

## OFFICE OF INSPECTOR GENERAL (OIG)

**\$18,000,000**

The Appropriations Act that funds the U.S. National Science Foundation (NSF) contains a separate appropriation for NSF's Office of Inspector General (OIG). Accordingly, this FY 2026 Budget Request identifies the resources needed to support OIG, including amounts for personnel compensation and benefits (PC&B), contract services, training, travel, supplies, materials, and equipment.

The FY 2026 Budget Request for the Office of Inspector General is \$18 million, a decrease of \$6.41 million from the FY 2024 Appropriation of \$24.41 million.

<b>OIG Funding</b>					
(Dollars in Millions)					
	FY 2024			Change over	
	Current	FY 2025	FY 2026	FY 2024	Current Plan
	Plan	(TBD)	Request	Amount	Percent
<b>Total</b>	<b>\$24.41</b>		<b>\$18.00</b>	<b>-\$6.41</b>	<b>-26.3%</b>
Full-Time Equivalents (FTEs)	92		66	-26	-28.3%

## OIG Responsibilities and Structure

OIG provides independent oversight of NSF to improve the effectiveness, efficiency, and economy of its programs and operations and to prevent and detect fraud, waste, and abuse. By statute, NSF OIG is organizationally independent from the agency, with the Inspector General (IG) reporting directly to the National Science Board and Congress. Given the geographic breadth of the projects NSF funds, OIG must be equipped to conduct audits and investigations across the continental U.S., Alaska, Hawaii, Puerto Rico, and Antarctica. To fulfill its mission OIG employs a staff of investigators, auditors, attorneys, management analysts, data analysts, and information technology (IT) specialists. OIG's FY 2025 appropriation was just 0.27 percent of NSF's nearly \$9.06 billion in funding and less than 0.06 percent of its approximately \$41.9 billion portfolio of active awards (as of 7/31/2024).

OIG's work is divided into two functional areas: the Office of Audits, Inspections, and Evaluations and the Office of Investigations. These offices are supported by the OIG's Office of Management, Office of Counsel, and Immediate Office. Highlights of the OIG's operational impact and FY 2026 strategic focus by functional area follow.

## Appropriations Language

For necessary expenses of the Office of Inspector General as authorized by the Inspector General Act of 1978, \$18,000,000, of which \$1,300,000 shall remain available until September 30, 2027.

**Office of Inspector General  
FY 2026 Summary Statement**

(Dollars in Millions)

	Estimate/ Request	Unobligated Balance Available Start of Year	Unobligated Balance Available End of Year	Unobligated Balance Expired	Obligations Actual/ Estimates
FY 2024 Appropriation	\$24.41	\$0.40	-\$1.30	-\$0.03	\$23.48
FY 2025 Enacted	\$24.41	\$1.30	-	-	25.71
FY 2026 Request	\$18.00			-	18.00
\$ Change from FY 2024 Appropriation					-\$6.41
% Change from FY 2024 Appropriation					-26.3%

Totals exclude reimbursable amounts.

### Explanation of Carryover

Within the OIG two-year account, \$1,299,218 was carried over into FY 2025.

#### Office of Inspector General

- Amount: \$1,299,218
- Purpose: Funds are expected to be used for (1) travel expenses to Antarctica because the austral summer crosses fiscal years, to address allegations of sexual assault, stalking, other crimes related to the Special Maritime Territorial Jurisdiction, and conduct risk-based audits of Antarctic operations; and (2) to procure performance audit services. The selection of awards and institutions to be audited requires careful preparation and is subject to changing circumstances and new information that may require additional time to process.
- Obligation: Anticipated FY 2025 Quarters 1, 3 and 4.

### Audit Impact and Strategic Focus

OIG's Office of Audits, Inspections, and Evaluations (OAIE) conducts internal audits and reviews of NSF's programs and operations, as well as audits, inspections, evaluations, and other reviews of NSF's contracts, cooperative agreements, and grants to universities and other research institutions. These audits help ensure that financial, administrative, and programmatic activities are conducted economically, effectively, and in compliance with applicable regulations. OAIE also responds to congressional requests and reviews hotline complaints to build a comprehensive oversight program.

