Office of the Inspector General
Corporation for National and Community Service

Semiannual Report to the Congress
for the period
October 1, 1997 — March 31, 1998

Fiscal Year 1998
Semiannual Report No. 1

As required by the Inspector General Act of 1978, as amended, this report describes our activities and accomplishments for the first half of fiscal year 1998. Section 5 of the Act requires that the Corporation's Chief Executive Officer submit this report to the Congress and the Corporation's Board of Directors within 30 days of its receipt.

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EXECUTIVE SUMMARY

AUDITS

During this semiannual reporting period, we issued nine reports including the final report on our review of the Corporation's training and technical assistance agreements.

The report on training and technical assistance agreements revealed deficiencies in the Corporation's solicitation and selection process, oversight and monitoring, granting of cost extensions, and documentation. During fiscal year 1997 the Corporation spent approximately $7.8 million for training and technical assistance efforts (*page 3*).

Our analysis of 60 previous audits and reviews of Corporation grants, covering the period from fiscal year 1995 through fiscal year 1997, details findings of difficulties experienced by new grantees in administering Corporation funds (*page 4*).

Seven reports on Corporation grant programs were issued during the period. Their combined total questioned costs exceeded $1.2 million dollars (*page 7*).

AUDIT RESOLUTION

The Corporation has made progress reducing unresolved audit reports. The management decisions backlog was reduced from 25 to four, and reports pending final action were reduced from 23 to 18 *(page 11)*.

In response to OIG Report 97-30, *Audit of the Corporation for National Service's Gift Fund*, the Corporation decided not to report its $13,000 over expenditure of unrestricted gift funds as a violation of the Antideficiency Act. OIG disagrees with the Corporation's position (*page 12*).

INVESTIGATIONS

During this semiannual reporting period we processed 68 Hotline calls, opened 23 investigative actions, and completed 20 investigative actions. We also referred four matters to the Department of Justice for prosecutive determination (*page 14*).

We referred four reports to Corporation management documenting various conditions we found that were conducive to fraud, waste, or abuse. The reports were provided to assist management in increasing Government integrity and improving program operations and effectiveness. The referrals to management included improper education award certifications, alleged travel abuses, and misuse of Corporation resources (*pages 14 through 18*).

OTHER ASPECTS OF OUR MISSION

Review of Legislation and Regulations. We reviewed and commented on the Corporation's proposed draft legislation to reauthorize the Corporation's programs (*page 20*). We also commented on revisions to its regulations on implementing the statutorily imposed five percent cap on Federal reimbursement of grantee administrative costs (*page 22*).

Annual Financial Statement Audit. The Corporation has embarked on a plan to correct deficiencies which have, heretofore, precluded the audit of its financial statements (*page 6*).

Working to Improve Program Management. OIG and Corporation management jointly sponsored appropriations law training for OIG staff and senior Corporation management (*page 24*).

IG ACT REPORTING REQUIREMENTS

This table cross-references the reporting requirements prescribed by the Inspector General Act of 1978, as amended, to the specific pages in the report where they are addressed.

Requirement		**Page**
Section 4 (a)(2)	Review of legislation and regulations.	20
Section 5 (a)(1)	Significant problems, abuses, and deficiencies related to the administration of Corporation programs and operations.	*Throughout*
Section 5 (a)(2)	Recommendations with respect to significant problems, abuses, and deficiencies found in the administration of Corporation programs and operations.	*Throughout*
Section 5 (a)(3)	Prior significant recommendations on which corrective action has not been completed.	28, 30
Section 5 (a)(4)	Matters referred to prosecutive authorities.	14, 19
Section 5 (a)(5)	Summary of instances where information was refused.	*None this period*
Section 5 (a)(6)	List of audit reports by subject matter showing dollar value of questioned costs and recommendations that funds be put to better use.	11
Section 5 (a)(7)	Summary of each particularly significant report.	*Throughout*
Section 5 (a)(8)	Statistical table showing number of reports and dollar value of questioned costs.	25
Section 5 (a)(9)	Statistical table showing number of reports and dollar value of recommendations that funds be put to better use.	26
Section 5 (a)(10)	Summary of each audit issued before this reporting period for which no management decision was made by end of reporting period.	27
Section 5 (a)(11)	Significant revised management decisions.	*None this period*
Section 5 (a)(12)	Significant management decisions with which the Inspector General disagrees.	12

The Office of the Inspector General Audit Section is responsible for auditing grants, contracts, and cooperative agreements funded by the Corporation. The Audit Section reviews Corporation operations and ensures that financial, administrative, and program aspects of Corporation operations are examined. It also conducts the audit of the Corporation's annual financial statements, including evaluation of the Corporation's internal accounting controls. All audit reports are referred to Corporation management for action or information. Additionally, the Audit Section advises and assists the Corporation in resolving audit recommendations. A list of all reports issued by the Audit Section during this period can be found on page 11.

