



**AmeriCorps**  
**Office of Inspector General**

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FY 2025 Congressional Budget  
Justification

# **THE OFFICE OF INSPECTOR GENERAL**

## **Program and Mission Summary**

Protecting the public's investment in national service is the mission of AmeriCorps' Office of Inspector General (OIG). Independent oversight promotes efficiency and effectiveness in agency programs, holds agency officials and grantees accountable for misconduct, safeguards the integrity of national service, and protects the rights of whistleblowers. The OIG oversees AmeriCorps programs and operations by conducting audits and reviews to curb wasteful spending and mismanagement, investigating fraud and wrongdoing, recommending effective policies and best practices, and taking steps necessary to prevent and detect fraud, waste, abuse, and inefficiencies.

The OIG's oversight extends to over 2,700 grants (plus thousands of subrecipient organizations, members, and volunteers) throughout the United States, the Territories, and the Indian Tribes. Continuous changes within the agency, including a major reorganization and restructuring of grant operations and weakness in financial management require heightened oversight to ensure the agency is effectively managing its grant programs and satisfactorily executing its core business functions. Other risks include frequent turnover of staff, manual processes, a complex grant risk assessment model, limited and under-resourced grant monitoring, a high-risk acquisition and development plan to replace an antiquated grants and member management systems, and cybersecurity vulnerabilities. AmeriCorps' leadership team recognizes these challenges and has welcomed the OIG's active engagement.

## Fiscal Year 2025 Budget Request Summary

The Budget provides \$8,762,000 to the AmeriCorps OIG, an increase of \$1,167,000 (15.4 percent) over the FY 2023 Enacted Budget, to conduct meaningful oversight and perform office operations.

### Budget Summary (in thousands)

	FY 2023 Enacted Budget	FY 2024 Continuing Resolution	FY 2025 Request <sup>1</sup>	Difference FY 2024-FY 2025
Immediate Office	\$478	\$568	\$718	\$150
Office of Counsel	\$670	\$925	\$1,072	\$147
Office of Mission Support	\$1,101	\$666	\$745	\$79
Office of Audits	\$2,144	\$2,201	\$2,519	\$318
Office of Investigations	\$2,083	\$2,201	\$2,529	\$328
Office of Information Technology	\$993	\$905	\$1,045	\$140
OIG Training	\$95	\$95	\$98	\$3
OIG Annual CIGIE	\$31	\$34	\$36	\$2
Totals	\$7,595	\$7,595	\$8,762	\$1,167

<sup>1</sup>OIG is requesting multi-year or no year spending authority for appropriated funds.

### FY 2025 Strategic Focus

In FY 2025, the OIG will concentrate efforts on strengthening our data analytics capabilities with a focus on predictive analytic models to identify risk in grants and subrecipient grantee monitoring. To do this, the OIG must make necessary investments in our information technology infrastructure and personnel, including data literacy training, that will have a significant impact on our ability to proactively perform critical oversight on areas of highest risk to the Corporation. These resources are necessary for the OIG to continue delivering the impactful audits and investigations that executive branch and congressional stakeholders require, including those mandated by statute. Personnel represents the largest element of OIG's costs, and our requested budget will support our personnel goals, allowing us to meet critical oversight priorities.

### Audit Outcomes and Strategic Focus

The OIG's Office of Audits conducts audits, evaluations, and reviews of AmeriCorps' grants, programs, and activities, as well as the agency's internal operations, playing a role in the oversight of AmeriCorps grantees and subgrantees. Additionally, the Office of Audits performs mandated audits, including the annual Federal Financial Statements, Federal Information Security Modernization Act (FISMA), and Payment Integrity Information Act (PIIA) audits. Audits, evaluations, and reviews help mitigate risks of fraud, waste, and abuse by assessing whether AmeriCorps grant recipients provide adequate stewardship and identifying systemic deficiencies and misspent funds.

Under the Government Corporation Control Act, AmeriCorps' annual agency management report must include financial statements audited by an independent public accounting firm under the supervision of AmeriCorps OIG. AmeriCorps has received a disclaimer of opinion on their financial statement audit for the past six years and is anticipated to receive the same opinion in fiscal year 2023. The Office of Audit spends an outsized portion of their resources advising management on federal financial management and proper internal control implementation. Management has developed an aggressive corrective action plan related to financial management, necessitating close monitoring by our office.

