

Office of Inspector General

Corporation for
**NATIONAL &
COMMUNITY
SERVICE** 

Semiannual Report To Congress



April 29, 2011

Patrick Corvington
Chief Executive Officer
Corporation for National and Community Service
1201 New York Avenue, NW
Washington, DC 20525

Dear Mr. Corvington:

I am pleased to present you with the Office of Inspector General's Semiannual Report to Congress for the first half of Fiscal Year 2011. This report details our significant audits and investigations, as well as major issues and trends identified by the OIG, during the period October 1, 2010, to March 31, 2011.

Issuance of this Semiannual Report to Congress is required under the Inspector General Act of 1978, as amended. The Act also requires that you submit this report, along with your comments, to Congress and members of the Corporation's Board of Directors by May 27, 2011. Our office will supply you with additional copies of the final report, including your comments, to help you fulfill this requirement.

If you have any questions about this report, please call me at (202) 606-9377.

Sincerely,

Kenneth Bach
Acting Inspector General

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About The Office Of Inspector General

In 1993, Congress created the Corporation for National and Community Service (Corporation), along with this Office of Inspector General (OIG), in the National and Community Service Trust Act (42 U.S.C. §§ 12501-681). Independent of the agency we oversee, and led by a presidential appointee, the OIG conducts audits and investigations of Corporation programs, including AmeriCorps, Volunteers In Service to America (VISTA), the National Civilian Community Corps, Learn and Serve America, and Senior Corps. The OIG also examines Corporation operations, and State community service programs that receive and distribute the majority of Corporation grant funds. Based on the results of our work, and in addition to its audit reports and criminal and civil referrals based on our investigations, the OIG recommends to the Corporation policies to promote economy and efficiency.

This semiannual report, as required by the Inspector General Act of 1978, details our work for the first six months of Fiscal Year (FY) 2011. It is being transmitted to the Corporation’s Chief Executive Officer, Board of Directors, and Members of Congress.

A Message From Acting Inspector General Kenneth Bach

April 29, 2011

I am pleased to share with you this Semiannual Report to Congress, which details the activities and performance of the Office of Inspector General (OIG) for the first half of Fiscal Year 2011.

During this period, the OIG continued to focus its resources on proactive audit and investigative efforts designed to enhance the overall efficiency and performance of the Corporation for National and Community Service (Corporation) and to safeguard Federal taxpayer dollars invested in Corporation programs.

Our Audit Section issued seven reports, including three grantee audits that identified more than \$355,000 in questioned costs and more than \$306,000 that could be put to better use. Our Investigations Section opened 19 cases, closed 11 cases, recovered more than \$154,000, and identified more than \$1.6 million in potential recoveries from individuals and grantee organizations found to have engaged in fraud, waste and abuse.



During this period the OIG went to new lengths to achieve its mission. A team of Special Agents was dispatched to American Samoa to investigate allegations of widespread abuses by officials of the American Samoa Special Services Commission (ASSSC), which administers the AmeriCorps program in the U.S. Territory. The investigation was triggered by the Audit Section's review of ASSSC that questioned more than \$400,000 in grant costs, including more than \$121,000 of Recovery Act funds.

The OIG's investigative findings, which included misuse of government equipment, abuse of Federally financed travel funds, indications of outright fraud and a lack of financial controls, were referred to the Department of Justice. We also recommended on January 21, 2011, that the Corporation terminate all grants to ASSSC. ASSSC has been closed by the American Samoa Government. Further, the Corporation announced that it was closing its grants with ASSSC and would delay any new awards until the completion of our investigation.

Acting on a request from the Corporation, our Audit Section launched an examination of the grantee selection process for the Social Innovation Fund (SIF), a new Corporation initiative which allocated \$50 million to nonprofit entities in FY 2011 to develop new service initiatives and best practices for their implementation. The SIF review is part of our shift in focus to a mix of largely staff-produced audits that involve the Corporation's internal processes, policies, procedures and programs. Results of the SIF audit will be reported in a subsequent Semiannual Report to Congress. At the same time, we are continuing with an ambitious, proactive program of external audits of grantees on financial and compliance issues, utilizing the services of Independent Public Accounting firms.

This reporting period also marked the debut of our Intelligence Operations Section (IOS), which is equipped to develop vital information and leads for auditors and investigators. Our goal is to assure timely detection and interdiction of individuals and programs that misuse or mishandle Corporation grant funds.