OIG REPORTS ON CORPORATION FINANCIAL MANAGEMENT

Review of Training and Technical Assistance Agreements (OIG Audit Report 98-01)

We provided the Chairman of the Subcommittee on Oversight and Investigations, House Committee on Education and the Workforce, information on the Corporation's authority for awarding training and technical assistance agreements, the purpose of the agreements, the procedures used by the Corporation in awarding the agreements and providing oversight, and the guidelines for granting cost extensions. We reported that

- The Corporation has the authority to enter into cooperative agreements to provide training and technical assistance to national service programs, and that the agreements reviewed were supportive of Corporation programs and aimed at enhancing the effectiveness of the individual entities performing these programs. However, most of these cooperative agreements were rather broad in scope. Several called for the provision of "a wide range of services designed to meet project and CNCS needs...." Other agreements require the awardee to "provide rapid response technical assistance to AmeriCorps grantees...."

  Given the indeterminate nature of these services, we recommended that the Corporation use indefinite delivery, indefinite quantity, task order contracts rather than cooperative agreements to obtain these services.

- The Corporation did not have formal policies and procedures for documenting its selection and award process, or for monitoring the activities carried out under the agreements. As a result, the content of the Corporation's Official files for these agreements varied considerably. Only one of the 14 Official files reviewed[1] contained a complete set of

[1]The sample was selected from a listing of 33 agreements provided to the Subcommittee by the Corporation.

documentation related to the solicitation and selection of the award recipient, and only three of the 14 contained evidence of what could be characterized as Corporation oversight of, or involvement in, the activities of the awardees. Further, while the reasons for cost extensions were generally appropriate, none of the files reviewed contained documentation explaining the extent of the Corporation's review of the amounts proposed in requests for cost extensions.

We recommended that the Corporation develop and implement policies and procedures to document the solicitation and selection processes used to award training and technical assistance agreements and to assure their proper oversight.

In its comments on a draft of the report, the Corporation disagreed with our recommendation to use contracts and plans to continue to use cooperative agreements to obtain these services. The Corporation stated that it would implement new policies and procedures over awarding and monitoring these agreements. Because we regard this as a high risk area, we will continue to monitor Corporation efforts to improve controls over these agreements and other procurement activities.

Summary of Results of OIG Audits and Reviews of Corporation Grants, Fiscal Year 1995 through Fiscal Year 1997 (OIG Audit Report 98-22)

To assist the Corporation in its efforts to improve its monitoring and oversight of grantees, we summarized the results of our audits and reviews of Corporation grants conducted in fiscal years 1995 through 1997. During this three year period, OIG issued 60 reports[2] on Corporation grants,[3] concentrating our efforts on AmeriCorps programs because these programs represented the largest percentage of grant dollars awarded by the Corporation. Furthermore, because AmeriCorps was a new service program, we identified it as higher risk than service programs carried out under the Domestic Volunteer Service Act (DVSA), which have been in place a number of years.

Overall, our audits and reviews show that many of the new programs experienced difficulty in administering Corporation funds. For example, we identified questioned costs or other findings at 89 percent of the AmeriCorps grantees we examined (39 of 44). Further, when we classified the findings for AmeriCorps grantees by the 12 categories listed below, we found that 64 percent of the grantees (28 of 44) had findings in three or more categories. The problems we found ranged from specific instances of noncompliance with grant provisions (e.g., the requirement to pay living allowances in uniform increments) to more general conditions, such as failure to

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[2]Forty-four of these reports relate to AmeriCorps programs (primarily national direct grants); 13 to grants awarded by the former Commission on National and Community Service; and three to grants awarded under the DVSA.

[3]Most of the Corporation's grants take the form of cooperative agreements because the Corporation expects to have substantial involvement in the operation of the programs.

maintain adequate financial systems or management controls to properly administer Corporation grant funds.

To address these conditions, we recommended that the Corporation orient its training and technical assistance to address the problems identified in the summary that we have consistently found at grantees. We also recommended that the Corporation establish consistent requirements for monitoring its grantees and analyze the results so that grantees experiencing difficulties are provided appropriate training and technical assistance.

The following is a synopsis of the findings for all 60 reports broken down by 12 common categories. The summary report also included a matrix identifying the findings at each grantee.

Summary of Findings

Questioned costs — We questioned costs at 61 percent (37 of the 60) of the grantees. Federal costs questioned totaled $4.6 million (about 6 percent of the funds awarded to these grantees).

