

**Office of Inspector General
Corporation for National and
Community Service**

**REVIEW OF BANK STREET COLLEGE OF
EDUCATION'S JUSTIFICATION FOR
COMPELLING PERSONAL CIRCUMSTANCES OF
AN AMERICORPS MEMBER**

OIG REPORT 08-16



Corporation for
**NATIONAL &
COMMUNITY
SERVICE** 

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This report was issued to Corporation management on April 16, 2008. The Corporation's response to the draft report agreed with the recommendations and is considered to be the Management Decision. Under the laws and regulations governing audit follow-up, the Corporation is to complete its corrective actions by April 16, 2009. Consequently, the reported finding does not necessarily represent the final resolution of the issues presented.



OFFICE OF INSPECTOR GENERAL

April 16, 2008

TO: Margaret Rosenberry
Director, Office of Grants Management

FROM: Carol Bates /s/
Assistant Inspector General for Audit

SUBJECT: Office of Inspector General Report 08-16, *Review of Bank Street College of Education's Justification for Compelling Personal Circumstances of an AmeriCorps Member*

Attached is the final report on our *Review of Bank Street College of Education's Justification for Compelling Personal Circumstances of an AmeriCorps Member*.

Under the Corporation's audit resolution policy, the notice of final action is due by April 16, 2009.

If you have questions pertaining to the final report, please contact Jim Elmore, Audit Manager, at (202) 606-9354 or j.elmore@cncsoig.gov.

Attachment

cc: Kristin McSwain, Director, AmeriCorps*State and National
William Anderson, Deputy Chief Financial Officer,
Financial Management
Rocco Gaudio, Deputy Chief Financial Officer,
Grants and Field Financial Management
Sherry Blue, Audit Resolution Coordinator
Mark Walter, Executive Director, New York State
Commission on National and Community Service



**Review of Bank Street College of Education’s Justification for
Compelling Personal Circumstances of an AmeriCorps Member**

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EXECUTIVE SUMMARY

The Office of Inspector General (OIG), Corporation for National and Community Service (Corporation), reviewed the justification for compelling personal circumstances for an AmeriCorps member who served at the Bank Street College of Education (Bank Street). We found that the justification for compelling personal circumstances, which allowed a \$1,275.75 partial education award, does not meet the requirements of 45 C.F.R. § 2522.230(a)(5). We recommend the Corporation disallow and recoup the partial education award and revise the AmeriCorps member's official records to show that the member was released for cause. The Corporation and the New York State Commission on National and Community Service (Commission) agreed with the recommendations.

METHODOLOGY, OBJECTIVE, AND SCOPE

We performed a limited review of the justification for compelling personal circumstances for an AmeriCorps member. Bank Street is a subgrantee of the Commission.

This limited review was not planned for fiscal year 2008 and came about as a result of OIG research in the Web-Based Reporting System (WBRS). On November 8, 2007, we observed in WBRS a justification for an AmeriCorps member's compelling personal circumstances that appeared to be deficient. We performed additional procedures that showed Bank Street approved the compelling personal circumstances, which authorized the Corporation to pay a prorated education award on behalf of the member who served in Program Year 2006 - 2007 under the only subgrant 06ESHNY0010001.

The objective of our review was to determine whether the justification for compelling personal circumstances approved by Bank Street was consistent with 45 C.F.R. §2522.230. We conducted our review in November 2007. Methodology included discussions, through telephone and e-mail, with personnel from the Corporation, Commission, and Bank Street, as well as reviews of WBRS, eSPAN, Bank Street correspondence, Corporation Regulations, and *AmeriCorps Provisions*. We did not look at original records at Bank Street or otherwise verify whether data and information in WBRS and eSPAN were correct.

We reviewed information in WBRS and found only one subgrant and no other instances in which Bank Street approved compelling personal circumstances. Accordingly, the scope of this report is limited to Bank Street and the single instance of approved compelling personal circumstances that we identified under subgrant 06ESHNY0010001 for Program Year 2006 - 2007.

Our review was conducted in accordance with Quality Standards for Inspections (January 2005) issued by the President's Council on Integrity and Efficiency.

CRITERIA

Title 45 C.F.R. §2522.230, *Under what circumstances may AmeriCorps participants be released from completing a term of service, and what are the consequences?*, states, in part:

An AmeriCorps program may release a participant from completing a term of service for compelling personal circumstances as demonstrated by the participant, or for cause.

