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Office of the General Counsel
Attn: Freedom of Information Act Officer
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April 23, 2013

This responds to your February 7, 2013, Freedom of Information Act request for “a printout/list/digital file of the OIG investigations closed during calendar year 2012.” Please find records from our office responsive to this request.

If you should have any questions regarding this response to your request, I may be reached at (202) 606-9390.

Very truly yours,

Vincent A. Mulloy
Counsel to the Inspector General

Enclosures

2009-011

The OIG received information that a grantee employee embezzled Senior Companion program funds. The OIG investigation, in conjunction with the Topeka Police Department, disclosed that a Senior Companion Program manager devised a scheme in which she fraudulently requested and obtained program funds, purportedly for stipends and other entitlements for Senior Companion volunteers. The program manager then withdrew the money from the grantee's account, using a program issued debit card to obtain cash at automated teller machines located within the local area as well as at various casinos in Kansas and Oklahoma.

The program manager also fraudulently increased her pay, without the approval of the grantee's Board of Directors, and authored and cashed checks without authorization. The program manager diverted \$28,433.66 dollars in Federal program funds for her personal use.

The individual was prosecuted by the District of Kansas, United States Attorney's Office. The program manager plead guilty to one count of Program Fraud and was sentenced to three years supervised probation, six months of home detention, and was required to make full restitution. Corporation management also debarred the individual for a period of two years.

2009-024

The OIG received information that an Oklahoma Foster Grandparents Program (FGP) Executive Director misused FGP program funds when he paid staff employees for performing non-grant related work that directly benefited the grantee. The OIG investigation verified that staff employees were improperly paid with FGP funds for non-grant work by the Executive Director. The grantee's attorney informed the OIG that the grantee was unable to locate fiscal records showing how it had expended the FGP grant funds in response to an OIG subpoena. Working jointly with Corporation personnel who determined that based on the grantees failure to provide documentation of its FGP grant expenditures it disallowed \$1,133,297.76 in grant payments it had received. Corporation management issued the grantee a debt letter requesting repayment of the full amount.

2010-017

The OIG received information that an AmeriCorps director fraudulently inflated AmeriCorps members' timesheets, and fraudulently certified education awards for which members that were not entitled, totaling \$57,700 in education awards.

The results of our investigation were referred to the U.S. Attorney's Office, Southern District of California, San Diego, CA, for prosecution. The director plead guilty and was placed in a 24 month pre-trial release program. The US Attorney's Civil Section deferred recovery of the funds to the agency.

Corporation management informed the OIG that it concurred with the investigative findings and that the Corporation would seek reimbursement from the grantee for the disallowed costs.

2011-001

The OIG received information that two Foster Grandparent Program grantee employees embezzled \$62,763.54, when they fraudulently used the grantee's credit card for personal use.

Both individuals plead guilty and were prosecuted by the District of Idaho, United States Attorney's Office. One individual was sentenced to probation for a term of five years, home detention for a period of nine months, an intermittent term of confinement to be served six consecutive weekends, and pay restitution in the amount of \$48,861.47. The other individual

was sentenced to probation for a term of five years, home detention for a period of ninety days, and to pay restitution in the amount of \$13,902.07. Corporation management also debarred both individuals for a period of three years.

2011-008

The OIG received information that a VISTA member fraudulently received childcare benefits by falsifying his monthly daycare invoices and attendance logs. The investigation disclosed evidence that the VISTA member submitted false monthly invoices and attendance logs to allow a relative childcare provider to receive \$1,065 in childcare benefit payments the individual was not entitled. The former VISTA member admitted to falsifying the monthly daycare invoices and attendance logs.

The Northern District of Georgia, United States Attorney's Office declined prosecution citing that the dollar loss did not meet its office's prosecution threshold.

This matter was referred to Corporation management, who stated a debt letter would not be issued to recover the stolen funds, but did debar the former VISTA member for a period of one year.

2011-016

The OIG received a Hotline allegation that a Virgin Island (VI) Retired Senior Volunteer Program (RVSP) Director was requiring contributions of a \$1.00 from each RSVP and Foster Grandparent Program (FGP) volunteer at monthly meetings to support a hospitality fund. The complaint alleged that the volunteers felt threatened in that if they did not pay the required contribution they would be terminated from the program and believed that the funds were being mishandled.

The investigation determined that after the volunteers voted to keep the hospitality fund, program officials initiated a donation policy outlining the program requirements and how the funding would be used. There was no evidence that the funds were mishandled.

