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Department of Justice

U.S. Attorney's Office

District of Colorado

FOR IMMEDIATE RELEASE

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Denver Public Schools Pays Over \$2.1 Million to Settle Allegations Relating to Misuse of AmeriCorps Funds

DENVER – The United States Attorney's Office for the District of Colorado announced today that Denver Public Schools ("DPS") has paid \$2,123,811 to the United States to resolve a civil False Claims Act investigation into the operation of its AmeriCorps program and its misuse of AmeriCorps funds. DPS also agreed to pay for any outstanding AmeriCorps education awards yet to be distributed, up to approximately \$614,000.

AmeriCorps is a federally funded network of national service programs that address critical community needs like increasing academic achievement, mentoring youth, fighting poverty, sustaining national parks, preparing for disasters, and more. AmeriCorps volunteers—who are referred to as "members"—commit to service for a period of three months to a year in exchange for a living allowance, education awards, and other benefits.

To receive an AmeriCorps education award, each member must complete a specified number of service hours, among other requirements. AmeriCorps grant recipients like DPS are responsible for verifying and certifying those hours to AmeriCorps, which maintains a fund to pay the education awards.

The United States alleges that, for grant years 2015 and 2016, DPS falsely certified to AmeriCorps that a significant portion of DPS's members had performed the service hours necessary to qualify for an AmeriCorps education award, when in fact they had not.

Specifically, the United States contends that six of DPS's AmeriCorps programs were not eligible to receive \$557,200 in direct AmeriCorps funding and that AmeriCorps dispersed \$858,674.18 in education awards based on DPS's numerous false certifications for those six programs. The government contends that DPS recruited its existing employees for those AmeriCorps programs and then improperly counted, as AmeriCorps service hours, time those members actually spent on their duties as DPS employees, and not on service. Inadequate training, supervision and record-keeping contributed to DPS's misuse of AmeriCorps funds. A former DPS manager admitted that they intentionally "pushed the envelope" in ways that led to violations of AmeriCorps rules. DPS terminated, and accepted resignations from, employees who had managed the AmeriCorps grants and falsely certified education awards.

“Denver Public Schools used millions of federal dollars from AmeriCorps in ways that violated the basic rules of the AmeriCorps program,” said Matthew Kirsch, Attorney for the United States, Acting under Authority Conferred by 28 U.S.C. § 515. “Its misuse of those funds interfered with AmeriCorps’ core mission—to give students more educational resources.”

“By enrolling teachers as AmeriCorps members, DPS deprived its at-risk students of the additional educational support they were entitled to receive from national service members,” said AmeriCorps Inspector General Deborah Jeffrey. “Double-counting teachers’ paid work as national service hours meant that the community received no net benefit from AmeriCorps funding. We thank our partners in the U.S. Attorney’s Office for the District of Colorado for their work in protecting the integrity of AmeriCorps.”

The civil settlement in this matter resolves the United States’ claims under the False Claims Act against DPS and recovers funds improperly used by DPS. Under the terms of the settlement, DPS will immediately pay \$2,123,811 to the United States, and will agree to assume responsibility for paying any outstanding education awards not yet distributed for the affected programs, which may total up to approximately \$614,000. As contemplated by the False Claims Act, the amount paid by DPS includes a multiplier of the losses sustained by AmeriCorps.

The matter was handled by Assistant U.S. Attorney Jacob Licht for the District of Colorado. The resolution obtained in this matter was the result of a coordinated effort between the U.S. Attorney’s Office for the District of Colorado and the AmeriCorps Office of Inspector General.

The claims resolved by the settlement are allegations only and DPS does not admit liability as to the government’s claims.

Video statement: https://twitter.com/USAO_CO/status/1554543060503220237?s=20&t=MqGFQwTWRby52M6vSolsPA

Topic(s):

False Claims Act

Component(s):

USAO - Colorado

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