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NSF Award Mismanagement, Publication Ban Among Costly Actions by Researchers

By Theresa Defino

During the second half of fiscal year 2021, which ended Sept. 30, the National Science Foundation (NSF) collected more than \$2.5 million from six universities and a spinoff firm for a panoply of (sometimes alleged) mistakes and misdeeds. In four cases, NSF has either debarred the investigator involved or has been recommended to do so by OIG.

The paybacks and settlements are broadly outlined in the most recent semiannual report (SAR) to Congress of NSF actions and Office of Inspector General (OIG) investigations.^[1] The report spans from April 1 to Sept. 30, 2021, and also includes six cases for which OIG is recommending NSF make findings of misconduct.^[2]

As is its practice, OIG does not reveal the names of investigators or institutions. To learn more, RRC has filed Freedom of Information Act requests and will report additional details if they become available.

Violations, Destroyed Research Draw Reprimand

OIG also reported that it issued a letter of reprimand to a principal investigator (PI) despite infractions leading to the destruction of her research and a payout to NSF. This case is part of OIG's administrative investigations.

"Our office investigates a variety of allegations that are not pursued as criminal or civil matters or do not meet the strict definition of research misconduct. These cases, which are resolved administratively, include allegations such as misallocation of grant funds, violations of human and animal subjects' regulations, violations of peer review confidentiality, conflicts of interest, or employee misconduct," OIG explained.

At some time during the period from Oct. 1, 2019, to March 31, 2020, a university suspended the PI's research "after her university's Institutional Review Board determined there was serious, continuing noncompliance with regulations governing research with human subjects." She apparently did not obtain "proper informed consent" and improperly collected "human and animal biospecimens from a foreign country."^[3]

The university took the seemingly rare step of destroying the PI's "affected research data and biospecimens" and then identified "costs associated with the collection and analysis of the destroyed samples."

Costs spanned two NSF awards—\$300,000 from a closed award and more than \$50,000 from an award that was active at the time. All told, the university repaid NSF \$370,000, which included "almost \$20,000 in other unallowable costs."

During the period covered by the new report, "the university concluded its investigation of the PI's misconduct and determined that the inadequate administration of the NSF-funded research stemmed from the PI's unintentional errors regarding applicable regulations," OIG said. The university "implemented additional oversight of the PI's research."

OIG said it “concurred” with the university’s conclusions and actions. For its part, OIG “sent the PI a warning letter emphasizing PI responsibilities regarding human subject and vertebrate animal use protocols, and accurate and timely reporting.” It did not recommend NSF impose any sanctions against her.

Integrity Investigations Net Repayments

The seven new cases of repayment, part of OIG’s program integrity investigations, demonstrate the types of situations that can result in repayment or forfeiture of NSF awards. None described in the recent report included investigator misconduct, defined as fabrication, falsification and plagiarism. Indeed, actual misconduct findings in federally funded research rarely result in award repayment.

“We investigate allegations concerning misuse of NSF funds, false statements in documents submitted to NSF, and employee misconduct. When we identify a violation of a criminal or civil statute, we refer our investigations to the U.S. Department of Justice (DOJ) for criminal prosecution or civil action,” OIG said, explaining the nature of program integrity investigations. “When appropriate, we also refer matters to NSF for administrative action, such as award termination and government-wide suspension or debarment.”

The following is a list of institutions making repayment to NSF, in descending order of payment amount. In each instance, OIG said the amount returned or repaid was “more than” the dollar amount stated, but was not more specific.

