

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

**Semiannual Report
to Congress**

October 1, 2008 - March 31, 2009
Fiscal Year 2009 Semiannual Report No. 1



Corporation for
**NATIONAL &
COMMUNITY
SERVICE** 

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OFFICE OF INSPECTOR GENERAL

April 30, 2009

Nicola Goren
Acting Chief Executive Officer
Corporation for National and Community Service
1201 New York Avenue, NW
Washington, DC 20525

Dear Ms. Goren:

I am pleased to present you with the Office of Inspector General's Semiannual Report to Congress for the first half of Fiscal Year 2009. This report details our significant audits and investigations, as well as major issues and trends identified by the OIG during the period October 1, 2008, through March 31, 2009.

Issuance of this Semiannual Report to Congress is required under the Inspector General Act of 1978, as amended. The Act also requires that you submit this report, along with your comments, to Congress and members of the Corporation's Board of Directors by May 29, 2009. My office will supply you with additional copies of the final report, including your comments, to help you fulfill this requirement.

On the tenth business day following our receipt of your transmittal letter to Congress, we will post this report on our public web site.

If you have any questions about this report, please call me at (202) 606-9390.

Very truly yours,

Gerald Walpin
Inspector General



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Senior Corps ★ AmeriCorps ★ Learn and Serve America



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About The Office Of Inspector General

In 1993, Congress created the Corporation for National and Community Service (“Corporation”), along with this Office of Inspector General (“OIG”), in the National and Community Service Trust Act (42 U.S.C. §§ 12501-681). Independent of the agency we oversee, and led by a presidential appointee, the OIG conducts audits and investigations of Corporation programs, including AmeriCorps, Volunteers In Service to America, the National Civilian Community Corps, Learn and Serve America, and Senior Corps. The OIG also examines Corporation operations, and State community service programs that receive and distribute the majority of Corporation grant funds. Based on the results of our work, and in addition to our audit reports and criminal and civil referrals resulting from our investigations, the OIG recommends policies to the Corporation to promote and enhance economy and efficiency.

This semiannual report, as required by the Inspector General Act of 1978, details our work for the first six months of Fiscal Year 2009. It is being transmitted to the Corporation’s Chief Executive Officer, Board of Directors, and Members of Congress.

A Message From Inspector General Gerald Walpin

April 30, 2009

I'm pleased to share with you our Semiannual Report to Congress and provide you with insights into the achievements of the Office of Inspector General ("OIG") for the period October 1, 2008, to March 31, 2009. During this reporting period, the OIG continued its proactive oversight of the Corporation for National and Community Service ("Corporation") and its programs, and laid out plans to meet the challenges of an unprecedented expansion of the Corporation's volunteer efforts.



Our Audit Section issued 10 reports, resulting in \$106,000 in questioned costs, the identification of \$57,000 of funds that could be put to better use (mostly consisting of questioned member education awards), and numerous recommendations for improvement in program and Corporation operations and policies, which, if adopted, would effect substantial, albeit incalculable, monetary savings and protections. Our Investigations Section opened 24 new cases and closed 23 actions, resulting in the recovery of more than \$246,000 in taxpayer dollars and the potential recovery of more than \$3.6 million for reinvestment in national service.

On the audit front, I'm pleased to report that we were able to issue a clean opinion on the Corporation's Fiscal Year 2008 Financial Statements and, in a separate report, cite substantial improvement in the Corporation's adherence to the stringent requirements of the Federal Information Security Management Act.

While issuing a full complement of audit reports on Corporation grantees, our Audit Section also launched a pair of projects designed to improve the efficiency of the Corporation's operations. They included an in-depth study of the Corporation's formulation and execution of its Fiscal Year 2008 Budget and an audit of the policies and procedures utilized by the Office of Grants Management to screen new grantees and ensure that they have the financial systems, policies and expertise in place properly to handle Federal funds. The results and recommendations stemming from both projects will be reported in a subsequent Semiannual Report to Congress, and in special reports to Congress, as appropriate.

Our auditors and investigators also pooled their talents in a number of ongoing actions, including major cases involving United States Veterans Initiative, a California-based grantee serving homeless veterans; and St. HOPE Academy, which operated an AmeriCorps program in Sacramento, CA. (Unfortunately, shortly after the end of this reporting period, the Corporation improperly acted to scuttle the OIG's fact-finding and work on the St. HOPE matter, an action on which Congress will be separately advised.)

