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House of Representatives

Washington, DC 20515

December 9, 2021

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The Honorable Sethuraman Panchanathan
Director
National Science Foundation
2415 Eisenhower Avenue
Alexandria, VA 22314

Dear Director Panchanathan:

I write to you today to inform you that the National Science Foundation (NSF) is the latest recipient of my Golden Fleece award for its lack of proper oversight for grants and delays in implementing cost saving recommendations at various universities.

According to the recent Semiannual Annual Report to Congress released by the NSF's Office of Inspector General (OIG), there is \$905,585 in questioned costs from Clemson University, Emory University, the University of South Carolina, Tennessee State University, the University of Pittsburgh, and the University of California San Francisco.¹ According to the report, questioned costs include "unallowable costs, inadequately supported costs, and inappropriately allocated costs."² These costs are questioned because they may have been made in violation of a statute, regulation, or conditions of a Federal award. The questioned costs may not be able to be supported by adequate documentation or the costs incurred may seem unreasonable. It is irresponsible of both the grantee and NSF to have over \$900,000 in questioned costs.

Further, according to the report, there is \$6,501,955 in aggregate potential cost savings from NSF grants that have not yet been recovered due to unimplemented recommendations by the OIG.³ The over \$6.5 million includes "reports issued before April 1, 2021, for which no management decision has been made by September 30, 2021, including the aggregate potential cost savings of those recommendations."⁴ The \$6,501,955 in aggregate potential cost savings results from approximately 360 OIG recommendations without NSF management decisions at seventeen universities. The OIG report shows "recommendations that are unimplemented because they are unresolved, either because NSF has not provided corrective action plans, or NSF and OIG have not agreed on the adequacy of the proposed corrective actions."⁵ The oldest unresolved report dates back to April 17, 2019.⁶

¹ Semiannual Report to Congress: April 1, 2020 - September 30, 2021. (NSF-OIG-65, p.12.)

<https://www.oversight.gov/sites/default/files/oig-reports/NSF/Final-SAR-65-Fall-2021-004.pdf>

² Ibid, 12.

³ Ibid, 21.

⁴ Ibid, 19.

⁵ Ibid, 19.

⁶ Ibid, 19.

The recent Semiannual Annual Report provides reasons for why NSF management decisions have not been made by the NSF for the \$6,501,955 in aggregate potential cost savings. Those reasons include, “resolution delayed due to university non-responsiveness and departure of assigned staff”⁷ and “draft management decisions require additional edit and review before finalizing.”⁸ The NSF and universities must work together to implement the proposed cost saving recommendations.

It is crucial that the NSF strengthens its controls so the agency can have fewer questioned costs and so the agency can help implement cost saving recommendations quickly. Further, the NSF must ensure that recommendations from OIG are implemented and resolved to promote effectiveness, efficiency, and integrity in NSF programs and grants. Resolving questioned costs in a timely manner will protect taxpayer money and allow the NSF to achieve its underlying mission.

It is critical that the NSF and its grant recipients are good stewards of taxpayer money. Should you require any additional authority from Congress to address these concerns, I urge you to notify me as soon as possible. I sincerely thank you for your consideration and look forward to working with you to address this important issue.

Sincerely,



French Hill
Member of Congress

⁷ Ibid, 19.

⁸ Ibid, 19.