

Lessie Bates Davis Neighborhood House Settles False Claims Allegations Regarding Inadequate Internal Controls, False Periodic Expense Reports, and Falsely Certified Education Awards

Closed 02/14/22

AmeriCorps OIG investigated allegations that the Lessie Bates Davis Neighborhood House (LBDNH) failed to follow its own policies and implement effective internal controls that could have prevented the embezzlement of over \$250,000 by its former Executive Director. During the course of the investigation, AmeriCorps OIG identified falsely certified periodic expense reports filed on behalf of LBDNH by its former Executive Director and falsely certified partial education awards for LBDNH AmeriCorps members exited early for compelling personal circumstances triggering the improper disbursement of funds from the National Service Trust.

AmeriCorps OIG pursued this matter jointly with the U.S. Attorney's Office for the Southern District of Illinois. LBDNH entered into a civil settlement agreement with the United States and paid \$100,000 to resolve allegations under the False Claims Act that it presented false and fraudulent claims to AmeriCorps. LBDNH also agreed to enter into a five-year compliance agreement with AmeriCorps and assume financial liability for the remaining balance of falsely certified education awards. LBDNH cooperated in resolving the matter.

Case ID 2019-056