These successes were achieved despite fiscal limitations, the result of a Fiscal Year 2008 OIG Budget reduction that was exacerbated by the Continuing Resolution that was in effect for almost the entire reporting period.

At one point, we had to suspend temporarily travel by our investigators and auditors. We were able to meet our audit responsibilities during this period, although less efficiently, by making increased use of teleconferencing with audited parties and contract auditors. We also received investigative

Inspector General's Message

assistance from the Corporation's State Directors and other field personnel, who helped our agents with their initial evaluations of reports of waste, fraud and abuse.

Actions by Congress and the new Administration during this reporting period set the stage for an unprecedented expansion of the Corporation's national service programs. The American Recovery and Reinvestment Act of 2009 allocated \$200 million in stimulus funds to the Corporation to create 10,000 additional AmeriCorps positions and to increase the ranks of Volunteers in Service to America ("VISTA") by 3,000 members.

The Act also allocated \$1 million to the OIG, which is charged with providing a high level of oversight, transparency, and accountability for every taxpayer dollar invested in expanded service programs. Working in concert with the Office of Management and Budget, the Council of the Inspectors General on Integrity and Efficiency, and the Recovery Accountability and Transparency Board, we began our oversight activities in earnest, including the establishment of a separate page within our Internet website (www.cncsoig.gov/recovery.html) that will keep the public apprised of our work. We also began the process of hiring an additional audit manager, auditor, and investigator, all of whom will permit us to assign necessary audit and investigative staff to track the allocation, use and impact of Act funds.

At the same time, the OIG prepared to meet the oversight challenge embodied in the Edward M. Kennedy Serve America Act, which was approved by Congress during this reporting period and subsequently signed into law on April 21, 2009, by President Obama. This Act, along with proposed increased budget appropriations, will, in the years ahead, triple the number of Corporation-supported volunteers in the field and create a whole new set of specialized volunteer Corps that will enlist youth, retirees, veterans and other segments of our population to focus on specific national and community needs.

Our expanded oversight effort will be assisted by a new Case Management System that was put into operation during this reporting period for our Investigations Section. This Internet-based system, replacing one with severely limited capabilities, is making it easier for our agents to retrieve, compile and track all data related to their investigations. Also during this period, we continued planning work on a similar high-tech data tracking system for the Audit Section.

I regret to report that we have observed a decline in the Corporation's recognition of the importance of the rules established to protect against misuse of Federal grant funds. For example, the Corporation has watered down the grant requirement that AmeriCorps members sign a contract with the grantee before commencing service. That requirement ensured that each member knows his/her responsibilities and rights before starting service and fixed the date on which member health insurance would cover any service-related injuries. AmeriCorps Grant provisions expressly mandated that requirement: Section 7.b of the 1994 Grant Provisions stated, "the Grantee must require that participants sign contracts . . .," and Section B.8.d identified four conditions that had to be met before a member was enrolled, including the condition that the individual "has signed a member contract." In mid-2008, however, the Corporation changed its Grant Provisions so that they now state, "the grantee *should* ensure that the contract is signed before the commencement of service so that members are fully aware of their rights and responsibilities." (emphasis added). The effect of the change from a requirement to precatory language, which was made over the OIG's objection, is to weaken the requirement so that, in application, it is unlikely to concern any grantee or member. Indeed, the Corporation recently credited service time, which is used to qualify members for an education award, for three members who completed their terms of service without ever having signed a contract.

This lack of adherence to provisions by the Corporation is not an isolated aberration. As noted in our most recent Semiannual Report, fully 24 percent of the 3,000 members tested in the course of our 30 FY 2008 audits of grantees and subgrantees performed service prior to signing their member contracts.

