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OFFICE OF INSPECTOR GENERAL

# ANTI-FRAUD ADVISORY

WWW.AMERICORPSOIG.GOV

## VOL. 5: PROHIBITED AND UNALLOWABLE ACTIVITIES



### WHAT ARE PROHIBITED OR UNALLOWABLE ACTIVITIES?

Prohibited and unallowable activities are certain activities that AmeriCorps staff, members, and volunteers may not engage in while charging time to AmeriCorps programs, accumulating service or training hours, or otherwise performing activities supported by AmeriCorps or its programs.

### WHY ARE THEY A BIG DEAL?

These activities are important to know so AmeriCorps staff, members, and volunteers only represent AmeriCorps programs within the rules. Individuals enrolled in AmeriCorps are able to exercise their rights as a private citizen and may participate in any of the listed prohibited or unallowable activities on their own initiative, during non-AmeriCorps time, and with no representation or affiliation with AmeriCorps funding.

### WHAT ACTIVITIES ARE PROHIBITED?

- Attempting to influence legislation;
- Organizing or engaging in protests, petitions, boycotts, or strikes;
- Assisting, promoting, or deterring union organizing;
- Impairing existing contracts for services or collective bargaining agreements;
- Engaging in partisan political activities, or activities designed to influence the outcome of an election to any public office;
- Participating in, or endorsing, events or activities likely to include advocacy for or against political parties, platforms, candidates, proposed legislation, or elected officials;
- Engaging in religious instruction, conducting worship services, or engaging in any form of religion recruitment or conversion of beliefs;
- Providing a direct benefit to a business organized for profit, a labor union, a partisan political organization, a nonprofit organization, or an organization engaged in religious activities;
- Conducting a voter registration drive;
- Providing abortion (related) services or referrals for receipt of such services;
- Census activities;
- Election and polling activities; and
- Other activities AmeriCorps may prohibit.

## WHAT ABOUT UNALLOWABLE COSTS?

While not all inclusive, the following are generally considered to be unallowable costs and should not be charged as Federal or match share of expenses:

- Costs of promotional items and memorabilia
- Costs of advertising and public relations designed solely to promote the recipient or subrecipient
- Costs of alcoholic beverages
- Contributions and donations to individuals or other entities (cash, property, or services)
- Entertainment costs including amusement, diversion and social activities
- Fines, penalties, damages, and other settlements
- Fundraising costs
- Goods or services for personal use
- Costs not adequately documented

### What do Prohibited Activities have to do with Fraud?

The False Claims Act (FCA) provides that any person who knowingly (or recklessly) submits, or causes to submit, false claims to the government is liable for up to three times the government's damages plus a penalty. FCA liability can also arise when a person knowingly (or recklessly) uses a false record material to a false claim or improperly avoids an obligation to pay the government. Conspiring to commit any of these acts also is a violation of the FCA. Typically, organizations are held liable under the FCA for the actions of its employees.

AmeriCorps grantees make false claims upon the Federal government when a grantee knowingly (or recklessly) certifies education awards based upon hours a member spent performing prohibited activities, or claim false Federal expenditures. False claims can also occur when grantees draw down grant funds, and submit Federal financial reports or Periodic Expense Reports.

During fiscal year 2024, the Department of Justice obtained more than \$2.9 billion in settlements and judgements from civil cases involving false claims. AmeriCorps OIG has recovered over \$3 million in settlements since fiscal year 2022.

### TERM SEARCH

#### Can you find all the Terms?

Hidden in the grid below are 14 key terms that play an important role in Prohibited Activities.

E	V	I	R	D	N	U	X	V	V	Y	Q	R	D	Z	J	A	U	L	D
N	R	W	Q	T	K	L	U	F	Q	K	Y	V	N	F	Q	B	H	E	S
Y	J	N	P	H	B	N	D	Y	A	P	N	G	K	P	K	E	T	R	O
Q	P	L	G	M	L	M	H	G	B	R	H	N	L	Q	K	I	L	I	M
A	C	T	I	V	I	T	I	E	S	B	I	R	F	P	B	M	P	V	Z
Y	W	H	L	Y	Z	M	A	C	S	D	O	G	R	I	M	N	N	N	A
D	O	T	A	H	Z	X	D	A	I	Q	U	L	H	J	E	D	B	W	S
G	O	J	C	E	V	T	F	N	G	V	P	O	P	R	O	T	E	S	T
Q	Q	A	I	O	Y	E	E	D	J	R	R	V	U	W	L	N	D	L	U
C	R	R	T	U	R	V	W	I	E	P	U	I	Q	M	W	Z	T	N	K
K	M	E	I	S	E	U	I	D	B	B	N	X	W	G	V	Y	T	N	W
U	R	L	L	P	M	C	W	A	N	O	I	T	C	E	L	E	T	W	U
B	E	X	O	I	H	V	N	T	F	V	O	P	P	A	Q	Q	R	S	F
Y	O	R	P	U	G	O	B	E	J	C	N	S	Q	F	E	O	E	C	B
Y	K	Y	I	H	I	I	B	S	E	D	S	A	A	N	H	D	S	J	C
R	R	B	C	T	L	X	O	N	H	G	X	E	J	D	N	S	P	A	U
V	V	G	R	O	Z	S	S	U	S	Q	M	A	E	I	L	H	M	C	U
U	U	O	I	C	T	U	C	X	S	R	E	H	Y	M	T	D	I	Z	Z
A	B	F	V	X	S	T	Z	E	D	U	U	T	V	V	E	E	Y	Q	S
A	H	M	Z	L	O	I	R	G	D	E	V	C	Z	U	E	O	H	L	N