Inspector General's Message

Housed in the Investigations Section, IOS analysts utilize a number of high-tech data mining tools and sources to support agents and auditors with background and other vital information. This makes for more efficient use of time spent in the field. It also enhances our risk assessment capabilities in determining targets for proactive audits and investigations.

The IOS project was one of several resource and skill-set upgrades we enacted during this reporting period. They included significant improvements to our information technology infrastructure and key staff additions that better positioned us to achieve our mission.

We also reorganized and strengthened our Support Section under the newly created position of Administrative Officer. The Support Section is now better focused on meeting the day-to-day needs of investigators and auditors. It has further been able to efficiently meet the budgetary challenges of the series of Continuing Resolutions that encompassed this reporting period.

The OIG continued its ambitious education and outreach efforts during this period. This included participation in the Corporation's "Gem Series" employee training program, for which our staff presented a program called "Demystifying the OIG" to a large number of headquarters and field employees. In addition, our Special Agents continued to conduct Fraud Awareness Briefings and Audit staff participated in a major grantee training event. We further provided all new Corporation employees with briefings on the OIG's role and activities as part of their on-boarding orientation.

I am proud of my professional staff's many achievements during this period and I am confident that the OIG is better equipped than ever to protect Federal funds by detecting and deterring fraud, waste, and abuse.

/s/

Kenneth Bach
Acting Inspector General

Audit Section

The Office of Inspector General Audit Section is responsible for reviewing the financial, administrative, and programmatic operations of the Corporation for National and Community Service. The Audit Section's responsibilities include auditing the Corporation's annual financial statements, assessing the Corporation's management controls, reviewing the Corporation's operations, and auditing individual grants, contracts, and cooperative agreements funded by the Corporation. All OIG audit reports are issued to Corporation management for its action or information.



Audit Results

During this reporting period, the OIG Audit Section issued seven reports, including three grantee audits. The grantee audits questioned more than \$355,000 in claimed costs and recommended that more than \$306,000 in funds be put to better use. There were 13 audits in process at the end of this period.

Of special note is the fact that our audits of the Corporation's Fiscal Year 2010 Financial Statements and National Service Trust Schedules resulted in clean opinions and no material weaknesses. However, we found two significant deficiencies related to the Corporation's information technology (IT) and Fund Balance with Treasury (FBWT). Specifically, the Corporation's internal control structure for general IT systems and significant applications, which support the financial reporting process, did not support a sound control environment related to application business processes, logistical access and audit log monitoring. The second significant deficiency involved the Corporation's FBWT reconciliation process. We found that it inhibited a full and complete reconciliation between the Corporation's general ledger and Department of the Treasury balances.

On the IT front, our FY 2010 Federal Information Security Management Act (FISMA) Independent Evaluation of the Corporation's systems found that the Corporation took significant steps to enhance its IT security program and address issues identified in prior FISMA evaluations. The evaluation did, however, identify the following concerns:

- Physical and data security weaknesses in several Corporation field offices.
- Network configuration and desktop security control issues.
- A Corporation contractor which handles personally identifiable information was significantly deficient in information security practices and non-compliant with Federal standards.

The Corporation concurred with our FISMA findings and is in the process of correcting the noted deficiencies.

The Audit Section continued its expanded efforts to keep current and potential grantees informed on topics ranging from audit planning and execution to resolution matters. We participated in the November 2010 Financial and Grants Management Institute in Dearborn, MI, an annual Corporation event that addresses a wide array of financial and administrative issues of interest to the grantee community. One of our audit managers presented a plenary session on audit preparedness and smaller sessions on fraud indicators to approximately 300 attendees. Each presentation featured question and answer sessions that provided attendees with the OIG's perspective on commonly reported audit findings and the relationship between audits and investigations.

Another outreach opportunity came in March 2011 as the OIG delivered to Corporation staff a presentation titled, "Demystifying the OIG". This session, jointly presented by audit and investigations staff, provided both veteran and recently hired Corporation headquarters and field employees with insights into how the OIG is organized, what functions we perform, and how our audit and investigative efforts tie in to civil and criminal prosecution activities. Our presentation also focused on how program officials can communicate their concerns via our Fraud Hotline.

