

November 29, 2010

The Honorable Joseph R. Biden, Jr.
President of the Senate
The Capitol
Washington, DC 20510

Dear Mr. Vice President:

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 April 1, 2010 through September 30, 2010. During this period, the Corporation made management decisions on eight audits and completed final action on or closed nine audits.

The Inspector General's report indicates that the City University of New York (RFCUNY) continues to receive funds even though the Corporation has not conducted a fiscal assessment of that organization. In response to a previous audit, we had stated we would not provide new grant funds to RFCUNY without conducting a financial capacity assessment. In this Semiannual report, the OIG is referencing an audit of a different program that was awarded to Hunter College. Hunter College is within the City University of New York system. The grant to Hunter College was already in place at the time OIG issued its first report on RFCUNY. RFCUNY's grant has ended and Hunter College's grant is in its final months. Neither organization has applied for additional funds from the Corporation. We will conduct a full assessment of RFCUNY if any organization within the RFCUNY system applies for another grant.

The report also indicated the Corporation did not follow an IG recommendation to create regulations related to a new requirement that grantees annually report on the amount and source of other federal funds used to support the programs. The comment submitted by the IG on the new reporting requirement was taken under consideration in developing guidance that was issued to grantees on September 2, 2010. The Corporation determined a revision to our regulations was not required. We implemented the recommendation through our existing authority from OMB to collect such data on the Federal Financial Report.

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 at (202) 606-6737 or the Corporation's Acting Inspector General, Kenneth Bach at (202) 606-9377.

Sincerely,

A handwritten signature in black ink, appearing to read 'Patrick A. Corvington', is written over a horizontal line.

Patrick A. Corvington
Chief Executive Officer

Enclosures

Semiannual Report to Congress: April 1, 2010 through September 30, 2010

Table I

Table II

Table III

Distribution List

Senior Corps ★ AmeriCorps ★ Learn and Serve America

1201 New York Avenue, NW ★ Washington, DC 20525 ★ 202-606-5000 ★ www.nationalservice.gov

November 29, 2010

The Honorable Nancy Pelosi
Speaker of the House of Representatives
The Capitol
Washington, DC 20515

Dear Madam Speaker:

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Patrick A. Corvington
Chief Executive Officer

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TABLE I
ACTION TAKEN ON AUDIT REPORTS
(for the Period April 1, 2010 through September 30, 2010)

	<u>Number of Reports</u>	<u>Disallowed Costs (\$000)</u>
A. Audit reports for which final action had not been taken by the commencement of the reporting period.	15	\$231
B. Audit reports issued by the OIG during the reporting period	11	\$75
C. Audit reports for which final action was taken during the reporting period	8	\$242
1. Recoveries ¹		
(a) Collections and offsets	7	\$153
(b) Property in lieu of cash	0	0
(c) Other (reduction of questioned costs)	0	0
2. Write-offs	0	0
3. Audits with no disallowed costs	3	0
D. Audit reports for which final action was not taken by the end of the reporting period. ²	18	\$85
E. 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	\$85

¹ Recoveries include audits for which final action was taken in prior reporting periods and offsets reported in management decisions during the reporting period.

² Final action is not overdue on these audits.

TABLE II
REPORTS WITH RECOMMENDATIONS THAT
FUNDS BE PUT TO BETTER USE
(for the period April 1, 2010 through September 30, 2010)

	<u>Number of Audit Reports</u>	<u>Dollar Value (\$000s)</u>
A. Reports for which final action had not been taken by the commencement of the reporting period.	3	\$8
B. Reports for which management decisions were made during the reporting period	3	\$27
C. Reports for which final action was taken during the reporting period	3	\$19
i. Dollar value of recommendations completed		\$4
ii. Dollar value of recommendations that management has concluded should not or could not be implemented		\$15
D. Reports for which no final action had been taken by the end of the reporting period. ¹	5	\$33

¹ Final action is not overdue on these audits.

Table III
Reports Described in Prior Semiannual Reports Without Final Action

Audit Number	Title	Date Issued	Date Due	Disallowed Cost	Status of Action/Reason No Final Action was Taken
	None				