

Answers to Frequently Asked Questions About the Inspector General's Debarment Authority

What exactly is debarment?

Debarment is an action taken to exclude an organization or person from participating in transactions with the Federal government. An organization or person debarred by a Federal agency generally is excluded from doing business with the entire Federal government for a specified debarment period.

Who can initiate a debarment?

A debarment action can be initiated by the Corporation's Chief Executive Officer or an official designated by the Chief Executive Officer as a debarring official.

What are grounds for debarment?

- The government-wide debarment regulations list causes for debarment, including:
Conviction or civil judgment for commission of fraud or a criminal offense in connection with a public or private agreement;
- Commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, receiving stolen property, making false claims, or obstruction justice;
- Commission of another offense indicating a serious lack of business integrity or business honesty;
- Violation of the terms of a public agreement or transaction so serious as to affect the integrity of the agency program;
- Knowingly doing business with an ineligible person or entity that has been debarred or suspended;
- Failure to repay a substantial debt to a Federal agency.

See the full list at Section 2542.800 of Title 45 of the Code of Federal Regulations (45 CFR § 2542.800) posted [here](#).

What's the Corporation's record on debarment?

In the past year, the Corporation has debarred eight individuals. In each case, the individual was convicted by a court of law for fraud, embezzlement, theft, or forgery. In all but one case, these debarment actions followed a recommendation for debarment from the Inspector General. In one case, the Corporation pursued debarment of an individual on the basis of information it received during its own investigation. The Inspector General did not recommend any organizations for debarment during the past year and the Corporation did not debar any organization during the past year.

Why is the Corporation changing the procedures on debarment?

The Consolidated Appropriations Acts of 2004 and 2005 contain identical statutory language directing the Inspector General to (1) conduct random audits of the grantees that administer activities under the AmeriCorps programs; (2) levy sanctions including debarment of any grantee that has substantially violated AmeriCorps program requirements; and (3) obtain reimbursement of any misused funds from any grantee that has substantially violated AmeriCorps program requirements. The debarment authority conferred upon the Inspector General does not extend to other CNCS programs.

How does this new authority change the procedures on debarment?

The statutory authority provides new authority to the Inspector General to debar, and obtain reimbursement from, grantee organizations that have substantially violated AmeriCorps program requirements. Previously the Inspector General had authority only to recommend debarment and to question costs, while the Corporation's management made the ultimate decision on such recommendations. The Corporation's management retains this authority, but for AmeriCorps grantees the Inspector General also has debarment and recoupment authority. The underlying grounds for debarment and reimbursement remain the same.

What procedures will the Inspector General use in exercising this authority?

The Inspector General will use the procedures in existing Corporation debarment regulations (45 CFR Part 2542), posted [here](#).

What effect does this new authority have on grantees that do not administer activities under the AmeriCorps program?

None. The Inspector General's authority is limited only to grantee organizations administering AmeriCorps program activities.

What effect does this new authority have on individuals that administer activities under the AmeriCorps program.

None. The Inspector General's authority is limited only to grantee organizations administering AmeriCorps program activities.

Could our organization face debarment if we make an accounting mistake or don't keep sufficient financial records?

That would depend on the seriousness of the problem. Please refer to the list of the grounds for debarment for you to make that assessment.

How would our organization know if it were facing a sanction such as debarment?

The Inspector General's authority is based on the outcome of an audit or investigation, and the possibility of sanctions would likely become apparent in either event. In addition, under the debarment regulations, the Inspector General must provide written notice of his or her intent to pursue debarment.

How long will this authority last?

The Inspector General's authority is established in an appropriations statute that does not extend the authority beyond the term of the appropriations period. The authority will expire on September 30, 2005, i.e., at the end of fiscal year 2005. Congress has included this authority in two successive appropriations acts, and could continue the authority in future appropriations.