

# SEMIANNUAL REPORT TO CONGRESS

APRIL 1, 2024 -  
SEPTEMBER 30, 2024





OFFICE OF INSPECTOR GENERAL

# SEMIANNUAL REPORT SUMMARY

APRIL 1, 2024 - SEPTEMBER 30, 2024

AmeriCorps OIG is an independent office that works to protect the integrity of national and community service by providing independent oversight, identifying and mitigating risks and vulnerabilities, and promoting accountability and integrity in AmeriCorps' programs and operations.

Our work demonstrates our commitment to independent and objective oversight of AmeriCorps programs and operations. Our talented staff deserve the credit for the accomplishments reflected in this semiannual report and our success is because of them. We will continue to work collaboratively with our partners and stakeholders to protect and oversee AmeriCorps programs and operations.

## OUR VISION

To be a catalyst for continuous improvement through objective, innovative and trusted oversight.

## AUDIT STATISTICS

**\$0**

Monetary Impact



**3**

Recommendations for Corrective Action



**1**

Audits and Other Reports Issued



## INVESTIGATIVE STATISTICS

**\$684 K**

Monetary Impact



**8/8**

Civil/Criminal  
Investigations with DOJ



**5**

Suspension/Debarment  
Recommendations to  
Agency



**3/3**

Indictments/Convictions  
this Period



**7/7**

Department of Justice  
Referrals this Period  
(Accepted/Declined)



## RETURN ON INVESTMENT IN FY 2024

**\$10.29 M**

Total Monetary  
Impact



**94**

Recommendations  
for Corrective Action



**12**

Suspension/Debarment  
Recommendations  
to Agency



**11/10**

Department of  
Justice Referrals  
(Accepted/Declined)



**6/4**

Indictments/  
Convictions



## OPEN RECOMMENDATIONS

230

Recommendations not fully implemented as of September 30, 2024



20

Unresolved Recommendations included in Open Recommendations



## INVESTIGATIVE CASE STATISTICS

Cases Active at Beginning of Period:

80

Cases Opened this Period:

19

Cases Closed this Period:

19

Cases Active at End of Period:

80

## KEY AUDIT TAKEAWAYS

The following remain challenges for AmeriCorps and its grantees and subgrantees:

- **Noncompliant timekeeping,**
- **Subrecipient monitoring, and**
- **Financial management.**

AmeriCorps met many requirements but did not fully comply with the Payment Integrity Information Act (PIIA) as found in our [May 2024 audit](#).

## MANAGEMENT CHALLENGES

AmeriCorps OIG issued a [Top Management Challenges](#) Report identifying the major challenges facing AmeriCorps:

- Improving Financial Management
- Prioritizing Grant Fraud Prevention and Detection
- Modernizing and Securing Information Technology
- Emerging Challenge: Effective Utilization of American Rescue Plan Funding

## OUTREACH HIGHLIGHTS

### PUBLICATIONS

#### [Anti-Fraud Advisories](#)

- [Volume 3: What is Match?](#)
- [Volume 4: Why are Terms and Conditions Important?](#)

### IN-PERSON ENGAGEMENT



State Commissions  
Visited this Period

16

National Conference  
Presentations

3

## AT A GLANCE

	FY 2024 FTEs	FY 2024 Budget
 <b>OIG</b>	<b>26</b>	<b>\$7.595M</b>
 <b>AmeriCorps</b>	<b>511*</b>	<b>\$1.262B</b>

*\*This number based on the FY 2024 President's Budget as the FY 2024 Enacted Budget was not available at the time of publication.*

Produced and published at U.S. taxpayer expense.

## ABOUT AMERICORPS

AmeriCorps provides grants and technical assistance to volunteer organizations throughout the United States to strengthen communities, foster civic engagement, and improve the lives of all Americans serving their local communities and the Nation.<sup>1</sup> In Fiscal Year (FY) 2024, AmeriCorps invested approximately \$970 million in national service through its programs: AmeriCorps State and National (ASN), Volunteers in Service to America (VISTA), the National Civilian Community Corps (NCCC), AmeriCorps Seniors, and Public Health AmeriCorps. A substantial portion of these funds were distributed through service commissions in each U.S. State and Territory.

## OFFICE OF INSPECTOR GENERAL

Along with AmeriCorps, Congress established the AmeriCorps Office of Inspector General (AmeriCorps OIG) to promote economy, efficiency, and effectiveness in AmeriCorps' programs and operations and to prevent and detect fraud, waste, and abuse within AmeriCorps or the entities that receive and distribute AmeriCorps funds.<sup>2</sup> AmeriCorps OIG is an independent organization, led by a Presidential appointee, which submits its reports and recommendations to AmeriCorps' Chief Executive Officer and Congress.

The results of our work are intended to motivate AmeriCorps to take corrective action and prevent wrongdoing and mismanagement in the execution of programs. We also conduct outreach to our stakeholders, including our grant recipients, to make them aware of fraud red flags, the consequences of wrongdoing, whistleblower protection, and how to report problems or concerns to us. Additionally, we recommend that AmeriCorps suspend and/or debar recipients and potential recipients of AmeriCorps funds — both individuals and organizations — that are not presently responsible to administer Federal funds. These recommendations protect the government and, ultimately, the taxpayers, by preventing wrongdoers or those with a history of poor performance or noncompliance from receiving new Federal awards.

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<sup>1</sup> In September 2020, the Corporation for National and Community Service (CNCS) began doing business as AmeriCorps.

<sup>2</sup> In February 2021, CNCS Office of Inspector General (OIG) changed its name to AmeriCorps OIG.



## Our Mission

To protect the integrity of national and community service by providing independent oversight, identifying and mitigating risks and vulnerabilities, and promoting accountability and integrity in AmeriCorps' management, programs and operations.

## Our Vision

To be a catalyst for continuous improvement through objective, innovative and trusted oversight.

## Our Values

### Integrity

We are fair and transparent in our independent oversight.

### Collaboration

We promote an inclusive culture that encourages teamwork.

### Accountability

We hold ourselves responsible for delivering high-quality results.

### Respect

We embrace the ideas and individuality of those we encounter in our work.

### Excellence

We produce exceptional and impactful work products.

## Management Challenges

AmeriCorps programs offer help and hope to communities, and the agency is uniquely positioned to lift communities and offer critical services to children, young adults, and older adults who need them most. This is a critical time for AmeriCorps' leadership to reflect on where the organization stands, to take steps that will successfully address longstanding issues, achieve significant improvements that strengthen the organization, and ensure the effective stewardship of U.S. funds dedicated to national and community service. AmeriCorps' top three management challenges our office has identified and is working with AmeriCorps to strengthen are:

- Improving Financial Management
- Prioritizing Grant Fraud Prevention and Detection in its Programs
- Modernizing and Securing Information Technology

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## MESSAGE FROM THE ACTING INSPECTOR GENERAL

It is my pleasure to submit this Semiannual Report for the period of April 1, 2024 through September 30, 2024. Our oversight work during this reporting period continued to address long-standing concerns about AmeriCorps' programs and operations.

AmeriCorps' 30th anniversary concluded during this semiannual period. AmeriCorps' Office of Inspector General has been there every step of the way, conducting audits and investigations, and making recommendations for a more efficient and effective AmeriCorps. Over that time, four permanent Inspectors General, along with dedicated staff, oversaw nearly \$29 billion in appropriated funds and helped the agency improve its programs and operations by identifying opportunities for improvement and instances of fraud, waste, and abuse that prevent communities from receiving the resources they need. Ultimately, our work has helped improve lives and strengthen communities in the United States.

Our investigations during this semiannual period continue that effort. Our most significant case involved public corruption, contract fraud, and fraud related to pandemic funding programs. As of the end of the semiannual period, two individuals in the case have pleaded guilty to Paycheck Protection Program and Economic Injury Disaster Loan fraud and one individual pleaded guilty to accepting payment for steering government contracts, with more pleas expected in the coming months. AmeriCorps OIG has led this sprawling, multi-agency case that began with an allegation of contract fraud involving an AmeriCorps employee.



We also continued our civil enforcement efforts. In coordination with our partners at the Department of Justice, we reached a settlement agreement with a grantee to resolve allegations that it submitted false claims when it improperly charged capital assets as an in-kind matching expense. These civil settlements are important, as they reinforce that organizations and individuals will be held accountable when they recklessly disregard the handling of AmeriCorps funds.

This reporting period, AmeriCorps OIG issued its first Management Alert since 2019. The Alert identified concerns regarding AmeriCorps' awarding, management, and oversight of a contract for its new grants management system. Our chief concern was that cost overruns will likely exceed \$9 million—more than double the amount of the original contract. AmeriCorps oversees many contracts, including other large contracts related to its IT modernization – one of the agency's top challenges. If followed, the steps suggested in the Management Alert will improve AmeriCorps' contract management practices and avoid future wasteful contract overruns. We will continue to issue Management Alerts, when appropriate, to highlight issues that we believe should be brought to AmeriCorps management's attention immediately.

Our Office of Audits placed a renewed focus on the follow-up and implementation of AmeriCorps OIG's outstanding audit recommendations. I am proud to report that we are seeing many tangible benefits from this effort. We closed 71 recommendations this



period compared to 35 last semiannual period. This is a result of the agency implementing positive changes in response to our oversight work. We appreciate the agency's efforts to discuss the recommendations and provide the information and actions necessary for us to close the recommendations.

In addition to following up on outstanding recommendations, the Office of Audits remains busy with its ongoing projects. As of the end of the reporting period, the Office had nine ongoing audits, evaluations, and agile products, with additional reviews forthcoming in FY 2025.

Finally, our investigations and audits continue to encounter falsified or otherwise noncompliant timesheets. This remains one of the most frequently encountered types of fraud identified by our office. AmeriCorps members earn Segal Education Awards based on the number of hours served and recorded on timesheets, and when members' service hours are inflated or misrepresented, AmeriCorps expends funds from the National Service Trust for unearned and falsely certified education awards. This type of falsification has a negative impact on AmeriCorps' core mission and financial statements. As a result of an audit report issued at the end of the last reporting period, AmeriCorps walked back timekeeping accountability by changing its grantee Terms and Conditions. AmeriCorps no longer requires its members to record all hours served, only the time served on AmeriCorps programs. By removing the requirement to maintain documentation of all the member's Federal or privately funded activities, it eliminates the only way to verify that the hours billed to AmeriCorps were also not billed to another Federal grant or funding source.

In an effort to address this and other fraud issues at the ground level, we have increased our in-person anti-fraud training with our AmeriCorps State and National grantees. We visited with and presented to staff of 16 state commissions and their AmeriCorps grantees during this reporting period. During these visits, my message to AmeriCorps grantees is simple: By managing their grants and funds appropriately and using appropriate internal controls to prevent and detect fraud, AmeriCorps grantees can ensure that more money is available to support AmeriCorps' mission – and ultimately the communities and individuals that benefit from this great program.

I am grateful to work with colleagues who are dedicated to the OIG's mission and who value the work of AmeriCorps. We are committed to independent and objective oversight of AmeriCorps programs and operations. Our success period after period is only possible because of AmeriCorps OIG's talented staff.

We will continue to work collaboratively with our partners and stakeholders to protect and oversee AmeriCorps programs and operations. I look forward to continuing to help the agency improve its programs and practices by identifying fraud, waste, mismanagement, and inefficiencies.



Stephen Ravas  
Acting Inspector General

## OFFICE OF AUDITS

### Statistical Highlights: April 1, 2024 – September 30, 2024



### Highlights of Audit Work Completed During this Reporting Period

#### [AmeriCorps' Compliance with the Payment Integrity Information Act of 2019 for Fiscal Year 2023 \(Report 24-04\)](#)

We conducted a mandatory audit of AmeriCorps' compliance with the Payment Integrity Information Act of 2019 (PIIA) and related applicable improper payment guidance. PIIA requires agencies to review and identify programs and activities that may be susceptible to significant improper payments, estimate the improper payment rates in agency programs, and report on their actions to reduce and recover those payments. Each agency's Office of Inspector General assesses compliance with these requirements annually. AmeriCorps identified AmeriCorps State and National (ASN), Foster Grandparent Program (FGP), Senior Companion Program (SCP) and the National Service Trust as susceptible to improper payments.

