



Guilty Plea In Education Award Scam

A former Missouri AmeriCorps member has pled guilty to defrauding the Federal government by illegally attempting to divert more than \$9,000 of Education Award funds to make automobile and home mortgage payments.

The Office of Inspector General (OIG) launched its investigation of Kerry D. Smith of Purdy, MO, after being alerted by officials of the Corporation for National Community Service's (Corporation) National Service Trust, which administers and funds the Education Award program.

Investigators found that Purdy in 2003 submitted to the Corporation a fraudulent education award voucher, which included a bank official's forged signature, for \$4,725. She claimed the money would be used to pay off a college loan. She actually used \$2,410.40 of the award to pay off an auto loan and arranged to keep the balance for her own use.

In 2004 Purdy attempted to pull off a second scam by filing a voucher that would have allowed her to use a second \$4,725 Education Award to pay her home mortgage. That transaction was blocked by Trust officials.

Purdy, who admitted the scams to OIG investigators, pled guilty in U.S. District Court on June 20, 2005, and was sentenced to three years of supervised probation, ordered to make full restitution of her 2003 Education Award and assessed \$50 in court fees.

The Corporation makes Education awards of up to \$4,725 to AmeriCorps members who have completed terms of up to 1,700 hours of community service. The funds can only be used to pay for college tuition or to retire student loans. Education Awards are paid directly to members' schools or to the holders of their student loans.