During our investigation we also reviewed 43 volunteer files from the St. Thomas (VI) RSVP and FGP programs. During the review of the files it was noted that copies of birth certificates and/or U.S. passports were posted into their files. The review identified that 24 files were missing proper citizenship documentation. The Corporation's Senior Corps programs do not mandate a check of citizenship as a requirement for enrollment, but it appeared the program required the volunteers to submit proof of citizenship.

Although the Corporation's Senior Corps programs do not require citizenship verification, a Federal rule enacted by the Welfare Reform Act of 1996 requires that citizenship or legal residency be established for any individuals to participate in grant programs that would provide to the individual a so-called "public benefit."

We recommended to Corporation management that it undertake an evaluation as to whether the stipends, insurances, transportation assistance, and meals provided to Senior Corps participants under the Senior Corps regulations constitute a "public benefit," whereby requiring the program to institute eligibility rules based on citizenship or legal migration status.

The Corporation responded with a legal opinion which stated in effect that that the Welfare Reform Act does not apply to the Corporation's Senior Corps Programs; therefore citizenship is not required for its volunteers.

2011-017

The OIG received information that a VISTA Supervisor violated the Corporation's VISTA nepotism policy when she knowingly allowed her biological sister and her biological daughter to serve in the VISTA program she supervised. The VISTA supervisor misled Corporation employees causing the Corporation to disburse \$7,774.29 in federal funds to the two ineligible VISTA members.

The Western District of Texas United States Attorney's Office declined prosecution citing that the dollar loss did not meet its office's prosecution threshold.

This matter was referred to Corporation management, who issued a request for payment to the grantee in the amount of \$7,774.29. The VISTA supervisor was also debarred for a two year period.

2011-024

The OIG received information that an AmeriCorps member embezzled \$4,250 in AmeriCorps grant funds when she stole, forged and negotiated grantee checks for personal use. We conducted a joint investigation with the Kentucky State Police.

The Commonwealth of Kentucky Attorney General's Office prosecuted the individual who was sentenced to three years confinement, which was suspended. The individual was placed on three years' supervised probation and required to make restitution. Corporation management also debarred the individual for a period of three years.

2011-029

The OIG received a Hotline allegation that a Corporation employee received a paid vacation, from a former Corporation employee's company, in exchange for providing information the Corporation employee obtain as part of her official duties.

The investigation revealed the employee sought approval from the agency's Ethics Officer prior to releasing the information. There was no evidence that the employee received a paid vacation.

2011-035

The OIG received information that an individual had attempted to fraudulently enroll in the VISTA during program years 2010 and 2011 utilizing different social security numbers.

Our investigation revealed that the individual had applied to numerous VISTA programs using multiple names and social security numbers. There was no evidence that the individual received any program funds since the person never served or serves no more than a few weeks at the VISTA sites located in New Jersey, Nebraska and Utah.

The United States Attorney's Office for the District of Columbia declined to prosecute the individual, if located, citing there was no monetary loss to the Federal Government. Corporation management is monitoring VISTA applications in the event the individual attempts to reenroll.

2011-036

The OIG received information that a Corporation employee may have improperly obtain and transferred excess Government computers to a non-profit grantee.

The OIG investigation determined that the employee obtained excess U.S. Government property from another federal agency with the intent to redistribute the property to local Corporation grantees. Although the employee had authority to sign for the computers, the employee did not take any steps to have the computers accounted for or added to the Corporations property inventory. Further the employee was unaware of the GSA requirements concerning the disposal of U.S. Government computer equipment. The computers had not been transferred and the employee was informed by management how to properly dispose of the items.

The OIG reviewed the Corporation's policies regarding Property Management OAMS-500-2011-2 and Computer Property Management OIT-377-2010-1; the policies did not provide guidance concerning the actions necessary to account for excess U.S. Government property acquired by or on behalf of the Corporation.

The OIG completed an Internal Control Vulnerability report regarding the findings identified during this investigation. The report was provided to the Corporation.

Based on our findings, Corporation management updated the Corporation's Policy OIT-377-2010-1 adding the prohibition of Corporations employees obtaining IT equipment.

2011-037

The OIG received information from the VA-OIG that an AmeriCorps member assigned to a NCCC campus sexually assaulted another NCCC AmeriCorps member.

The former member was prosecuted and sentenced for a period of six years, three of which were suspended. Upon his release, the individual will be placed on supervised probation for a period of three years and registered as a sex offender.

2011-039

The OIG received a Hotline allegation that a Michigan Senior Companion Program (SCP) and Foster Grandparent Program (FGP) Chief Executive Officer had misapplied grant funds when she authorized a percentage of salary for employees, whose duties were not related to the SCP and FGP, to be paid with funds received from the grants.