#### Areas of Risk for Potential Audit Coverage in FY 2026

Much of OIG's audit work is required, including the annual financial statement audit and the annual audit of NSF's information security program, which is required by the Federal Information Security Modernization Act of 2014 (FISMA). Additionally, in FY 2026, OIG must review NSF's FY 2025 Agency Financial Report for compliance with the Payment Integrity Information Act of 2019.

For the remainder of the oversight portfolio, OAIE uses a risk-based approach to identify the highest priority areas that would benefit from OIG oversight. At the FY 2026 Budget Request level, OAIE will be able to conduct three audits from the following high-risk areas or other areas that may emerge during the year:

*NSF's and Award Recipients' Compliance with Research Security Requirements*

NSF and award recipients must comply with numerous requirements designed to protect federally supported R&D against foreign government exploitation. For example, *National Security Presidential Memorandum 33* (NSPM-33) requires research organizations with more than \$50 million per year in total federal research funding to have a research security program; the *CHIPS and Science Act of 2022* enacted research security requirements that are applicable to both NSF and its award recipients; and NSF's *Proposal and Award Policies and Procedures Guide* (PAPPG) includes pre-award and post-award disclosure requirements in addition to guidance on conflicts of interest. OAIE plans to assess NSF's and award recipients' compliance with applicable research security requirements.

*NSF's Processes for the Re-competition and Management of the Antarctic Support Contract*

The current Antarctic Support Contract (ASC), for the United States Antarctic Program (USAP) is nearing expiration. The ASC, NSF's largest contract, has a total obligated amount of more than \$2.6 billion and a period of performance of more than 13 years. OAIE is undertaking a series of audits involving the closeout of the current ASC contract, and the competition for and management of the new contract.

*Information Technology Security and Controls*

FISMA requires federal agencies to develop systems to ensure security of electronic data, and OIG examines a selection of NSF's controls through annual FISMA audits. However, those audits follow a prescribed path, and OIG does not have additional resources to examine other issues that may arise during the audit or review other high-risk areas in NSF's information technology systems. At the FY 2026 Budget Request level, OAIE will continue to rely on third-party contractors with expertise in specific risk areas to fulfill this critical oversight mission, but will explore options for building an in-house IT audit capacity at a later date.

*Directorate for Technology, Innovation and Partnerships (TIP)*

NSF created the Technology, Innovation, and Partnerships (TIP) Directorate, which was authorized by the *CHIPS and Science Act of 2022*, to support use-inspired research and development (R&D), to bring new technologies to market rapidly, and to address major economic and social challenges. In April 2024, OAIE created a division dedicated to agile oversight of NSF awards and operations. One of the core functions of this division is ongoing monitoring and oversight of the early lifecycle of TIP's project portfolio, including TIP's flagship Regional Innovation Engines Program. The goal of the Engines Program is to promote economic growth in regions that have not fully participated in past technological development. Each award recipient, known as an Engine, can receive up to \$160 million for up to 10 years (Type-2 awards) with a possible two years' funding for planning (Type-1 awards). OAIE plans to review policies and procedures for the operation and implementation of the Engines program, the award selection process, and early-stage management of the initial Type-2 awards.

*NSF's Preparation for a Broader Use of Award Instruments*

As an assistance award agency, NSF has traditionally used grants and cooperative agreements to accomplish its mission. However, NSF is using a broader range of award instruments, including contracts, other arrangements, and other transaction agreements, particularly in its TIP Directorate. These funding instruments are significantly different from grants and cooperative agreements and require stronger oversight and compliance with other federal regulations, such as the Federal Acquisition Regulation (FAR). OAIE will review NSF's use of these award instruments, including plans for increased staffing, training, and modernizing its contract management system to ensure

compliance with the FAR and efficient and effective operations.