(a) *Release for compelling personal circumstances.*

- (1) An AmeriCorps program may release a participant upon a determination by the program, consistent with the criteria listed in paragraphs (a)(5) through (a)(6) of this section, that the participant is unable to complete the term of service because of compelling personal circumstances.
- (2) A participant who is released for compelling personal circumstances and who completes at least 15 percent of the required term of service is eligible for a pro-rated education award.
- (3) The participant has the primary responsibility for demonstrating that compelling personal circumstances prevent the participant from completing the term of service.
- (4) The program must document the basis for any determination that compelling personal circumstances prevent a participant from completing a term of service.
- (5) Compelling personal circumstances include:
 - (i) Those that are beyond the participant's controls, such as, but not limited to:
 - (A) A participant's disability or serious illness;
 - (B) Disability, serious illness, or death of a participant's family member if this makes completing a term unreasonably difficult or impossible; or
 - (C) Conditions attributable to the program or otherwise unforeseeable and beyond the participant's control, such as a natural disaster, a strike, relocation of a spouse, or the nonrenewal or premature closing of a project or program, that make completing a term unreasonably difficult or impossible;
 - (ii) Those that the Corporation, has for public policy reasons, determined as such, including:
 - (A) Military service obligations;
 - (B) Acceptance by a participant of an opportunity to make the transition from welfare to work; or
 - (C) Acceptance of an employment opportunity by a participant serving in a program that includes in its approved objectives the promotion of employment among its participants.
- (6) Compelling personal circumstances do not include leaving a program:
 - (i) To enroll in school;
 - (ii) To obtain employment, other than in moving from welfare to work or in leaving a program that includes in its approved objectives the promotion of employment among its participants; or
 - (iii) Because of dissatisfaction with the program.

* * * *

(b) *Release for cause.*

- (1) A release for cause encompasses any circumstances other than compelling personal circumstances that warrant an individual's release from completing a term of service.

* * * *

- (3) A participant who is released for cause may not receive any portion of the AmeriCorps education award or any other payment from the National Service Trust.
- (4) An individual who is released for cause must disclose that fact in any subsequent applications to participate in an AmeriCorps program. Failure to do so disqualifies the individual for an education award, regardless of whether the individual completes a term of service.

FINDING AND RECOMMENDATIONS

The WBRS record for compelling personal circumstances showed that the AmeriCorps member:

[W]as asked to withdraw from her program at Bank Street College therefore rendering her ineligible for the AmeriCorps program. We have a letter on file which asked for her withdrawal [sic] from the program. She has completed enough [service] to receive at least a partial award which we feel is due to her considering the 486 hours she has put in since September of 2006.

Bank Street provided the letter, which shows that compelling personal circumstances criteria do not apply. The letter addressed to the member stated in part, "Bank Street's strong emphasis on fieldwork is not well suited to your abilities." Additional details in the letter address other specific member performance issues. Nothing in the letter supports release from the program for compelling personal circumstances, as defined by the regulation, on the part of the member and instead shows release for cause initiated by Bank Street.

We also reviewed the National Service Trust record in eSPAN, which showed that a \$1,275.75 partial education award (with no accrued interest award) was paid for the benefit of the member on April 26, 2007.

We concluded that the written justification for compelling personal circumstances, which allowed a \$1,275.75 partial education award, does not meet the requirements of 45 C.F.R. § 2522.230(a)(5). As a result, we question \$1,275.75 and recommend that the Corporation:

1. Disallow and recoup \$1,275.75, the amount of the education award paid April 26, 2007, on behalf of the member.
2. Revise the member's official records to show that the member was released for cause in accordance with 45 C.F.R. § 2522.230(b) and notify the individual of this revision of the records so that the member has an opportunity to comply with 45 C.F.R. § 2522.230(b)(4).

EXIT CONFERENCE

We discussed the contents of the draft report with the Corporation and the Commission at an exit conference held by teleconference on March 6, 2008. Bank Street also attended by teleconference. In addition, the OIG previously provided the results and details of our review, including the Bank Street correspondence and the AmeriCorps member's name, by e-mail to the Director of Office of Grants Management on November 13, 2007. We have issued this report to provide specific recommendations, and provide an opportunity for the Corporation and the Commission to comment on the findings and recommendations.

COMMISSION RESPONSE

The Commission stated that it agreed with all findings and recommendations. The Commission also plans to work with Bank Street to amend the official record for the member to state that the member was released for cause. The Commission's response to the draft report is included in Appendix A.