Although AmeriCorps' corrective actions have improved its compliance with PIIA reporting requirements,<sup>3</sup> in FY 2023, AmeriCorps reported an improper payment rate of more than ten percent for SCP, one of AmeriCorps Seniors' four major programs and activities. AmeriCorps reported an improper payment rate below ten percent for ASN and FGP.<sup>4</sup> AmeriCorps did not publish improper and unknown payments for the National Service Trust and, therefore, it could not be included in the PIIA evaluation.

<sup>3</sup> See Figure 1.

<sup>4</sup> See Figure 2.

**Figure 1: FY 2023 PIIA Compliance<sup>5</sup>**

Requirement	ASN	FGP	SCP
Published an Annual Management Report	Met	Met	Met
Posted on the Agency's Website	Met	Met	Met
Conducted a Risk Assessment	Met	Met	Met
Concluded that Improper Payments Were Above or Below Threshold	Met	Met	Met
Published Improper Payment Estimates for Programs Susceptible to Significant Improper Payments	Did Not Meet	Did Not Meet	Did Not Meet
Published Adequate Corrective Action Plans	Met	Met	Met
Published Improper Payment Reduction Target	Met	Met	Met
Demonstrated Improvements to Payment Integrity or Reached a Tolerable Improper Payment Rate	Met	Met	Met
Developed a Plan to Meet Reduction Targets	Met	Met	Met
Reported an Improper Payment Rate of Less Than Ten Percent	Met	Met	Did Not Meet
<b>Noncompliant Elements</b>	<b>1</b>	<b>1</b>	<b>2</b>

Despite decreased reported improper payment rates for FGP and SCP, AmeriCorps grantees have insufficient internal controls in place to verify the allowability of payments made with AmeriCorps grant funds or to maintain documentation to support the allowability of these payments. AmeriCorps noted a reduction in noncompliant National Service Criminal History Checks (NSCHC), which was the main driver of non-compliance in FY 2022. However, in FY 2023, AmeriCorps indicated that calculation errors were the primary causes of improper payments for FGP and SCP programs, and incorrect or unsupported salary allocation issues were the main drivers of non-compliance for ASN improper payments.

**Figure 2: FY 2023 Improper Payment Rates**

Program	FY 2023 Reported Improper Payment Rate
ASN	8.9%
FGP	9.9%
SCP	15.6%

In addition, AmeriCorps published FY 2023 improper payment estimates for ASN, FGP, and SCP that were not accurate, reliable, or consistent with Office of Management and Budget (OMB) guidance. AmeriCorps incorrectly removed unmatched reporting errors from its sampling methodology instead of undertaking the reconciliation analysis needed to determine whether the unmatched expenditures were improper payments. Including these unmatched reporting errors raises the improper payment rates above 10 percent.

<sup>5</sup> PIIA identifies six compliance requirements that agencies must meet. However, guidance issued by the Council of the Inspectors General on Integrity and Efficiency and Office of Management and Budget expanded the six requirements to ten.

AmeriCorps also included payments to ineligible recipients in its sampling populations and did not examine whether payments were made to eligible recipients during their improper payment testing. For example, AmeriCorps determined that it had inappropriately awarded FGP, SCP, and Retired Senior Volunteer Program (RSVP) grants to at least three AmeriCorps State Commissions, which are not eligible to receive Seniors grants per Federal regulations. However, AmeriCorps' CEO issued a waiver of the regulation prohibiting State Commissions from directly operating any AmeriCorps Seniors program and applied the waiver to the previously awarded Seniors grants to State Commissions. At the time of testing, however, this waiver had not yet occurred.

In addition, AmeriCorps did not publish improper and unknown payment estimates for the National Service Trust, which the agency already determined was susceptible to significant improper payments within its FY 2023 risk assessment. Our FY 2021 PIIA report recommended that the agency re-evaluate the risk assessment of the National Service Trust. In the FY 2022 PIIA audit, we found that the risk assessment performed should have concluded that the National Service Trust is a program susceptible to improper payments. The agency did not take timely action to address this identified risk and test the National Service Trust in FY 2023 because it lacked sufficient time or resources to develop and execute improper payment testing. AmeriCorps indicated that it is not required to publish improper and unknown payments estimates for the National Service Trust until FY 2024 since a susceptibility analysis was performed in FY 2023.

AmeriCorps generally concurred with our findings and recommendations that AmeriCorps did not publish an improper payment rate of less than ten percent for its SCP program. AmeriCorps does not concur with findings and recommendations related to unmatched reporting errors and payments to ineligible recipients and publishing improper and unknown payment estimates for the National Service Trust.

### **AmeriCorps' Actions Related to Prior Audit**

In response to [OIG Report OIG-AR-24-05](#), *Performance Audit of AmeriCorps Grants Awarded to YouthBuild USA*, which we issued at the end of the last reporting period, AmeriCorps revised its Terms and Conditions to remove the long-standing requirement that members' time comply with provisions of the Uniform Grant Guidance (2 C.F.R. § 200.430). The now-removed provision required that AmeriCorps members record all hours served. AmeriCorps' revision requires that members record only the time served on AmeriCorps programs and that they use self-certification to "document" that members are not duplicating hours when engaging in other Federal grant activity.

AmeriCorps' revision diminishes accountability for timekeeping in AmeriCorps State and National, its largest program, at a time when subgrantee oversight is an agency top management challenge. First, self-certification is not an appropriate fraud risk management tool. Second, the revision removes the requirement to maintain documentation of all the member's Federal or privately funded activities. This would eliminate the only way to verify that the hours billed to AmeriCorps were also not billed to another Federal grant or funding source. Grantees who follow AmeriCorps'

revised guidance are at risk of failing AmeriCorps OIG audits due to a lack of appropriate timekeeping documentation.

## Audit Resolution



Overdue Recommendations  
(Open more than one year)

**125**



Unresolved  
Recommendations

**20**



Recommendations Not Yet Due  
(Open more than six months)

**82**

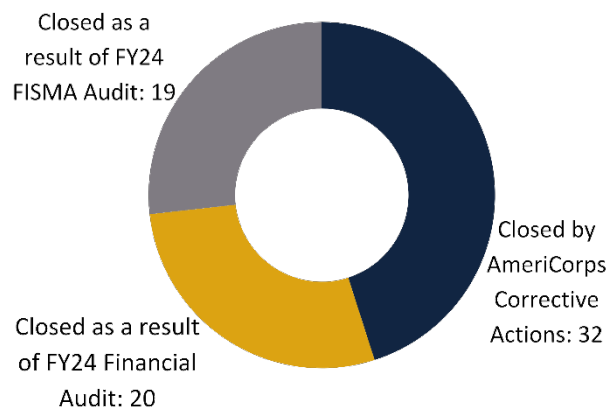
In line with our strategic plan, we've increased our engagement with AmeriCorps to resolve recommendations resulting from prior findings to improve operations and internal controls, recover questioned costs, and put funds to better use. We report all recommendations issued and unimplemented before this reporting period as open recommendations. In addition to the three recommendations that were issued during this semiannual period, 125 open recommendations are overdue, having been outstanding for more than one year, 82 open recommendations are outstanding for more than six months but less than a year, which are not yet due as of the end of the semiannual period, and AmeriCorps has disagreed with 20 recommendations (Appendix A). Those recommendations are listed as unresolved.

To resolve open recommendations, AmeriCorps sends a corrective action plan to the OIG with proposed actions and milestone dates approximately six months after the issuance of each final report. We review the plan and communicate with AmeriCorps to ensure the proposed corrective actions are timely and responsive to the report's recommendations. AmeriCorps then submits a notice of final action to convey its implementation of the recommendations. When we confirm the implementation is complete, we close the recommendation. If AmeriCorps does not successfully implement our recommendation or disagrees with fully implementing the recommendation, we classify the recommendation as open and unresolved.



## AmeriCorps Implemented Corrective Actions on Nearly a Quarter of Prior Year Open Recommendations

**Figure 3: Closed 71 Recommendations**



During this semiannual period, we closed 71 recommendations: 19 as a result of the FY 2024 Federal Information Security Modernization Act (FISMA) audit; 20 as a result of the FY 2024 financial statement audit; and 32 based on AmeriCorps' submissions to demonstrate corrective action on other reports, as noted in Figure 5. The 71 closed recommendations represent a significant portion – 24% – of the total 293 open recommendations as of the end of the prior semiannual period.<sup>6</sup> This shows

significant progress, in line with our strategic plan, towards addressing open recommendations and engaging AmeriCorps to strengthen and improve AmeriCorps programs and operations as a result of our timely, relevant, and impactful work products.

**Figure 4: Potential Cost Savings of 71 Closed Recommendations**



Specifically, AmeriCorps provided documentation to resolve seven recommendations from OIG Report 17-05, *Evaluation of the National Civilian Community Corps (NCCC) Program*, nine recommendations from OIG Report 23-04, *Performance Audit of AmeriCorps' Charge Card Program for Fiscal Year 2021*, and two recommendations from OIG Report 21-02, *FY 2020 Performance Audit Report of AmeriCorps' Internal Control Program and National Service Trust Liability Model*. AmeriCorps' Office of Audit and Debt Resolution (OADR) was instrumental in working with grantees to close 14 of the 30 recommendations. OADR also provided documentation to resolve seven recommendations from OIG Report 23-06, *Performance Audit of AmeriCorps Seniors Grantees' Financial Management Systems*, and seven recommendations from OIG Report 24-06, *Performance Audit of AmeriCorps Grants Awarded to Serve DC*.

## AmeriCorps Sustained \$242,391 in Questioned Federal Costs

In FY 2023, we issued an audit report on AmeriCorps Seniors Grantees' Financial Management Systems, identifying \$268,627 in Federal questioned costs reported on Federal Financial Reports

<sup>6</sup> The total open recommendations at the end of the prior semiannual period, 293, includes 91 new recommendations that were made during the prior period.

that were unallowable, not supported by financial system records, or noncompliant with Federal or AmeriCorps requirements. We recommended that AmeriCorps recover the questioned costs, and AmeriCorps issued debt collection letters to grantees to repay \$242,391 in Federal costs. The remaining \$26,236 in questioned Federal costs were not disallowed.

## Audit Statistical and Summary Tables

The statistical and summary tables in this section were submitted in compliance with the requirements enumerated in the Inspector General Act of 1978, as amended.

**Figure 5: Office of Audits Reports Issued This Period**

Report Number Issued	Report Name	Dollars Questioned	Dollars Unsupported <sup>7</sup>	Funds Put to Better Use
OIG-AR-24-04	Performance Audit of AmeriCorps' Compliance with the Payment Integrity Information Act of 2019 (PIIA) for Fiscal Year 2023	\$0	\$0	\$0
	<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<sup>7</sup> Amounts included in Dollars Unsupported are a portion of the amounts listed in Dollars Questioned.

**Figure 6: Office of Audits Reports with Questioned and Unsupported Costs**

	<b>Report Category</b>	<b>Number of Reports</b>	<b>Questioned Costs</b>	<b>Unsupported Costs<sup>8</sup></b>
<b>A.</b>	Reports containing questioned and unsupported costs for which no management decision had been made by the end of the prior reporting period (A1 through A4)	<b>4</b>	<b>\$6,265,304</b>	<b>\$726,082</b>
<b>A1</b>	<i>AmeriCorps Seniors Grantees' Financial Management Systems, 23-06</i>		\$268,627	\$267,401
<b>A2</b>	<i>AmeriCorps Grants Awarded to the Puerto Rico Commission, 23-07</i>		\$625,446	\$61,029
<b>A3</b>	<i>AmeriCorps Grants Awarded to YouthBuild, 24-05</i>		\$3,604,355	\$0
<b>A4</b>	<i>AmeriCorps Grants Awarded to Serve DC, 24-06</i>		\$1,766,876	\$397,652
<b>B.</b>	Reports issued during the current reporting period with questioned and unsupported costs	<b>0</b>	<b>\$0</b>	<b>\$0</b>
	<b>Subtotal Reports (A plus B)</b>	<b>4</b>	<b>\$6,265,304</b>	<b>\$726,082</b>
<b>C.</b>	Reports for which a management decision on questioned and unsupported costs was made during the current reporting period: <i>AmeriCorps Seniors Grantees' Financial Management Systems, 23-06</i>	<b>1</b>	<b>\$268,627</b>	<b>\$267,401</b>
<b>C1</b>	Value of disallowed questioned and unsupported costs		\$242,391	\$241,165
<b>C2</b>	Value of questioned and unsupported costs not disallowed.		\$26,236	\$26,236
<b>D.</b>	Total reports for which no final action on questioned and unsupported costs had been made by the end of the current reporting period	<b>3</b>	<b>\$5,996,677</b>	<b>\$458,681</b>

<sup>8</sup> Amounts included in Unsupported Costs are a portion of the amounts listed in Questioned Costs.