Systems and controls — We concluded that accounting systems and management controls were inadequate to report grant expenditures and safeguard Federal funds at 53 percent of the grantees (32 of the 60). We also found that segregation of duties was inadequate among those who perform accounting procedures and handle assets at five of the 60 grantees.

Inaccurate/delinquent Financial Status Reports (FSR) — One-third of the grantees (21 of the 60) experienced problems with their FSRs. Specifically, three grantees (five percent) did not submit one or more of the required FSRs, 10 grantees (17 percent) submitted their FSRs late, and 12 grantees (20 percent) submitted FSRs which contained errors.[4]

Inadequate timekeeping — We found that 51 percent (31 of the 60) of the grantees had an inadequate system for recording staff and/or AmeriCorps Members' time, or that the grantees' systems did not have the capacity to allocate staff time between different programs and activities.

Subrecipient monitoring — We reported that over one-third of our grantees did not provide adequate oversight of subrecipients (22 of the 60).

Match not met/not tracked/unsupported — One-third of the grantees (21 of the 60), had not met the minimum match requirement, or the grantee, due to inadequate supporting documentation, was unable to demonstrate that the match had been met.

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[4]The detail totals to more than 21 grantees because several grantees had multiple problems with their FSRs.

Administrative cost issues/outdated indirect cost rates — Over one-third of our grantees charged administrative costs to the grant as program costs, or charged administrative costs to the grant based on an unapproved or outdated indirect cost rate (22 of the 60).

Living allowance/stipend — At eight of the 60 grantees, we found that AmeriCorps Member stipends were not paid in accordance with Corporation requirements (e.g., the grantee paid Members an hourly wage based on number of hours served instead of a living allowance).

No comparisons of budget to actual — At four of the 60 grantees, we found that the grantee did not perform a comparison of budgeted to actual expenditures, and expenditures were not recorded in accordance with budgeted line items.

Improper drawdowns/interest not remitted — At four of the 60 grantees, we found that the grantees drew down Corporation funds in an amount which exceeded their immediate cash needs, and in some cases did not remit interest on excess grant funds they held as required.

Inappropriate service — At four of the 60 grantees, we found that an AmeriCorps Member performed a prohibited program activity (e.g., a Member performed advocacy work which violated the Corporation's prohibition on lobbying/advocacy).

10 percent minimum training not met — At three of the 60 grantees, we found that the grantee did not spend the required minimum ten percent of funds for training and educational materials and services for participants.

ANNUAL FINANCIAL STATEMENT AUDIT

On March 18, 1998, the Corporation issued a *Plan for Correcting Auditability Assessment Findings* to correct management controls deficiencies which have heretofore precluded the performance of financial statement audits required by the Government Corporation Control Act, as amended. The plan outlines the actions the Corporation will take to correct material management control weaknesses and other reportable conditions identified in several OIG reports[5] (see Table V, *Status of Recommendations on Internal Corporation Management Issues*, page 30). As provided for under 31 U.S.C. 9105, we have engaged KPMG Peat Marwick LLP to assess the Corporation's corrective actions and the state of its management controls systems and to perform an audit of the Corporation's fiscal year 1997 Statement of Financial Position. We currently plan to report on the management controls assessment in June 1998 with the results of our audit of the fiscal year 1997 Statement of Financial Position to follow in September 1998.

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[5]Including OIG audit reports 96-36, *Audit of CNS Fiscal Year 1994 Financial Statements*, March 15, 1996; 96-38, *Report on the Results of the Auditability Study*, March 29, 1996; 97-27, *Audit of the National Service Trust Fund Fiscal Year 1995 and 1994 Financial Statements*, March 10, 1997.

REPORTS ON AUDITS AND REVIEWS OF CORPORATION GRANTS

We issued seven reports on Corporation grants during this period. As illustrated in the table below, our work has revealed issues in several areas. A brief summary of each report follows the table.

Grantee	Incurred Costs	Questioned Costs (Federal & Match)	Inadequate Systems & Controls	Inadequate Subrecipient Monitoring	Other Compliance Issues
Audits					
National Council of La Raza (OIG Report 98-03)	$934,988	$44,546	—	—	√
Children's Health Fund (OIG Report 98-04)	$438,223	$187,456	√	—	√
Urban Schools Service Corps (OIG Report 98-05)	$3,122,164	$87,055	√	√	√
West Virginia Conservation and Service Corps (OIG Report 98-06)	$2,673,121	$919,907	√	√	√
Washington Conservation Corps (OIG Report 98-07)	$5,210,349	$0	—	—	√
Red Lake Tribal Council (OIG Report 98-10)	$866,607	$0	√	—	√
Reviews					
Notre Dame Mission Volunteer Program (OIG Report 98-11)	$813,022	$2,605	—	—	√
Total Questioned Costs (Federal & Non-Federal)		$1,241,569			

Each of our reports on Corporation grants contains recommendations for correcting the deficiencies identified in the reports. Typically, the recommendations are for the grantees to reimburse questioned costs and to establish and implement policies and procedures to prevent future instances of non-compliance and improve internal controls.

