



AmeriCorps Office of Inspector General

Comments of Stephen Ravas, Acting Inspector General, AmeriCorps Office of Inspector General Regarding FY 2026 Funding Level for AmeriCorps OIG

Under the Inspector General Act of 1978, an Inspector General may submit a separate message to Congress when “the Inspector General concludes that the budget submitted by the President would *substantially inhibit* the Inspector General from performing the duties of the office.” 5 U.S.C. § 406(g)(3)(E). The President’s Fiscal Year (FY) 2026 Budget contemplates eliminating AmeriCorps. However, it neither addresses the operational needs of the Office of Inspector General if AmeriCorps continues to operate, nor the need for oversight of AmeriCorps funding beyond the point of AmeriCorps’ closure. The FY 2026 Budget *substantially inhibits* the OIG from performing our statutory duties in those scenarios. This message outlines the resources necessary to sustain effective oversight of AmeriCorps as a functioning organization.

For FY 2026, the OIG requests an operating budget of \$8,995,000. This is a \$1.4 million increase over FY 2025 levels. This funding amount is still \$2.2 million dollars less than level of support that AmeriCorps OIG received in FY 2011, when converted to today’s dollars.¹ Funding at the President’s Budget level of \$5.75 million would make meaningful oversight impossible from both a staffing and resource perspective.

¹ According to the Bureau of Labor Statistics CPI Inflation Calculator, \$7.7 million in 2011 has the spending power of \$11.2 million in today’s dollars. AmeriCorps OIG’s enacted appropriation history is as follows:

| Fiscal Year | Enacted Budget (in millions) |
|-------------|------------------------------|
| 2011 | \$7.68 million |
| 2012 | \$3.99 million |
| 2013 | \$3.78 million |
| 2014 | \$5.0 million |
| 2015 | \$5.25 million |
| 2016 | \$5.25 million |
| 2017 | \$5.75 million |
| 2018 | \$5.75 million |
| 2019 | \$5.75 million |
| 2020 | \$5.75 million |
| 2021 | \$6.50 million |
| 2022 | \$6.595 million |
| 2023 | \$7.595 million |
| 2024 | \$7.595 million |

In FY 2012, AmeriCorps OIG experienced a devastating (and unexplained) 49 percent funding cut, which forced the Office to lay off most of our auditors and investigators. The Office continues to gradually rebuild the capabilities lost as a result.

Budget Request Summary (in thousands)

| | FY 2024 Enacted Budget | FY 2025 Enacted Budget | Proposed FY 2026 OIG Budget | Difference |
|----------------------------------|------------------------------|------------------------------|-----------------------------------|----------------|
| Immediate Office | \$478 | \$568 | \$568 | \$0 |
| Office of Counsel | \$670 | \$925 | \$925 | \$0 |
| Office of Mission Support | \$1,101 | \$666 | \$666 | \$0 |
| Office of Audits | \$2,144 | \$2,201 | \$3,201 | \$1,000 |
| Office of Investigations | \$2,083 | \$2,201 | \$2,201 | \$0 |
| Office of Information Technology | \$993 | \$905 | \$1,305 | \$400 |
| OIG Training | \$95 | \$95 | \$95 | \$0 |
| OIG Annual CIGIE | \$31 | \$34 | \$34 | \$0 |
| Totals | \$7,595 | \$7,595 | \$8,995* | \$1,400 |

*OIG is requesting multi-year spending authority for statutory requirements

Billing Language

For necessary expenses of the Office of Inspector General as authorized by the Inspector General Act of 1978, \$8,995,000, of which \$2,000,000 shall remain available until expended for necessary expenses.