#### Audits of Recipients of NSF Grant Funds

Audits of NSF recipients are an essential part of OAIE's efforts to protect NSF funds. All statutorily mandated audits and most in-house performance audits focus on NSF's internal operations. Because the bulk of NSF's funding is provided to the academic community through grants and cooperative agreements, robust oversight of that funding is imperative. Audits of NSF recipients determine whether awardees follow the financial and administrative terms and conditions of the awards. They address the highest risk areas at institutions, identifying systemic issues, recapturing misused funds, and making recommendations ensuring proper stewardship of federal funds going forward. These audits also help identify systemic issues resulting from NSF policy and/or guidance, leading to recommendations for NSF to make internal adjustments and improvements.

NSF award recipients often enter into agreements with other organizations to conduct portions of an award's objective. These agreements, known as subawards, establish a contractual relationship between the prime recipient and subrecipient. Prior NSF OIG audits have identified subawards as a high-risk area that is susceptible to mispending and noncompliance with federal regulations and NSF terms and conditions. At the FY 2026 Budget Request level, OAIE will continue to conduct limited audits of NSF award recipients' management of their subawards and costs claimed, and may write a capstone report summarizing common findings and/or identifying promising practices.

Historically the OIG has procured audits of NSF recipients to provide this much-needed audit coverage over the recipient community. The coverage of each of these audits at recipients ranged from \$5.3 million to \$216.5 million from FY 2020 through March 31, 2025. Beyond the findings specific to the institutions being audited, these audits may identify evidence of behavior that could violate criminal or civil laws, which OAIE would refer to the Office of Investigations. Additionally, these audits may identify inconsistent treatment of similar charges across the academic community, which OAIE would share with NSF staff so they could address the inconsistencies. The impact of this work is not limited to the entities that are audited: NSF recipients carefully monitor the results of these audits to identify situations where they need to strengthen their own policies and procedures. OAIE will continue its risk-based modelling to ensure our limited oversight resources are directed toward the highest-risk grant recipients and NSF funding programs. OAIE will also continue to monitor the quality of single audits.

#### **Investigative Impact and Strategic Focus**

OIG's Office of Investigations (OI) investigates criminal, civil, and administrative wrongdoing related to NSF programs and operations and research misconduct including allegations involving all entities and individuals that receive NSF funds. OI also evaluates and investigates allegations of research misconduct—data fabrication, data falsification, and plagiarism—related to NSF-funded research, and allegations of whistleblower retaliation. OI's vigilance ensures that those who seek or receive NSF research funds are held accountable and serves as a meaningful deterrent to grant fraud, research misconduct, and other wrongdoing.

The OIG Hotline annually receives and reviews hundreds of complaints and allegations of wrongdoing. OI opens investigations based upon a variety of considerations, including OIG's strategic goals, NSF's Management Challenges, the seriousness and magnitude of the offense, the

significance of programmatic vulnerability, and the high-risk status of the program or institution. OI also strategically leverages the use of advanced data analysis tools and techniques to design and conduct targeted proactive investigations.

#### Investigative Action on Research Security Threats

OI continues to be a leader in the response to the threats to U.S. federally funded research and development by foreign states that use “talent plans” to exploit the openness of American universities and the federal research enterprise. OI initiated its first criminal investigations focused on foreign talent plan members’ misuse of NSF funding in FY 2018. Since then, these cases have become increasingly complex, and they continue to account for a significant portion of OI’s workload.

OI’s investigative work on research security threats has resulted in award suspensions and terminations, recoveries of NSF funds, and many referrals to the U.S. Attorney’s Office for prosecution. In addition, OI conducts proactive investigative activities to identify previously unidentified research security risks affecting the U.S. research enterprise. These proactive initiatives have resulted in both civil and criminal investigations and prosecutions. Equally important, these activities identified noncompliance with federal requirements at several major academic research institutions and have led to both financial recoveries and major systemic changes at those institutions. In FY 2024, for example, one of OI’s proactive efforts resulted in two significant civil settlements with NSF awardees.

