

FORMER DIRECTOR AND CHIEF EXECUTIVE OFFICER OF CORPORATION SUB-GRANTEE FOUND GUILTY

On August 24, 2001, after an eight-day jury trial in United States District Court, Northern District of Mississippi, Oxford, Mississippi, Ms. Ruby Buck, of the Mississippi Action for Community Education, also known as MACE, was found guilty of one count of misapplication of Corporation for National Service (Corporation) AmeriCorps grant funds and fifteen counts of submitting fraudulent AmeriCorps participant documents to the Corporation. Sentencing is scheduled for later this year.

MACE, located in Greenville, Mississippi, was a sub-grantee of Congressional Hunger Center, a non-profit organized to promote feeding the hungry. As the former Director and Chief Executive Officer, Ms. Buck was responsible for the overall operation of MACE.

During the trial, prosecutors presented evidence that included testimony by Special Agent Nicholas Padilla, Jr., of the Corporation's Office of Inspector General, and several others interviewed by Special Agent Padilla. Also admitted as evidence were numerous documents obtained by Special Agent Padilla, and a sworn statement Ms. Buck provided to Special Agent Padilla. The evidence presented supported charges that from 1996 until the fall of 2000, Ms. Buck provided supplemental salaries to MACE employees by fraudulently reporting them to the Corporation as full-time AmeriCorps members. This enabled the MACE employees, none of whom were performing AmeriCorps service, to receive the Corporation-funded AmeriCorps stipends in addition to their salaries provided by MACE. The fraudulent reporting of MACE employees as AmeriCorps members resulted in the criminal misapplication in excess of \$116,000 of Corporation-funded stipend payments.