Significant Issues

Report 10-06 - Agreed-Upon Procedures for Corporation Grants Awarded to the American Samoa Special Services Commission

The OIG completed a review that found serious problems in many aspects of the AmeriCorps program administered by American Samoa Special Services Commission (ASSSC). 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 members' timekeeping procedures and, in some instances, timesheets did not support member eligibility for education awards.

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 required ASSSC to submit proof of appropriate expenses before being allowed access to Federal funds for reimbursement.

The OIG also recommended on January 21, 2011, that the Corporation terminate all grants to ASSSC.

Audit Report 11-05 - Audit of Grants Awarded to U.S. Committee for Refugees and Immigrants

The OIG questioned claimed Federal-share costs of \$35,043, in education awards and accrued interest payments related to members' service under the terms of the grant, but funded outside of the grant by the Corporation's National Service Trust, of \$201,432 and \$8,054, respectively. We noted that the grantee lacked effective procedures to verify AmeriCorps members' hours by reviewing timesheets. It instead reviewed time and attendance data that had been entered into the Corporation's former Web-Based Reporting System (WBRS). The auditors also noted instances of noncompliance with Federal laws, regulations and grant award provisions.

Audit Report 10-11 - Agreed-Upon Procedures of Grants Awarded to the Research Foundation of the City University of New York

The OIG received the Corporation's Draft Management Decision on our grant review of the Research Foundation of the City University of New York (RFCUNY). The Corporation concurred with most of our recommendations and disallowed the entire \$180,195 in questioned grant costs and education awards. Our review had questioned \$5,370 as unallowable grant costs, \$174,825 of education awards, and found numerous and pervasive instances of noncompliance with Federal laws, regulations and grant award provisions. We further determined that RFCUNY had inadequate controls for treating match costs in its accounting system, did not accurately report match costs, and did not ensure match costs were adequately supported.

Additionally, we reported that RFCUNY's management exhibited a lack of understanding of cost principles, grant provisions, and general grant accounting guidelines. We determined that lack of

proper monitoring of the fiscal and programmatic activities by RFCUNY allowed cited conditions to exist and persist. Also, officials of RFCUNY's joint grantee Hunter College, and subgrantee/partner Uncommon Knowledge and Achievement (UKA), were found to be unaware of grant provisions, laws and regulations, and they had been provided with incorrect guidance on these issues by RFCUNY.

Citing the fact that the same findings had been reported in a previous OIG audit of RFCUNY and a lack of subsequent corrective action by the grantee, we recommended that the Corporation not renew its grant to RFCUNY. The Corporation did not respond to this recommendation.

Audit Report 11-04 - Evaluation of Grant Monitoring by the Corporation for National and Community Service

As part of our increased emphasis on examinations of internal Corporation operations, we reviewed grantee monitoring activities conducted in FYs 2008 and 2009 to determine whether the Corporation maintained adequate support for its findings and conclusions and adhered to its monitoring policies.

In our interviews with program officers, some individuals with responsibility for monitoring the financial requirements of grantees stated they had either inadequate or no formal training for this vital task. We recommended that all program officers be provided with the needed training. Our evaluation also identified several lapses in the scheduling and documentation of grantee monitoring.

Corporation management agreed with all of our recommendations, and has taken steps to provide training on financial issues to its program officers and other staff involved in grantee monitoring.

Proposed Management Decisions With Which The OIG Disagreed

The OIG did not entirely concur with the Corporation's Management Decisions for the following reports:

- Report No. 10-11, Agreed-Upon Procedures for Corporation for National and Community Service Grants Awarded to Hunter College/Research Foundation of the City University of New York
- Report No. 10-12, Agreed-Upon Procedures for Corporation for National and Community Service Grants Awarded to American National Red Cross
- Report No. 10-14, Agreed-Upon Procedures of Corporation for National and Community Service Grants Awarded to the Missouri Community Service Commission

Our disagreements centered on the following issue:

Incomplete Searches of National Sex Offender Public Registry (NSOPR)

The Corporation did not concur with OIG recommendations in two reports which determined that the grantees had not ensured that NSOPR searches were conducted of all state databases for certain members. The grantees stated that some state databases were "temporarily unavailable" when the searches were conducted. Subsequent searches to access the missing data were not conducted by the grantees.