The OIG investigation confirmed that non-grant employees were paid with SCP/FGP grant funds totaling \$24,681.65. We forwarded our results to Corporation management for action.

Corporation management subsequently discovered that the costs were allowable after learning that the government's cognizant agency had approved a substitute salary and wage system for direct and indirect costs. The Corporation did take some administrative oversight action concerning the grantee's documentation.

2011-040

Based on preliminary findings of an OIG audit, the OIG initiated an investigation into allegations that a Louisiana AmeriCorps grantee Chief Executive Officer (CEO) improperly used Corporation and matching grant funds for personal purchases, family vacations, and his personal business.

The OIG preliminary investigation disclosed that the CEO received a \$1,200 monthly expense account in addition to his annual salary. A preliminary review of the grantee fiscal documents

disclosed that the grantee co-mingled its AmeriCorps funding with other funds it received from other outside sources. This created difficulties in identifying whether Federal funds were misused. However, the review did disclose similar findings to the audit findings, including disallowable costs associated with several expenditures. Our preliminary investigation neither proved nor disproved that the CEO fraudulently misapplied Federal program funds. The audit questioned \$837,380 in program costs; therefore, the OIG investigation was closed and deferred to the audit resolution for collection of the disallowed costs.

2012-002

The OIG received information that program officials from a Florida Retired Senior Volunteer Program (RSVP) failed to update the RSVP station rosters, to accurately reflect the number of current RSVP volunteers and active stations. The caller indicated that this allowed the grantee to receive federal program funds it was not entitled.

A review of the station rosters revealed some the sites did not actually reflect the current number of volunteers or operational RSVP service sites. Investigation revealed although the grantee mismanaged the program there was no loss of Federal funds. Corporation management reported that the grantee relinquished its grants.

2012-003

The OIG received a Hotline allegation that an Illinois AmeriCorps director fraudulently certified AmeriCorps member timesheets, thereby allowing several ineligible members to receive living allowances and an education award for which they were not entitled. We referred this matter to Corporation management for follow up.

Corporation management reported that the Illinois Commission conducted an investigation into the allegations. Commission personnel interviewed and reviewed the timesheets of members. Commission personnel reported there was insufficient evidence to substantiate the allegations.

2012-004

An OIG audit of the Corporation's fiscal year 2011 financial statements found that the Corporation lacked an adequate system for recording and tracking its IT assets. We conducted a proactive review of the recording and tracking system the Corporation uses safeguard its Information Technology (IT) property and equipment in order to identify crime conducive activities. Personnel from the agency's Office of Information Technology reported that they were in the process of developing new policies for tracking IT inventory and a system to track and report IT inventory on a quarterly basis. The agency also updated its Computer Property Management policy to reflect tighter control of IT inventory based on our review.

2012-006

The OIG received an anonymous Hotline complaint alleging that program officials at a grantee in Louisiana were converting its employees to AmeriCorps members to supplement their salaries. We referred this matter to Corporation management for follow up.

Corporation management reported that the Louisiana Commission conducted an investigation into the allegations. Commission personnel conducted two site visits to review the program's members and employees' handbooks, organizational charts, member training schedules, general ledger for the periods in question, and reviewed the member files for two program years. Commission personnel reported that they found no evidence to substantiate the allegations.

2012-007

The OIG received a Hotline allegation that a Pennsylvania AmeriCorps Director had directed an employee to add service hours to AmeriCorps members' timesheets that would allow ineligible members to receive education awards.

A review of the members' timesheets and interviews disclosed that the members' timesheets were adjusted to accurately reflect the service hours performed. Corporation management also informed the OIG that it had approved the grantees time and record keeping policy and that the hours claimed were allowable.

2012-008

The OIG received information that the executive director of an Ohio Senior Corps Program was misapplying Federal program funds.

The OIG investigation determined that the executive director had not misapplying Federal program fund as alleged. The investigation revealed that due to budget cuts staff hours, travel and training were reduced impacting spending on RSVP.

The OIG conducted an analysis of staff timesheet records, payroll records and drawdowns with their supporting documentation. Results of the analysis revealed the grantee was in compliance with grant provisions. The grantee relinquished the RSVP grant.

2012-009

The OIG received a Hotline allegation that former AmeriCorps members at a community college were misusing their education awards.

The OIG investigation disclosed that the former members had not misused their awards when they obtain laptop computers while enrolled in non-credit courses.