In addition, based on the results of our audits, we recommended that the Corporation improve its monitoring of grantees to prevent and detect these conditions and that it provide specific financial training and technical assistance to grantees.

AUDITS

National Council of La Raza (OIG 98-03)

We audited the funds awarded by the Corporation to the National Council of La Raza (cooperative agreement number 95ADNDC012) for the period August 1, 1995 through December 31, 1996. The audit disclosed that La Raza

- claimed costs in excess of actual costs incurred;
- charged unsupported or unallocable costs to the award; and
- paid Members' living allowances as a wage at two operating sites.

In addition, we questioned $44,546 of the costs claimed under the award.

Children's Health Fund (OIG 98-04)

We audited the funds awarded by the Corporation to the Children's Health Fund (award number 94ADNNY005) for the period from July 1, 1994 through December 31, 1995.

The audit disclosed that

- personnel activity reports (time sheets) were not prepared by staff to identify charges allocable to the grant for salaries and benefits as required;
- costs for grant expenditures were recorded based on a percent of the approved budget amount rather than on actual expenses;
- subgrantee accounting records did not segregate Federal funds from funds of other sources;
- subgrantee matching costs claimed were not verifiable from accounting records;
- no written procedures were developed to identify unallowable or unallocable costs prior to claim for reimbursement;
- records of Member service hours completed at one site were not maintained; and
- costs were claimed by another site for transactions occurring after the end of the funding period.

In addition, we questioned $187,456 of the costs claimed under the award.

In its response to the report the Children's Health Fund agreed that their staff did not prepare personnel activity reports as required. The Children's Health Fund also cited difficulty in understanding the grant's financial management and reporting requirements as contributing to their problems administering the grant.

New Jersey Department of Education, Urban Schools Service Corps (OIG 98-05)

We audited the funds awarded to the State of New Jersey to establish the Urban Schools Service Corps (USSC) by the former Commission on National and Community Service (award number 92NMSTNJ0005) for the period from August 1, 1992 through December 31, 1995.

The audit was performed to determine whether financial reports prepared by USSC presented fairly the financial condition of the award and the award costs reported to the Corporation were documented and allowable in accordance with the terms and conditions of the award.

The audit disclosed that

- USSC did not submit financial reports as required by the Common Rule under OMB Circular A-102;
- USSC and its subrecipients lacked adequate controls over their financial management systems;
- USSC did not maintain adequate records for in-kind contributions;
- administrative costs charged to the grant exceeded the maximum Federal share; and
- USSC did not effectively monitor the hours of service performed by the participants.

In addition, we questioned $87,055 of the costs claimed under the award. We recommended that the Corporation consider providing USSC with training and technical assistance on administering their AmeriCorps program.

In its response to the report the New Jersey Department of Education agreed with the internal control findings reported but generally disagreed with the questioned costs.

West Virginia Department of Education, American Youth and Conservation Corps (OIG 98-06)

We audited the funds awarded by the former Commission on National and Community Service to the West Virginia Department of Education (WVDE) to establish the American Youth and Conservation Corps (award number 92COSTWV0028) for the period from July 15, 1992 through December 30, 1995.

The audit was performed to determine whether financial reports prepared by WVDE presented fairly the financial condition of the award, and whether the award costs reported to the Corporation were documented and allowable in accordance with the terms and conditions of the award.

The audit disclosed that

- costs claimed under the award exceeded the maximum share of Federal costs allowed;
- $152,080 of the claimed costs were not adequately supported by source documentation;
- two subrecipients, West Virginia Citizens Conservation Corps and McDowell County Citizens Conservation Corps, did not maintain adequate financial management systems in accordance with OMB Circular A-110;
- most participants were not provided with post-service benefits as required; and
- WVDE did not submit all required reports and did not adequately monitor the subrecipients under the grant.

Based on the audit, we questioned $919,907 of the costs claimed under the award.

In its response to the report WVDE generally agreed with the internal control and compliance findings but disagreed with the questioned costs.

State of Washington, American Conservation and Youth Service Corps (OIG 98-07)

We audited the costs claimed by the State of Washington to the Corporation and its predecessor, the Commission on National and Community Service (award number 92COSTWA0027) for the period July 15, 1992 through November 10, 1994.