Inspector General's Message

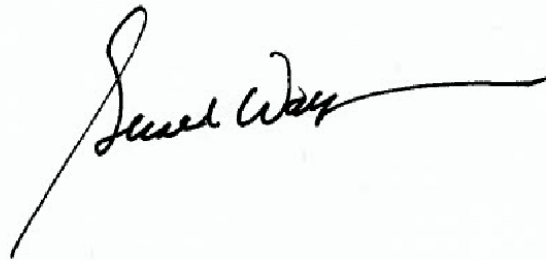
In the same vein, the Corporation has chosen to ignore its provision that requires AmeriCorps members to undergo an end-of-term evaluation by the grantee before they can be approved for a second term of service. The Corporation's AmeriCorps program regulation, 45 C.F.R. § 2522.220(d), *Participant performance review*, states in part: "For purposes of determining a participant's eligibility for a second term of service or additional term of service and/or for an education award, each AmeriCorps program will review the performance of a participant mid-term and upon completion of a participant's term of service." In multiple instances, when the OIG challenged the costs associated with second-term members who had not undergone the mandatory evaluation, the Corporation disagreed. It stated that the members' exit form submitted by the grantee to the Corporation sufficed as formal notification that the members had successfully completed the first term. The OIG believes that this position is contrary to Corporation regulations and that the exit forms do not provide adequate evidence that a member's actual first-term performance is deserving of approval for a second term.

The Corporation's motivation for cutting corners in policing compliance with its own rules appears to stem from a desire, albeit misguided, to avoid making its grantees unhappy. It is the OIG's position that these rules were adopted to create a structure which helps to ensure against waste, fraud and abuse of Federal funds, and should be enforced by the Corporation, not ignored.

On the technology front, during this reporting period, our staff redesigned the OIG's Internet website (www.cncsoig.gov), which now features easy-to-use links to news and reports and multi-media briefings on fraud awareness and the audit process. The nonprofit Project on Government Oversight singled out our website for praise in a March 20, 2009, report on the Federal Inspectors General. It characterized our public website as "well-managed, easy to read and negotiate, and includes good information for whistleblowers, almost showering the site visitor with information on waste, fraud, and abuse, and how to report violations."

Finally, I enjoyed speaking to and meeting those who do the actual work for the Corporation, in separate conferences of substantial numbers of Corporation staff, grantees' staff, and State Commission representatives, which allowed me to describe the work of OIG and the fraud, waste and abuse flashing red lights to which they must be quick to react.

As we head into an ambitious new era in the national service movement, my staff and I look forward to the inherent challenges and the opportunity to work with the Corporation, its grantees and stakeholders in a cooperative but independent manner, and thus continue to perform its obligations to Congress and the public. In that manner, we can continue to help ensure that every dollar allocated to national service is wisely used and has the maximum positive impact on the myriad social and economic needs of our communities.



Audit Section

The Office of Inspector General Audit Section is responsible for reviewing the financial, administrative, and programmatic operations of the Corporation for National and Community Service. The Audit Section's responsibilities include auditing the Corporation's annual financial statements, assessing the Corporation's management controls, reviewing the Corporation's operations, and auditing individual grants, contracts, and cooperative agreements funded by the Corporation. All OIG audit reports are issued to Corporation management for its action or information.



Audit Results

During this reporting period, the OIG Audit Section issued 10 reports as listed on page 24. Of special note is the fact that our audit of the Corporation's Fiscal Year 2008 Financial Statements and National Service Trust Schedules resulted in clean opinions and no material weaknesses. But the Financial Statement audit identified one significant deficiency related to business continuity controls over information technology, an outgrowth of the serious technology challenges the Corporation faced during much of FY 2008. We do not expect that significant deficiency to recur in our FY 2009 audit.

There was better news on the information technology front in our FY 2008 Federal Information Security Management Act (FISMA) Independent Evaluation of the Corporation's systems. We found that the Corporation has taken significant steps to enhance its information security program and address issues identified in the prior FISMA report. Our FY 2008 FISMA report specified six recommendations for improvement, including a repeat of our recommendation, first made in FY 2007, that the Corporation improve its oversight of Corporation contractors and grantees that store and process information on behalf of the agency, and also ensure that they meet FISMA system security requirements.

The five grantee audits issued during this period, which focused on the Corporation's State Commission partners and National Direct grantees, questioned more than \$106,000 in claimed costs and recommended that more than \$57,000 in funds be put to better use. There were nine audits in process at the end of this reporting period.

During this reporting period the Audit Section devoted considerable resources to audits and reports in support of major actions undertaken by the OIG Investigations Section, including work requested by prosecutorial authorities. These cooperative efforts have allowed the OIG to take advantage of the full range of its expertise in dealing, with major cases involving allegations of waste, fraud and abuse.

At the invitation of the Corporation's Internal Control and Analysis Team, the Audit Section staff presented two fraud awareness training sessions to Corporation managers. These sessions were part of the Corporation's annual Internal Control Self-Assessment training program. The sessions featured discussions of the leading indicators of fraud. They also stressed schemes previously perpetrated against the Corporation, including falsification of member and employee time sheets, grantee financial records, and grantee expense claims.

