

# For Immediate Release

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## AmeriCorps OIG Releases Report Regarding Performance Audit of AmeriCorps State and National Program Grantee and Subgrantees

*Inspector General Report Identifies Concerns with AmeriCorps' Decision to Lessen Accountability for Member Timekeeping*

AmeriCorps Acting Inspector General Stephen Ravas announced the issuance of an audit report examining AmeriCorps grants awarded to YouthBuild USA. The audit found that YouthBuild, a large AmeriCorps grantee, did not comply with Federal or AmeriCorps requirements and identified a monetary impact of \$6,692,146. While AmeriCorps agreed to recover over \$3 million in AmeriCorps funds related to YouthBuild's insufficient subgrantee monitoring, it declined to follow the report's recommendations to hold YouthBuild and its subgrantees accountable for over \$520,000 in incurred costs and about \$3 million in funds awaiting disbursement to members as a result of noncompliant timekeeping. AmeriCorps' position in response to our report will prevent AmeriCorps and the OIG from being able to verify the appropriateness of hours that members served in AmeriCorps programs and will increase the risk of fraud within AmeriCorps' State and National (ASN) programs.

Over the audit period, YouthBuild received more than \$55 million in AmeriCorps grants and subawarded funds to over 80 subgrantee organizations to carry out national and community service programs.

The specific findings in the report include:

- **Noncompliant timekeeping:** YouthBuild's timekeeping policy and its subgrantees' timekeeping practices significantly deviated from Federal regulations and AmeriCorps' policy by recording only member service hours in AmeriCorps programs rather than recording time for each activity, type of service performed, and its corresponding funding source, resulting in the disbursement of **\$520,827** in Segal education awards and **\$3,087,791** in earned Segal education awards awaiting disbursement.
- **Subgrantee use of employees as AmeriCorps members:** YouthBuild's ineffective use of internal controls and monitoring measures allowed a subgrantee to use **\$3,025,779** in AmeriCorps funds to recruit prospective and existing employees as AmeriCorps members, contrary to AmeriCorps regulations.
- **Inadequate subgrantee monitoring:** YouthBuild provided subgrantees with **\$57,749** in AmeriCorps funds that it did not sufficiently monitor to detect instances of non-compliance with AmeriCorps regulations and YouthBuild policies.

AmeriCorps' position on this audit has broad implications. As indicated by the \$3,608,618 in monetary impact related to timekeeping, this finding affects a significant amount of AmeriCorps funds—at YouthBuild, and at other grantees, especially larger national direct grantees. Timekeeping records are the basis for determining whether AmeriCorps members served sufficient hours to earn Segal education awards. It is critical that grantees maintain an adequate system to support these costs and protect taxpayer funds from noncompliant and fraudulent charges.

Thirty percent of all AmeriCorps OIG investigations opened since 2019 relate to allegations of false or unallowable timekeeping. This is the single biggest issue that the OIG currently encounters in its audits and investigations, and it continues to have a negative impact on AmeriCorps' core mission and financial statements. False or unallowable timekeeping is so pervasive that the OIG recently issued an [Anti-Fraud Advisory](#) focused on [Timekeeping Fraud](#) and identified it as a [Top Management Challenge](#) for AmeriCorps related to Prioritizing Grant Fraud Prevention and Detection in its Programs.

Our summary and evaluation of AmeriCorps' and YouthBuild's responses are included, in full, in [our report](#).

## Learn More

AmeriCorps OIG is an independent office within AmeriCorps charged with promoting economy and efficiency and preventing and detecting fraud in AmeriCorps programs and operations. OIG carries out this mission through independent and objective audits and investigations.

AmeriCorps, the federal agency for national service and volunteerism, provides opportunities for more than 200,000 Americans to serve their country domestically, address the nation's most pressing challenges, improve lives and communities, and strengthen civic engagement.

Anyone with knowledge of potential fraud, waste, and abuse related to AmeriCorps programs should contact the AmeriCorps OIG hotline at 800-452-8210 or fill out our webform at <http://www.AmeriCorpsOIG.gov/hotline>.

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