The audit was performed to determine whether financial reports prepared by the Employment Security Department (ESD) of the State of Washington presented fairly the financial condition of the award, whether ESD's internal control structure was adequate to safeguard Federal funds, and whether award costs reported to the Corporation by ESD were documented and allowable in accordance with the terms and conditions of the award. Furthermore, the audit assessed whether ESD had adequate procedures and controls to ensure compliance with Federal laws, applicable regulations and award conditions.

No costs were questioned as a result of the audit. However, the audit disclosed that ESD lacked adequate controls over the preparation and completion of financial reports. In addition, ESD did not submit the required program and financial reports on a timely basis.

In its response to the report, ESD concurred with the findings and recommendations and stated that it would implement corrective actions.

Red Lake Tribal Council (OIG 98-10)

We audited the funds awarded by the Corporation to the Red Lake Tribal Council (Red Lake) for the AmeriCorps program (cooperative agreement Number 95ASTRMN03) for the period September 1, 1995 through November 30, 1996.

The audit was performed to determine whether financial reports prepared by Red Lake presented fairly the financial condition of the award, the systems of internal control structure were adequate to safeguard Federal funds, and the award costs reported to the Corporation were documented and allowable in accordance with the terms and conditions of the award. Furthermore, the audit assessed whether Red Lake had adequate procedures and controls to ensure compliance with Federal laws, applicable regulations and award conditions and to track and report progress toward achievement of the program objectives.

No costs were questioned as a result of the audit. However, the audit disclosed that

- Red Lake lacked an adequate system to internally evaluate the program;
- Red Lake lacked adequate controls for recording and tracking the service hours worked by the Members;
- Red Lake lacked adequate controls over the preparation and submission of reports;
- the accounting records did not adequately identify the source and application of funds nor were actual expenditures compared with budgeted amounts; and
- living allowances were paid based on an hourly basis rather than a stipend basis.

In its response to the report the Red Lake Tribal Council concurred with all of the findings and recommendations and stated that it would implement the recommendations.

REVIEWS

Notre Dame Mission Volunteer Program (OIG 98-11)

We performed a limited review on the amounts ($813,022) claimed by the Notre Dame Mission Volunteer Program (Notre Dame) for the period from August 1, 1995 through September 30, 1996 (award number 95ADNMD006). The procedures included reviewing the audited financial statements for Notre Dame's fiscal year ended August 31, 1996, reviewing audit programs prepared by Notre Dame's independent auditor and determining that the programs had been executed as planned, and developing an exhibit of claimed costs.

The review found that

- unallowable costs were claimed in the amount of $1,095 for purchasing local Program uniforms; and
- total expenditures reported on the Financial Status Report for the quarter ended September 30, 1996, did not reconcile with the audited financial statements for the year ended August 30, 1996, by a difference of $1,510.

In addition, we questioned $2,605 of the costs claimed under the award.

In its response to the report Notre Dame agreed with the findings but suggested an alternative presentation of the questioned costs for purposes of clarity. We revised the report adopting Notre Dame's suggestions.

PEER REVIEW OF THE OIG'S AUDIT SECTION

The President's Council on Integrity and Efficiency (PCIE) requires each Office of the Inspector General to have a peer review every three years. On December 19, 1997, the Office of Personnel Management Office of the Inspector General reported on the results of its peer review of our audit operations. The review covered our quality control policies and procedures for fiscal year 1997. The peer review found that the Audit Section's policies and procedures were designed in accordance with the quality standards established by the PCIE and that the Audit Section complied with generally accepted government auditing standards in performing its work and in monitoring the work performed by its contractors.

AUDIT REPORTS ISSUED DURING THE PERIOD OCTOBER 1, 1997 THROUGH MARCH 31, 1998

Report Number	Start Date	Issue Date	Report Name	Federal Dollars Questioned	Federal Dollars Unsupported
				(Dollars in thousands)	
98-01	12/16/96	11/3/97	Review of Training and Technical Assistance Agreements	—	—
98-03	7/7/97	10/29/97	Audit of National Council of La Raza	$ 45	$ 41
98-04	1/21/97	12/30/97	Audit of Children's Health Fund	118	107
98-05	10/21/96	1/9/98	Audit of Urban Schools Service Corps	87	50
98-06	5/13/97	1/27/98	Audit of the West Virginia Conservation and Service Corps	769	13
98-07	7/8/97	2/26/98	Audit of Washington Conservation Corps	0	0
98-10	8/21/97	2/24/98	Audit of Red Lake Tribal Council	0	0
98-11	6/17/97	12/22/97	Review of Notre Dame Mission Volunteer Program	1	0
98-22	1/15/98	3/20/98	Summary of Results of OIG Audits and Reviews of Grants, FY95 — FY97	—	—
			TOTAL	$1,020	$211

AUDIT RESOLUTION

During this reporting period the Corporation continued to make progress in resolving open audit findings. In our September 30, 1997 Semiannual Report, we reported that the Corporation had 25 overdue management decisions.[6] At the end of this period, the Corporation and OIG reduced this backlog to four reports (see Table III, *Summary of Audits with Overdue Management Decisions*, page 27). The number of reports for which the Corporation has not completed final action has been reduced from 23 to 18 (see Table IV, *Reports Described in Prior Semiannual Reports Without Final Action*, page 28).