Significant Issues

Corporation Internet Use & Information Privacy Study Report

We re-evaluated compliance by the AmeriCorps*National Civilian Community Corps ("NCCC") with the Corporation's Internet Acceptable Use and privacy policies, an issue we previously examined in FY 2006. We found that the Corporation's policies on acceptable use of information resources and privacy, which cover NCCC officials and members, are in line with the latest Federal guidelines and mandates. We also found no Personally Identifiable Information stored on any of the evaluated computers that are available to NCCC members and staff. However, our evaluation again disclosed instances of inappropriate use of Corporation information systems by persons who used the equipment to access and view pornography. We also found that NCCC management was not protecting Corporation information resources in accordance with acceptable use policy. For example, we found that the doors to an NCCC campus computer lab were left unlocked at times, leaving the facility and the computers in it vulnerable to abuse and theft.

Audit Report 09–07 – Grants Awarded to The Corps Network

The auditors questioned \$61,612 as unallowable grant costs and \$37,928 of education awards and also found that the financial systems of The Corps Network, a National Direct Grantee, and its subgrantees did not adequately account for and report grant costs. The auditors also noted numerous and pervasive instances of noncompliance with provisions of Federal laws, regulations and grant award provisions. In addition to the individual recommendations contained in the report, the auditors recommended that the Corporation direct The Corps Network to develop a comprehensive action plan to address and correct the deficiencies noted for all of its subgrantees, not just those tested during the engagement.

Proposed Management Decisions With Which The OIG Disagreed

The OIG did not entirely concur with the Corporation's Proposed Management Decisions ("PMD"s) for the following engagements:

- OIG Report 08-15, Agreed-Upon Procedures of Corporation for National and Community Service Grants Awarded to the Montana Office of Community Service.
- OIG Report 08-14, Agreed-Upon Procedures of Corporation for National and Community Service Grants Awarded to ServeMinnesota.
- OIG Report 08-04, Agreed-Upon Procedures of Corporation for National and Community Service Education Award Grant Awarded to United States Veterans Initiative.
- OIG Report 08-17, Agreed-Upon Procedures for Corporation for National and Community Service Grants Awarded to the Local Initiative Support Corporation.
- OIG Report 07-21, Audit of Corporation for National and Community Service Grant Awarded to United States Veterans Initiative, Inc.
- OIG Report 08-19, Agreed-Upon Procedures of Corporation for National and Community Service Grants Awarded to Equal Justice Works.

Significant disagreements involved the following issues:

Creation of Potential Debt

The Corporation disallowed education awards identified and questioned in an OIG Audit. However, it also established a potential debt for portions of the education awards not yet used by the AmeriCorps members involved. The OIG concurs with the Corporation that the members involved, who believed in good faith that they had successfully completed the program, should be able to use the full education awards. The OIG does not concur with establishing a potential debt because there is no mechanism in place to track when or if the member accesses the education award. Furthermore, the Corporation should not bear the burden of tracking open items which clearly result from grantee errors. The OIG contends that the disallowed education awards should immediately be charged to the grantee. The grantee should also be notified that it is being held liable for this amount, subject to the grantee's right to obtain reimbursement if, after the period of time has expired for the member to use the award (generally within seven years of service completion), the member has not used his or her award.

End-of-Term Evaluation

The OIG questioned the costs associated with AmeriCorps members' second term of service, citing the fact that the members were ineligible due to the lack of a mandatory evaluation that was to have

been completed by the grantee at the end of the members' first term of service. The Corporation disagreed, stating that the member exit forms submitted to the Corporation by the grantees sufficed as formal notification that the members had successfully completed the first term. This position is contrary to Corporation regulations, which require an end-of-term evaluation, and mandate that this evaluation be used as the primary assessment tool for determining a member's eligibility for a second term of service. The OIG believes that evidence of the mere completion of the first term, which is all that the exit forms shows, is not sufficient to document that a member's service performance is deserving of approval for a second term.

Investigations Section

The Office of Inspector General Investigations Section is responsible for the detection and investigation of fraud, waste and abuse in Corporation for National and Community Service programs and operations. The Investigations Section carries out these responsibilities by investigating allegations of criminal activity involving the Corporation's employees, contractors, and grant recipients. Criminal investigations are presented to the U.S. Attorney or, in some cases, the local prosecutor for criminal prosecution and monetary recovery, where the facts uncovered so warrant. Some investigative reports are referred to Corporation management for its administrative action.