45 C.F.R. §2540.203(b) states that the National Sex Offender Public Registry check must be conducted on an individual who is serving, or applies to serve, in a covered position on or after November 23, 2007. 45 C.F.R. §2540.201 states that any individual who is registered, or required to be registered, on a state sex offender registry is deemed unsuitable for, and may not serve in, a position covered by suitability criteria.

Audit Section

The Corporation's management decision stated the Federal regulations do not require that system connectivity be functioning for all 50 states when the NSOPR is conducted.

We believe that the intent of the Kennedy Serve America Act requires a search of all 50 states. The Act's requirement that the search include all AmeriCorps members and grant-funded staff in the searches of all 50 states emphasizes the seriousness with which the Act treats the subject of sex offenders. We believe that failure to conduct NSOPR searches of all state databases, which may require multiple searches by the grantee to capture all data, could potentially result in ineligible individuals entering the program, and could jeopardize the safety of those being served.

The Corporation also stated during this reporting period that it would consider OIG recommendations to check all databases in a planned review and revision of its' criminal history check regulations. However, when the Corporation published its proposed rule for comment in the Federal Register, it did not include this issue.

Investigations Section

The Office of Inspector General Investigations Section is responsible for the detection and investigation of fraud, waste and abuse in Corporation for National and Community Service programs and operations. The Investigations Section carries out these responsibilities by investigating allegations of criminal activity involving the Corporation's employees, contractors, and grant recipients. Criminal investigations are presented to the U.S. Attorney or, in some cases, the local prosecutor for criminal prosecution and monetary recovery, where the facts uncovered so warrant. Some investigative reports are referred to Corporation management for its administrative action.



Investigative Results

During this reporting period, the OIG Investigations Section opened 19 new cases and closed 11, including 8 actions with significant findings. Our efforts resulted in the recovery of more than \$154,000 in taxpayer funds and the potential recovery of more than \$1.6 million from persons and programs found to have engaged in fraud, waste, or abuse of Corporation resources.

Our investigations also resulted in one individual pleading guilty and being sentenced to six months of confinement, followed by three years of probation, for misusing Federal Program funds. Nine other matters are pending adjudication. Also, based on our referrals to Corporation management, four individuals were debarred from participating in Federal contracts or grants.

During this reporting period, our Intelligence Operations Section (IOS) was established with the goal of supporting investigators and auditors with timely, in-depth data and leads. During this reporting period, information developed by IOS analysts led to the opening of two ongoing audits and one investigation. The IOS is further being utilized to conduct reviews of ongoing cases and provide background information and leads to our Special Agents and auditors.

The Investigations Section consists of an Assistant Inspector General for Investigations, seven Special Agents with full Federal Law Enforcement Authority and an investigative assistant. The Investigations Section met the challenge of pursuing wrongdoers in Corporation operations that include thousands of grantees and subgrantees in all 50 states and U.S. territories. We were assisted in our work by 51 calls, letters and e-mails to our Fraud Hotline and by referrals from Corporation managers, employees and program participants.

Significant Cases And Activity

Corporation Internal Investigations

During this reporting period, we conducted two investigations involving Corporation employees. In one case, we determined that two Corporation employees had violated ethics rules by allowing their names and positions to be used in a website-published endorsement for a company doing business with the Corporation.

In another action, we determined that a Corporation employee routinely worked about six hours a day over a three-month period, but certified on timesheets that the employee had worked a full, eight-hour day. The employee wrongfully received more than \$3,400 based on the falsified timesheets.

Significant Cases

We initiated an ongoing investigation of the executive director and 14 other individuals, including commissioners, of the American Samoa Special Services Commission (ASSSC) for misusing Federal program funds. Our investigation determined the executive director and other targets used Federal program funds for private travel, filed false travel vouchers, purchased property with Federal grant funds for private use and used grant funds to make payments on an automobile loan. The loss to the Government is estimated at more than \$400,000. As a result of our investigation, which was triggered by an OIG audit, the OIG on March 18, 2011, recommended that the Corporation suspend all ASSSC grants. We are continuing our investigation and will report the results in a subsequent Semiannual Report to Congress.

