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OFFICE OF INSPECTOR GENERAL

# ANTI-FRAUD ADVISORY

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## WHAT IS TIMEKEEPING FRAUD?

Timekeeping fraud occurs when:

Agency employees, contractors, grantee staff, or AmeriCorps Members and Volunteers are dishonest about their time. This includes:

- intentionally charging time to an AmeriCorps grant that is knowingly false or incorrect,
- showing a reckless disregard for timekeeping laws, rules, and regulations, (e.g., turning a blind eye), or
- staff modifying volunteer(s) time records without any basis or authorization.

## DID YOU KNOW?

Thirty percent of all OIG investigations opened since 2019 relate to allegations of false or problematic timekeeping. These cases could have been prevented by vigilant and knowledgeable grantee staff.

Read on to find out how you can **protect your program and your community.**

## RED FLAGS OF TIMEKEEPING FRAUD

Here are some red flags that the OIG has identified in our oversight:

- 🚩 Numerous individuals' timesheets that look the same (e.g., same exact number of hours each day across timesheets for a given period)
- 🚩 Timesheets that appear prepopulated
- 🚩 Excessive or unusual corrections (e.g., all corrected on same date; no explanations provided, or explanations that do not appear credible)
- 🚩 Timesheets not signed by supervisor or signatures that appear identical on each timesheet (copy and paste)
- 🚩 Unusual or excessive hours (e.g., hours on holidays/weekends when not expected)
- 🚩 Timesheets that are not signed at all

The first step to stopping timekeeping fraud is to prevent it. The recommendations below can help your program avoid common pressures and opportunities for timekeeping fraud by staff and volunteers.

### DO'S...

- ✓ Make sure all time is accounted for and allocated, including time spent on grants and time on other projects
- ✓ Have timesheets signed by a supervisor with firsthand knowledge of activity
- ✓ Include a statement on timesheets that the signer certifies that the hours are accurate and complete
- ✓ Include a warning on timesheets regarding false statements
- ✓ Have a policy requiring two approval signatures on timesheets and enforce the policy

### DON'TS...

- ✗ Record hours that were not actually worked/served
- ✗ Record budgeted time or estimates
- ✗ Backdate timesheets
- ✗ Copy and paste from previous timesheets
- ✗ Enroll current employees as members/volunteers

### AND BEST PRACTICES

During program design...

- create service roles that ensure AmeriCorps members and volunteers have sufficient time and service opportunities to complete the expected hours in their member service agreements.

When recruiting or onboarding AmeriCorps members or volunteers...

- discuss the necessary time commitment to help reduce the likelihood of recruiting a volunteer who will not have enough time to complete their service obligations.

*“When false claims are submitted to national service programs, it depletes their valuable work, which is designed to benefit and improve our communities.”*

-U.S. Attorney for the Eastern District of Kentucky (July 2019)

### RED FLAG POP QUIZ

Read through the list below and see if you can find all the timekeeping red flags. Answers are included at the bottom of this page.

**1** I often estimate how many hours I have worked if I can't remember.

**2** My organization has a policy on when timesheets are due each week.

**3** If we have an early dismissal, my hours for that day stay the same.

**4** My timesheets look exactly the same each week.

**5** When I need to change my timesheet, I discuss it with my supervisor first.

**6** My timesheet has space for me to describe what I did that week.



# CASE STUDIES

## HOW ARE TIMEKEEPING FRAUD AND FALSE CLAIMS CONNECTED?

### 01 THE CREATION OF A FALSE TIMESHEET

A grantee staff member or volunteer records incorrect hours on their timesheet.

01



### 02 THE RECORDING OF THE TIME

The inaccurate staff or volunteer hours are recorded in eGrants or the grantee's accounting system.

02



### 03 THE REPORT OR BILL IS SUBMITTED TO AMERICORPS

The grantee prepares and submits their FFR, member stipend, or education award paperwork based on the inaccurate timesheet.

03



### 04 THE SUBMITTED REPORT, INCLUDING FALSE CLAIM, IS A VIOLATION OF LAW

Submission of the inaccurate billing to AmeriCorps is a false claim to the government and a violation of law.

04



### 05 OIG INVESTIGATES

OIG opens an investigation of false claims.