Investigative Results

During this reporting period, the OIG Investigations Section opened 24 new cases and closed 23 cases, including 8 matters with significant findings. Our efforts resulted in the recovery of more than \$246,290 in taxpayer funds and the potential recovery of more than \$3.6 million from persons and programs found to have engaged in waste, fraud or abuse of Corporation resources.

Our investigations also resulted in the successful criminal prosecutions of two individuals and 12 matters that are pending adjudication. We also identified \$300,000 in cost avoidance savings.

In an effort to prevent future instances of fraud, waste and abuse, the OIG Investigations and Audit Sections have jointly developed and made several recommendations to Corporation management that are designed to improve program operations and oversight.

Proactive prevention is also the goal of our Fraud Awareness Program. OIG investigators regularly make multimedia training presentations to Corporation employees, program officials and members. In addition, investigators conduct unannounced visits to program sites during their official travel. These visits assist Corporation management in determining if grantees are adhering to goals and objectives and give grantees the opportunity to give feedback on how effectively Corporation management is supporting their programs. We are also developing a specialized Fraud Awareness Program for grantees and individuals that will be receiving Recovery Act funds.

Consisting of an Assistant Inspector General for Investigations, six agents with full Federal Law Enforcement Authority and an investigative assistant, the Investigations Section met the challenge of pursuing wrongdoers in Corporation operations that include hundreds of grantees and subgrantees in all 50 states and U.S. territories. We were assisted in our work by 36 calls, letters and e-mails to our Fraud Hotline and by referrals from Corporation managers, employees and program participants.

Significant Cases And Activity

Lack of Program Oversight by Grantee Boards of Directors, Oversight Committees and City Administrators

The OIG has identified a pattern of failure of oversight on the part of members of grantee boards of directors, local government administrators and program executive directors. By not exercising their responsibilities and ensuring that the proper checks and balances are in place, they have placed Federal program funds in jeopardy. In many cases, officials charged with oversight claimed that they merely trusted the individual(s) who were involved in fraud, waste and abuse to properly manage their program(s) and safeguard Federal funds. In this environment, a number of program directors were able to embezzle funds, misuse program members, and redirect Federal funds to support non-Federal activities and other grantee expenses. They included:

A director of a Retired and Senior Volunteer Program, sponsored by a local government in West Virginia, stole more than \$100,000 in Federal and local program funds, which she diverted to pay the balances of two program credit cards she had used to make personal purchases and obtain cash advances. Additionally, the director forged and negotiated several checks without detection by city officials. If those officials had provided proper oversight and followed established policies, the director's embezzlement scheme could have been detected and halted much earlier.

A director of a Texas AmeriCorps program fraudulently drew down more than \$200,000 in Federal program funds to cover the program's grant matching share and non-grant operational costs. If the grantee's Board of Directors had implemented adequate checks and balances and conducted periodic reviews of the program's financial transactions, it would have been alerted to the fraudulent activity in a timelier manner.

Investigations Section

A site Program Coordinator of a Georgia Foster Grandparent Program stole more than \$50,000 in Federal program funds over a two-year period. The OIG investigation disclosed that the program coordinator submitted fraudulent time sheets in the names of volunteers who had either departed the program or were on extended unpaid leaves of absence. When the volunteers' checks arrived at the program site, the program coordinator diverted them, forged endorsement signatures and deposited them into her personal checking account. If the grant sponsor or oversight agencies had conducted periodic checks of the site, they would have been able to detect the continued payment of volunteers who had left the program or were on leave.

A director of a Kansas Senior Companion Program fraudulently utilized the program's bank/debit card to draw down, without detection, more than \$20,000 in program funds over a 16-month period to support her gambling habit. The OIG investigation disclosed that, on 95 separate occasions, the director used the program's credit card at casinos to finance her gambling. If the grant sponsor's Board of Directors had implemented adequate checks and balances and conducted periodic reviews of the program's financial transactions, these illicit transactions would have alerted management to the fraudulent activity in a much timelier manner.