Abortion  
Activities  
Boycott  
Candidates  
Census  
Drive  
Election

Lobby  
Political  
Prohibited  
Protest  
Religious  
Unions  
Voter



## WHAT IF...

### WHAT SHOULD I DO IF I SUSPECT PROHIBITED ACTIVITIES ARE TAKING PLACE?

If you suspect that prohibited activities are taking place you should take the following steps:

- Notify AmeriCorps OIG and your Portfolio Manager without delay of your suspicions;
- Retain any notes, correspondence, or documentation related to the suspected prohibited activities;
- DO NOT investigate your suspicions further until you speak with AmeriCorps OIG.

Additionally, you can always share concerns related to suspected prohibited activities or unallowable costs via the AmeriCorps OIG [Hotline](#).

### WHAT SHOULD I DO IF I'M NOT SURE IF AN ACTIVITY IS PROHIBITED?

If you're unsure of what activities are prohibited, take some time to review the code of federal regulations ([45 CFR § 2520.65](#)).

If that does not resolve your concerns, consult with your organization's General Counsel (if applicable), State Service Commission, and/or Portfolio Manager to discuss further.

## CASE STUDIES

### INVESTIGATION OF VISTA MEMBERS PERFORMING PROHIBITED ACTIVITIES

The AmeriCorps OIG investigated allegations that AmeriCorps VISTA members at an organization in Texas were engaging in prohibited activities.

The evidence collected through the investigation supported findings that the organization planned for and intentionally allowed VISTA members to perform prohibited activities, such as serving as medical scribes, patient advocates, medical assistants, a dental assistant, and pharmacy technicians filling and dispensing medication, while knowing it was against AmeriCorps rules and regulations. Additionally, the investigation found that five VISTA members displaced paid employees, volunteers, or interns.

AmeriCorps partially concurred with the Report of Investigation (ROI) recommendations. AmeriCorps did not believe that costs associated with VISTA members who were engaged in direct service should be recouped, as indirect service constitutes a programmatic priority and not a violation of federal regulations. AmeriCorps related that it did not have a legal relationship with the organization, and therefore could not issue a debt to the organization to recover the living allowances and disbursed education awards as recommended in the ROI. However, AmeriCorps initiated recoupment actions to collect \$80,561.32, reflecting \$61,435.50 in living allowance payments and \$19,125.82 in education awards paid to VISTA members who were found to have violated non-displacement regulations. AmeriCorps also provided the recommended training and technical assistance.

### ASN MEMBERS AND STAFF ENGAGED IN LOBBYING ACTIVITIES

The AmeriCorps OIG investigated an allegation that a college access program staff member and an AmeriCorps member were lobbying at the state capitol.

AmeriCorps OIG's investigation substantiated the allegation and confirmed that only one member was in attendance and the lobbying activity was limited to one day. AmeriCorps OIG referred the matter to AmeriCorps State and National (ASN) and recommended it disallow the member's service hours and a staff member's hours that had been charged as matching expenditures for the date of the lobbying activity. AmeriCorps OIG also recommended that ASN provide additional training to the college access program on prohibited activities.

## RELATED LAWS AND REGULATIONS

- [45 CFR § 2520.65: What activities are prohibited in AmeriCorps subtitle C programs?](#)
- [31 U.S.C. § 3729-3733: False Claims Act](#)

# WHAT DO PROHIBITED ACTIVITIES LOOK LIKE IN REAL LIFE?

Can you match the icon to the example of a real life prohibited activity? These are prohibited for staff, members, and volunteers while on the clock.

*\*answers are provided at the bottom of this page*



1. Engaging in religious instruction, conducting worship services, or engaging in any form of religion recruitment or conversion of beliefs



2. Assisting, promoting, or deterring union organizing



3. Organizing or engaging in protests, petitions, boycotts, or strikes



4. Conducting a voter registration drive, or participating in election or polling activities



5. Participating in, or endorsing, events or activities that are likely to include advocacy for or against political parties, political platforms, political candidates, proposed legislation, or elected officials



6. Providing abortion (related) services or referrals for receipt of such services

- A. Hosting a voter registration drive.
- B. Picketing in front of a local business.
- C. Giving someone a pamphlet or information about abortion services.
- D. Hosting a prayer circle.
- E. Organizing a union.
- F. Holding a meeting about upcoming local legislation.
- G. Handing out religious fliers
- H. Negotiating salary or benefits for a group of employees.
- I. Working at a poll station.
- J. Gathering signatures for a petition.
- K. Giving someone a ride to receive abortion services.

## 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:



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