- \$650,000 was returned to NSF by a university related to four awards that were mismanaged by an associate professor who also had an undisclosed conflict of interest with a company. “An employee of the associate professor’s company simultaneously managed the university lab and production and sales activities for the professor’s company,” OIG said. The university’s audit revealed that he “failed to fully disclose his association with the company to the university, mischarged costs to NSF awards due to comingling of university and company activities, and failed to account for company use of university resources,” as well as “identified expenses that could not be allocated to either university or company business.” NSF has not yet acted on OIG’s recommendation to debar the associate professor.
- \$630,000 from terminated awards was reallocated by NSF following an unusual and murky situation in which a publisher banned a university investigator from appearing in the “venue” and “serving in any review, editorial, or program committee position for 15 years.” OIG provided no hint of what precipitated these fairly drastic actions against the professor, who also was placed on administrative leave. “We recommended NSF suspend the professor’s NSF awards. NSF and the university agreed to mutually terminate the awards, resulting in more than \$630,000 in funds put to better use,” OIG said, adding that its investigation is ongoing.
- \$550,000 was NSF’s portion of approximately \$882,000 that was repaid by Bio-Adhesive Alliance Inc. to the agency and to the Environmental Protection Agency after the firm pleaded guilty in March to making false statements related to using ineligible individuals and listing others who had not agreed to participate.
- \$230,000 for “salary mischarges” was repaid to NSF as a result of an OIG investigation that found a university professor “charged his summer salary to an NSF award” for about five years when in reality he was working for a “foreign university.” NSF has not yet acted on OIG’s recommendation to debar the professor for an unspecified period of time.
- \$225,000 was repaid to NSF by a university to “resolve outstanding concerns not covered by the civil settlement agreement” partially related to membership payments for Industry-University Cooperative Research Centers (I/UCRC) and its mismanagement of other awards from different federal agencies. OIG

did not specify amounts that were covered by the settlement agreement. The \$225,000 consisted of “more than \$60,000 in unallocable and unsupported expenses” and more than \$180,000 related to the university’s possible failure to pay the “minimum required to participate” in the I/UCRC. The university also “revised its policies and enhanced its controls for I/UCRC membership payments to ensure this would not recur.”

- \$130,000 was returned to NSF despite the related dismissal of a felony embezzlement charge against a university professor who allegedly moved NSF funds to a “media company, which was directed to develop websites for the university’s NSF-funded center and for the professor’s wife’s company.”^[4] He resigned. “Due to circumstances beyond the prosecution’s control, the matter was dismissed in state court. The university, however, agreed to take corrective action regarding the expenses in question, including costs paid to the company owned by the former professor’s wife,”^[5] OIG reported. It has also recommended debarment of the former professor and the company. “NSF’s decision is pending.”
- \$100,000 was repaid to NSF by Georgia Tech in connection with former professor Eva Lee, who pleaded guilty to two felony counts of making false statements and in August was sentenced to two months of home detention (to be served in April and May of this year) and 10 months’ probation; she also personally paid restitution of \$40,000, as part of her plea.^[6] NSF previously debarred her for three years.^[7] “The university obtained more than \$100,000 from NSF as a result of the professor’s false statements. During this reporting period, the university returned those funds to NSF,”^[8] according to the SAR, which did not identify Lee. However, the details match Lee’s ordeal as described in federal documents and publicly available news stories.

1 National Science Foundation Office of Inspector General, *Semiannual Report to Congress: April 1, 2021 – September 30, 2021*, NSF-OIG-65, <https://bit.ly/3yymnme>.

2 Theresa Defino, “Misconduct Tales: ‘Similarity Index,’ Years of Faked Data, Plagiarized Proposals, No Quotes,” *Report on Research Compliance* 19, no. 1 (January 2022).

3 National Science Foundation Office of Inspector General, *Semiannual Report to Congress; October 1, 2019 – March 31, 2020*, NSF-OIG-SAR-62, 14, <https://bit.ly/3yIROKq>.

4 National Science Foundation Office of Inspector General, *Semiannual Report to Congress: April 1, 2019 – September 30, 2019*, NSF-OIG-SAR-61, 2, <https://bit.ly/3DXnnBq>.

5 National Science Foundation Office of Inspector General, *Semiannual Report to Congress: April 1, 2021 – September 30, 2021*, 4.

6 Jeffrey Mervis, “Georgia Tech scientist gets lighter sentence in grant violation case because of her work on coronavirus,” *Science Insider*, August 12, 2020, <https://bit.ly/3E5H6Pu>.

7 National Science Foundation Office of Inspector General, *Semiannual Report to Congress: October 1, 2020 – March 31, 2021*, NSF-OIG-SAR-64, 10, <https://bit.ly/3smwMjC>.

8 National Science Foundation Office of Inspector General, *Semiannual Report to Congress: April 1, 2021 – September 30, 2021*, 4.

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