Improper Payment of AmeriCorps Member Living Allowances

A Virginia State and National Direct AmeriCorps grantee overcharged the Corporation grant \$90,714.95 in member living allowances. The OIG investigation disclosed that the grantee paid its AmeriCorps members living allowances in excess of the maximum allowed under the grant. Grantee officials then improperly charged 85 percent of these unallowable living allowance totals to the government's share of the grant, resulting in the overcharge to the Corporation.

A Kentucky AmeriCorps Program overcharged the Corporation grant when it improperly paid \$46,809.44 in living allowances to its members. The OIG investigation showed that program officials improperly paid its members the full allowable 12-month living allowance amount even if the members had served less than the required 12 months. Corporation provisions require that living allowances be paid to members over the period of the grant in equal installments, and only to support members during the period in which they are serving. If a member completes or terminates his/her service early, payment of the benefit is to be immediately halted.

Improper Awarding of Education Awards for Non-Compelling Personal Reasons

AmeriCorps and VISTA members who complete their term of service may be eligible to receive an education award. A full-time member who successfully completes 1700 hours of service during a one-year term of service is eligible for an education award of \$4,725. If a member departs prior to the completion of his or her term of service for compelling personal reasons, as outlined in 45 C.F.R. § 2522.230, the member may be eligible for a prorated education award. The regulation outlines the circumstances in which the member may be eligible for the prorated award. These include circumstances beyond the member's control such as a premature closing of the program, disability, serious illness or death of a family member, natural disaster, relocation of a spouse, and military service. Such reasons as enrolling in school, obtaining employment (other than moving from welfare to work) and dissatisfaction with the program are not considered compelling personal circumstances.

An OIG investigation found that a Virginia State and National Direct AmeriCorps Program Director improperly certified seven AmeriCorps members to receive pro-rated education awards totaling \$20,949.64. The unallowable compelling personal reasons cited by the director for the seven awards ranged from drug abuse relapse to obtaining employment.

Suffering a Loss of Government Property through Neglect and Waste

During a site visit to an AmeriCorps*National Civilian Community Corps (NCCC) campus, OIG Special Agents noted a foul odor in the main building. An inquiry by the agents disclosed several storage rooms containing Government-purchased uniforms, program equipment and supplies in a state of total disarray.

An inspection of the area disclosed that one room contained uniforms and equipment, as well as improperly stored chemicals, highly flammable flares and petroleum products. The other rooms contained uniforms, equipment and supplies, including moldy rain gear, dirt-covered firefighting equipment and tools. The OIG also discovered more than \$300,000 worth of new NCCC uniforms that were mixed in with the dirty and contaminated items. Although both NCCC officials and campus management staff said they had been aware of the conditions, they failed to take appropriate action to protect the Government property from loss or further damage. Campus personnel were also unable to provide an inventory of Government property, including new and never-used items, which dated back to July 2006.

The OIG discovered that, due to the lack of inventory controls, NCCC campus personnel continued to receive uniforms and other unneeded equipment from the Corporation and its vendors, which were then stored without accountability. No effort was apparently made by campus officials to halt this practice. The OIG's investigation further found a windowed passenger van, parked in an open area, which contained more than \$26,000 worth of new NCCC uniforms -- a magnet for theft. We also discovered in the storage rooms 10 new computers, shipped to the campus in September 2007 and still in their sealed shipping boxes, and miscellaneous used computers and computer equipment pending disposition.

After OIG notified Corporation management of the conditions at the campus, NCCC management had the contaminated clothing and equipment removed from the area. The debris filled 13 large garbage bags. The total loss to the Government is still undetermined. Due to the mold and noticeable odors, Corporation management also hired a firm to conduct air and environmental sampling in the storage area. The testing resulted in a positive reading for mole spores in two of the rooms.

The OIG is following up on this situation and working with Corporation management to safeguard and protect NCCC property purchased with taxpayer funds.

Summary Of Cases	
Opened and Closed	
Cases Open at Beginning of Reporting Period	32
New Cases Opened	24
Cases Closed this Period With Significant Findings	8
Cases Closed this Period With No Significant Findings	15
Total Cases Closed	23
Cases Open at End of Reporting Period	33
Referred	
Cases Referred for Prosecution	2
Cases Accepted for Prosecution*	3
Cases Declined for Prosecution*	1
Cases Pending Prosecutorial Review	1
Cases Pending Adjudication	12
Recommendations to Management	
Investigative Recommendations Referred to Management	20
Investigative Recommendations Pending Management Action this Reporting Period	9
Investigative Recommendations Pending Management Action from Previous Reporting Periods	4
*This includes cases referred for prosecution during the previous reporting period.	