[6] Management decisions must be made within 6 months of issuance of an OIG report.

In management decisions made during this period, the Corporation disallowed $930 thousand, or 34 percent, of the costs questioned in the reports (see Table I, *Inspector General Reports with Questioned Costs*, page 25). For costs questioned by OIG due to the lack of supporting documentation, the Corporation disallowed only 17 percent of the costs ($212 thousand out of $1.3 million). In our March 31, 1997 Semiannual Report, we expressed our concern that the Corporation proposed to accept supporting documentation for costs that does not meet Federal standards. We also expressed the concern that the documentation being relied upon was not made available during the audit or review. Documents provided after the fact, in our view, are suspect. We reiterate our recommendation that the Corporation require grantees to support grant costs with documentation that meets Federal standards.

Management Decisions on OIG Reports With Questioned Costs

	Federal Questioned Costs				
	Allowed		**Disallowed**		**Total**
	(Dollars in thousands)				
Overall	$1,802	66%	$930	34%	$2,732
Unsupported	$1,071	83%	$212	17%	$1,283

MANAGEMENT DECISIONS WITH WHICH OIG DISAGREES

In OIG Report 97-30, *Audit of the Corporation for National Service's Gift Fund,* issued on September 3, 1997, we reported that unrestricted Gift Fund expenditures exceeded the unrestricted gift funds available by as much as $13,000 during fiscal year 1994. We also reported that this over expenditure was, in our view, a violation of the Antideficiency Act's prohibition on making expenditures exceeding an amount available in an appropriation or fund (31 U.S.C. 1341 (a)(1)(A)), and recommended that the Corporation report an Antideficiency Act violation as required by law (31 U.S.C. 1351).

In responding to our recommendation the Corporation took the position it did not violate the Antideficiency Act because unrestricted and restricted gifts were co-mingled in one Fund, and because the total Gift Fund expenditures did not exceed total gift funds available. The Corporation therefore decided not to report an Antideficiency Act violation as OIG had recommended.

We can not agree with the Corporation's decision on this point. The Antideficiency Act prohibits Federal agencies from over expending "an amount available" in a fund. The Corporation's position assumes that each dollar in the Gift Fund is equally available for any Gift Fund expenditure. However, restricted gifts in the Fund were designated by the donor for a specific purpose, and therefore were not available for unrestricted expenditures. Moreover, by agreeing that it should establish separate accounts for its restricted and unrestricted gifts, the Corporation implicitly acknowledges that the expenses chargeable to restricted and unrestricted gifts must be segregated. In essence, the Corporation is asserting that its prior inappropriate accounting practices enable it to avoid reporting an Antideficiency Act violation.

In our view, the determination of whether the Antideficiency Act was violated should be determined based on the legal availability of the funds involved, not on how the funds were treated within the Corporation's accounting system. In a similar context, the Comptroller General has stated that an agency can not avoid having an Antideficiency Act violation by not recording an obligation that it has incurred (65 Comp. Gen. 4 (1985) at page 9). In this context, we do not believe it is proper for the Corporation to avoid reporting an Antideficiency Act violation by failing to establish the appropriate segregated accounts for restricted and unrestricted funds in its accounting system.

The Investigations Section is responsible for investigating violations of criminal statutes or regulations involving Corporation employees, grantees, contractors, and other individuals conducting business with the Corporation. The results of these investigations are referred to Federal, State, or local authorities for criminal or civil prosecution or to the Corporation to initiate administrative sanctions or penalties.

We began this reporting period with 11 previously-opened investigative actions. During the reporting period we opened 23 new investigative actions and closed 20. We had 14 investigative actions pending at the end of this reporting period.