To help combat research security threats, OI delivers robust outreach and training to its stakeholders and investigative partners. Specifically, OI:

- Founded and now co-leads a Council of the Inspectors General on Integrity and Efficiency (CIGIE) Working Group, which informs and assists investigative colleagues with threat identification, case predication, and best practices in conducting research security investigations.
- Collaborates with the FBI and other investigative partners to conduct outreach to internal and external stakeholders (e.g., grantees, institutions) to explain the risks posed by foreign talent plan membership.
- Conducts outreach and provides education to NSF, which has resulted in the issuance of new or amended agency advisories and policies to address the threat, including an express prohibition of talent plan members serving as federal employees or Intergovernmental Personal Act (IPA) rotators, the requirement that IPA rotators be U.S. citizens, and increased disclosure requirements for researchers seeking NSF funding.
- Supports the operation of a Sensitive Compartmented Information Facility at NSF to enhance the efficiency and effectiveness of research security investigations by facilitating essential communication and coordination with investigative partners across the government.

#### Investigative action on SBIR/STTR Program Risks

Protecting NSF’s nearly \$640 million portfolio of active Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) awards from fraud and abuse remains a significant priority. The intent of the SBIR/STTR program is to develop novel technologies for the betterment of the U.S. economy and it has been deemed a national security portfolio. As a result, OI focused its proactive investigative efforts on identifying SBIR/STTR companies performing NSF-funded research outside of the U.S., in violation of the rules. Several of these investigations recently concluded with civil settlement agreements and funds returned to NSF.

OI has successfully partnered with NSF program managers to greatly improve SBIR/STTR processes and procedures to reduce the opportunity for fraud to occur. OI's efforts have produced significant programmatic improvements and enhanced understanding throughout the research community. OI also contributes to SBIR/STTR-related outreach at NSF awardee workshops, which provide guidance to the small business community on how to properly handle federal funds and the consequences of not following the rules. Further, OI co-founded and has led a governmentwide special agent working group focused on fighting SBIR/STTR fraud for over a decade. This group allows agents to identify potential investigative partners, deconflict cases, and share best practices and lessons learned.

#### Investigative Focus on Sexual Assault Investigations in Antarctica

In response to the *Sexual Assault/Harassment Prevention and Response (SAHPR) Report* that was commissioned by NSF and released in August 2022, OIG has expanded its investigative mission to provide a criminal investigative response capability for the United States Antarctic Program (USAP) in Antarctica. The SAHPR report indicated that sexual assault and stalking are problems in the USAP community. Sexual assault and stalking are criminal offenses. When they occur in Antarctica and are committed by or against a U.S. national, these offenses can be prosecuted under the Special Maritime and Territorial Jurisdiction, which includes "any place outside the jurisdiction of any nation with respect to an offense by or against a national of the United States." Historically, NSF relied upon the USAP McMurdo Station Manager, authorized as a Special Deputy U.S. Marshal, to serve as the on-ice law enforcement official. After conferring with NSF, the U.S. Department of Justice, the FBI, and the U.S. Marshals Service, OI assumed responsibility for investigating allegations of sexual assault, stalking, and other crimes occurring in Antarctica. In July 2023, OI began receiving allegations of sexual assault and stalking from current and former USAP participants and initiated investigations into these criminal offenses. OI also hired an expert in the investigation of sexual assault in late FY 2023.

OI was authorized to hire three additional criminal investigators specifically trained and highly skilled in sexual assault and fraud investigations to provide an on-site law enforcement presence at McMurdo Station. OI hired one such criminal investigator, who along with the investigator hired in FY 2023, will travel to Antarctica for extended periods of temporary duty during austral summers and lead remote investigations on an as-needed basis during the winter season.

To ensure the success of this new investigative mission, OI and NSF's Office of Polar Programs and Office of the Director formed a Coordination Group on Law Enforcement in Antarctica. The group's charter is to determine an appropriate and feasible law enforcement posture and develop a plan for the longer-term posture. In addition, OI established and leads a government-wide Sexual Assault Investigations Working Group through CIGIE. This working group enables criminal investigators handling sexual assault cases to leverage resources and share best practices and lessons learned.

#### Investigating Research Misconduct

Research misconduct – plagiarism, fabrication, and falsification – damages the scientific enterprise, is a potential misuse of taxpayer funds, and undermines the public's trust in government-funded research. NSF-funded researchers must carry out their projects with the highest ethical standards. In 1991, NSF delegated its authority to investigate research misconduct to OIG. As a result, OI hired investigative scientists with the necessary scientific backgrounds to investigate these allegations.