**Figure 7: Office of Audits Reports with Funds Put to Better Use**

Report Category	Number of Reports	Funds Put to Better Use
<b>A.</b> Reports containing funds put to better use for which no management decision had been made by the end of the prior reporting period: <i>Audit of AmeriCorps Grants Awarded to YouthBuild USA</i>	1	\$3,087,791
<b>B.</b> Reports issued during the current reporting period with funds put to better use	0	\$0
<b>Subtotal Reports (A plus B)</b>	<b>1</b>	<b>\$3,087,791</b>
<b>C.</b> Reports for which a management decision on funds put to better use was made during the current reporting period	<b>0</b>	<b>\$0</b>
i. Value of disallowed funds put to better use.	0	\$0
ii. Value of funds put to better use not disallowed	0	\$0
<b>D.</b> Total Reports for which no management decision on funds put to better use had been made by the end of the current reporting period	<b>1</b>	<b>\$3,087,791</b>

**Figure 8: Overdue Management Decisions**

Report Number	Title	Questioned Costs	Funds Put to Better Use	Management Decision Due	Status at End of Reporting Period
N/A	N/A	\$0	\$0	N/A	N/A
	Total	\$0	\$0		

**Figure 9: Reports Without Final Action**

Report Number	Title	Date Issued	Final Action Due
N/A	N/A	N/A	N/A

## OFFICE OF INVESTIGATIONS

### Statistical Highlights: April 1, 2024 – September 30, 2024

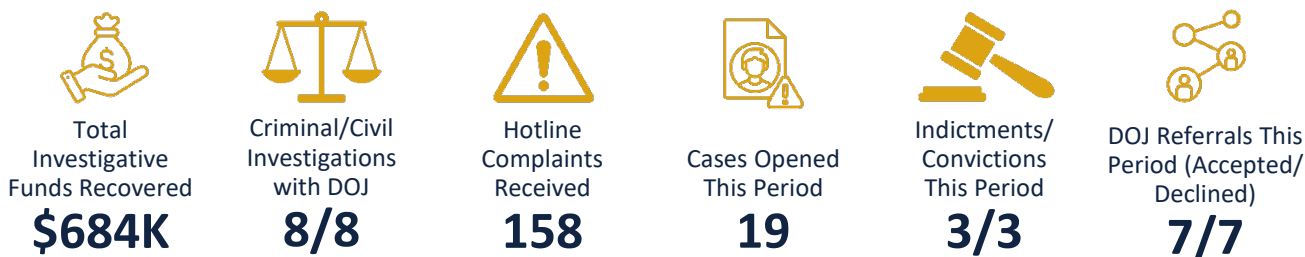
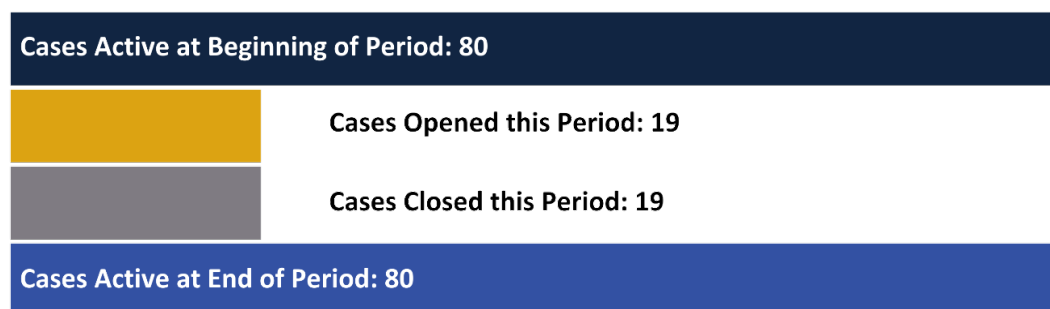


Figure 10: Hotline Complaint Statistics



Figure 11: Investigative Cases Statistics



The Office of Investigations is responsible for the detection and investigation of fraud, waste, and abuse in AmeriCorps programs and operations. Special Agents probe allegations of serious—sometimes criminal—misconduct involving AmeriCorps employees, contractors, and grant and subgrant recipients that threaten the integrity of AmeriCorps service initiatives. We refer criminal and civil matters to the appropriate U.S. Attorney’s Office or to local district attorneys for prosecution and monetary recovery. Substantiated matters that are not accepted for prosecution or civil enforcement are referred to AmeriCorps management for informational purposes or administrative action, which may include recommendations for government-wide [suspension and debarment](#) to protect the Federal government from those who have demonstrated that they are not presently responsible stewards of Federal funds.



## Overview

We primarily focused our investigative resources on six areas of fraud, waste, and abuse that undermine the mission and the integrity of national service:

1. Theft and embezzlement from Federal programs for personal use;
2. Identity theft or misuse of identities to divert AmeriCorps living allowances and other benefits;
3. Fabrication or alteration of required criminal history checks, which jeopardize the safety of the beneficiaries of national service;
4. Fraud schemes involving pandemic funding;
5. Falsification of volunteer, member, and grant-funded staff time records, which deprives beneficiaries of needed community service, defrauds the public, and misdirects Federal funds; and
6. Diversion of AmeriCorps funds towards unauthorized and unallowable expenses, including personal enrichment.

Our most significant criminal case reportable during this semiannual period again centered around frauds involving AmeriCorps and pandemic funding programs, contract fraud, and corruption. Under this multi-subject criminal case, three individuals have entered guilty pleas to date: two for participating in schemes including the application for and receipt of Paycheck Protection Program (PPP) and Economic Injury Disaster Loan (EIDL) funds, and the other for her role in accepting payments to help steer government contract funds to a company. Another notable investigation completed during this period resulted in a civil settlement related to a grantee improperly calculating its in-kind matching expenses.

The cases identified in this report also culminated in administrative actions, including the recovery of funds and enhanced training, updated agency policies and procedures, and the decision to update future IT systems with additional internal controls.

Seven subjects across four cases were accepted by the DOJ for civil or criminal prosecution during this period. The DOJ also declined to prosecute seven subjects across four cases due to a variety of considerations, including the dollar values involved and the availability of appropriate administrative remedies.

## Strong Partnerships with the Department of Justice and Other Law Enforcement Colleagues

AmeriCorps OIG partners with various U.S. Attorney's Offices (USAOs) throughout the country as part of its criminal and civil enforcement efforts. These partnerships further our anti-fraud mission and yielded positive results during this reporting period. In addition, AmeriCorps OIG continues its outreach efforts with various Federal prosecutors to pursue civil and criminal resolutions, where appropriate, and to ensure we are using every tool in our toolbox, including parallel criminal and civil remedies. Our collaboration with USAOs helps AmeriCorps OIG deter

criminal and civil fraudulent activity and ensure that communities get the most out of AmeriCorps programs.

During the reporting period, we partnered with USAOs in the following districts:

Middle District of Alabama	District of Massachusetts
District of Columbia	Northern District of Mississippi
District of Connecticut	Southern District of Mississippi
Northern District of Illinois	Eastern District of Pennsylvania
Western District of Kentucky	Eastern District of Virginia
District of Maryland	

We also worked closely with other OIGs and law enforcement agencies as we conducted investigations during the reporting period.

## Highlights of Investigative Work Completed During This Reporting Period



### Three Individuals Pleaded Guilty for Their Roles in Multiple Fraud Schemes

A joint investigation initiated by AmeriCorps OIG and conducted with law enforcement partners in the Council of the Inspectors General on Integrity and Efficiency (CIGIE) community and the FBI identified multiple fraud schemes executed by several connected individuals. AmeriCorps OIG has led this case that began with an allegation of contract fraud involving an AmeriCorps employee. Three individuals entered guilty pleas this period. Investigation of other schemes and individuals remains ongoing.

Lakisher Wright pleaded guilty to conspiracy in relation to the submission of fraudulent PPP and EIDL applications. The applications falsely inflated the number of employees, the amount of revenue, and the average monthly payroll of Wright's company, MarVet Support Services LLC, resulting in payments totaling over \$200,000. Wright was sentenced to 30 days of imprisonment to be followed by three years of supervised release, along with \$202,900 in restitution.

Sherman Green [pleaded guilty to conspiracy](#) in relation to the fraudulent submission of multiple PPP loan applications for his company, Green Information Solutions LLC. Green inflated the number of employees and monthly payroll of the company and received over \$300,000 as a result. To conceal his misuse of the PPP loans, Green set up a QuickBooks account in which transfers falsely appeared as "payroll" in bank statements, and then used funds for personal expenses. Green was sentenced to time served, three years of supervised release, and restitution of \$339,215.

Kyana Washington [pleaded guilty to conspiracy](#) to commit bribery and honest services wire fraud. In her role as a senior contract specialist for a company providing support for the Government Publishing Office, Washington offered to steer contracts to a company in exchange for payments totaling 20% of the value of those contracts. Washington shared non-public information with the company, restructured a contract to the company to reduce the level of review required to

approve the contract, and in exchange received over \$7,000 for doing so. Washington is scheduled to be sentenced in January 2025.



#### Subgrantee Enters Civil Settlement Regarding Improper Match Expenses

The Keystone SMILES Community Learning Center (“Keystone”) agreed to pay \$22,980 to resolve allegations that it submitted false claims when it improperly charged capital assets as an in-kind matching expense. A match expense is a required amount of funds that must be contributed to an AmeriCorps project from another source. Keystone charged \$11,490 it spent on a rooftop heating and air conditioning unit to its match share responsibility under its AmeriCorps grant. Federal regulations do not allow for capital assets to be used to calculate the grantee’s match share when the purpose of the Federal award is not to assist in the acquisition of such capital assets. Keystone cooperated fully with the investigation and agreed that the expense was not properly charged to AmeriCorps.



#### Management Alert: Ensuring Proper Oversight of Major Contracts to Avoid Significant Cost Overruns

In September 2024, AmeriCorps OIG issued a Management Alert to AmeriCorps’ Chief Executive Officer, Michael Smith, notifying him of concerns regarding the award, management, and oversight of a major contract for AmeriCorps’ new grants management system. Specifically, this alert identified several factors contributing to cost overruns that will likely exceed \$9 million—more than double the amount of the original contract—including the choice of a firm-fixed price contract for a project with uncertain requirements, a lack of technical expert involvement in contract oversight, and the descoping of contract tasks to accommodate cost overruns.

While the OIG has not yet undertaken a full review of the allegations received, information collected to date warranted alerting AmeriCorps leadership of these concerns so that management has timely information to mitigate these risks in its ongoing management of this and other major contracts. AmeriCorps oversees many contracts, including other contracts related to IT modernization. As set forth in the [full alert](#), AmeriCorps OIG suggested AmeriCorps take certain steps to improve its contract management practices and avoid wasteful contract overruns, such as selecting the appropriate type of contract for the work to be conducted and ensuring adequate technical and fiscal oversight of contracts by relevant experts.



#### AmeriCorps Issued Debt to Recover Costs Associated with Violations of Non-Displacement Regulations

AmeriCorps OIG investigated allegations that AmeriCorps Volunteers in Service to America (VISTA) members at Heal the City Free Clinic (HTC) in Amarillo, TX, were engaging in prohibited activities, including performing direct service and displacing HTC employees, volunteers, or interns. HTC was a VISTA service site for the Lone Star Association of Charitable Clinics, also known as the Texas Association of Charitable Clinics (TXACC).

