career position at the institution for at least 90 days before being assigned to the IPA position at NSF. At the time NSF selected the individual for the executive-level IPA position, the individual was employed at a scientific institution (Institution A) outside the federal government. Institution A had not applied for the IPA program but was eligible to become an approved institution. However, the individual obtained an additional unpaid position at a different institution (Institution B) that had already been approved for the IPA program. The individual's employment start and end date at Institution B and NSF were the same.

Institution B acknowledged it only appointed the individual to a research position to enable the individual to serve as an IPA at NSF. On its Cost Share Waiver Request form, the institution stated to NSF: "[a]s you know, we are appointing [name] to a research position" at the institution "to enable" the individual to serve as an IPA at NSF. The institution also stated "[s]ince we do not currently fund" the position, "the cost sharing requirement would entail substantial additional expense" to the institution.

Because the position was unpaid, NSF deviated from its process of basing the individual's salary on that of the home institution, and the Office of the Director instead negotiated a salary of \$250,000 with the individual. The individual then provided false information about both the start date and salary at Institution B, which the individual reported as \$250,000. A senior official at Institution B also falsely stated that the individual's "actual salary paid" was \$250,000, even though the position was unpaid.¹²

The assignment of this individual as [REDACTED] IPA also appears to violate the intent and spirit of the Act. For example, one of the purposes of the Act is to provide a mutual benefit to the federal government and the IPA's home institution. Because the IPA's tenure at NSF and Institution B ended on the same day, the IPA was not able to provide the institution with any successive benefits from the experience gained while working at NSF. Additionally, according to the Office of Personnel Management, "[a]ssignments arranged to meet the personal interests of employees, to circumvent personnel ceilings, or to avoid unpleasant personnel decisions are contrary to the spirit and intent of the program." The \$250,000 salary falsely reported by Institution B was higher than the individual's salary at Institution A, as well as the Senior Executive Service cap of \$189,600.¹³ The individual had previously retired from the federal government as a member of the Senior Executive Service and was eligible for reinstatement to federal service for this position.

At the time of our audit, the Office of the Director led the hiring process for executive IPAs hired at [REDACTED] level, and HRM did not become significantly involved until after the selection was made. As a result of our audit, NSF has taken steps to strengthen its controls by developing a new *Standard Operating Procedure on Office of Director Executive Staffing Actions* that was approved

¹² OIG referred this matter to the appropriate U.S. Attorney's Office, which declined to accept it for prosecution.

¹³ In the year of the individual's initial IPA assignment, the IPA's annual salary of \$250,000 was 31.85 percent higher than the Senior Executive Service maximum allowable salary of \$189,600.



on October 18, 2022. This procedure establishes a formal process to ensure that applicable requirements are met when HRM processes Office of Director staffing actions.

NSF could further strengthen its process for verifying an individual's eligibility for IPA assignments by requesting documentation from the home institution to validate the IPA's salary and employment history. This would reduce the risk that information is unintentionally or intentionally misrepresented by an institution.

Additionally, there is no single office or individual that has full visibility of the entire vetting process. Assigning a lead office or position to oversee the IPA vetting process may help NSF better identify and mitigate the issues that arise while vetting IPAs. More coordination and communication among the offices, as appropriate and consistent with applicable laws and regulations, could also aid the offices' respective reviews. For example, NSF does not have a separate step in its vetting process to address harassment-related issues. Adding a step in the process to appropriately consider harassment could enhance NSF's vetting of its IPAs.

NSF Could Strengthen Adjudication Procedures to Better Address Foreign Influence Risk

A foreign government sponsored talent program is an effort directly or indirectly organized, managed, or funded by a foreign government to recruit science and technology professionals or students. Participation in such programs may pose significant risks of inappropriate foreign influence on NSF's policies, programs, and priorities, as well as its merit review process.

NSF's process for adjudicating positions requiring security clearances includes consideration of foreign influence risks when making a national security eligibility determination.¹⁴ However, NSF's adjudication procedures for individuals without security clearances do not address risks associated with foreign influence. Although NSF considers the suitability factors defined by the Office of Personnel Management in its adjudication of individuals that do not require a security clearance, these do not include consideration of foreign influence risks.¹⁵

The final background investigation results for one IPA in our sample identified several risk factors related to foreign influence. The individual received an interim favorable adjudication from PSS in June 2019 and began working in a position that did not require a security clearance at NSF as an IPA in August 2019. In May 2020, NSF received the final background investigation results from the Defense Counterintelligence and Security Agency, which identified concerns related to the individual's foreign contacts, foreign interests, and personal conduct.

¹⁴ Eligibility for access to classified information or eligibility to hold a sensitive position in accordance with the Office of the Director of National Intelligence, *Security Executive Agent Directive-4 National Adjudicative Guidelines*, Effective June 8, 2017.