Review Of Legislation And Regulations

Section 4(a) of the Inspector General Act directs the Office of Inspector General to review and make recommendations about existing and proposed legislation and regulations relating to the Corporation's programs and operations. The Office of Inspector General reviews legislation and regulations to determine their impact on the cost and efficiency of the Corporation's administration of its programs and operations. It also reviews and makes recommendations on the impact that legislation and regulations may have on efforts to prevent and detect fraud and abuse in Corporation programs and operations. The Office of Inspector General draws on its experience in audits and investigations as the basis for its recommendations.



Reauthorization

During this reporting period, Congress introduced and passed the Edward M. Kennedy Serve America Act, which reauthorized the Corporation, and amended as well as added certain sections to the National and Community Service Trust Act of 1993. The Act was subsequently signed into law by President Obama. At the request of Senate staff, we provided various suggestions about the Act. Both before and after its adoption, the OIG studied the legislation and the accompanying House Report for their ramifications on current OIG audit programs and our efforts to prevent and detect fraud, waste and abuse. We will complete our comprehensive review of the Act substantially before its scheduled effective date, October 1, 2009.

Statistical And Summary Tables

The statistical and summary tables in this section are submitted in compliance with the requirements enumerated in the Inspector General Act.



I. Inspector General Act Reporting Requirements

This table cross-references the reporting requirements prescribed by the Inspector General Act of 1978, as amended, to the specific pages in the report where they are addressed.

Section	Requirement	Page
4 (a)(2)	Review of legislation and regulations	17
5 (a)(1)	Significant problems, abuses, and deficiencies related to the administration of Corporation programs and operations	Throughout
5 (a)(2)	Recommendations with respect to significant problems, abuses and deficiencies found in the administration of Corporation programs and operations	Throughout
5 (a)(3)	Prior significant recommendations on which corrective action has not been completed	28
5 (a)(4)	Matters referred to prosecutorial authorities	15
5 (a)(5)	Summary of instances where information was refused	None this period
5 (a)(6)	List of audit reports by subject matter showing dollar value of questioned costs, unsupported costs and the dollar value of recommendations that funds be put to better use	24
5 (a)(7)	Summary of significant reports	Throughout
5 (a)(8)	Statistical table showing number of reports and dollar value of questioned costs	25
5 (a)(9)	Statistical table showing number of reports and dollar value of recommendations that funds be put to better use	26
5 (a)(10)	Summary of each audit issued before this reporting period for which no management decision was made by end of reporting period	27
5 (a)(11)	Significant revised management decisions	None this period
5 (a)(12)	Significant management decisions with which the Inspector General disagrees	8

Tables

II. Audit List

October 1, 2008-March 31, 2009				
Report Number	Report Name	Dollars Questioned	Dollars Unsupport	Funds Put To Better
(Dollars in thousands)				
09-01	<i>Audit of the Corporation for National and Community Service's Fiscal Year 2008 Financial Statements</i>	0	0	0
09-02	<i>Audit of the Corporation for National and Community Service's Trust Schedule of Fiscal 2008 Budgetary Resources and Obligations</i>	0	0	0
09-03	<i>Corporation Internet Use & Information Privacy Study Report</i>	0	0	0
09-04	<i>Agreed-Upon Procedures of Corporation for National and Community Service Grants Awarded to Jumpstart for Young Children, Inc.</i>	24	4	12
09-05	<i>AmeriCorps Compilation of Findings, Reports Issued April 1, 2005 through December 31, 2007</i>	0	0	0
09-06	<i>Agreed-Upon Procedures for Corporation for National and Community Service Grants Awarded to the Elvirita Lewis Forum</i>	0	0	0
09-07	<i>Agreed-Upon Procedures for Corporation for National and Community Service Grants Awarded to The Corps Network</i>	62	56	38
09-08	<i>Agreed-Upon Procedures Review of Education Award Program Grants to Western Washington University-Washington Campus Compact</i>	13	0	7
09-09	<i>Agreed-Upon Procedures of Corporation for National and Community Service Grants Awarded to National Council of La Raza</i>	8	0	0
09-31	<i>Federal Information System Management Act (FISMA) Review of FY 2008 for the Corporation for National and Community Service</i>	0	0	0
TOTAL		\$107	\$60	\$57

