



# From the Inspector General

---

This report highlights the activities of the National Science Foundation (NSF) Office of Inspector General for the six-month period ending March 31, 2004. The past six months have been extremely productive. Our office issued 10 audit reports that contained \$330,037 in questioned costs and made recommendations that would put \$7,400,000 in funds to better use. We closed 28 civil/criminal cases and 32 administrative cases, and our investigations recovered \$147,978. In addition, two cases were referred to the Department of Justice and three administrative cases were forwarded to NSF management for action during this period.

Research in basic science continues to make a significant contribution to innovation and economic growth. NSF is the primary source of federal funding for basic science and engineering research, principally through universities and colleges. The agency also supports education initiatives in mathematics and science. For more than 50 years NSF has continued to have a remarkable impact on the United States' scientific and engineering enterprise. Over that time the scientific challenges have grown in complexity, requiring more collaborations, greater integration, and a wider range of state-of-the-art tools and facilities. As a catalyst for innovation, NSF has been adjusting to these changes in many ways. However, NSF faces management challenges that need immediate attention and resource constraints that will force difficult decisions in order to meet the demands of an ever-changing environment. My office has identified several management challenges, e.g., post-award administration, human capital resources, and large-facility construction management, that are discussed in this report on page 8.

Demonstrating that NSF is accountable for results and a vigilant steward of public money is fundamental to good governance. Toward that end, the NSF Office of Inspector General strives to give the public and the Congress confidence that each dollar provided to NSF will be spent in the most efficient and effective way possible. On page 13 of this report, we provide details about NSF's most recent financial statement audit, which produced another unqualified opinion. Finally, on page 33, we include a summary of the accomplishments our office has made towards its goals over the past 12 months. I am pleased to report that we made significant progress in meeting the goals of our work plan.

There have been changes in NSF's senior management during this period. In February, Dr. Rita Colwell resigned as Director, and Dr. Arden Bement was appointed as Acting Director until a permanent Director is found. Every two years the terms of one-third of the National Science Board (NSB) end in May and we lose the services of eight distinguished and valued members. This year we thank Drs. Steven Beering, Anita Jones, George Langford, Joseph Miller, Robert Richardson, Maxine Savitz, and Luis Sequeira for their service to NSF and the country.

I especially want to recognize the contributions of NSB member Dr. Pamela Ferguson, who supported the work of the Office of Inspector General with her insights and management expertise. Dr. Ferguson died in April of this year. She will be remembered by the OIG for years to come because of her valuable contributions to audit planning and her ability to focus on important management issues. As a mathematician, a professor, and a college president, she had the skills

and the experience to assist us in navigating through complex issues. She also had a sense of humor, much appreciated by OIG staff.

During the next reporting period we will continue our commitment to work with NSF to address its management challenges and to ensure the efficiency, effectiveness, and integrity of agency operations. Finally, I want to express my appreciation for the strong support shown by the National Science Board, NSF senior management, and program officials at all levels of NSF, as well as the members of the Senate and House of Representatives and their respective staffs with whom we work.

A handwritten signature in black ink, reading "Christine C. Boesz". The signature is written in a cursive style with a large, stylized initial "C".

Christine C. Boesz, Dr.P.H.  
Inspector General  
May 17, 2004