HIGHLIGHTS OF INVESTIGATIONS CLOSED DURING THIS REPORTING PERIOD

Alleged Fraud and Abuse - Prosecution Declined - Referred to Management

Subsequent to receiving information from an individual alleging fraud, abuse, and non-compliance by a former AmeriCorps sub-grantee, we conducted a preliminary inquiry and referred the matter to the cognizant U.S. Attorney's Office and appropriate local authorities. The U.S. Attorney and the local authorities declined to prosecute based upon the low dollar amount of loss to the Government and the difficulty in establishing evidence of criminal intent absent the lack of direct personal gain. The non-compliance issues (which included matters involving supplementation of subsistence allowances, involvement in religious activities, and fund raising activities) were referred to Corporation management in September 1996. (96-031)

Improper Education Award Certification - Referred to Management

Subsequent to receiving information that an AmeriCorps Member's *End of Term of Service Form* submitted to the National Service Trust Fund (Trust Fund) by his AmeriCorps program, certifying completion of 1,700 hours of AmeriCorps service, may have been inaccurate, we conducted an inquiry. Our inquiry established evidence to indicate that a certifying official at the AmeriCorps program improperly credited service hours earned by four former AmeriCorps Members to four AmeriCorps Members recruited to replace the four who departed. The certifying official then certified that the replacement AmeriCorps Members completed 1,700 service hours as full-time AmeriCorps Members and were eligible for full-time education awards.

The cognizant Assistant U.S. Attorney (AUSA) opined that the certifying official did not violate 18 USC 1001 because she did not attempt to conceal her actions and lacked a motive to profit from the act. The AUSA further opined that the former AmeriCorps Member who received a full education award did not violate 18 USC 641 because there was nothing to indicate he intended to defraud the Corporation's Trust Fund. We referred this matter to Corporation management for corrective action.

We received a memorandum from the Corporation's Chief Financial Officer regarding the action taken by management as a result of the improper certification of eligibility described above. The memorandum states that Trust Fund records related to the three AmeriCorps Members who had not used their education award were corrected by reducing their eligibility status from "full-time" award ($4,725.00) to "part-time" award ($2362.50). The memorandum adds that the AmeriCorps project sponsor was directed by the State Commission to reimburse the Trust Fund $2,362.50 (the difference between a "full-time" education award and a "part-time" award) to correct the disbursement of a "full-time" award to the fourth AmeriCorps Member who was eligible to receive only a "part-time" award. This represents a savings of $9,450.00 — a cost avoidance of $7,087.50 and a recovery of $2,362.50 (see Table II, *Inspector General Reports With Recommendations That Funds Be Put To Better Use*, page 26). (97-023)

Alleged Ethics Violation and Travel Abuse - Referred to Management

Subsequent to receiving an anonymous letter alleging that a senior Corporation employee accepted a gift from the employee's subordinates, consisting of an airline ticket for the employee to travel to the employee's home during the Christmas holiday period, and that the employee has used airline tickets purchased by the Corporation to travel between Washington, D.C. and the employee's home, we initiated a preliminary inquiry. The employee provided a written, sworn statement denying the allegations and we found insufficient evidence to support the allegations.

During the course of our inquiry however, we noted some Corporation practices regarding official travel that we felt should be brought to Corporation management's attention. These were practices that, while not clearly prohibited or maybe not even improper, could be conducive to fraud, waste, or abuse, or create a perception of abuse.

In less than three years we have conducted seven inquiries that involved allegations of travel fraud, or as was more often the case, some form of travel abuse. During each of these inquiries there seemed to have been a common thread, namely that Corporation employees, both travelers and managers charged with the responsibility to perform the first-level review of their subordinate's travel, were not familiar with the Federal Travel Regulations and Corporation travel procedures, nor were they always sensitive to the perceptions that could be created by less than fully explained reimbursements for travel.

During the inquiry described above, we found, and reported to Corporation management, the following conditions related to the employee against whom the allegations were made

- More than 20% (10 of 45) of the paid travel claims on file with the Corporation's Office of Financial Operations, were for travel to or through (with an overnight stay) the city in which the traveler maintained a permanent residence (where the traveler's spouse and children resided).

- Claims for travel reimbursement that included meals and incidental expenses (M&IE) were submitted and paid for travel to the traveler's permanent residence (where the traveler's spouse and children resided).

- A claim for travel reimbursement was submitted and paid although the claimed travel locations and dates did not agree with dates and locations on attached airline tickets.

- Administrative assistants prepared travel claims incorrectly for the traveler and the traveler signed the voucher with little or no review.

- Claims for travel reimbursement were submitted and paid that had no documentation or explanation attached to support how the traveler traveled between distant duty locations.

- A claim for travel reimbursement showing arrival at a hotel on the first day of travel and departure from the hotel on the last day of travel was submitted and paid. Yet there was no claim or receipt for lodging, nor was there an explanation for not claiming lodging expenses and attaching a receipt.

- A claim for reimbursement was submitted and paid that appeared to include round-trip travel by automobile between two cities that were 88 miles apart. Attached to this claim with no explanation was a rental car agreement that reflected the rental car was driven only 41 miles, or less than half the one-way distance between the two cities.

- A claim for travel reimbursement submitted and paid had attached to it an altered receipt for lodging.

- Claims for travel reimbursement were submitted and paid although they sometimes claimed travel to locations not listed on the attached travel authorizations.

