

Corporation for
**NATIONAL &
COMMUNITY
SERVICE** 

June 1, 2005

The Honorable Richard Cheney
President of the Senate
Washington, DC 20510

The Honorable Dennis Hastert
Speaker of the House of Representatives
The Capitol
Washington, DC 20515

Dear Mr. Vice President and Mr. Speaker:

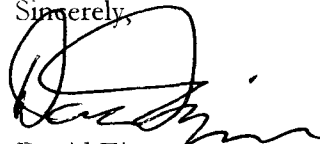
Enclosed is the Inspector General's Semi-Annual Report to the Congress along with the Corporation's Report on Final Action, as required under Section 5 of the Inspector General Act.

These reports cover the six-month period from October 1, 2004 through March 31, 2005. During this period, the Corporation made management decisions on 15 audits and completed final action on or closed 11 audits. Subsequent to this period, the Corporation made one additional management decision and completed final action on one other audit.

We are sending copies of this semi-annual report to interested Congressional committees, the Office of Management and Budget, and the Corporation's Board of Directors. We will also make copies available to others on request.

If you have any questions concerning these reports, please contact me or the Corporation's acting Inspector General Carol Bates.

Sincerely,



David Eisner
Chief Executive Officer

Enclosures: Table I
Table II
Table III
Semiannual Report to Congress: October 1, 2004 to March 31, 2005



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TABLE I

**ACTION TAKEN ON AUDIT REPORTS
(for the Period October 1, 2004 through March 31, 2005)**

	<u>Number of Reports</u>	<u>Disallowed Costs (\$000)</u>
A. Audit reports with final action not taken by the commencement of the reporting period.	18	
B. Audit reports issued by the OIG during the period	12	
C. Audit reports for which final action was taken during the reporting period	11	
1. Recoveries		
(a) Collections and offsets	2	\$98
(b) Property in lieu of cash		
(c) Other (reduction of questioned costs)		
2. Write-offs	0	
3. Audits with no disallowed costs ¹	9	
D. Audit reports for which final action was not taken by the end of the reporting period. ²	19	
E. <hr/> Audit reports for which management decisions were made during or prior to the six-month reporting period and for which final action is underway.	12	

¹ Of these 9 audits, 8 had no questioned costs and, therefore, no costs to allow or disallow.

² This includes 17 audits for which final action is not due.

TABLE II
AUDITS WITH RECOMMENDATIONS TO PUT FUNDS TO BETTER USE
(for the period October 1, 2004 through March 31, 2005)

	<u>Number of Audit Reports</u>	<u>Dollar value (\$000s)</u>
A. Audit reports with management decisions on which final action had not been taken at the beginning of the period.	0	0
B. Audits which were issued during the period	0	0
C. Total audit reports on which management decisions were made during the period.	0	0
D. Audit reports pending action during the period	0	0
E. Audit reports for which final action was taken during the period		
1. Value of recommendations that were completed	0	0
2. Value of recommendations that management concluded should not or could not be implemented or completed	0	0
3. Total of 1 and 2	0	0
F. Audit reports for which no management decisions were made during the reporting period	0	0

TABLE III

**STATUS OF AUDIT REPORTS WITH MANAGEMENT DECISIONS THAT HAD NO FINAL ACTION
WITHIN ONE YEAR OF THE ISSUANCE OF THE REPORT
(As of March 31, 2005)**

<u>Audit Number</u>	<u>Date Issued</u>	<u>Title</u>	<u>Disallowed Costs</u>	<u>Status of Action/Reason No Final Action Was Taken</u>
04-07	2/17/2004	PreAudit Survey of Louisiana Serve Commission		Final Action was complete on 4/11/2005