The evidence collected through the investigation substantiated the allegations and AmeriCorps OIG referred its findings to AmeriCorps, recommending that AmeriCorps disallow costs associated with living allowances and education awards paid to VISTA members who performed prohibited activities or displaced employees.

AmeriCorps initiated recoupment actions against TXACC to collect \$80,561.32, reflecting \$61,435.50 in living allowance payments and \$19,125.82 in education awards paid to VISTA members who were found to have violated non-displacement regulations. AmeriCorps also provided training and technical assistance regarding prohibited activities to TXACC.



#### Proactive Review of Pandemic Unemployment Insurance Benefits Identified Nine Instances of Identity Theft

AmeriCorps OIG conducted a proactive review of AmeriCorps employees who may have improperly applied for and received unemployment insurance (UI) payments while actively employed during the pandemic. The evidence indicated that nine individuals were victims of identity theft and that unrelated parties had applied for UI benefits using the victims' personal identifiable information. AmeriCorps OIG notified the identity theft victims, state employment agencies, and Department of Labor OIG of its findings and provided the victims with an unemployment insurance fraud consumer protection guidance.



#### AmeriCorps Inconsistently Handled Misconduct Allegations and Did Not Report Alleged Waste to the OIG

An AmeriCorps OIG investigation found that AmeriCorps inconsistently handled allegations of misconduct by senior management and that AmeriCorps hired a third-party contractor to investigate allegations of financial mismanagement on the part of a senior manager without notifying OIG, as required by AmeriCorps policy, and as reaffirmed each year in a joint message to AmeriCorps staff from AmeriCorps's CEO and Acting Inspector General (Reporting Policy).<sup>9</sup>

Based on the findings, AmeriCorps OIG issued a Report of Investigation (ROI) recommending that AmeriCorps:

1. Develop a policy or standard operating procedure that clearly delineates under what circumstances an employee should be placed on administrative leave to ensure that personnel actions taken before, during, and as a result of administrative investigations are fair and consistent;
2. Take appropriate remedial or personnel action as deemed necessary for any and all parties that failed to adhere to AmeriCorps' policy requiring employees to report suspicion of fraud, waste, and abuse without delay;
3. Require all AmeriCorps employees, on an annual basis, to sign an acknowledgement letter indicating their understanding of AmeriCorps policy requiring employees to report suspicions of fraud, waste, and abuse to the OIG and their pledge to adhere to the policy upon completing annual fraud, waste, and abuse awareness training; and,
4. Provide AmeriCorps OIG with a notification when outside/third-party firms are engaged to conduct investigations of AmeriCorps employees.

<sup>9</sup> AmeriCorps OIG investigated whether AmeriCorps employees followed AmeriCorps policies after receiving the allegations of misconduct, not the allegation itself. The third-party contractor had concluded its investigation of the misconduct allegations, and the interviews and evidence collected by the contractor were provided and assessed as part of OIG's investigation.

AmeriCorps agreed that performance management standards and processes would benefit the agency. As a result, AmeriCorps management indicated that it would “inquire whether senior executive performance management is carried out effectively and whether and how to utilize administrative leave as part of that process in a fair and consistent manner,” which it expected to complete before the end of the calendar year.

AmeriCorps did not agree that the alleged financial mismanagement by the senior manager was reportable under the Reporting Policy. AmeriCorps indicated that its investigation of the senior manager related to mismanagement of core responsibilities, not “misrepresentation, misleading omissions, or other blatantly unreasonable or ‘gross’ conduct that require mandatory reporting” under the Reporting Policy. AmeriCorps declined to take any remedial or personnel action as a result of its employees’ failure to disclose to the OIG the allegations relating to the senior manager. The OIG disagrees with this position given that the alleged mismanagement of a significant amount of funds constituted waste, which falls under the requirements of AmeriCorps’ Reporting Policy and is within our authority under the Inspector General Act of 1978, as amended.

AmeriCorps also stated that it will, “in appropriate circumstances,” notify AmeriCorps OIG of outsourced personnel investigations of senior executives, but it refused to commit to providing notice in all cases. The OIG considers all allegations of a violation of law, rule, or regulation, or mismanagement, gross waste of funds, abuse of authority, or a substantial and specific danger to public health and safety as reportable under the Reporting Policy.



#### AmeriCorps Disallowed Education Awards Due to Improper Timesheet Alterations

An AmeriCorps OIG investigation found that AmeriCorps members serving at the Community and Economic Development Office (CEDO) (a subgrantee of SerVermont, the Vermont State Service Commission) in Burlington, VT, were improperly directed to alter previously approved timesheets. Evidence showed that CEDO’s AmeriCorps Program Director directed five members to alter previously approved timesheets, including altering timesheets weeks after the end of their service terms, to artificially increase the hours served so that the members met the minimum threshold to earn Segal Education Awards.

As a result of this investigation, AmeriCorps disallowed five education awards and a portion of the living allowance improperly paid to one of the members, resulting in a total recovery of \$15,200.50. AmeriCorps and SerVermont also agreed to periodically interview members and updated their policy on timekeeping.



#### AmeriCorps Disallowed Funds Grantee Self-Reported as Inappropriately Charged to its Grant

AmeriCorps OIG received allegations that a grantee falsely reported the number of active volunteers in its Senior Companion Program (SCP) and failed to produce the required match funds. The investigation found insufficient evidence to support the allegations. However, during a self-inspection of its fiscal records during this investigation, the grantee discovered \$8,434.69 that was inappropriately charged to its grant and reported its findings to AmeriCorps OIG.



In response to our findings and recommendations, AmeriCorps will issue a debt letter to recover the \$8,434.69 from the grantee, request the fiscal management policies from the grantee, and have the Office of the Chief Risk Officer review the policies to confirm there are no systemic issues.



#### AmeriCorps Grants Missing Required Special Timekeeping Conditions

AmeriCorps OIG investigated an allegation that The New Teacher Project (TNTP) did not retain AmeriCorps member timesheets and instead relied on a timekeeping waiver approved by AmeriCorps in 2008. The waiver permitted TNTP to follow the typical timekeeping practices of the teaching profession. As a result, we concluded that TNTP followed the correct process at the time to request the waiver, and TNTP continued to rely on the 2008 waiver under subsequent grants.

AmeriCorps OIG relayed its findings to AmeriCorps and recommended that it determine:

1. Whether TNTP's use of the 2008 timekeeping approval was still in effect and if so, why a waiver was not included as a special condition on the organization's more recent grants;
2. Whether TNTP's alternative timekeeping procedure complied with the Uniform Guidance; and,
3. The number of grantees relying on alternative timekeeping approvals, confirm that each is following the proper request and approval process and if approvals are listed under the special conditions on the notices of grant award.

In response, AmeriCorps could not locate waiver documentation for one of TNTP's closed grants and subsequently added the special timekeeping condition to TNTP's active grant. AmeriCorps declined to disallow costs associated with the closed grant that was missing the special timekeeping condition because it would have approved the alternative timekeeping process had TNTP requested it, the alternative timekeeping process complied with the Uniform Grant Guidance, and it considered the error as administrative in nature. Finally, AmeriCorps reviewed other active grants and subgrants that may have required special timekeeping conditions, identified eight that were missing such conditions, and subsequently added the requisite conditions.



#### AmeriCorps to Consider Implementing Future IT System Controls Related to Members Enrolled in Multiple, Concurrent Programs

Following receipt of a complaint that an AmeriCorps member was simultaneously enrolled in two AmeriCorps programs at different grantees without either grantees' knowledge, AmeriCorps OIG initiated a proactive review of members with multiple concurrent service terms to determine the scope of the issue. A review of AmeriCorps data from 2016 to 2023 identified three members who appeared to be simultaneously enrolled in two full-time programs at the same time.

AmeriCorps OIG issued an ROI recommending that AmeriCorps:

1. Implement a control in the MyAmeriCorps Portal and eGrants that prevents greater than the equivalent of full-time enrollment or alerts relevant grantees in such a scenario; and

2. Update the member handbook and grant terms and conditions to clearly state that members cannot serve more than the equivalent of a full-time term at any given time.

AmeriCorps confirmed that legacy systems lack the ability to notify staff or grantees and sponsors when an individual may have overlapping terms of service within the same AmeriCorps program type or, if individuals serving in multiple concurrent terms of service are receiving living allowance payments and education awards beyond allowable limits. AmeriCorps is undergoing an effort to modernize its grant and member tracking software tool. AmeriCorps intends to add features in future iterations of the member tracking tool “to support identity resolution and identification of scenarios that increase the likelihood of fraud or noncompliance, such as, including automatic flags or system notifications when an individual is enrolled in multiple, concurrent programs.” Such functionalities will be considered in the development of future systems based on the level of effort required and competing priorities.

AmeriCorps noted that individuals may serve overlapping terms across programs within established limitations. AmeriCorps VISTA already prohibits individuals to serve two terms at once. ASN lacks the prohibition of serving concurrent terms beyond a full-time equivalent and AmeriCorps does not intend to modify its Terms and Conditions.

## Investigations Statistical Summary Tables

Figure 12: Investigative Case Activities

Individuals and Entities Referred for Federal Criminal Prosecution	12
Referrals to State/Local Criminal Authorities	0
Indictments/Criminal Information	3
Arrests	0
Criminal Convictions/Pleas	3
No-Knock Entries Executed	0
Referrals to Federal Civil Prosecutors	2
Referrals to State/Local Civil Authorities	0
Civil Settlements/Judgments	1
OIG Reports of Investigation Issued to AmeriCorps	4
Administrative Actions taken by AmeriCorps as a Result of OIG Reports of Investigation (includes agency suspension/termination of awards, employee misconduct remedies, other actions taken in response to OIG investigations)	13
Reports of Investigation Pending AmeriCorps Response Next Semiannual Period	3
Suspension and Debarment Recommendations	5
Total Investigative Recoveries (includes funds returned/recovered, funds put to better use, restitution, fees, and civil settlements)	\$684,281.51

## SUSPENSION AND DEBARMENT

Suspension and debarment are administrative tools that protect the Federal government from doing business with individuals and organizations that cannot be trusted to comply with laws, rules, and regulations or to be good stewards of Federal funds. Suspension temporarily excludes a person or entity from receiving government awards, generally for up to 12 months. Debarment excludes a person or entity from receiving government awards for a set period, generally up to three years. During this reporting period, AmeriCorps OIG recommended debarment in five cases, primarily due to serious violations of grant terms and theft of government funds.

In the past, AmeriCorps OIG has also recommended suspension or debarment action for cases involving theft, embezzlement, false certifications of reporting requirements, time and attendance fraud, pandemic-aid related fraud, and sexual assault or harassment committed by AmeriCorps members and AmeriCorps Seniors volunteers against minors.<sup>10</sup> AmeriCorps' Suspension and Debarment Official (SDO) decides whether to issue a suspension or propose debarment, notifies the affected individual or organization, and considers any information that they may submit in opposition before deciding whether to suspend or debar.

  
Recommendations  
to AmeriCorps

**5**

  
Proposed  
Debarments Issued  
by AmeriCorps

**0**

  
Individuals/  
Entities Suspended  
or Debarred

**0**

The active coordination between AmeriCorps and AmeriCorps OIG in AmeriCorps' suspension and debarment program strengthens the protection of Federal funds. Timely action on suspension and debarment recommendations is important to protect public funds. While AmeriCorps has assigned personnel dedicated to pursuing actions on suspensions and debarments, AmeriCorps continues to face challenges in promptly acting upon OIG recommendations. We continue to work with AmeriCorps to minimize delays, act upon OIG recommendations, and strengthen its suspension and debarment program.

AmeriCorps OIG recommended the government-wide debarment of four persons and one entity this reporting period. Four of the five debarment recommendations stemmed from AmeriCorps OIG findings of violations of AmeriCorps grant terms and conditions that were so serious as to affect the integrity of AmeriCorps programs. The final debarment recommendation stemmed from allegations of theft of government funds. One of the instances for which AmeriCorps OIG recommended government-wide debarment involved the Executive Director (ED) of an AmeriCorps Seniors Retired and Senior Volunteer Program (RSVP) grantee. An AmeriCorps OIG investigation determined that the ED failed to comply with various requirements of the RSVP grant and that the ED made false claims to AmeriCorps. As of the end of the semiannual period, AmeriCorps

<sup>10</sup> Generally, misconduct warranting exclusion must demonstrate a lack of business integrity. 48 C.F.R. § 9.406; 2 C.F.R. § 180.800.

had not informed the OIG whether it would propose debarments based on any of the OIG's recommendations.