Mission and Recent Accomplishments

AmeriCorps OIG promotes efficiency and effectiveness in AmeriCorps programs and holds AmeriCorps officials and grantees accountable for misconduct. We strengthen AmeriCorps by conducting audits and reviews to identify wasteful spending and mismanagement, investigating fraud and wrongdoing, recommending appropriate agency policies and best practices, and taking other steps to prevent and detect fraud, waste, and inefficiencies in AmeriCorps programs and operations. Our recent work has been instrumental in:

- Using our budget of **\$7.5 million** to identify **\$10.2 million** in monetary impact. Monetary impact includes funds that were identified as subject to fraud, waste, or abuse, questioned, or put to better use. Three audits alone identified \$9.1 million in monetary impact due to the improper recording of member time, insufficient documentation, inadequate subgrantee monitoring, and noncompliance with Federal regulations and grant terms and conditions.
- Alerting AmeriCorps management to issues in the award, management, and oversight of a contract for AmeriCorps' new grants management system. We

identified several factors contributing to cost overruns that have exceeded **\$9 million**—more than double the amount of the original contract.

- Alerting AmeriCorps management that Federal appropriations law, relevant precedent, and AmeriCorps' own accounting treatment of when grant funds are obligated raise concerns that more than **\$144 million** in AmeriCorps Rescue Plan (ARP) funds are at risk of having been obligated after they were rescinded by Congress.
- Leading a **multi-subject criminal investigation involving embezzlement** from AmeriCorps programs, beginning three to five years before the investigation, which resulted in three convictions with a combined sentence of 96 months incarceration, five years of probation, 6 years of supervised release, and \$649,261 in restitution. The investigation also identified a bribery scheme involving the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and prevented the disbursement of over **\$1 million** in fraudulent CARES Act grants. An ongoing civil investigation is currently pursuing damages and penalties against the prime grantee, whose reckless disregard allowed the frauds to occur.
- Obtaining two criminal pleas in an ongoing **multi-agency criminal case** led by our office. We uncovered a group of individuals participating in related schemes to rig contract actions and provide false information to obtain Paycheck Protection Program funds. Additional plea agreements are anticipated, with total potential recoveries likely to exceed **\$10 million**.
- Pursuing an ongoing civil case involving an AmeriCorps grantee whose former Program Director allegedly falsified program documentation, including the number of volunteers and beneficiaries served by the program. The purported fraud occurred over decades and was identified when the Program Director retired.
- Continuing partnerships with grant fraud prosecutors in multiple United States Attorney's Offices to pursue vigorous civil fraud recoveries and penalties for misspent funds. Since 2019, our fraud settlements have totaled **\$7,834,578.05**.

We appreciate the support that AmeriCorps OIG has received from Congress for this important oversight work, including in multiple oversight hearings in the past four years.²

Urgent Need for Additional Oversight Capacity to Protect Billions in Taxpayer Funds

Recent Budget History

In FY 2023, AmeriCorps OIG requested a \$1.526 million increase above the FY 2022 enacted level to address critical staffing and operational needs. Congress provided a \$1 million increase, bringing our budget to \$7.595 million, where it has remained since. In FY 2024, we sought an additional \$977,000, followed by a \$1.167 million request in FY 2025. These requests reflected a disciplined effort to right-size the OIG and ensure our capacity could address the scope and complexity of our oversight responsibilities.

Scope of Oversight

From FY 2017 through FY 2024, AmeriCorps issued 7,870 grants totaling \$5.92 billion. Over the same period, the OIG completed oversight engagements over 84 of these grants totaling \$231 million. That equates to oversight of only one percent of grants and less than four percent of the granted Federal dollars. Almost \$600,000,000 has been reimbursed thus far in FY 2025.

In FY 2024, AmeriCorps OIG operated with a full staff of 29 employees, supplemented by two additional positions funded through the American Rescue Plan, and an appropriated budget of **\$7.595 million**. Despite its modest size and resources, the OIG identified approximately **\$10.29 million** in funds that were wasted, defrauded, uncollected, or questioned, demonstrating a strong return on investment and underscoring the critical role of oversight in protecting taxpayer dollars. Although this is a high return for a small OIG, \$10.29 million represents only 0.002 percent of the funds reimbursed to grantees over the last five years. AmeriCorps OIG needs more resources in order to prevent and detect fraud in AmeriCorps programs.