In another action, we found that program officials at a Senior Companion Program (SCP) in Iowa double billed the Corporation and Iowa MEDICAD for the same volunteer service hours and that the service of two SCP volunteers was not in compliance with SCP guidelines. The investigation determined the program officials double billed more than \$35,000 and misused more than \$7,000 in

Investigations Section

program funds when they allowed one volunteer to exceed the maximum limit on volunteer hours and the other to provide service that was not in compliance with the grant. The investigation was presented to the Department of Justice, which declined it for criminal prosecution due to the low dollar amount. The matter was referred to Corporation management, which issued a demand letter to the SCP program to repay more than \$42,000.

We completed the previously reported investigation of a former VISTA member in Texas who admitted to using another individual's identity so she could enroll in a VISTA program. The former member was ineligible for VISTA because she is an undocumented alien. The former VISTA member was sentenced in Federal court to six months of confinement, followed by three years of non-supervised release and ordered to pay restitution totaling more than \$69,000. The matter was referred to Corporation management and the former VISTA member was debarred from participating in Federal contract or grants for three years. The VISTA project director, who knowingly enrolled the former member and knew of her ineligibility, was also debarred for two years.

Summary Of Cases	
Opened and Closed	
Cases Open at Beginning of Reporting Period	26
New Cases Opened	19
Cases Closed this Period With Significant Findings	8
Cases Closed this Period With No Significant Findings	3
Total Cases Closed	11
Cases Open at End of Reporting Period	34
Referred	
Cases Referred for Prosecution	5
Cases Accepted for Prosecution*	4
Cases Declined for Prosecution*	2
Cases Pending Prosecutorial Review	1
Cases Pending Adjudication	9
Recommendations to Management	
Investigative Recommendations Referred to Management	9
Investigative Recommendations Pending Management Action this Reporting Period	6
Investigative Recommendations Pending Management Action from Previous Reporting Periods	1
*This includes cases referred for prosecution during the previous reporting period.	

Review Of Legislation And Regulations

Section 4(a) of the Inspector General Act directs the Office of Inspector General to review and make recommendations about existing and proposed legislation and regulations relating to the Corporation's programs and operations. The Office of Inspector General reviews legislation and regulations to determine their impact on the economy and efficiency of the Corporation's administration of its programs and operations. It also reviews and makes recommendations on the impact that legislation and regulations may have on efforts to prevent and detect fraud and abuse in Corporation programs and operations. The Office of Inspector General draws on its experience in audits and investigations as the basis for its recommendations.



Conference Planning Policy Concerns

During this reporting period, the OIG reviewed the Corporation's Conference Planning Policy to determine its adherence to the requirements of the Federal Travel Regulation. The OIG found that the Corporation's policy lacked the essential planning criteria contained in the Federal Travel Regulation, which is designed to ensure that conference costs result in the greatest advantage to the Government.

For example, we found that the Corporation's policy lacked instruction that government-owned facilities should be used as much as possible; that teleconferencing be considered as an alternative; and that cost comparisons be made of the each proposed conference site location based on established Federal per diem rates, the convenience of site, and the travel distances for Federal employees to attend the conference. The policy also lacked the instruction, required by the Federal regulation, that written documentation be maintained for the alternatives considered for a conference site and the rationale for the final selection. Instead, we found the Corporation's policy was limited to an instruction that a planner consider three sites, and that the planner minimize administrative and travel costs by limiting the number of Corporation attendees.

In November, 2010, the OIG submitted its analyses to Corporation management, noting the deficiencies in the current policy and its' variances with the Federal regulation, and recommended that it be revised to make it consistent with the Federal regulation's standards. To date, no proposed revision of the Conference Planning Policy has been issued by the Corporation.

Incomplete Sex Offender Registry Searches

As noted previously in the Audit Section of this report, the Corporation has disagreed with OIG audit recommendations that grant recipients follow up on incomplete searches of sex offender registries caused by connectivity problems between state registries and the National Sex Offender Public Registry (NSOPR) website.

The OIG has since found that the Corporation gives affirmative guidance to grantees on its website and in training sessions on the subject of the background check rule. The guidance states that, even where there are temporary connectivity problems between the state registries and the NSOPR website, grantees "are only required to perform the check one time." The OIG has informed the Corporation that this instruction is contrary to the Kennedy Serve America Act's requirements that grantees determine that all individuals in Corporation-funded positions are not included in any state sex offender registries, and thus ineligible to serve in Corporation programs. We recommended that the Corporation modify its instructions to grantees that a complete, 50-state registry search be conducted, even if this entails multiple NSOPR searches. The OIG will report on the Corporation's response in a subsequent Semiannual Report to Congress.