## OUTREACH ACTIVITIES

Outreach with internal and external stakeholders is key to achieving the goals of our strategic plan. Our work is more effective when we have open communication and engagement with agency leadership and staff as well as grantee and subgrantee staff. This semiannual period, we continued our renewed emphasis on educating all stakeholder groups about the work that we do and the role that our stakeholders play in preventing and detecting fraud, waste, and abuse within AmeriCorps programs and operations, including:

- In person and virtual stakeholder meetings,
- Anti-fraud trainings,
- Council of the Inspectors General on Integrity and Efficiency (CIGIE) Committee and working group participation, including leadership and instructor roles,
- Audience-focused fraud advisory publications, and
- Social media outreach.

### Outreach During Semiannual Period



#### Immediate Office Outreach Activities

The Acting Inspector General (IG) and Acting Deputy IG are active participants in an array of committees and working groups within the IG community. For example, our Acting Deputy IG co-facilitates the 500+ member interagency Grant Fraud Working Group, chaired by the U.S. Department of Justice IG, and led two quarterly working group meetings this period.

In addition to participation in varied affinity groups, the Immediate Office recognizes the importance of in-person engagement with AmeriCorps grantees as a mechanism for opening lines of communication and reducing fraud, waste, and abuse. We accomplished this primarily by attending and presenting at AmeriCorps State Commission convenings in 16 states during this period. The majority of attendees at these events are AmeriCorps State and National grantees and subgrantees, participants in AmeriCorps' largest grant program, and range in size from 20 to over 100 participants. We also continued to conduct meaningful and ongoing outreach with agency stakeholders, including a series of presentations to various AmeriCorps offices on key 2024 Uniform Guidance updates from an oversight perspective.

We also continued to publish our quarterly Anti-Fraud Advisory series designed to raise awareness of common types of fraud, waste, and abuse within AmeriCorps programming. We published two volumes of the Advisory during this period. The first focused on documentation surrounding match funding, that is the funding that the grant requires be contributed to the

project from another source. The second volume emphasized the importance of AmeriCorps' terms and conditions as well as the consequences of not following these important rules. In addition to spreading awareness of this key topic with grantees and subgrantees, this advisory identified the need for a grants management system modification related to grantee certifications, which is currently in process at the agency.

#### Office of Audits and Office of Investigations Outreach Activities

AmeriCorps OIG auditors and investigators are active participants in cross-agency initiatives sponsored by CIGIE. Our participation enhances our awareness and provides an avenue to share our expertise with other Offices of Inspector General. For example, our Assistant Inspector General for Audit and Special Agent in Charge served as adjunct instructors at the CIGIE Training Academy and IG Criminal Investigator Academy. In this capacity, AmeriCorps OIG contributes to the continuing education of the Inspector General community on matters relating to grant oversight and grant fraud. In addition to participation in IG community working groups, our office partners with the Pandemic Response Accountability Committee to identify pandemic-related fraud trends as we oversee American Rescue Plan Act funding.

Our staff from across the OIG also educate grantees and subgrantees, State Commission and grantee personnel, and AmeriCorps staff regarding the prevention and detection of fraud, waste, and abuse; developing strong internal controls and fraud indicators; and the reporting requirements of suspected fraud. For example, OIG auditors and investigators presented a three-hour training block on detecting and deterring fraud, waste, and abuse and met with individual grantees at the 2024 AmeriCorps Seniors Convening, the 2024 AmeriCorps State and National Symposium, and the 2024 America's Service Commissions Conference. Topics covered at these briefings included the OIG audit and investigation processes, internal controls, common audit and investigation findings, and how compliant financial and grant administration can avoid these pitfalls. The OIG regularly revises its fraud training to focus on emerging issues and new strategies.

### **Selected Meetings and Anti-Fraud Events**

- Sixteen State Commission staff and grantee convenings: Alabama, Arizona, Colorado, Connecticut, Florida, Georgia, Maryland, Minnesota, Mississippi, Missouri, Nebraska, Nevada, New Jersey, Pennsylvania, Puerto Rico, and Virginia
- April 2024: Led and Presented at Interagency Grant Fraud Working Group Quarterly Meeting
- April 2024: Presentation at America's Service Commissions National Service Training
- April 2024: Instructor at CIGIE Inspector General Investigator Training Program
- April 2024: Presentation at National Civilian Community Corps (NCCC) Leadership Gathering
- May 2024: Annual CIGIE Inspector General Conference
- July 2024: Presentation at AmeriCorps Seniors Annual Convening
- July 2024: Led and Presented at Interagency Grant Fraud Working Group Quarterly Meeting

- September 2024: Served as Plenary Speaker and Presented at AmeriCorps State and National Annual Symposium
- September 2024: Served as Panelist at the AGA Annual Internal Control and Fraud Prevention Training
- September 2024: Presented National Webinar on Key 2024 Uniform Guidance Updates From an Oversight Perspective in conjunction with the Association of Inspectors General

### **Committee, Board, and Working Group Participation**

- CIGIE Legislation Committee
- CIGIE Employee Engagement and Innovation Committee
- CIGIE Leading Inspiring and Fostering Talent (LIFT) Network
- CIGIE Monetary Impact Working Group
- CIGIE Quality Assurance Working Group
- Council of Counsels to the Inspector General
- Federal Audit Executive Council
- Interagency Grant Fraud Working Group and its Subrecipient Challenges Subgroup
- Pandemic Response Accountability Committee

### **Advisory Publications**

- Anti-Fraud Advisory, Vol. 3: ["What is Match?"](#)
- Anti-Fraud Advisory, Vol. 4: ["Why are Terms and Conditions Important?"](#)

### **Social Media Campaigns**

- National Volunteer Week
- National Whistleblower Appreciation Day
- Promotion of AmeriCorps OIG work products
- Public Service Recognition Week
- World Elder Abuse Awareness Day

## PEER REVIEW

Offices of Inspectors General undergo periodic peer reviews to ensure their operations meet the professional standards of the IG community. The results of a peer review must be included in the Semiannual Report of the reviewed office, which must also identify any recommendations that have not been fully implemented. The OIG conducting the peer review must likewise identify the outstanding and unimplemented recommendations pertaining to the office that it reviewed. The specific statutory requirements for this reporting are contained in Section 989C of Public Law 111-203, which amended Section 5 of the Inspector General Act of 1978.

### Peer Reviews of AmeriCorps OIG

The positive peer reviews of AmeriCorps OIG's audit, inspection and evaluation, and investigations operations confirm the rigor of AmeriCorps OIG's oversight, which ensures that AmeriCorps is accountable to the public.

#### Audit Operations Peer Review

In June 2022, AmeriCorps OIG issued the report of its most recent audit operations peer review by the Library of Congress OIG. The review concluded that the system of quality control for audit operations from October 1, 2018, through September 30, 2021, met GAO's *Generally Accepted Government Auditing Standards* (April 2021 revision). AmeriCorps OIG's audit operations received a rating of pass, the highest rating available. The next peer review of OIG's audit operations is scheduled for FY 2025.

#### Inspection and Evaluation Operations Peer Review

In March 2023, the Special Inspector General for the Troubled Asset Relief Program (SIGTARP OIG) completed its peer review of AmeriCorps OIG's inspections and evaluations operations. The review concluded that the evaluation policies and procedures and selected inspection and evaluation reports issued between October 1, 2019, and September 30, 2022, complied with CIGIE's *Quality Standards for Inspection and Evaluation* (Blue Book) standards and AmeriCorps OIG's internal policies and procedures. AmeriCorps OIG's next inspections and evaluations peer review will be conducted by the Government Publishing Office OIG in FY 2026.

#### Investigation Peer Reviews

In September 2024, the National Archives and Records Administration (NARA) OIG completed its peer review of AmeriCorps OIG's Office of Investigations. NARA OIG found the office compliant with the CIGIE's *Quality Standards for Investigations* and the Attorney General *Guidelines for Offices of Inspectors General with Statutory Law Enforcement Authority*. NARA OIG's review identified several best practices at AmeriCorps OIG, including well organized policies and training documents, and an excellent culture with a supportive and helpful work environment.

## **Peer Reviews Conducted by AmeriCorps OIG**

In May 2024, AmeriCorps OIG's Office of Audits conducted a modified peer review of inspections and evaluations at the Commodity Futures Trading Commission Office of Inspector General (CFTC OIG). This modified peer review required us to review only CFTC OIG's policies and procedures to determine compliance with the applicable Blue Book standards. The Office of Audits found CFTC OIG's policies and procedures were not consistent with the December 2020 Blue Book standards. CFTC OIG acknowledged its gaps and is now revising its policies and incorporating new procedures.

In FY 2025, the Office of Audits will conduct an audit peer review of the National Endowment for the Arts Office of Inspector General, and the Office of Investigations will conduct an investigations peer review of the Library of Congress Office of Inspector General.

## OTHER REPORTABLE MATTERS

### **Investigations Substantiating Misconduct by a Senior Government Employee**

None.

### **Whistleblower Retaliation**

None.

### **Independence**

None.

### **Undisclosed Audits, Investigations, Evaluations, or Inspections**

None.

## APPENDIX A: OPEN RECOMMENDATIONS

Open recommendations are divided into those that are *Overdue* (open more than a year), *Unresolved* (open recommendations with which AmeriCorps disagrees), *Not Yet Due* (open between six months to less than a year), and *New* (issued within the reporting period).

**Figure 13: Open Recommendations**



### Overdue Recommendations

**Figure 14: Potential Cost Savings of Overdue Recommendations**



This list is a summary of the reports with recommendations that were Overdue (open more than a year) as of September 30, 2024.

Reports with Overdue Unimplemented Recommendations 125 Recommendations			
Report Number	Report Title	Number of Overdue Open Recs	Dollar Value of Potential Cost Savings
<a href="#">OIG-18-12</a>	VISTA Program Evaluation	1	\$0
<a href="#">OIG-19-05</a>	Agreed-Upon Procedures of Corporation for National and Community Service Grants Awarded to the North Carolina Commission on Volunteerism and Community Service	23	\$0
<a href="#">OIG-19-08</a>	Agreed-Upon Procedures for Corporation for National and Community Service Grants Awarded to the Serve Guam Commission	2	\$0
<a href="#">OIG-20-01</a>	Audit of the Corporation for National and Community Service's Fiscal Year 2019 Consolidated Financial Statements	18	\$0



Report Number	Report Title	Number of Overdue Open Recs	Dollar Value of Potential Cost Savings
<a href="#">OIG-20-01</a> and <a href="#">OIG-20-02</a>	Audit of the Corporation for National and Community Service's Fiscal Year 2019 Consolidated Financial Statements and National Service Trust Fund Financial Statements	7	\$0
<a href="#">OIG-20-03</a>	Fiscal Year 2019 Federal Information Security Modernization Act Evaluation of the Corporation for National and Community Service	5	\$0
<a href="#">OIG-20-05</a>	Performance Audit of the Corporation for National and Community Service's Compliance under the Digital Accountability and Transparency Act of 2014 for FY 2019	1	\$0
<a href="#">OIG-AR-21-02</a>	Performance Audit Report of AmeriCorps' Internal Control Program and National Service Trust Liability Model for Fiscal Year 2020	1	\$0
<a href="#">OIG-AR-21-05</a>	Performance Audit of AmeriCorps' Compliance under the Digital Accountability and Transparency (DATA) Act of 2014 for Fiscal Year 2021	8	\$0
<a href="#">OIG-AR-22-01</a>	Audit of AmeriCorps' Fiscal Year 2021 Consolidated Financial Statements and National Trust Fund Financial Statements	2	\$0
<a href="#">OIG-AR-22-01</a> and <a href="#">OIG-AR-22-02</a>	Audit of AmeriCorps' Fiscal Year 2021 Consolidated Financial Statements and National Trust Fund Financial Statements	7	\$0
<a href="#">OIG-AR-22-04</a>	Performance Audit of AmeriCorps' Compliance with the Payment Integrity Information Act of 2019 for Fiscal Year 2021	2	\$0
<a href="#">OIG-AR-23-01</a>	Audit of AmeriCorps' Fiscal Year 2022 Consolidated Financial Statements	9	\$0
<a href="#">OIG-AR-23-01</a> and <a href="#">OIG-AR-23-02</a>	Audit of AmeriCorps' Fiscal Year 2022 Consolidated Financial Statements and National Trust Fund Financial Statements	8	\$0
<a href="#">OIG-AR-23-04</a>	Performance Audit of AmeriCorps' Charge Card Program for Fiscal Year 2021	6	\$0
<a href="#">OIG-AR-23-05</a>	Performance Audit of AmeriCorps' Compliance with the Payment Integrity Information Act of 2019 for Fiscal Year 2022	3	\$0
<a href="#">OIG-AR-23-06</a>	Performance Audit of AmeriCorps Seniors Grantees' Financial Management Systems	9	\$42,945