Critical Inflection Point

AmeriCorps OIG is now at a critical inflection point. Before the recent staff reduction and grant cuts, the OIG was under-resourced and unable to fully address serious risks within AmeriCorps, including longstanding deficiencies in financial controls, inadequate grant fraud safeguards, and

² House Committee on Education and the Workforce, Subcommittee on Education and Workforce Training, United States House of Representatives, "[Examining the Policies and Priorities of AmeriCorps and Its FY 2024 Audit Failure](#)," on December 11, 2024, House Committee on Education and Labor, Subcommittee on Higher Education and Workforce Investment, "[Examining the Policies and Priorities of the Corporation for National and Community Service](#)," on December 14, 2022, and House Committee on Education and Labor, "[Strengthen Oversight and Accountability at AmeriCorps](#)," on December 1, 2021.

outdated IT systems. AmeriCorps' recent staff reduction places even greater pressure on the OIG to fill a widening oversight gap—without the corresponding resources to do so.

Following recent cuts mandated by the Department of Government Efficiency, AmeriCorps is being forced to drastically restructure how it manages federal grant dollars. If Congress approves funding to rebuild this capacity, AmeriCorps will need to hire aggressively, bringing with it significant implementation risk. Effective oversight of this transformation is essential to ensuring that taxpayer dollars are protected.

At the same time, AmeriCorps OIG must now provide oversight for nearly \$5 billion in grants awarded over the past five years—**funds that are no longer monitored by the agency due to the staffing reductions**. These unmonitored funds pose a substantial vulnerability to fraud, waste, and abuse. Historically low staffing levels at the OIG create an environment ripe for misconduct. Fraudsters are more likely to exploit programs when they know oversight is weakened.

Moreover, sustained oversight is necessary to ensure that AmeriCorps corrects legacy infrastructure challenges that have long hindered effective grant management and fiscal accountability. Without an investment in the OIG's oversight capacity, Congress risks allowing billions in federal funds to go unprotected. To fulfill its mission and safeguard taxpayer interests, the OIG must be empowered with the staffing and resources necessary to provide comprehensive, proactive oversight at this pivotal moment.

The High Risks Associated with Staffing Reductions and Any Agency Rebuild Requires Additional Oversight.

Late on April 16, 2025, the Department of Government Efficiency, through AmeriCorps staff, placed approximately 322 agency staff on administrative leave. This reduction left AmeriCorps with a staff of 116: 107 administrative and programmatic staff, and nine attorneys in the Office of General Counsel to handle associated litigation. This unprecedented cut was made after 35 staffers took the initial Deferred Resignation Program (DRP). When AmeriCorps leadership signaled to staff that impending cuts would be above 50 percent, 246 staff took the second DRP. The approximately 90 percent reduction in staff levels is debilitating for AmeriCorps.

AmeriCorps will struggle to perform basic functions. AmeriCorps now appears ill-equipped to perform most of its necessary functions, including walking AmeriCorps OIG through its financial management process, assisting grantees with both programmatic and financial operations across all AmeriCorps grant programs, administering grants, conducting day-to-day oversight of grantees, and providing training and technical assistance. Our preliminary analysis suggests that approximately \$1.6 billion of disbursed funds for nearly 2,000 grant awards are assigned to Portfolio Managers who are no longer working. If AmeriCorps rebuilds its staff, it is at heightened

risks of fraud, waste and mismanagement that warrant particularly close oversight for the foreseeable future.

AmeriCorps' years-long effort on financial reform is stalled by the staffing reductions.

AmeriCorps has not produced auditable financial statements for the past eight years, but there was reason to believe that AmeriCorps would address a number of the 11 material weaknesses identified in the FY 2024 financial statements audit. Prior OIG audits found that AmeriCorps staff lacked the knowledge, skills, and experience necessary to reform financial management. It was essential that AmeriCorps bring in contractors to perform financial remediation activities, which it did. However, as part of the Department of Government Efficiency's effort to cut contract costs, the contractors in place to improve financial management were terminated. In addition, most AmeriCorps staff that were familiar with the financial reform process were part of the Department of Government Efficiency's 90 percent staff reduction in force. AmeriCorps no longer has the resources or ability to improve its financial management.