05



## RELATED CRIMINAL STATUTES

Submitting false documents to the government is a crime. Criminal statutes that are often charged in timekeeping fraud cases include:

- False Statements (18 U.S.C. § 1001)
- False Claims (18 U.S.C. § 287)
- Theft of Government Money (18 U.S.C. § 641)
- Theft of Federal Funds (18 U.S.C. § 666)
- Wire Fraud (18 U.S.C. § 1343)

## OIG INVESTIGATES AMERICORPS VOLUNTEERS WHO CLAIMED SERVICE HOURS FOR DECEASED BENEFICIARIES

OIG received a complaint that three Senior Companion Program (SCP) volunteers submitted false timesheets and that two volunteers forged deceased client signatures, observations, and COVID waivers.

Falsifying time sheets to receive stipends from grant funds is a federal crime. When the OIG has a reasonable belief that a crime was committed, they are required to refer to and work with the relevant U.S. Attorney's Office. In this case, based on the evidence, the U.S. Attorney's Office pursued a prosecution for theft of government money (18 U.S.C. § 641). One of the SCP Volunteers, who refused to repay the funds, pleaded guilty and was sentenced to probation for a term of two years and ordered to pay restitution. The other volunteers entered into repayment agreements with the organization.

Additionally, AmeriCorps is working to recoup disallowed costs from the grantee and placed the grant on a manual review until the grantee is able to demonstrate that it has sufficient procedures in place to follow the rules and oversee a federally compliant project.

## OIG INVESTIGATES AMERICORPS VOLUNTEERS WHO DOUBLE-BILLED THEIR TIME AS SCHOOL STAFF

An AmeriCorps OIG audit and subsequent investigation determined that more than half of the AmeriCorps members enrolled in a school district's AmeriCorps program for a two-year period were school district employees who counted their paid work towards their service hours. The education awards earned as a result of those hours were falsely certified by the school district.

The school district ultimately entered into a civil settlement agreement with the United States and paid over \$2 million to resolve allegations that it presented false and fraudulent claims to AmeriCorps. The settlement amount recouped the cost of education awards improperly disbursed under the program, as well as program administration funds, plus a multiplier. The school district also agreed to assume responsibility for related undisbursed outstanding education awards, a liability exceeding \$600,000.

### Additional Timekeeping Cases:

- [AmeriCorps Grantee Agrees to Pay Over \\$122,000 to Resolve False Claims](#)
- [U.S. Settles Dispute with AmeriCorps Grantee over its AmeriCorps Program](#)



## INSTEAD OF THIS...

## TRY THAT



Instead of allowing staff/members/volunteers to enter a full day on their timesheets when sent home early to celebrate ending an event or service project early...

Ensure that timesheets *only* reflect hours worked or served, including training. You may need to offer members/volunteers a chance to make up the hours later if they are sent home early.

Instead of sending your team to a movie as a teambuilding activity and allowing the hours to be recorded as service hours...

Ensure that training activities are relevant to the project. Consider on-site viewing and discussion or reading a relevant news article together.

Instead of taking no action after you know/learn that your timesheet reflects inaccurate hours worked or served...

Ensure that timesheets are corrected as soon as possible with an explanation, date of correction, and your supervisor's signature.

Instead of celebrating a "job well done" by giving members or volunteers a few "bonus hours" so that they can take it easy next week...

Ensure that only allowable service or work activity are recorded on member or volunteer timesheets, or billed to an AmeriCorps grant.

Instead of grantee staff billing time spent on non-AmeriCorps programs to the AmeriCorps grant...

Ensure that timesheets account for all the hours worked and distinguish which time was spent on which AmeriCorps grant(s). Only time spent on the AmeriCorps grant(s) should be billed to that grant.

## WANT TO LEARN MORE?

For additional resources on this topic including LITMOS training courses, sample statements, and links to guidance documents, and to access the electronic version of this document use the QR code below:



## KEEP IN TOUCH

Check out the library of Anti-Fraud Advisories on our website including Volume 1, *Combating Fraud as a Strategic Priority*.

Report suspected instances of fraud, waste, and abuse to the Office of Inspector General's hotline by using this QR code:



Did you know whistleblowers are protected under federal law? To find out more about your rights as a whistleblower, [click here](#).