2012-010

The OIG received a Hotline call from a former AmeriCorps member who stated that he wanted to repay his education award claiming that he had falsified his AmeriCorps timesheets in order to receive the \$1,000 education award. We referred this matter to Corporation management for collection of the funds. Corporation management issued a debt collection letter to the individual for the recovery of the \$1,000.

2012-013

The OIG received information that an Office of Information and Technology (OIT) contractor employee had connected a personal non-government laptop computer to the Corporation's network without authorization.

A joint investigation with the Federal Bureau of Investigation found no evidence that the contractor compromised the integrity of the Corporation's network or accessed fiscal data or personal identifiable information (PII). The investigation did disclose that the contractor had violated a Corporation policy when he connected his personal laptop computer to the Corporation's IT server. The contractor employee's employment was terminated.

During our investigation the OIG conducted a limited review of a Corporation employee's computer to determine if the individual used their Government issued computer inappropriately. Based on the results of this limited review, we did not observe any questionable use that would rise above the level of appropriate government computer "de minimis use" as described in OIT

policy. Also the risk associated with potential exposure of sensitive Corporation information or PII was determined to be low because of the compensating information security controls that were established and implemented by OIT. However, we did take exception that the employee stored mission related information on drive that is not backed up as per Corporation policy. Although the files are protected through the use of encryption software that protects access to the local disk drive, the files themselves are placed at risk because they are not appropriately archived and stored on a back-up medium that could allow for file restoration in case the file was lost or deleted. OIT management informed us that to remediate the issue they planned to revise their Rules of Behavior to include the requirement to store all work documents on agency shared drives to ensure proper back up. OIT Senior Management also indicated that they would remind employees about saving mission related to files to shared or personal drives network drives.

2012-014

The OIG received a Hotline complainant that a Washington State AmeriCorps member was receiving their AmeriCorps stipend while simultaneously working on two separate grants from two Federal agencies. We referred this matter to Corporation management for follow up.

Corporation management reported that the Washington Commission conducted an investigation into the allegations. Commission personnel reported that they had interviewed the AmeriCorps member and her supervisors. They confirmed that she was a full-time AmeriCorps member and also worked part-time on another federal program. Based on their review, Commission personnel determined that there was no evidence that the member had not performed her AmeriCorps service hours. They based this on the facts that the member maintained separate timesheets, has different supervisors and work stations.

2012-015

The OIG received a Hotline complaint that program officials at a Texas grantee were using AmeriCorps members to fill staff positions. We referred this matter to Corporation management for follow up.

Corporation management reported that the Texas Commission conducted an investigation into the allegation. Commission personnel reported they conducted a review of the member's position description and interviewed AmeriCorps and school staff personnel. Based on their review, Commission personnel determined that there was no evidence that members were displacing teachers as alleged. They also reported that the grant had expired and was not renewed.

2012-016

The OIG received a Hotline complaint that a grantee's employee's position was eliminated and her work was assigned to an AmeriCorps member. We referred this matter to Corporation management for follow up.

Corporation management reported that the Arizona Commission conducted an investigation into the allegation. Commission personal reported that they interviewed AmeriCorps members along with the sub-grantee employees. Based on their interviews, Commission personnel determined that the complainant was released based on a reduction in program funding and that the individual's workload was divided between the remaining employees. Commission personnel reported that they found no evidence that AmeriCorps members displaced the complainant's position.

2012-017

The OIG received information that a Florida AmeriCorps member had falsified her timesheets. The OIG investigation determined that the member was terminated and did not earn an education award. Our investigation raised concerns about the supervision and oversight of AmeriCorps members at the service sites. We referred this matter to Corporation management for verification and follow up.

Corporation management reported that it had confirmed that the former member had not earned an education award. Additionally, personnel from the Florida Commission will conduct a review of the grantee's timesheet approval process to ensure there is proper oversight of its members.

2012-018

The OIG received information that program officials at an Illinois service site were providing its AmeriCorps members blank timesheets to sign. In addition, the complainant claimed to have witnessed "some questionable activity" regarding the AmeriCorps program. We referred this matter to Corporation management for verification and follow up.

Corporation management reported that the National Direct grantee had its personnel conduct an investigation into the allegations. Personnel from the National Direct grantee conducted reviews of 25% of the current member's timesheets and interviewed 10% of its current members concerning the process and activities performed by the members. Based on the information obtained from the service site grantee, the National Direct officials determined that there was no evidence to substantiate the allegations.

2012-020

The OIG received a Hotline allegation that an AmeriCorps Executive Director had misapplied AmeriCorps program funds resulting in the termination of the caller's employment. The caller also claimed that the program did not having sufficient funding to complete the program year.