AmeriCorps' inability to monitor its grants. Further, the staff reduction eliminated the Office of Monitoring (OM) and will disrupt grant monitoring for the foreseeable future. This will leave AmeriCorps especially vulnerable to fraud and waste. The changes will also make it virtually impossible for AmeriCorps itself to effectively prevent or mitigate fraud, waste, and abuse by its grantees or promptly detect and correct internal abuses. In this heightened risk environment, greater independent oversight is necessary to protect the integrity of AmeriCorps' programs and the communities and beneficiaries they serve. This must include not only more audits and investigations but increasing innovative oversight activities that produce quick results, including Management Alerts, and allow AmeriCorps to make improvements during its unprecedented level of understaffing.

AmeriCorps' cybersecurity and privacy protections are at risk. In fiscal year 2024, the agency made considerable gains on its Federal Information Security Modernization Act maturity ratings, which focus on cybersecurity of its IT systems, including those that relate to the financial statements audit. The reduction of AmeriCorps' workforce now places at risk AmeriCorps' cybersecurity and privacy protections. The Office of Information Technology now stands at six employees, down from 36 plus a cadre of contract employees who operated its helpdesk. The inability for the agency to continue to address cybersecurity endangers not only AmeriCorps' operations, but also the personally identifiable information of more than 1 million AmeriCorps alumni.

AmeriCorps no longer has the capabilities to conduct monitoring activities. Prior to Department of Government Efficiency initiatives to reduce staff at AmeriCorps, OM employed approximately 20 staffers to use a grant risk model and risk-aligned monitoring to identify problems before they became crises, and to intervene when a grantee veers off course. The creation of the OM was an OIG recommendation, and we worked with the agency to develop an accurate grant risk model.

As a result of putting almost 90 percent of AmeriCorps staff on administrative leave, the OM was reduced to a single individual—the Director—who has since moved to head the Office of the Chief Risk Officer. AmeriCorps is no longer equipped to perform any monitoring activities.

Continued Oversight Needed to Address Legacy Weaknesses That Impair AmeriCorps' Current and Future Operations

Additional oversight is needed as AmeriCorps grapples with unresolved legacy issues that dramatically increase the risk of fraud, especially while it is understaffed or rebuilding.

AmeriCorps' information technology (IT) infrastructure for grant management is outdated and modernization projects were cancelled. One of AmeriCorps' top challenges is modernizing its outdated grants management and member management systems. Under a prior AmeriCorps leadership team, the agency unsuccessfully attempted to develop a grants and member management software platform. In 2019, that initial effort resulted in a \$33.8 million expenditure and no viable product. In November 2022, the agency undertook a new effort, expected to cost close to \$28 million, to update its grants management system and its AmeriCorps member portal. Last fall, we issued a [Management Alert](#) due to cost overruns that exceeded \$9 million—more than double the amount of the original contract for the grants management system. This system had yet to go live prior to Department of Government Efficiency actions to cancel agency contracts. As a result of those actions, any progress made under the modernization effort, which began in 2022, has been lost.

We Continue to Protect National Service. At the same time, AmeriCorps OIG continues to protect the integrity of national service programs by:

- Conducting our statutory auditing requirement by reviewing high-risk AmeriCorps activities through risk-based performance audits, to identify problematic practices, recommend improvements, and determine costs that should be recovered;
- Performing required annual audits and evaluations of AmeriCorps' financial statements, cybersecurity, and improper payments, each of which has recently uncovered serious flaws or fundamental noncompliance in past reviews;
- Pursuing an active and significant caseload of civil, criminal, and administrative matters to hold individuals and organizations accountable and to recover misspent funds;

- Maintaining a robust hotline operation to receive and process allegations of fraud, waste and mismanagement by AmeriCorps staff, grantees or contractors;
- Maintaining a Whistleblower Coordinator to educate staff about prohibitions on retaliation and the rights and remedies of staff who have been subjected to retaliation, and to conduct retaliation investigations of allegations concerning grantee and contractor staff;
- Increasing outreach to regional staff, grantees, and subgrantees on fraud awareness and internal control best practices so that grantee staff on the ground have information to improve their organization's internal controls;
- Recommending revisions to AmeriCorps policies, procedures, regulations, and conducting training, focusing on strengthening internal controls to prevent and detect waste, fraud, and abuse; and
- Recommending suspensions and debarments to protect the integrity of AmeriCorps programs.