Report Number	Report Title	Number of Overdue Open Recs	Dollar Value of Potential Cost Savings
<a href="#">OIG-EV-21-01</a>	Evaluation of AmeriCorps Grants Awarded to the Maine Commission for Community Service	5	\$0
<a href="#">OIG-EV-22-03</a>	Fiscal Year 2021 Federal Information Security Modernization Act Evaluation of AmeriCorps	1	\$0
<a href="#">OIG-EV-22-06</a>	AmeriCorps Penetration Testing and Phishing Campaign Evaluation	3	\$0
<a href="#">OIG-EV-23-08</a>	Fiscal Year 2023 Federal Information Security Modernization Act Evaluation of AmeriCorps	4	\$0
<b>Total</b>		<b>125</b>	<b>\$42,945</b>

## Unresolved Recommendations

We classify a recommendation as unresolved and include it in our count of open recommendations when:

1. AmeriCorps disagrees with fully implementing the recommendation,
2. The OIG disagrees with an AmeriCorps' plan of action for a recommendation, or
3. AmeriCorps does not successfully implement our recommendation.

**Figure 15: Potential Cost Savings of Unresolved Recommendations**

Questioned Costs: \$2,663,441

Better Use: \$0

This list is a summary of the reports with Unresolved recommendations as of September 30, 2024.

Reports with Unresolved Recommendations 20 Recommendations		
Report Number and Title	Recommendation and Reason AmeriCorps Disagreed 20 Total	Dollar Value of Potential Cost Savings
<a href="#">OIG-12-04</a> <b>Audit of Earned Education Awards Resulting from Compelling Personal Circumstances</b>	Rec. No. 3(b): Implement the text description functionality in the MyAmeriCorps Portal to allow grantee personnel—to document the Compelling Personal Circumstances justifications.  <i>AmeriCorps stated that regulations require programs to maintain documentation and limited text descriptions would not provide adequate documentation. Full documentation is best kept at the program level in members' files.</i>	\$0
<a href="#">OIG-12-04</a> <b>Audit of Earned Education Awards Resulting from Compelling Personal Circumstances</b>	Rec. No. 3(c): Implement monitoring controls requiring a secondary level of review of each approved partial education award.  <i>AmeriCorps stated that prorated awards are relatively rare and have a very limited financial impact on the National Service Trust. AmeriCorps considers the operational and organizational cost of having AmeriCorps programs submit those cases for a second level of review burdensome and not cost effective, given the low risk involved.</i>	\$0

Report Number and Title	Recommendation and Reason AmeriCorps Disagreed 20 Total	Dollar Value of Potential Cost Savings
<a href="#">OIG-14-09</a> <b>Audit of Blanket Purchase Agreements for Professional Consulting Services</b>	<p>Rec. No. 2: A central review committee (including a representative of the Office of Procurement Services) approve any consulting projects that exceed pre-established cost thresholds.</p> <p><i>AmeriCorps stated that an enhanced senior level review was established after issuance of the audit report. In FY16 a Risk Management Committee reviewed a consolidated list of FY16 service contracts with value over \$150,000. In FY17 department heads with service contracts with total value over \$500,000 will review and approve the acquisition needs statement.</i></p>	\$0
<a href="#">OIG-MA-16-03</a> <b>OIG Management Alert Prohibited Activities: Missed Opportunities</b>	<p>Rec. No. 2: Identify all grantees and subgrantees whose service activities involve providing healthcare to women and girls of childbearing age, as well as those with service activities directed at education or mentoring of girls and young women middle school-aged and above and determine whether they have engaged in abortion-related prohibited activities within a pre-determined period.</p> <p><i>AmeriCorps stated that the grantee confirmed it would not comply with special conditions resulting from noncompliance. AmeriCorps informed the grantee that its grant would expire on August 31, 2016, and that the grantee should commence orderly close-out of their award. Accordingly, AmeriCorps considered action complete on all recommendations in this report.</i></p>	\$0
<a href="#">OIG-MA-16-03</a> <b>OIG Management Alert Prohibited Activities: Missed Opportunities</b>	<p>Rec. No. 3: Conduct similar risk assessments, identification of at-risk grantees, communications and targeted monitoring for other prohibited activities.</p> <p><i>AmeriCorps stated that the grantee confirmed it would not comply with special conditions resulting from noncompliance. AmeriCorps informed the grantee that its grant would expire on August 31, 2016, and that the grantee should commence orderly close-out of their award. Accordingly, AmeriCorps considered action complete on all recommendations in this report.</i></p>	\$0
<a href="#">OIG-MA-16-03</a> <b>OIG Management Alert Prohibited Activities: Missed Opportunities</b>	<p>Rec. No. 4: Identify any other factors that may increase the risk of individual prohibited activities and use that information for targeted education, training and monitoring as appropriate.</p> <p><i>AmeriCorps stated that the grantee confirmed it would not comply with special conditions resulting from noncompliance. AmeriCorps informed the grantee that its grant would expire on August 31, 2016, and that the grantee should commence orderly close-out of their award. Accordingly, AmeriCorps considered action complete on all recommendations in this report.</i></p>	\$0

Report Number and Title	Recommendation and Reason AmeriCorps Disagreed 20 Total	Dollar Value of Potential Cost Savings
<a href="#">OIG-MA-16-03</a> <b>OIG Management Alert</b> <b>Prohibited Activities:</b> <b>Missed Opportunities</b>	<p>Rec. No. 6: Enhance the capacity of eGrants to store and search critical emails; institutionalize policies and procedures to allow POs and GOs to capture key emails in eGrants; and develop criteria for identifying emails to be captured.</p> <p><i>AmeriCorps stated that the grantee confirmed it would not comply with special conditions resulting from noncompliance. AmeriCorps informed the grantee that its grant would expire on August 31, 2016, and that the grantee should commence orderly close-out of their award. Accordingly, AmeriCorps considered action complete on all recommendations in this report.</i></p>	\$0
<a href="#">OIG-MA-16-03</a> <b>OIG Management Alert</b> <b>Prohibited Activities:</b> <b>Missed Opportunities</b>	<p>Rec. No. 7: CNCS's to-be-developed Enterprise Risk Management strategy and planning include a component for specific prohibited activities, commensurate with magnitude of the risk, including the reputational and political risk to CNCS.</p> <p><i>AmeriCorps stated that the grantee confirmed it would not comply with special conditions resulting from noncompliance. AmeriCorps informed the grantee that its grant would expire on August 31, 2016, and that the grantee should commence orderly close-out of their award. Accordingly, AmeriCorps considered action complete on all recommendations in this report.</i></p>	\$0
<a href="#">OIG-MA-16-03</a> <b>OIG Management Alert</b> <b>Prohibited Activities:</b> <b>Missed Opportunities</b>	<p>Rec. No. 8: Accelerate the development of a more focused, targeted and risk-based model and approach to all grant monitoring including continuous assessment of the effectiveness of CNCS's grant risk assessments and monitoring.</p> <p><i>AmeriCorps stated that the grantee confirmed it would not comply with special conditions resulting from noncompliance. AmeriCorps informed the grantee that its grant would expire on August 31, 2016, and that the grantee should commence orderly close-out of their award. Accordingly, AmeriCorps considered action complete on all recommendations in this report.</i></p>	\$0
<a href="#">OIG-MA-16-03</a> <b>OIG Management Alert</b> <b>Prohibited Activities:</b> <b>Missed Opportunities</b>	<p>Rec. No. 9: Without waiting for the development of a comprehensive risk-based monitoring strategy, develop and implement monitoring strategies for specific prohibited activities that can be conducted frequently, do not depend on site visits and provide a meaningful opportunity for prompt detection of violations or red flags, including searches of social media sites and surveys of members in accessible language, using the MyAmeriCorps Portal.</p> <p><i>AmeriCorps stated that the grantee confirmed it would not comply with special conditions resulting from noncompliance. AmeriCorps informed the grantee that its grant would expire on August 31, 2016, and that the grantee should commence orderly close-out of their award. Accordingly, AmeriCorps considered action complete on all recommendations in this report.</i></p>	\$0

Report Number and Title	Recommendation and Reason AmeriCorps Disagreed 20 Total	Dollar Value of Potential Cost Savings
<a href="#">OIG-MA-16-03</a> <b>OIG Management Alert Prohibited Activities: Missed Opportunities</b>	<p>Rec. No. 10: Assess during the grant application process whether an applicant is at particular risk for one or more specific prohibited activities. If so, CNCS should require that the grantee develop customized ways to address compliance with that prohibition, including detection controls. The Corporation should incorporate the resulting information into the monitoring plan and target CNCS monitoring activities accordingly and assess the effectiveness of the measures taken by the grantee.</p> <p><i>AmeriCorps stated that the grantee confirmed it would not comply with special conditions resulting from noncompliance. AmeriCorps informed the grantee that its grant would expire on August 31, 2016, and that the grantee should commence orderly close-out of their award. Accordingly, AmeriCorps considered action complete on all recommendations in this report.</i></p>	\$0
<a href="#">OIG-18-07</a> <b>Audit of Corporation for National and Community Service Grants Awarded to Mayor's Fund to Advance New York City</b>	<p>Rec. No 2(a): Disallow and recover \$1,663,952 in Federal costs awarded to Madison Strategies Group (MSG).</p> <p><i>AmeriCorps agreed that MSG's contract for services with Grant Associates, a related for-profit entity, was not awarded in conformance with OMB Circular A-110 and MSG's own Conflict of Interest policy. AmeriCorps disallowed \$106,214 in Federal costs. However, AmeriCorps did not agree to disallow the entire subaward amount because at the time MSG received the SIF subgrant from the Mayor's Fund, MSG was eligible to be a SIF subrecipient.</i></p>	\$1,663,952
<a href="#">OIG-18-12</a> <b>VISTA Program Evaluation</b>	<p>Rec No. 5: VISTA should specifically measure the effectiveness of the policy allowing VISTA members to take classes while serving in the VISTA program. CNCS VISTA should build performance measures into all policy/procedure changes as a means to evaluate overall effectiveness of the change and allow for continuous process improvement.</p> <p><i>AmeriCorps stated that it does implement performance measures to evaluate the overall effectiveness of changes that allow continuous programmatic improvement, it will not go back to measure the effectiveness of the policy that allows VISTA members to take classes in their spare time that was implemented more than six years before the issuance of this report.</i></p>	\$0
<a href="#">OIG-18-13</a> <b>Agreed-Upon Procedures for Corporation Grants Awarded SerVermont</b>	<p>Rec No. 2(d): Disallow and, if already used, recover education awards made to members who did not serve the minimum required service hours.</p> <p><i>AmeriCorps stated it reviewed the member position description and materials for the program and determined that the service in question did not represent a direct benefit to the for-profit entity. The direct beneficiaries of tours were potential homeowners within the community, and homes in question were owned by a non-profit entity.</i></p>	\$11,570