At the beginning of FY 2025, OI had six investigative scientists on staff responsible for investigating research misconduct. After two staff departures for other agencies and four staff electing the Deferred Resignation Program, OI has no investigative scientists remaining. OIG and NSF have discussed NSF reassuming the delegated authority for research misconduct investigations; however, NSF is unable to take the mission back in the near term. In the interim, OIG has agreed to serve as the intermediary – OI will receive complaints and refer matters to the awardee university for investigation, and upon receipt of the university's report, OI will provide the report to NSF for adjudication.

## **Support Offices' Actions and Impacts**

### Office of Management

OIG's Office of Management (OM) directs OIG's human resources, information technology, data analytics, financial management, procurement, and other critical mission support functions. Working in partnership with the other OIG offices, OM guides the strategic vision of the OIG and ensures that all operational needs are met. Critical functional areas include:

#### *Human Capital*

Having a strong human capital strategy is vital to the success of any organization. OIG's competitive advantage has long been its highly skilled staff. However, the recent loss of many tenured and highly skilled staff and the optimization of the remaining workforce have been challenging for the OIG. As a result, the remaining human resources staff have been focused on these challenges and the development of plans to assist offices across OIG throughout this process. One of the priorities is, and will continue to be, the development of additional automated tools in partnership with the IT team to further optimize the human capital and technology resources in executing the OIG mission. The goal is to allow OIG personnel to spend less time on administrative tasks and more on executing OIG's mission.

#### *Information Technology*

OM strives for continuous process improvement. Investment in IT plays a critical part in achieving that goal. From providing recommendations to senior management on modernization to protecting OIG information systems and data to handling day-to-day hardware and software issues, OM supports all aspects of IT. For example, to safeguard the independence of OIG audits and investigations, OM established a dedicated Starlink satellite network at McMurdo Station, Antarctica. This secure network enables reliable, direct access to OIG systems in this remote environment without dependence on NSF-controlled infrastructure. The IT team is now more than ever focused on automating processes across the OIG enterprise to ensure OIG personnel are focused on mission execution.

#### *Data Analytics*

A robust data analytics capacity is a core component of OIG's ability to provide effective oversight. OM uses data analytics to streamline internal processes such as human capital, procurement oversight, and budget execution. These applications yield great efficiency and allow OIG management to make more informed decisions. However, because of workforce optimization efforts, personnel in OM's Data Operations Group were reassigned to the Office of Audits, Inspections, and Evaluations (OAIE) as auditors. Therefore, the work performed by these data analysts across all OIG components now falls on the existing IT team.

### *Budget and Financial Management*

Sound budget and financial management are key to the success of the OIG. Personnel working in these areas are responsible for developing, executing, and monitoring budgets in alignment with OIG goals, federal regulations, and fiscal policies. By analyzing financial data, forecasting expenditures, and assessing funding requirements, these professionals help guide strategic decision-making and promote fiscal accountability. Their work ensures that taxpayer dollars are spent efficiently, programs are adequately funded, and financial risks are mitigated, thereby supporting the OIG's mission and maintaining public trust in government operations.

### Office of Counsel

The Office of Counsel (OC) consists of the General Counsel to the IG, two assistant counsels, the Chief of Staff, and a vacant Freedom of Information Act (FOIA) analyst position. OC provides comprehensive legal advice and critical analysis to the IG and all OIG offices, including legal review of externally issued OIG work products and correspondence. OC is responsible for the OIG Ethics and FOIA programs and handles a myriad of subject areas, including audit-related support, ethics, appropriations law, contract law, information disclosure, privacy, federal personnel law, and IG Act authorities. On average, OC handles about 350 actions per year, including reviews for legal sufficiency, information security, and information governance for reports and other externally focused documents; proposed procurements; FOIA requests; Antarctic-focused work, which presents unique and complex issues; and legal opinions on various matters. OC attorneys also participate in key meetings and decisions, conduct training, and publish legal updates. This level of involvement enables the office to identify and address potential legal issues and risk areas before they mature. OC also supports the larger IG community through active participation in CIGIE projects and committees.

