

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

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OIG Finds Serious Problems in American Samoa AmeriCorps Program

The Office of Inspector General (OIG), Corporation for National and Community Service (Corporation), has completed a review that found serious problems in many aspects of the AmeriCorps program administered by American Samoa Special Services Commission (ASSSC). The audit report has been posted on the OIG website at www.cncsoig.gov.

ASSSC has received more than \$7 million in Federal funds since 2001 to operate the AmeriCorps program in American Samoa, a U.S. Territory in the South Pacific. The review, which focused on recent Corporation grants totaling more than \$4.8 million, questioned more than \$400,000 in claimed costs and education awards given to AmeriCorps members.

The reviewed grants included a \$375,000 outlay to ASSSC made under the American Reinvestment and Recovery Act (ARRA). The auditors questioned more than \$121,000 of ASSSC's claimed ARRA grant costs.

The auditors reported a lack of financial systems and controls to track and account for Federal grant funds. For example, computers purchased with taxpayer funds for ASSSC's office were found in the homes of officials and employees, who were also given routine salary advances, overtime pay and compensation for questionable or non-existent official travel.

The auditors further found that ASSSC's AmeriCorps programs had weaknesses in AmeriCorps member's timekeeping procedures, and in some instances, timesheets did not support member eligibility for education awards.

"These audit findings indicate some of the most serious misuses of Federal funds my office has seen in recent years," said Acting Inspector General Kenneth Bach. "We are continuing our inquiry into the findings."

Based on the OIG's management alert to the Corporation, the agency quickly suspended ASSSC's access to Federal grant funds and placed it on a manual draw of funds. The decision means that ASSSC is required to submit proof of appropriate expenses before being allowed access to Federal funds for reimbursement.

The OIG has recommended that the Corporation terminate all grants to ASSSC.

“We appreciate the Inspector General’s analysis of the American Samoa Commission and are equally concerned about the findings,” said Robert Velasco, the Corporation’s Chief Operating Officer. “The Corporation has a statutory requirement to allocate one percent of appropriated funds for AmeriCorps programs to the U.S. Territories and we take the responsibility to protect these funds very seriously. Upon initial notification of the Inspector General’s concerns, the Corporation suspended American Samoa’s access to Federal funds. Based upon a thorough review of the final audit report, the Corporation will take appropriate corrective action, including recouping funds we disallow and terminating the grants, if necessary.”