Inspector General Act [5(a)(6)]

III. Reports With Questioned Costs

Report Category	Number	Federal Costs	
		Questioned	Unsupported
		(Dollars in thousands)	
A. Reports for which no management decision had been made by the commencement of this reporting period	11	\$807	\$133
B. Reports issued during the reporting period	<u>4</u>	\$106	\$59
C. Total Reports (A + B)	15	\$913	\$192
D. Reports for which a management decision was made during the reporting period	7	\$724	\$131
I. Value of disallowed costs		\$610	\$105
II. Value of costs not disallowed		\$114	\$26
E. Reports for which no management decision had been made or for which the OIG is reviewing the proposed management decision at the end of the reporting period (C minus D)*	<u>8</u>	\$189	\$61
F. Reports with questioned costs for which no management decision or proposed management decision was made within six months of issuance	1	\$70	\$0
* Proposed Management Decisions under OIG review (See Table VII)	3	\$14	\$2

Inspector General Act [5(a)(8)]

IV. Reports With Recommendations That Funds Be Put To Better Use

Report Category	Number	Dollar Value
		<i>(Dollars in thousands)</i>
A. Reports for which no management decision had been made by the commencement of this reporting period	11	\$1,424
B. Reports issued during the reporting period	3	\$56
C. Total Reports	14	\$1,480
D. Reports for which a management decision was made during the reporting period	7	\$865
i. Value of recommendations agreed to by management		\$415
ii. Value of recommendations not agreed to by management		\$450
E. Reports for which no management decision had been made by the end of the reporting period or for which the OIG is reviewing the management decision at the end of the reporting period (C minus D)*	7	\$615
F. Reports with recommendations that funds be put to better use for which no management decision or proposed management decision was made within six months of issuance	1	\$83
* Proposed Management Decisions under review (see Table VII)	3	\$475

Inspector General Act [5(a)(9)]

V. Summary of Audits With Overdue Management Decisions

Report Number	Title	Federal Dollars Questioned	Mgmt. Decision Due	Status at End of Reporting Period (03/31/09)
08-11	Agreed-Upon Procedures for Corporation for National and Community Service Grant Awarded to the Catholic Network of Volunteer	\$1,600	1/14/2009	A Proposed Management Decision was received on March 16, 2009. The PMD is currently under review.
08-22	Agreed-Upon Procedures of Corporation for National and Community Service Grants Awarded to the Arab Community Center for Economic and Social Services	\$3,708	2/9/2009	A Proposed Management Decision was received on March 30, 2009. The PMD is currently under review.
08-21	Agreed-Upon Procedures Review of Corporation for National and Community Service Education Award Program Grants to Mississippi Department of Education	\$8,000	2/19/2009	A Proposed Management Decision was received on March 31, 2009. The PMD is currently under review.
08-20	Agreed-Upon Procedures Review of Corporation for National and Community Service Education Award Program Grants to Regis University-Colorado Campus Compact	\$69,616	3/5/2009	A Proposed Management Decision has not been provided to the OIG.
08-23	Status of the Corporation's Implementation of Homeland Security Presidential Directive/HSPD 12	\$0	3/25/2009	A Proposed Management Decision has not been provided to the OIG.
	Total	\$82,924		

Inspector General Act [5(a)(10)]

Tables

VI. Reports Described In Prior Semiannual Reports Without Final Action

Report Number	Title	Date Issued	Final Action Due
	None		

Inspector General Act [5(a)(3)]

VII. Proposed Management Decisions Under Review

Report Number	Title	Federal Dollars Questioned	Funds Put To Better Use	MD Due Date	Date PMD Received	Status at End of Reporting Period (03/31/09)
08-11	Agreed-Upon Procedures for CNCS Grant Awarded to the Catholic Network of Volunteer Service	\$2	\$24	1/14/2009	3/16/2009	The OIG is currently reviewing the proposed management decision (PMD).
08-22	Agreed-Upon Procedures of CNCS Grants Awarded to the Arab Community Center for Economic and Social Services	\$4	\$57	2/9/2009	3/30/2009	The OIG is currently reviewing the proposed management decision (PMD).
08-21	Agreed-Upon Procedures Review of CNCS Education Award Program Grants to Mississippi Department of Education	\$8	\$394	2/19/2009	3/31/2009	The OIG is currently reviewing the proposed management decision (PMD).
	Total	\$14	\$475			

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