¹⁵ 5 CFR § 731.202



In March 2021, in response to our request, PSS told us it had not made a final adjudication determination for this individual and that it was trying to obtain information from another federal agency about the individual. PSS also told us because the IPA did not require a security clearance, it was unsure of its options to obtain more information from the individual about the foreign influence-related issues. Subsequently, PSS issued a Letter of Interrogatory¹⁶ in May 2021, to which the individual provided a response. In June 2021, PSS made an unfavorable fitness determination, which resulted in the IPA's immediate termination; however, at that point the IPA had already served at NSF for nearly 2 years.

NSF has taken steps to mitigate threats of inappropriate foreign influence on IPAs. For example, NSF added a statement in July 2019 to IPA agreements requiring the IPA and the home institution to agree that participating in foreign government talent recruitment programs is prohibited. However, we found that the statement was not included in IPA agreements for 5 of the 25 IPAs in our sample that were signed after the statement was incorporated.¹⁷ Additionally, to get more information when fitness issues arise in an IPA's background investigation, PSS drafted a standard operating procedure for establishing the reason for sending IPAs a Letter of Interrogatory to help obtain additional information needed in order to make a fitness determination. Strengthening its adjudication process for IPAs that do not require a security clearance would give NSF additional assurance that its IPAs are fit to perform work for NSF and their employment is in the government's best interest.

Other Matters

During the audit, we identified three other matters related to home institution policies, documentation of IPA salary calculations, and cost share waiver approvals.

IPA Home Institution Policies Did Not Always Align with NSF Requirements

As part of our audit, we surveyed the 21 home institutions for the 25 IPAs in our sample about their policies and procedures related to individuals participating in foreign government talent recruitment programs, as well as policies and procedures to report employment status changes for principal investigators. We found more than half of the 21 IPA institutions lacked policies related to reporting a change in an individual's employment status, such as administrative leave or termination due to sexual harassment. Additionally, only 10 of the 21 institutions had specific policies or guidance related to disclosing membership in foreign government talent recruitment programs. Based on the survey, NSF may wish to take actions to help or encourage recipient organizations to establish such policies. For example, NSF could provide award recipients with additional written guidelines or templates. The survey results are summarized below:

¹⁶ If a potentially disqualifying issue cannot be mitigated with the information at hand, PSS will reach out to the subject via a Letter of Interrogatory to request more information to assist PSS in making its final determination.

¹⁷ The five agreements that did not include the statement were two new agreements and three renewal agreements signed after NSF added the statement in July 2019.



Home Institution Policies Related to Participation in Foreign Government Talent Recruitment Programs

Over the past 3 years, NSF has strengthened disclosure requirements and educated the research community about the importance of safeguarding the U.S. research enterprise from threats of inappropriate foreign influence. At the agency level, NSF prohibited its employees, including IPAs, from participating in foreign government talent recruitment programs, as previously discussed. At the award recipient level, NSF requires individuals to disclose all professional appointments as well as current and pending support information to help NSF assess for any potential overlap/duplication with the project being proposed. This includes, for example, federal, state, local, foreign, public, or private foundations; non-profit organizations, industrial or other commercial organizations; or internal funds allocated toward specific projects.

We found that, while 10 of the 21 surveyed IPA home institutions were able to provide us with a specific policy for disclosing foreign government-sponsored research, the remaining 11 had no such policy. Institutions that do not require or provide guidance related to the disclosure of participation in foreign government talent programs face increased risk of an IPA being a participant of such a program immediately preceding or during the IPA assignment.

Home Institution Policies Related to Reporting IPA Employment Status Changes, Such as Administrative Leave Due to Sexual Harassment

Since October 2018, NSF has required award recipient organizations to notify NSF of:

- (1) [a]ny finding/determination regarding the PI [principal investigator] or any co-PI that demonstrates a violation of awardee policies or codes of conduct, statutes, regulations, or executive orders relating to sexual harassment, other forms of harassment, or sexual assault; and/or
- (2) if the PI or any co-PI is placed on administrative leave or if any administrative action has been imposed on the PI or any co-PI by the awardee relating to any finding/determination or an investigation of an alleged violation of awardee policies or codes of conduct, statutes, regulations, or executive orders relating to sexual harassment, other forms of harassment, or sexual assault.¹⁸

At the time of our survey, only 6 of the 21 home institutions had policies or procedures related to notifying NSF of IPA employment status changes. Without such policies or procedures, home institutions may face increased risk of harassment violations and employment status changes not being reported to NSF as required, and NSF risks not having the information it needs to make appropriate decisions about candidates for IPA positions.