In a related matter, Corporation issued, for public comment in the Federal Register, revisions it proposes to make to its current criminal background check regulation. The revisions would institute the Kennedy Serve America Act's requirement that FBI fingerprint checks be conducted on all individuals in Corporation-funded positions that place them in contact with the young, elderly, or disabled. The OIG plans to recommend in the public comment phase that the current regulation also be amended to direct grantees to verify that all 50 state sex offender registry databases have been searched for applicants to Corporation-funded positions.

Grantee Use of the Name ‘AmeriCorps’

The OIG determined that several Corporation grant recipients use the word “AmeriCorps” as a part of their official legal titles. We are concerned that this practice violates Corporation regulations restricting the use of Corporation program names, logos, and insignias, and might create the impression among the general public that the Corporation sanctions, endorses, or even operates these independent organizations. We brought this issue to Corporation management’s attention. It agreed that the practice was a cause for concern, has informed affected grantees that they may not use “AmeriCorps” as part of their official titles, and is developing a policy to cover the issue.

Statistical And Summary Tables

The statistical and summary tables in this section are submitted in compliance with the requirements enumerated in the Inspector General Act.



I. Inspector General Act Reporting Requirements

This table cross-references the reporting requirements prescribed by the Inspector General Act of 1978, as amended, to the specific pages in the report where they are addressed.

Section	Requirement	Page
4 (a)(2)	Review of legislation and regulations	13
5 (a)(1)	Significant problems, abuses, and deficiencies related to the administration of Corporation programs and operations	Throughout
5 (a)(2)	Recommendations with respect to significant problems, abuses and deficiencies found in the administration of Corporation programs and operations	Throughout
5 (a)(3)	Prior significant recommendations on which corrective action has not been completed	24
5 (a)(4)	Matters referred to prosecutorial authorities	12
5 (a)(5)	Summary of instances where information was refused	None this period
5 (a)(6)	List of audit reports by subject matter showing dollar value of questioned costs, unsupported costs and the dollar value of recommendations that funds be put to better use	20
5 (a)(7)	Summary of significant reports	Throughout
5 (a)(8)	Statistical table showing number of reports and dollar value of questioned costs	21
5 (a)(9)	Statistical table showing number of reports and dollar value of recommendations that funds be put to better use	22
5 (a)(10)	Summary of each audit issued before this reporting period for which no management decision was made by end of reporting period	23
5 (a)(11)	Significant revised management decisions	None this period
5 (a)(12)	Significant management decisions with which the Inspector General disagrees	7

Tables

II. Audit Reports Issued

Audit Reports Issued					
October 1, 2010 – March 31, 2011					
Report Number	Issue Date	Report Name	Dollars Questioned	Dollars Unsupported	Funds Put to Better Use
(Dollars in thousands)					
11-01	11/15/10	<i>Audit of the Corporation for National and Community Service's Fiscal Year 2010 Financial Statements</i>	\$0	\$0	\$0
11-02	11/15/10	<i>Audit of the Corporation for National and Community Service's Fiscal Year 2010 National Service Trust Schedules</i>	\$0	\$0	\$0
11-03	11/10/10	<i>Federal Information Security Management Act (FISMA) Review for FY 2010 Corporation for National and Community</i>	\$0	\$0	\$0
11-04	10/15/10	<i>Evaluation of Grant Monitoring by the Corporation for National and Community Service</i>	\$0	\$0	\$0
11-05	11/24/10	<i>Audit of Corporation for National and Community Service Grants Awarded to U.S Committee for Refugees and Immigrants</i>	\$35	\$0	\$209
11-06	01/21/11	<i>Agreed-Upon Procedures of Corporation for National and Community Service Grants Awarded to the American Samoa Special Services Commission</i>	\$310	\$45	\$79
11-07	03/17/11	<i>Agreed-Upon Procedures for Corporation Grants Awarded to Serve Alaska</i>	\$10	\$0	\$18
TOTAL			<u>\$355</u>	<u>\$45</u>	<u>\$306</u>

Inspector General Act [5(a) (6)]