Our audit work periodically uncovers evidence of fraud or other unlawful conduct that auditors refer to OIG investigators for further action, generating cases that are ultimately referred to the Department of Justice (DOJ). As a result of our audit oversight, the OIG has uncovered systemic weaknesses, which AmeriCorps must address. The OIG's oversight helps ensure that the financial, administrative, and programmatic activities of national service operate effectively, efficiently, and in compliance with the law. The OIG's audits have a direct effect on agency grantees, strengthening the performance and integrity of those organizations.

### **Pandemic Oversight and Strategic Focus**

In FY 2021, the OIG began its pandemic oversight activities and continues to engage the agency in areas of risk specific or unique to American Rescue Plan (ARP) funding or programs. The OIG's Director of Pandemic Oversight coordinates these efforts, including front-end oversight of new or expanded programs and the use of data analytics to uncover fraudulent misuse of Paycheck Protection Program loans, the Economic Injury Disaster loan program and unemployment insurance benefits.

In FY 2022, AmeriCorps began distributing portions of its \$1 billion in ARP funding. An interagency agreement with the Centers for Disease Control brought AmeriCorps an additional \$400 million investment for Public Health AmeriCorps (PHA). Over \$155 million has been awarded through approximately 190 grants since FY 2022. Like other new programs, PHA is considered high-risk and we continue to monitor AmeriCorps activities as these funds are expended.

Additionally, the OIG has participated in outreach efforts to support awareness, development of risk models to identify patterns of fraud schemes and strengthen oversight of ARP funding.

### **Investigation Outcomes and Strategic Focus**

The OIG's Office of Investigations pursues criminal, civil, and administrative wrongdoing related to AmeriCorps programs and operations, including by entities that receive AmeriCorps funds, as well as whistleblower reprisal investigations. Its goal is to identify and prosecute fraud schemes, helping AmeriCorps and its grantees develop strong internal controls that deter and prevent additional fraud in the future. Collaborative relationships with United States Attorneys' offices across the nation serve as a force multiplier in this

mission. OIG investigations ensure that those who misuse AmeriCorps funds are held accountable, which serves as a meaningful deterrent to fraud and other misconduct.

Since FY 2019, the OIG has directed its investigative resources primarily to civil and criminal enforcement of significant fraud cases. Our civil, criminal, and administrative investigations during that period have yielded ten civil settlements and five criminal pleas with \$15 million in recoveries or funds put to better use. The OIG is actively working with Federal prosecutors and civil litigators throughout the country on 10 additional civil and criminal investigations, as well as preparing other cases for referral. Typical investigations involve:

- theft, diversion of funds, and embezzlement from AmeriCorps grant programs for personal gain;
- theft from Federal benefit programs, including veterans' benefits, Payroll Protection Program loans, Economic Injury Disaster Loans, and the Federal Pandemic Unemployment Program;
- time and attendance fraud by grant-funded staff and national service members, which deprives communities of needed services, defrauds the public, and misdirects Federal resources;
- fabrication or alteration of the criminal history checks required by law to protect program beneficiaries by excluding convicted murderers and sex offenders from national service; and
- theft or fabrication of member/volunteer identities to steal stipends and living allowances.

In addition to detecting and deterring fraud, the OIG's investigative work has identified weaknesses in agency processes and produced programmatic improvements. Using lessons learned from recent fraud cases, investigators train AmeriCorps staff and grantee and subgrantee personnel in strategies to identify and prevent fraud. An outreach program led by OIG investigators, auditors, and attorneys provide training for incoming agency staff and briefings for the AmeriCorps grantee community intended to improve fraud awareness and, ultimately, prevent fraud. The interactions between OIG personnel and front-line grantee and agency staff play an important role in improving grantee stewardship and mitigating fraud, waste, and abuse.

### **Inspector General Reform Act Statement**

Pursuant to Section 6(g)(1) of the IG Act, as amended, the OIG submits the following summary concerning its annual budget, which is expected to suffice:

- AmeriCorps OIG is requesting multi-year spending authority for FY 2025 appropriation in the amount of \$8,762 million;
- The amount for OIG's training needs is \$98,000; and
- The portion of these amounts needed to support the operations of the CIGIE is \$36,000, based on CIGIE's annual assessment of 0.40 percent of each OIG's appropriation.