Additional Funds Will Increase Staff and Oversight

The requested funding is essential to strengthening AmeriCorps OIG's capacity to deliver high-impact, timely oversight that protects federal resources and improves program performance, at an especially crucial time. Specifically, these funds will allow us to: (1) transition two mission-critical staff from expiring ARP funds to stable appropriated funding; (2) hire two additional auditors; (3) increase our audit output by approximately two additional audits per year—significantly expanding our ability to detect and deter waste, fraud, and abuse; and (4) urgently address a major vulnerability in our IT operations.

Our Director of Special Reviews and Forensic Analysis (DSPFA) and Senior Data Scientist are both vital to the effectiveness and sophistication of our oversight work. Currently funded by ARP dollars set to expire at the end of FY 2026, these two positions are at serious risk without additional appropriated funding. The DSPFA leads rapid-response reviews that often result in Management Alerts—early warnings to AmeriCorps about urgent operational issues. Recent alerts have already led to important corrective actions. Additionally, the DSPFA is the only OIG staff member with forensic analysis expertise, directly supporting both investigations and audits.

Similarly, our Senior Data Scientist—the sole member of our data analytics team—has advanced our oversight by developing predictive models to identify grant risks and

potential noncompliance among subrecipients. Losing this capability would be a step backward, weakening the most forward-leaning oversight functions we have developed in recent years.

The requested funding will directly strengthen our audit capabilities at a critical moment for AmeriCorps oversight. Specifically, it will allow us to hire two in-house auditors and increase to four the number of risk-based performance audits we can conduct in the next fiscal year. These audits are essential for improving the timeliness, scope, and responsiveness of our oversight, especially as AmeriCorps undergoes significant staffing reductions and its internal grant monitoring capacity continues to weaken. Without these added audit resources, the risk of undetected fraud, waste, and abuse of federal funds rises considerably.

In addition, we must urgently address a major vulnerability in our IT operations. Currently, one staff member is solely responsible for maintaining our IT infrastructure, managing the helpdesk, and ensuring continuity of mission-critical systems: a single point of failure that puts our operational resilience and data security at risk. The requested funds would allow us to hire a second IT professional to provide redundancy, enhance cybersecurity, and ensure uninterrupted support for our oversight activities.

These investments are not discretionary—they are fundamental to the integrity and continuity of our mission. Without sustained funding, we risk losing critical talent and institutional knowledge, weakening our ability to detect and respond to risks in a timely manner. At a time when data-driven oversight and rapid-response capabilities are more important than ever, this modest increase in resources will deliver outsized returns in accountability, operational stability, and public trust.

| Position | Basis | Anticipated Annual Cost |
|---|--|-------------------------|
| Director of Special Reviews and Forensic Analysis | Move to stable appropriated funding | \$200,000 |
| Senior Data Scientist | Move to stable appropriated funding | \$200,000 |
| Auditor | Expand OIG's ability to conduct risk-based performance audits | \$200,000 |
| Auditor | Expand OIG's ability to conduct risk-based performance audits | \$200,000 |
| IT Specialist (Infrastructure) | Safeguard critical IT infrastructure and provide necessary staffing redundancy | \$200,000 |
| Additional Audit | Risk-based Performance Audit | \$250,000 |
| Additional Audit/Evaluation | Risk-based Audit/Evaluation | \$150,000 |
| Total | | \$1,400,000 |

Oversight is Still Needed if Congress Shuts Down AmeriCorps

Even if Congress votes to shut down AmeriCorps, robust oversight must continue for at least four to five years to protect taxpayer dollars. Over the past five years, AmeriCorps has reimbursed nearly \$5 billion in grants, with almost \$600 million reimbursed in FY 2025 alone. These funds remain subject to audits, investigations, and potential recovery. Without adequate funding for the AmeriCorps OIG, there will be no entity responsible for ensuring that misused or improperly spent funds are identified and returned to the U.S. Treasury.