CORPORATION RESPONSE

The Corporation concurred with our findings and recommendations. The Corporation is working with the Commission to recoup funds from Bank Street and expects the member's official record to be corrected by mid-April 2008. The Corporation's response to the draft report is included in Appendix B.

OIG COMMENT

The Corporation's and Commission's planned actions satisfy the intent of our recommendations.

This report is intended for the information and use of the OIG, Corporation management, Commission, Bank Street, and the U.S. Congress. However, this report is a matter of public record and its distribution is not limited.

/s/

Carol M. Bates
Assistant Inspector General for Audit
April 16, 2008

APPENDIX A

**New York State Commission on National and Community Service's
Response to the Draft Report**



**New York State
Office of
Children & Family
Services**

David A. Paterson
Governor

Gladys Carrión, Esq.
Commissioner

Capital View Office Park

52 Washington Street
Rensselaer, NY 12144-2796



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April 5, 2008

Carol Bates
Assistant Inspector General for Audit
Office of Inspector General
Corporation for National and Community Service
1201 New York Avenue, NW - Suite 830
Washington, DC 20525

Dear Ms. Bates:

We want to thank you for this opportunity to respond to the recent OIG Report 08-XX – Titled: Review of Bank Street College of Education's Justification for Compelling Personal Circumstances of AmeriCorps Member. As you are aware, we take this matter very seriously, and will follow-up accordingly.

First, we want to acknowledge that we agree with all findings and recommendations. In this regard, the Bank Street program did not apply the appropriate criteria for compelling circumstances when they released the member in question during the 2006-07 program year.

Because the member was inappropriately released for compelling reasons, we will work with Bank Street to amend the official record for this member. This official record will be changed to state that the member was released for cause; in this case, for failing to complete her obligation.

As you are aware, the Bank Street College program decided not to reapply for funds a few years ago. They were an EAP program, and felt that the effort needed to successfully run the program was not worth the modest resources provided by the CNCS.

This situation by Bank Street was an anomaly, in that they made an incorrect assessment of the situation and granted an inappropriate release for compelling reasons. However, we have monitoring systems in-place to protect us from such situations, but notwithstanding this, sometimes mistakes will happen.

Once again, thank you for your prompt attention, and proper handling of this matter. Please feel free to contact Warren Hamilton from our office for any follow-up activities. He can be reached at (518) 402-3825, or at Warren.Hamilton@ocfs.state.ny.us.

Sincerely,

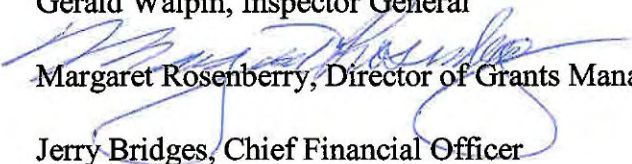
Mark J. Walter
Executive Director
New York State Commission on National and Community Service

APPENDIX B

**Corporation for National and Community Service's
Response to the Draft Report**

Corporation for
**NATIONAL &
COMMUNITY
SERVICE** 

To: Gerald Walpin, Inspector General

From: 
Margaret Rosenberry, Director of Grants Management

Cc: Jerry Bridges, Chief Financial Officer
William Anderson, Deputy CFO for Finance
Kristin McSwain, Director of AmeriCorps
Frank Trinity, General Counsel
Carol Bates, Assistant Inspector General for Audit
Sherry Blue, Audit Resolution Coordinator, Office of the CFO

Date: April 10, 2008

Subject: Response to OIG Draft Audit Report on the Review of Bank Street College of Education Justification for Compelling Personal Circumstances of an AmeriCorps Member

Thank you for the opportunity to review the draft report on the Review of Bank Street College of Education's Justification for Compelling Personal Circumstances of an AmeriCorps Member. We reviewed the draft report and participated in discussions with representatives of the New York Commission for National and Community Service.

As noted in the draft, the auditor concluded that the written justification for compelling personal circumstances, which allowed a \$1,275.75 partial education award, does not meet the requirements of 45 CFR § 2522.230(a) (5). As a result, the auditor questioned \$1,275.75 and recommended the Corporation:

1. Disallow and recoup \$1,275.75, the amount of the education award paid April 26, 2007, on behalf of the member.
2. Revise the member's official records to show that the member was released for cause in accordance with 45 CFR § 2522.230(b) and notify the individual of this revision of the records so that the member has an opportunity to comply with 45 CFR § 2522.230(b) (4).

We concur with the finding and recommendations and are working with the New York Commission for National and Community Service to recoup the funds from the certifying program, Bank Street College. We also expect the member's official record to be corrected by mid-April.