Report Number and Title	Recommendation and Reason AmeriCorps Disagreed 20 Total	Dollar Value of Potential Cost Savings
<a href="#">OIG-19-05</a> <b>Agreed-Upon Procedures of Corporation for National and Community Service Grants Awarded to the North Carolina Commission on Volunteerism and Community Service</b>	<p>Rec. No.1c: Reconcile subgrantee Schedule of Expenditures of Federal Awards (SEFA) expenditures for Corporation grants to Commission payments to the subgrantees to determine if the Commission must adjust its records.</p> <p><i>AmeriCorps stated that there is no regulatory requirement for Federal agencies to perform reconciliation of a grantee's or subgrantee's SEFA but said it will ensure the Commission has adequate risk assessment, monitoring and Single Audit review procedures to fulfill requirements under 2 CFR 200.331 Requirements for Pass Through Entities.</i></p>	\$0
<a href="#">OIG-19-06</a> <b>Agreed-Upon Procedures (AUP) review of AmeriCorps grant funds to Serve Indiana</b>	<p>Rec. No. 11: Recover the \$43,626 in questioned Federal costs and \$19,390 in education awards and address any impact to Federal costs of the \$33,720 in questioned match costs for American Red Cross of Indiana for grant No. 15ACHIN001.</p> <p><i>AmeriCorps stated it does not disallow match costs related to criminal history checks. Costs related to noncompliance with NSCHC requirements are disallowed based on the level of noncompliance and corrective action taken by the grantee. AmeriCorps disallowed a total of \$7,500 in federal funds related to this NSCHC noncompliance.</i></p>	\$96,736
<a href="#">OIG-19-08</a> <b>Agreed-Upon Procedures for Corporation for National and Community Service Grants Awarded to the Serve Guam Commission</b>	<p>Rec. No. 11: Require Serve Guam Commission to submit an updated Financial Federal Report for the 14AH award that removes the \$18,761 of questioned match costs.</p> <p><i>AmeriCorps reviewed the staff NSCHC files and agreed with the auditors' findings. AmeriCorps applied the NSCHC enforcement action to determine the appropriate disallowance and calculated a total disallowance of \$4,893 in match costs and requested the Commission to revise its FFR.</i></p>	\$18,761
<a href="#">OIG-20-06</a> <b>Audit of Corporation for National and Community Service AmeriCorps Grant Awarded to St. Bernard Project</b>	<p>Rec. No. 1: Calculate and recover the questioned Federal costs, match costs, and related administrative costs. Also, determine the impact on Federal costs due to questioned match costs.</p> <p><i>AmeriCorps allowed \$11,230 in questioned Federal costs because although SBP failed to fully implement good internal controls, AmeriCorps found no evidence to demonstrate that reasonable work was not performed on the award and the matter can be addressed through corrective actions. AmeriCorps did disallow \$14,411 in Federal costs for instances where timesheets did not reconcile to accounting records.</i></p>	\$25,641



Report Number and Title	Recommendation and Reason AmeriCorps Disagreed 20 Total	Dollar Value of Potential Cost Savings
<a href="#">OIG-EV-21-01</a> <b>Evaluation of AmeriCorps Grants Awarded to the Maine Commission for Community Service</b>	<p>Rec. No.1: Disallow the \$592,737 in questioned match costs and recover the \$254,014 in Federal costs from LearningWorks for the program years 2017 and 2018 due to inadequate documentation to support its in-kind match contributions: donated classroom and office space, and teaching and administrative staff hours.</p> <p><i>AmeriCorps stated that LearningWorks subsequently provided significant documentation supporting its claimed match costs.</i></p>	\$846,751
<a href="#">OIG-EV-21-01</a> <b>Evaluation of AmeriCorps Grants Awarded to the Maine Commission for Community Service</b>	<p>Rec. No.2: Conduct an assessment of LearningWorks' match contribution for its third-year funding to determine whether it met its match requirement, disallow any unsupported match contributions and recover any Federal funds that were overpaid as a result of LearningWorks' failure to meet its match requirements.</p> <p><i>AmeriCorps stated that it performed this assessment and found that LearningWorks was able to support its claimed match costs and no match or Federal funds will be disallowed.</i></p>	\$0
<b>Total</b>		<b>\$2,663,411</b>

## Recommendations Not Yet Due

**Figure 16: Potential Cost Savings of Recommendations Not Yet Due**

<b>Questioned Costs: \$5,996,677</b>	<b>Better Use: \$3,087,791</b>
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This list is a summary of the reports with recommendations that are Not Yet Due (open between six months to less than a year) as of September 30, 2024.

<b>Reports with Recommendations Not Yet Due</b> <b>82 Recommendations</b>			
<b>Report Number</b>	<b>Report Title</b>	<b>Number of Open Recommendations</b>	<b>Dollar Value of Potential Cost Savings</b>
<a href="#">OIG-AR-23-07</a>	Audit of AmeriCorps' Grants Awarded to Puerto Rico Commission for Volunteerism and Community Service	29	\$625,446
<a href="#">OIG-AR-24-01</a>	Audit of AmeriCorps' Fiscal Year 2023 Consolidated Financial Statements	16	\$0
<a href="#">OIG-AR-24-01</a> and <a href="#">OIG-AR-24-02</a>	Audit of AmeriCorps' Fiscal Year 2023 Consolidated Financial Statements and National Trust Fund Financial Statements	8	\$0
<a href="#">OIG-AR-24-05</a>	Performance Audit of AmeriCorps Grants Awarded to YouthBuild USA	18	\$6,692,146
<a href="#">OIG-AR-24-06</a>	Performance Audit of AmeriCorps Grants Awarded to Serve DC	11	\$1,766,876
<b>Total</b>		<b>82</b>	<b>\$9,084,468</b>

## New Recommendations Issued this Period

This list is a summary of the reports with New Recommendations issued during this period (open less than six months) as of September 30, 2024.

Reports with New Recommendations			
3 Recommendations			
Report Number	Report Title	Open Recommendations	Dollar Value of Potential Cost Savings
<a href="#">OIG-AR-24-04</a>	Performance Audit of AmeriCorps' Compliance with the Payment Integrity Information Act of 2019 (PIIA) for Fiscal Year 2023	3	\$0
<b>Total</b>		<b>3</b>	<b>\$0</b>

## AMERICORPS' RESPONSE



**AmeriCorps**

# **AmeriCorps' Response to the OIG Semiannual Report 24-02 and Report on Final Action**

AmeriCorps

November 27, 2024

## MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

AmeriCorps<sup>1</sup> is pleased to share its response to the Office of Inspector General's (OIG) Semiannual Report covering the second half of fiscal year 2024 (24-02). AmeriCorps is the federal agency dedicated to improving lives, strengthening communities, and fostering civic engagement through service and volunteering. Thirty years ago, the first cohort of AmeriCorps members stood on the White House lawn to recite the AmeriCorps pledge. That year, 20,000 Americans promised to "strengthen communities...take action...and seek common ground," helping to launch a new era of national service in America. More than 1.3 million AmeriCorps members have followed in their footsteps and millions more have served in AmeriCorps Seniors in the decades since, building upon this legacy and leaving a lasting impact on our nation.

Over the last three decades<sup>2</sup>, AmeriCorps has remained committed to meeting urgent community needs in a wide range of areas including education, health, economic opportunity, disaster services, supporting veterans and military families, and preserving public lands.

Over the past year, 200,000 AmeriCorps members and AmeriCorps Seniors volunteers have continued to deliver for children, families, and the American people in greatest need in major ways - from 50,000 tutoring and mentoring in 10,000 schools to supporting 250,000 veterans and military family members with employment services, benefits counseling, and transportation to medical appointments, to deploying nearly 750 AmeriCorps members and agency personnel in response to Hurricanes Helene and Milton to muck and gut homes, remove debris and connect disaster survivors to services.

No matter how the world shifts around us, our members and volunteers have remained steadfast in their dedication to tackling our nation's most pressing challenges.

### **Financial and Operational Reform**

AmeriCorps remains committed to effectively stewarding federal resources. During this administration, we have made our Financial and Operational Reform (FOR) plan the top agency-wide strategic priority, advanced our grants and member management system modernization plan, established new cross sector partnerships, increased employee satisfaction, and remained laser-focused on addressing deficiencies in our processes and internal controls. The FOR plan is critical to the success and sustainability of our mission and we are proud of the foundation we have built.

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<sup>1</sup>AmeriCorps is the operating name of the Corporation for National and Community Service.

<sup>2</sup> <https://americorps.gov/about/americorps30>

In 2024, AmeriCorps has achieved several key successes on the path towards a clean audit opinion. We have:

- Downgraded one material weakness (FY24- Other Disbursements), closed one Significant Deficiency (FY23-AR and Allowance for Doubtful Accounts), fully remediated an audit noncompliance (Single Audit), and closed more than 25 financial statement audit recommendations.
- Completed nearly 100 percent of remediation actions for five targeted material weaknesses and 70 percent of business process actions for remaining materials weaknesses.
- Significantly improved FISMA compliance, closing 38 recommendations from previous year FISMA audits and achieved a "Consistently Implemented" maturity level.
- Successfully closed more than 100 unimplemented recommendations for prior year agency and grantee audits.
- Significantly reduced improper payment rates, resulting in two programs being removed from testing requirements and AmeriCorps being featured by GAO as an agency that successfully reduced improper payment rates.
- Automated agency reconciliation processes, resulting in a 33 percent reduction in processing time saving nearly 75 hours of work time per year.

We are leading the effort and closely monitoring results under a governance structure made up of the agency's executive leadership along with full engagement of the board of directors. We made the significant improvements to our financial processes cited above with the support of our shared services provider, the U.S. Department of Treasury Administrative Resource Center (ARC). In addition, we conducted a comprehensive gap analysis and identified the root cause of longstanding audit findings that preceded the Biden-Harris Administration. We used the analysis to implement and complete the audit remediation actions covering agency financial and grants management. This work has encompassed the streamlining and documenting of major business processes, the automation of financial reporting with new dashboards to help us monitor and analyze data more timely for accuracy and compliance, the improvement of the budget process, and the implementation of a robust and stable control environment.

Although much work remains, there is also much work to be celebrated. The agency has made progress in more fully aligning with leading practices in fraud risk management. AmeriCorps formally closed of nine of 10 recommendations, leaving only one remaining open as partially implemented in connection to the Government Accountability Office's report "AmeriCorps Should Take Multiple Actions to Better Manage Fraud Risks" received in March 2024. The agency remains committed to enhancing its fraud risk management program and better aligning with the Government Accountability Office's leading practices. These actions, alongside our



comprehensive financial and operational reforms, have strengthened oversight, improved program management, and bolstered financial operations.

The agency's reform efforts are working, and we continue to prioritize investments to support the FOR plan efforts. We are proud of our improvements and the dedication by our leaders and employees to embracing the commitment to our future by improving financial and operational infrastructure. AmeriCorps has made great progress in strengthening our financial and operational management and advancing our commitment to a sustainable mission.

### **Unite Americans Through Service**

For decades, national service has engaged Americans of all backgrounds in tackling the nation's toughest challenges, uniting people to work together for the common good. Together with thousands of community partners, AmeriCorps has engaged dedicated individuals in making our nation more equitable, expanded pathways to opportunity for all Americans, strengthened communities, solved problems, and connected us with our neighbors, uniting our nation.

The impact of AmeriCorps service extends beyond direct beneficiaries, the host organization, and service participants. By bringing people from different backgrounds together to meet local needs, service unites Americans and strengthens our democracy. Whether they are responding to natural disasters such as Hurricanes Helene and Milton, serving to address food security and homelessness, or helping to expand education, job, and economic opportunities, AmeriCorps members and AmeriCorps Seniors volunteers are creating connection, building bridges, and bringing our country together.

### **Evidence Insights About American Civic Life**

Every two years, AmeriCorps partners with the U.S. Census Bureau to conduct the most robust survey about civic engagement across the United States and over time. The AmeriCorps Office of Research and Evaluation advances the mission of the agency, in part, by building our nation's understanding of civic engagement. As of the writing of this letter, AmeriCorps released new research about Volunteering and Civic Life in America.