Winding down a federal program without continued oversight leaves billions of taxpayer dollars vulnerable to waste, fraud, and abuse, undermining public trust and fiscal accountability. Notably, both the Special Inspector General for the Troubled Asset Relief Program and the Special Inspector General for Pandemic Recovery remained in operation well beyond the distribution of funds, precisely to safeguard these investments during the critical closeout period.

By design, Offices of Inspector General serve as a second line of defense—not the only line—when it comes to program oversight. For years, we have warned that AmeriCorps’ internal grant monitoring was insufficient. Today, it is clear that the agency can no longer effectively oversee its grants.

The majority of AmeriCorps funds are reimbursed the fiscal year after they are awarded, and it typically takes the OIG up to 18 months to uncover issues through audits and investigations. Therefore, if the OIG shuts down at the end of FY 2026, oversight of FY 2025 funds that will be issued in June and July will disappear without the OIG being able to conduct meaningful review. At the same time, there will be no entity that is overseeing any of the nearly \$5 billion in grants awarded over the past five years.

In addition, **we have 17 active cases being pursued by Assistant United States Attorneys**—both criminal and civil—with additional cases likely to follow. These investigations are complex and often take years to reach resolution. Even if all new oversight activities were halted today, the majority of these cases would remain unresolved well beyond FY 2026. Without continued support from OIG special agents, the significant investigative and legal work already completed could be rendered moot. Abandoning these cases midstream would not only waste taxpayer-funded efforts but also allow potential fraudsters to evade accountability, undermining the integrity of federal programs and eroding public trust.

In the event of an agency shutdown, we respectfully request a flat annual budget of \$7,595,000 in appropriated funds for three years, with a winddown budget allocated over the final two years of operations. We also request the conversion of our remaining ARP funds—currently set to expire at the end of FY 2026—into no-year funding for flexible use during the winddown period.

This funding approach would enable us to sustain essential oversight functions without requiring further appropriations, ensure the cost-effective use of existing resources, and support an

orderly and responsible closeout of operations by FY 2030. It reflects sound fiscal stewardship while preserving critical oversight of billions in federal grant funds that will remain active well beyond the program's potential sunset.

| Type of Funding | FY 2026 | FY 2027 | FY 2028 | FY2029 | FY 2030 |
|--|-----------|-----------|-----------|-----------|-----------|
| Appropriated Funding | \$7,595* | \$7,595* | \$7,595* | \$6,495* | \$5,624* |
| ARP Funding (converted to "no year" money) | As needed | As needed | As needed | As needed | As needed |

*in thousands

Conclusion

Should Congress appropriate funding for AmeriCorps above shutdown levels, we respectfully request an appropriation of \$8,995,000 in FY 2026. This level of funding would enable us to sustain our momentum in conducting risk-based, proactive, thorough, and successful investigations—efforts that are especially critical during this period of heightened need. It would also allow us to continue supporting AmeriCorps in enhancing its financial management practices, safeguarding taxpayer dollars, and ensuring that services reach the communities most in need.

Alternatively, if Congress allows AmeriCorps to be shuttered, we respectfully request that Congress fund AmeriCorps OIG at a flat budget level \$7,595,000 with winddown funding in the final two years. We also request that any remaining ARP funds be converted to no-year funding, allowing for supplemental use as necessary throughout the transition.

Investing in our oversight curbs waste, promotes better and more efficient government, and protects the integrity of national service. Thank you for considering these comments and for your consistent and strong support for the important mission of AmeriCorps OIG.