III. Reports With Questioned Costs

Report Category	Number	Federal Costs	
		Questioned	Unsupported
(Dollars in thousands)			
A. Reports for which no management decision had been made by the commencement of the reporting period	6	\$377	\$17
B. Reports issued during the reporting period	<u>3</u>	<u>355</u>	<u>45</u>
C. Total Reports (A + B)	9	732	62
D. Reports for which a management decision was made during the reporting period	5	151	17
I. Value of disallowed costs	—	45	17
II. Value of costs not disallowed	—	<u>106</u>	<u>0</u>
E. Reports for which no management decision had been made by the end of the reporting period (C minus D)	<u>4</u>	<u>\$581</u>	<u>\$45</u>
F. Reports with questioned costs for which no management decision was made within six months of issuance	1	\$226	\$0

Inspector General Act [5(a)(8)]

Tables

IV. Reports With Recommendations That Funds Be Put To Better Use

Report Category	Number*	Dollar Value*
<i>(Dollars in thousands)</i>		
A. Reports for which no management decision had been made by the commencement of the reporting period	5	\$340
B. Reports issued during the reporting period	3	\$306
C. Total Reports (A + B)	8	\$646
D. Reports for which a management decision was made during the reporting period	4	\$207
i. Value of recommendations agreed to by management		\$179
ii. Value of recommendations not agreed to by management		\$28
E. Reports for which no management decision had been made by the end of the reporting period	4	\$439
F. Reports for which no management decision was made within six months of issuance	1	\$133
<p>*The Audit Section predominately performed cost-incurred and compliance audits that resulted in questioned costs and noncompliance findings. These types of audits typically do not lead to recommendations that funds be put to better use.</p>		

Inspector General Act [5(a)(9)]

V. Summary of Audits With Overdue Management Decisions

Report Number	Title	Federal Dollars Questioned	Funds Put To Better use	Mgmt. Decision Due*	Status as of March 31, 2011
10-17	Agreed-Upon Procedures Review of Corporation for National and Community Service Grants Awarded to Greater Pittsburgh Literacy Council	\$226	\$133	2/31/11	<i>The Draft Management Decision was received by the OIG on March 22, 2011. The OIG has thirty days to review the decision.</i>
	Total	<u>\$226</u>	<u>\$133</u>		
<p>*Under section 6009 of the Federal Acquisition Streamlining Act of 1994, as amended, a final management decision must be made within six months of the issuance of the final audit report and corrective actions must be completed within one year.</p>					

Inspector General Act [5(a)(10)]

Tables

VI. Reports Described In Prior Semiannual Reports Without Final Action

Report Number	Title	Date Issued	Final Action Due
	None		

Inspector General Act [5(a)(3)]

VII. Peer Reviews

The Investigations Section's most recent Peer Review Report was issued August 18, 2009, by the Railroad Retirement Board OIG (RRB-OIG). It stated: "The system of internal safeguards and management procedures for the investigative function of the CNCS OIG in effect for the year ended May 2009 is in full compliance with the quality standards of the PCIE and the Attorney General Guidelines. The safeguards and procedures provide reasonable assurance that the CNCS OIG is conforming to professional standards in the conduct of its investigations."

RRB-OIG's peer review also included several observations, all of which have since been addressed by our Investigations Section.

Our Investigations Section's next peer review is scheduled for the first quarter of 2012 and is to be conducted by the Department of Commerce OIG.

The Audit Section's most recent Peer Review Report was issued March 19, 2010, by the Nuclear Regulatory Commission OIG. It stated: "In our opinion, the system for quality control for the audit organization of CNCS OIG in effect for the year ended September 30, 2009, has been suitably designed and complied with to provide CNCS OIG with reasonable assurance of performing and reporting and conforming to professional standards in all material aspects. Federal audit organizations can receive a rating of pass; pass with deficiencies, or fail. CNCS OIG has received a peer review rating of pass."

The Audit Section's next peer review will be conducted in FY 2013 by the Smithsonian Institution OIG.

VIII. Plain Writing Act

During this reporting period, the OIG began implementation of the Plain Writing Act of 2010, which was signed into law by President Obama on October 13, 2010. The Director of Communications, who is coordinating our efforts, conducted a Plain Writing training seminar for the OIG staff on January 19, 2011. In addition, all OIG documents and reports, including information available on our public website (www.cncsoig.gov), are being reviewed for clarity, conciseness, organization, and overall readability.

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