NSF Could Improve Its Documentation of IPA Salary Calculations

¹⁸ *NSF Research Terms & Conditions Agency Specific Requirements*, Article 46. Notification Requirements Regarding Sexual Harassment, Other Forms of Harassment, or Sexual Assault, Effective October 22, 2018



HRM specialists manually calculate IPA salaries. IPAs are often from universities and have salaries paid over the academic calendar year. For academic salaries, NSF “annualizes” the salary, which means it converts an academic salary paid over a shorter period, such as 9 months, to an annual salary paid over 12 months by using the institution’s data. Although we did not find any errors in the calculated salaries, we found HRM specialists did not consistently document how they calculated them. Having consistent records of how the salaries are calculated would help ensure transparency and accuracy in salary calculations going forward.

This manual calculation has been an OIG concern dating back to 2004, as noted in the 2013 OIG Report No. 13-2-008, *Audit of Cost Associated with NSF’s Use of Intergovernmental Personnel Act Assignees*. OIG noted as an “other matter” that the NSF manual computation of IPA salary and fringe benefit, previously cited in a 2004 audit report, remained a concern. Although NSF agreed with the 2004 recommendation to automate the IPA salary and benefits computation process, it did not implement the recommendation due to budgetary constraints and its inability to find a suitable system. We noted in the 2013 report that although we did not specifically test for manual computational errors, we maintained that an automated tool could more accurately compute IPA salaries and other payments.

NSF Cost Share Waiver Approval Process

After a successful pilot period, NSF implemented a cost share policy, effective January 31, 2020, requiring that institutions provide a minimum of 10 percent cost share for the salary and benefit costs for all new full-time IPA agreements.¹⁹ If an institution is unable to provide the 10 percent cost share, it must submit a cost share waiver request describing the specific financial situation that makes it difficult for the institution to fulfill the cost share requirement. HRM submits the request to the Office of the Director, which provides final approval.

During the audit, we found the amount and quality of the information HRM provided to the Office of the Director to support the cost waiver requests varied, with less information generally being provided for executive IPA assignments. Specifically, for the four non-executive IPA assignments that had approved cost share waivers, HRM provided the Office of the Director an executive summary that included a thorough description of the institution’s reasons for requesting the cost waiver and the supporting documentation they supplied. For the two executive IPA assignments with approved cost share waivers, HRM provided the office a shorter summary of the institution’s rationale for the request. Additionally, to document approvals, for non-executive IPA assignments, HRM documented various reviewing officials’ approval of the request with a routing sheet; however, for the two executive IPA assignments, including the ineligible individual discussed in this report, only the approval of the Chief Operating Officer was documented.

¹⁹ NSF Bulletin No. 21-05, *Implementation of the Cost Share Policy for Personnel on Intergovernmental Personnel Act (IPA) Assignment to NSF*, February 23, 2021



Since the time of our audit, NSF has standardized the cost share waiver approval process for both non-executive and executive IPAs.

Recommendations

We recommend that the Chief Operating Officer, National Science Foundation:

1. Improve the coordination and procedures for the NSF offices involved in the Intergovernmental Personnel Act assignee vetting process to ensure issues identified during the process are elevated to an appropriate office or position for resolution.

We recommend that the Office Head, Office of Information and Resource Management, National Science Foundation:

2. Update procedures to validate Intergovernmental Personnel Act candidates' employment and salary at their home institutions, as well as any other information necessary to confirm eligibility for an Intergovernmental Personnel Act assignment.
3. Strengthen the vetting process for Intergovernmental Personnel Act assignees to address foreign influence-related issues.
4. Incorporate a step within the Intergovernmental Personnel Act assignee vetting process to identify and address harassment-related issues.
5. Update procedures to require consistent documentation to support the calculation of Intergovernmental Personnel Act assignment salaries.

OIG Evaluation of Agency Response

NSF agreed with all five of our recommendations. We have included NSF's response to this report in its entirety in Appendix A.



Appendix A: Agency Response



National Science Foundation
Office of the Director

DATE: December 15, 2022

TO: Allison Lerner, Inspector General, NSF

FROM: Karen A. Marrongelle, Ph.D., Chief Operating Officer [REDACTED]
Wonzie Gardner, Office Head, Office of Information and Resource Management
Peggy Gartner for Wonzie Gardner, 12/15/22

SUBJECT: NSF's Response to the OIG Official Draft Report, *Audit of NSF's Vetting Process for Individuals Assigned Under the Intergovernmental Personnel Act*

The National Science Foundation ("NSF") greatly appreciates the professionalism and diligence of the Office of the Inspector General ("OIG") in conducting its audit of NSF's vetting process for individuals assigned under the Intergovernmental Personnel Act ("IPA"). The audit yielded constructive and actionable recommendations to which NSF agrees.