The picture emerging from this research is one of renewed engagement in American civic life.<sup>3</sup> Data shows formal volunteering is rebounding. Over 28 percent of Americans have volunteered through an organization between September 2022 and 2023, providing 4.99 billion hours of service, with \$167.2 billion in economic value. This is an increase of five percentage points from the historic low documented in

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<sup>3</sup>[https://www.americorps.gov/sites/default/files/document/CEV2023\\_HeadlineReport\\_11052024\\_final\\_508.pdf](https://www.americorps.gov/sites/default/files/document/CEV2023_HeadlineReport_11052024_final_508.pdf)

2021.<sup>4</sup> Other civic behaviors that declined substantially during the COVID-19 pandemic are following the same trend.

Collectively, virtual and hybrid volunteers served more than 1.2 billion hours and contributed over \$41.5 billion in economic value.<sup>5</sup> One of five formal volunteers engaged in volunteer activities that were either completely virtual or hybrid during this period. Compared to those who volunteer completely in person, virtual and hybrid volunteers serve more hours per year, are slightly older, and are more likely to live with a disability. These findings challenge digital agism and have implications for accessibility.

In addition, the data indicates that informal helping is climbing. From 2017 to 2021, about half of Americans consistently helped their neighbors informally. The 2023 data shows a national informal helping rate of 54 percent, a meaningful three percentage point increase from previous years. More information and resources can be found on [AmeriCorps' Volunteering and Civic Life in America website](#).

## **Program Highlights**

AmeriCorps programs continue to work closely with local communities to create lasting change in alignment with AmeriCorps' Strategic Plan. AmeriCorps' program accomplishments from this reporting period include the following:

### *AmeriCorps State and National*

AmeriCorps announced more than \$740 million in federal funding for the AmeriCorps State and National program. This funding will support more than 64,500 AmeriCorps members at more than 1,000 nonprofit, faith, and community-based organizations across the country.

Public Health AmeriCorps is an innovative interagency partnership between AmeriCorps and the Centers for Disease Control and Prevention to increase capacity in local public health settings and build the next generation of public health leaders. To date, the program has awarded more than \$200 million to 103 grantee organizations. Public Health AmeriCorps is administered through AmeriCorps State and National.

As of September 2024, a point in time analysis showed more than 6,000 members served through Public Health AmeriCorps at more than 1,400 sites across the country, including local health departments, community-based organizations, health

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<sup>4</sup> Following historical U.S. Census Bureau practice, formal volunteering rates are calculated as the estimated share of volunteers in the population over the estimated total civilian noninstitutional population, which includes respondents coded as "do not know," "refusal," and "no answer."

<sup>5</sup> Value of Volunteer Time. (2024). Independent Sector. <https://independentsector.org/resource/value-of-volunteer-time/>

centers, and universities. Public Health AmeriCorps now has members in all 50 states, Washington, DC, Puerto Rico, and Guam.

### AmeriCorps NCCC

In the reporting period, AmeriCorps members in the NCCC program led AmeriCorps' response to Hurricanes Helene and Milton. Only three days after Helene's landfall, AmeriCorps NCCC FEMA Corps and NCCC Traditional Corps members were on the ground engaging in response efforts at Disaster Recovery Centers and through community-level canvassing and mucking and gutting projects. AmeriCorps NCCC's member presence in states impacted by these catastrophic storms quickly grew to 245 members engaged, a number which will further increase with the mobilization of approximately 100 additional AmeriCorps NCCC members recently sworn into service at the Pacific and Southwest Regions. AmeriCorps NCCC's disaster response footprint has remained the majority of the national service presence in response to these storms, even following the mobilization of grantee programs as AmeriCorps Disaster Response Teams, or A-DRTs, through coordination efforts with FEMA led by AmeriCorps' Disaster Services Unit (DSU). The DSU is housed in AmeriCorps NCCC.

The first cohort of AmeriCorps NCCC Forest Corps members is now over halfway through their service commitment. As of today, a retention rate of 93 percent has Forest Corps outpacing both AmeriCorps NCCC FEMA Corps and AmeriCorps NCCC Traditional Corps in that performance measure. The AmeriCorps NCCC Forest Corps is a five-year interagency partnership between AmeriCorps and the USDA U.S. Forest Service to both meet the immediate needs of the USDA U.S. Forest Service in advancing their goals for the Wildfire Crisis Strategy while also creating an employment pathway for AmeriCorps NCCC members into land management positions following their AmeriCorps service.

Additional partnerships led and finalized by AmeriCorps NCCC during the reporting period include building an interagency agreement between AmeriCorps and the Veterans Administration to mobilize AmeriCorps NCCC members and AmeriCorps Seniors volunteers in support of the National Veterans Wheelchair Games and National Veterans Golden Age Games, as well as formally reestablishing AmeriCorps' NCCC relationship with the Department of Defense for recruitment and logistical support to the program.

Finally, through partnership and collaboration with the Office of Inspector General, over the past two years AmeriCorps NCCC is pleased to have closed 24 open recommendations for the program. For the first time since at least 2015, AmeriCorps NCCC does not have any open recommendations. The program remains committed

to continuing its constructive working relationship with the Office of Inspector General.

### AmeriCorps Seniors

During this reporting period, AmeriCorps Seniors partnered with the Office of Research and Evaluation and held our annual convening for grantees in Baltimore, MD, where the Office of the Inspector General held two sessions titled “Seniors Fraud: What Can Go Wrong and How to Do It Right” and engaged with participants through an exhibit hall booth. Nearly 1,300 grantees attended the convening.

AmeriCorps Seniors opened a funding opportunity for Foster Grandparent and Senior Companion programs to support both replacement and expansion efforts. This led to the awarding of 26 new Foster Grandparent awards totaling \$4,278,831 and 24 new Senior Companion awards totaling \$5,804,197. These new awards were in addition to investing \$111,816,216 in 282 Foster Grandparent grant awards and \$49,269,177 in 171 Senior Companion grant renewal and continuation awards. AmeriCorps Seniors also invested \$1,147,500 in one-time augmentation for grantee staff travel to training in FY 2024, such as the national convening.

AmeriCorps Seniors continues to be an active partner in the Elder Justice Coordinating Council to coordinate activities related to elder abuse, neglect, and exploitation across the federal government. The Elder Justice Coordinating Council is directed by the Office of the Secretary of Health and Human Services and the Secretary serves as the Chair of the Council and AmeriCorps Seniors leadership attended a meeting during this period that celebrated 10 years of accomplishments. This partnership has enabled the work of older Americans through our programs to be highlighted in the national plan.

### AmeriCorps VISTA

AmeriCorps VISTA provides resources to nonprofit organizations and public agencies to address poverty and poverty-related problems in the U.S. Members are placed with local organizations to expand reach and deepen impact in making a sustainable change that alleviates the impact of poverty. Through fundraising, volunteer recruitment, program development, and more, AmeriCorps members gain experience and leadership skills that put them on track for a life of service in the public, private, or nonprofit sector.

In this reporting period, AmeriCorps VISTA continued to prioritize investing in underserved communities, including more than \$75 million in federal funding to support projects across 50 states and territories. This investment supported more than 4,600 AmeriCorps members serving on more than 600 projects to expand capacity in organizations that alleviate poverty and build economic opportunity. AmeriCorps members will help organizations advance student success, reduce homelessness, address food security, expand job opportunities, improve health

services, expand access to technology, and increase economic opportunities for families.

Additionally, AmeriCorps VISTA continues to expand the sponsor and AmeriCorps member training program and delivered virtual training opportunities engaging more than 3,250 participants and six in-person trainings engaging 649 individuals.

In addition, AmeriCorps VISTA concluded the Food Security Initiative. The initiative, which launched as a rapid response during the early stages of the COVID-19 pandemic, increased food security for more than 230,000 Americans by engaging AmeriCorps members in service focused on alleviating poverty with seven sponsor projects across the United States. Each sponsor participated in a learning community to develop a comprehensive and collaborative approach to hunger, expanding food security resources, knowledge, and community engagement.

During the initiative, 290 full-time AmeriCorps members and 244 summer associates assisted 164 service points in Maine, Ohio, Texas, Arizona, Puerto Rico, Arkansas, and Alabama. The combined tens of thousands of service hours resulted in the distribution of millions of pounds of food and the recruitment of thousands of volunteers. When surveyed, 91 percent of AmeriCorps members felt they contributed to their community, and 93 percent felt they made a difference in the life of at least one person.

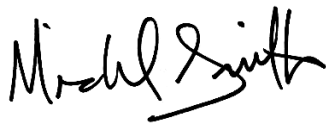
One of the first sponsors in the initiative, the Maine Department of Agriculture, Conservation and Forestry's Ending Hunger Corps, engaged the service of 23 AmeriCorps members. They leveraged more than \$1,141,000 in cash and in-kind resources and provided more than 1,146,900 pounds of food to the community. The members strengthened the effectiveness and program reach of organizations and recruited nearly 3,000 volunteers, resulting in more than 7,400 hours of volunteer service. The AmeriCorps members who served with this project were recognized by Maine Governor Janet Mills. The sponsor reported that the project enhanced food security for more than 150,000 people.

## **Looking Ahead**

Our country is facing unprecedented and interlocking challenges that require a renewed commitment to service and civic engagement. Working in partnership with state, local, and tribal partners, AmeriCorps will continue to build a culture of national service that tackles these challenges head-on. Along with thousands of community partners and while working closely with the Office of Inspector General and its Board of Directors, AmeriCorps will continue to use evidence to demonstrate the importance of national service in addressing the nation's most pressing challenges. Since 1994, more than 1.3 million individuals have served through AmeriCorps, and AmeriCorps members have earned more than \$4.8 billion in Segal AmeriCorps Education Awards to pay for college or repay student loans.

AmeriCorps remains committed to effectively stewarding federal resources. The agency has taken critical steps to build a stronger operational infrastructure while advancing recruitment efforts, building pathways to education and employment from service, and embedding a culture of belonging and principles of diversity, equity, inclusion, and accessibility into the foundation of the agency. AmeriCorps will continue to get things done for communities across America while expanding pathways to opportunity for all Americans and building unity across our nation.

In service,

A handwritten signature in black ink, appearing to read "Michael D. Smith". The signature is fluid and cursive, with a long horizontal stroke at the end.

Michael D. Smith  
Chief Executive Officer  
AmeriCorps

## AUDIT TABLES

**TABLE I**

**FINAL ACTION TAKEN ON AUDIT, INSPECTION, AND EVALUATION REPORTS**

(For the Period April 1, 2024 - September 30, 2024)

	<b>Number of <u>Reports</u></b>	<b>Disallowed <u>Costs</u></b>
A. Reports for which final action had not been taken by the commencement of the reporting period	4	-
B. Reports for which management decisions were made during the reporting period	2	\$0
C. Reports for which final action was taken during the reporting period	1	\$242,391
1. Recoveries		
(a) Collections and offsets		\$0
(b) Property in lieu of cash		-
(c) Other (reduction of questioned costs)		-
2. Write-offs		0
D. Reports for which final action was not taken by the end of the reporting period	3	-



**TABLE II**

**FINAL ACTION TAKEN ON AUDIT, INSPECTION, AND EVALUATION REPORTS  
WITH RECOMMENDATIONS THAT FUNDS BE PUT TO BETTER USE**

(For the Period April 1, 2024 - September 30, 2024)

	<b><u>Number of Audit Reports</u></b>	<b><u>Dollar Value</u></b>
A. Reports for which final action had not been taken by the commencement of the reporting period	0	-
B. Reports for which management decisions were made during the reporting period	0	\$0
C. Reports for which final action was taken during the reporting period	0	-
i. Dollar value of recommendations completed		\$0
ii. Dollar value of recommendations that management has concluded should not or could not be implemented or completed		\$0
D. Reports for which no final action had been taken by the end of the reporting period.	0	-

### Table III

#### **AUDIT REPORTS ON WHICH MANAGEMENT HAS MADE A DECISION BUT FINAL ACTION HAS NOT BEEN TAKEN (OTHER THAN MANAGEMENT DECISIONS MADE WITHIN THE PRECEDING YEAR)**

(For the Period April 1, 2024 - September 30, 2024)

These include the Performance Audit of AmeriCorps Grants Awarded to Serve DC (OIG-AR-24-06) and Audit of AmeriCorps Grants Awarded to the Puerto Rico Commission for Volunteerism and Community Service (OIG-AR-23-07).





**AmeriCorps**  
**Office of Inspector General**

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