The Chief of Staff also directly supports the IG and handles all matters relating to external affairs, including congressional relations and media contacts.

### Immediate Office

The Immediate Office includes the Inspector General and Deputy Inspector General. Both positions are vacant. The Assistant Inspector General for Investigations is performing the Inspector General's duties until the position can be filled.

### **Government-wide Impact**

Though small relative to many other OIGs, NSF OIG continues to make outsized contributions to the Inspector General community and the government at large. For example:

- NSF's Acting Inspector General serves as the co-chair of the CIGIE AIGI Committee.
- The Assistant Inspector General for Audits serves on CIGIE's Audit Committee, Inspection and Evaluation Committee, and Professional Development Committee.
- The Assistant Inspector General for Management coordinates a CIGIE Management and Policy forum and serves as the Director of the Executive Core Qualification Review Board, which is part of CIGIE's Professional Development Committee and Leadership Innovation Subcommittee.
- NSF OIG established five IG community working groups to:
  - Prevent fraud within the SBIR/STTR programs,
  - Increase the use of government-wide suspension and debarment to deter and reduce instances of fraud, waste, and abuse,
  - Foster the next generation of senior investigative leaders within the IG community,



- Address threats to research security, and
- Investigate sexual assaults occurring in federal environments.

## Financial Discussion

Office of Inspector General					
Personnel Compensation and Benefits and General Operating Expenses					
(Dollars in Thousands)					
	FY 2024			Change over	
	Current	FY 2025	FY 2026	FY 2024 Current	
	Plan	(TBD)	Request	Amount	Percent
Personnel Compensation & Benefits <sup>1</sup>	\$19,682		\$16,369	-\$3,313	-16.8%
Travel & Transportation of Persons	600		100	-500	-83.3%
Advisory & Assistance Services <sup>2</sup>	2,940		1,100	-1,840	-62.6%
Information Technology	460		75	-385	-83.7%
Communications, Supplies, Equipment, and Other	728		356	-372	-51.1%
Training	350		60	-290	-82.9%
Other <sup>3</sup>	280		224	-56	-20.0%
CIGIE Assessment <sup>4</sup>	98		72	-26	-26.5%
<b>Total</b>	<b>\$24,410</b>		<b>\$18,000</b>	<b>-\$6,410</b>	<b>-26.3%</b>
Full-Time Equivalents	92		66	-26	-28.3%

<sup>1</sup> FY 2026 PC&B includes base salary costs and anticipated within grade and promotion increases.

<sup>2</sup> This includes the mandated annual financial statement audit and associated evaluations, and other support services.

<sup>3</sup> Starting in FY 2025, this line includes the operations cost for the Sensitive Compartmented Information Facility (SCIF).

<sup>4</sup> In FY 2024, the CIGIE assessment increased from 0.36% to 0.40% of OIG's appropriation.

## FY 2026 Budget Request

The FY 2026 Budget Request for NSF OIG represents a 26.3 percent decrease and a reduction of 26 FTE from the FY 2024 Plan.

OIG's staff on board has already been reduced to 70 through the Deferred Resignation Program, regular attrition, and the hiring freeze. OIG will further reduce staff to reach the 66 FTE authorized by the FY 2026 Budget Request.

## Inspector General Reform Act Statement

Section 6(g)(1) of the IG Act, 5 U.S.C. app. 3, was amended by the Inspector General Reform Act of 2008 (Pub. L. 110-409) to require a summary statement concerning OIG's annual Budget Request.

In accordance with this, OIG submits the following summary:

- FY 2026 Budget Request for NSF OIG is \$18 million.
- The portion for training is \$60,000.
- The portion for operation of the CIGIE is \$74,000.<sup>1</sup>

<sup>1</sup> This is an estimate of CIGIE's annual membership assessment, which is tied to each member OIG's annual appropriation.

The portion of the FY 2026 Budget Request for staff training is not expected to suffice for all training needs in FY 2026.