Due to frequent dialogue with the OIG during the audit process, we have already taken responsive actions related to the results of the OIG's audit. These include (1) formation of the IPA-Vetting Working Group; (2) development and implementation of a standard operating procedure for Office of the Director executive staffing actions; and (3) standardization of the approval process for waiver requests by home institutions for the cost-share requirement. We recognize that timely completion of all actions responsive to the OIG's recommendations will help strengthen the vetting process for NSF's IPA program.

We further appreciate that the OIG's audit work included surveying harassment and foreign influence policies at a subset of IPA home institutions. The OIG's observations in these areas will help inform engagement and outreach to the awardee community.

We look forward to timely execution of all actions responsive to the OIG's recommendations as well as continuing dialogue with the OIG to help improve and inform controls for the IPA program.

2415 Eisenhower Avenue, Suite 19100 Alexandria, VA 22314



Appendix B: Objective, Scope, and Methodology

The objective of this performance audit was to determine whether NSF's process for vetting IPAs is sufficient to ensure candidates meet all program requirements. To accomplish this objective, we obtained an understanding of the IPA program and vetting requirements by reviewing NSF policies and procedures, as well as government-wide laws, regulations, and guidance. We reviewed a judgmental sample of 25 IPA assignments from the 150 new IPA agreements that began in 2018 and 2019.

For each of these IPA assignments, we reviewed NSF documentation relating to the IPA assignments, background investigations, and financial disclosures. We reviewed this documentation to determine whether NSF complied with its policies and procedures relating to IPA selection and onboarding, review of financial disclosures and conflict of interest, and adjudication of IPAs' fitness for federal government employment. Although we reviewed the financial disclosures for the IPAs, provisions of the *Privacy Act*, the *Ethics in Government Act of 1978*, and the Code of Federal Regulations preclude OGC from sharing information of concern with the PSS team that could be used to inform its determinations. We shared the results of our financial disclosure review with OGC, which did not impact the findings and recommendations contained in this report.

We reviewed the documentation for the sample of IPAs to assess NSF's efforts to ensure IPAs detailed to NSF were not participating in foreign government talent recruitment programs.

We surveyed the respective 21 IPA home institutions for the 25 IPAs in our sample and requested information to help verify IPA eligibility and outside employment and activities. Specifically, we requested support for the IPAs' salary and employment history prior to the IPA assignments to verify each individual's eligibility to serve as an IPA. As part of the survey, we also asked institutions whether they had policies for notifying NSF if there was a change in the IPA's employment status — administrative leave or termination — while on assignment or related to participation in foreign government talent programs.

We obtained an understanding of key internal controls for vetting IPAs by interviewing NSF staff within HRM, OGC, PSS, and the Office of Director. We conducted interviews regarding an ineligible IPA assignee with former NSF officials and officials at the IPA's home institution.

We obtained computer-processed data from NSF by directly accessing NSF's award data system, as well as requesting IPA award, financial disclosure, and adjudication data from NSF. We assessed the reliability of this data by performing a reconciliation of the data and interviewing knowledgeable staff. We corroborated the IPA award data with NSF data sources and determined that the data were sufficiently reliable for the purposes of this audit.

We conducted this performance audit between February 2020 and August 2021 in accordance with *Generally Accepted Government Auditing Standards*. Those standards require that we plan and



perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions, based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions.

Key contributors to this audit include Ken Lish, Contract Grant Audits Director; Melissa Woolson Prunchak, Audit Manager; Heather Gallagher, Audit Manager; Nacole White, Management and Program Analyst; Elizabeth Argeris Lewis, Executive Officer and Communications Analyst; and Jeremy Hall, Independent Report Referencer.



About NSF OIG

We promote effectiveness, efficiency, and economy in administering the Foundation's programs; detect and prevent fraud, waste, and abuse within NSF or by individuals who receive NSF funding; and identify and help to resolve cases of research misconduct. NSF OIG was established in 1989, in compliance with the *Inspector General Act of 1978*, as amended. Because the Inspector General reports directly to the National Science Board and Congress, the Office is organizationally independent from the Foundation.

Obtain Copies of Our Reports

To view this and any of our other reports, please visit our website at <https://oig.nsf.gov/>.

Connect with Us

For further information or questions, please contact us at OIGpublicaffairs@nsf.gov or 703.292.7100. Follow us on Twitter at [@nsfoig](https://twitter.com/nsfoig). Visit our website at <https://oig.nsf.gov/>.

Report Fraud, Waste, Abuse, or Whistleblower Reprisal

- File online report: <https://oig.nsf.gov/contact/hotline>
- Anonymous Hotline: 1.800.428.2189
- Mail: 2415 Eisenhower Avenue, Alexandria, VA 22314 ATTN: OIG HOTLINE