We contacted personnel from the Maine Commission for Community Service and determined that the caller's position was not an AmeriCorps funded staff position and that her dismissal was a direct result in the reduction in funding the agency received from its outside sources. State Commission personnel conducted a site visit and reviewed the fiscal documents and interviewed the current members. There was no evidence that program funds were mismanaged. Maine State Commission personnel informed the OIG that it had not renewed the grantee's grant due to their inability to obtain matching funds and to low enrollment.

2013-002

During a proactive review, OIG Auditor discovered that a VISTA member was engaged in prohibited activity in that the member was serving as a city council member in Minnesota while enrolled in the VISTA program in violation of 45 CFR. 1226. The OIG investigation disclosed that it was the Corporation's Office of General Council (OGC) position that the VISTA was not engaged in prohibited activity in that it was the agency's position 45 CFR 1226 was superseded by the Hatch Act, which allows for VISTA's to hold nonpartisan position. Management related that it has drafted charges to the CFR to delete most of Part C, but due to management challenges and a moratorium on submitting changes to OMB it has not been able to complete. In the meantime, management is using the Hatch Act as guidance in these matters. The OIG contacted OGC and brought to their attention that the regulation on Prohibited Activities comes from Corporation's distinct statute, not the Hatch Act, and prohibits Corporation funds from being used, or the VISTA program being identified with, any activity designed to influence any election, or influence legislation. The Office of General Council acknowledged

those statutory provisions and stated that they only apply to a VISTA sponsor organization, and that no violation had occurred here (Attachment 3). The OIG maintains that the statute's prohibitions on prohibited activities apply to the activities of the Corporation-funded VISTA as well, and the Corporation's regulations, memorandum of understandings with project sponsors, and the VISTA member handbook all clearly bar VISTA member involvement in election and legislative activity. ("Volunteers are prohibited from engaging in activities such as . . . any activity in support of, or opposition to, a candidate for election to public office in a partisan or nonpartisan election [and] volunteers shall not engage in any activity for the purpose of influencing the passage or defeat of legislation." 45 C.F.R. §1226.8(a) (d))

2013-007

The OIG received information that two AmeriCorps members in New Mexico had submitted fraudulent timesheets. The investigation disclosed that the two AmeriCorps members, who were related to the Executive Director, submitted fraudulent timesheets for a two month period. The members were terminated and the Executive Director resigned. Management issued a demand letter to the program to return \$14,000 in grant funds.

2013-008

The OIG initiated an investigation as a result of OIG investigation 2013-007 to determine if a Corporation employee violated Corporation Anti-Fraud Policy when the employee failed to report an allegation of fraud to the OIG. The OIG investigation found no evidence that the employee violated the Anti-Fraud Policy.

2013-009

The OIG received information that an Ohio grantee failed to properly disclose its expenditures during its grant applications. The OIG investigation, with the assistance from the Ohio Commission personnel, found that the grantee had some discrepancies in its documentation. Based on the findings the grantee, along with the Ohio Commission personnel, agreed to discontinue funding the grantee.

2013-010

The OIG received information that a Senior Corps Program volunteer in Georgia that had submitted services hours for a client that was deceased. Investigation disclosed that two volunteers claimed service hours for services not performed. Management required the grantee to reimburse the Corporation \$3,378.37 in grant funds.

2013-011

The OIG received information that a Corporation NCCC employee was misusing a GSA fleet fuel card for her personal use. The OIG investigation determined that the employee improperly obtain a GSA fleet fuel card, which she used to make personal purchases in the amount of \$586.91. The matter was referred to Corporation management, which agreed with our findings and terminated the employee and recouped the \$586.91.

2013-013

The OIG received a Hotline complaint that an AmeriCorps member in New York was submitting fraudulent timesheets. The OIG investigation determined that the AmeriCorps member had inflated his service hours on his time sheets after they had approved by his supervisor. The member was terminated from the program, without earning his education award, saving the government \$5,500.

2013-014

The OIG received information that a former AmeriCorps member in North Carolina that had submitted fraudulent timesheets and earn her education award. The investigation disclosed that the AmeriCorps member had submitted false timesheets during her AmeriCorps service resulting in her earning a partial education award in the amount of \$1,132. The United States Attorney's Office declined to prosecute the individual since she had made full restitution to the Corporation.

2013-015

The OIG initiated an investigation based on a Hotline complaint that two NCCC AmeriCorps members in New York assigned to assist in Hurricane Sandy clean-up were looting. The New York City Police Department was notified of the allegations and declined to investigate the matter. The OIG investigation, along with NCCC personnel, found no evidence to substantiate the allegation.