- The traveler, at the time a very senior Corporation employee of almost four years, claimed, in a written, sworn statement, that she had received no training regarding Federal travel.

We felt the aforementioned conditions should have been detected by management and corrected by the traveler prior to claims being submitted for reimbursement. In light of our observations, we recommended that Corporation management

- Provide employees scheduled, recurrent training on Federal Travel Regulations and Corporation procedures.

- Identify employees (to include managers responsible for review and approval of travel vouchers) unfamiliar with Federal Travel Regulations and Corporation procedures and schedule these employees for training or retraining as necessary.

- Increase the review of travel claims submitted for reimbursement and require that employees who continually submit erroneous travel claims attend training.

- Place more information regarding Federal travel on the Corporation intranet and place it in a location that is more obvious and more accessible than the information that is currently presented.

We received a memorandum from the Corporation's Chief Operating Officer regarding the action taken by management as a result of our inquiry described above. The memorandum stated that the Corporation expected to provide travel training in May for select staff and further stated that accounting staff were identifying individuals who make repeated mistakes on travel vouchers in order to schedule them for this training. Attached to the memorandum was a draft travel manual the Corporation intends to publish in late April. (98-005)

Misuse of Corporation Federal Express Service - Referred to Management

Subsequent to receiving an anonymous note and other documents alleging misuse of Corporation-paid Federal Express service, we conducted an inquiry. We identified a Corporation contractor's employee as the individual whom we believed used Corporation-paid Federal Express service for personal business. During our inquiry we also learned that there were possibly as many as three automated Federal Express shipping stations located throughout the Corporation, not under the control of the Corporation mail room, that were accessible by anyone having access to Corporation-leased space. There appeared to be few, if any, controls over who could use these machines, and no reliable or accurate method to assess charges for their use to specific Corporation budget holders or individuals. We reported this information to Corporation management.

We received a memorandum from the Corporation's Director of Grants Management, through the Corporation's Chief Financial Officer, regarding the action taken by management as a result of the misuse of Corporation-paid Federal Express service described above. The memorandum stated the contractor's employee that we identified is no longer employed by the contractor and

has sent the Corporation a check for $3.61 as reimbursement for use of the Federal Express service. The memorandum also stated that the contractor has sent all contractor employees an email message reminding them of the prohibition on the use of government services for personal use. Corporation management declined to secure or control the use of the automated Federal Express shipping machines, stating they felt this was a rare misuse of Federal Express. Management added that they would examine establishing keyed identification access. (98-006)

Misuse of Corporation Mail - Referred to Management

Subsequent to learning that personal mail was found in a Corporation envelope returned to the mail room as undeliverable and that the envelope bore metered postage charged to the Corporation, we conducted an inquiry. We identified a Corporation contractor's employee working as an administrative assistant for AmeriCorps*VISTA as the individual most likely to have used government mail for personal use. We interviewed the contractor's employee and she provided a sworn, written statement wherein she admitted using government mail to send a personal birthday greeting to an acquaintance. We referred the matter to Corporation management.

We received a memorandum from the Corporation's Chief Financial Officer, regarding the action taken by management as a result of the misuse of Corporation mail described above. The memorandum stated that the contractor's employee was given a Memorandum of Warning emphasizing the impropriety of her conduct and warning that continued misconduct could result in additional disciplinary action. The memorandum also stated that the contractor's project manager had sent an email message to all contractor employees that reminded them of the prohibitions on the misuse of government property. The memorandum concluded by stating that as a result of this inquiry and the inquiry above (98-006), a memorandum was sent to all Corporation employees reminding them that unauthorized use of Corporation resources was improper and illegal. (98-019)

STATISTICAL SUMMARY OF INVESTIGATIONS

Opened and Closed

Number of Cases Open at Beginning of Reporting Period	11
Number of New Cases Opened During This Reporting Period	23
Number of Cases Closed During This Period With Significant Findings	5
Number of Cases Closed During This Period With No Significant Findings	15
Total Cases Closed This Reporting Period	20
Number of Cases Open at End of Reporting Period	14

Referred

Number of Cases Referred for Prosecution During This Reporting Period	4
Number of Cases Accepted for Prosecution During This Reporting Period	1
Number of Cases Declined for Prosecution During This Reporting Period	3
Number of Cases Pending Prosecutive Review	0

REVIEW OF LEGISLATION & REGULATIONS

Section 4(a)(2) of the Inspector General Act directs the Office of the Inspector General to review and make recommendations about existing or proposed legislation and regulations relating to the Corporation's programs and operations. The OIG recommendations, which we are to include in our Semiannual Reports, should specifically address the impact of the legislation and regulations on the economy and efficiency of the administration of the Corporations' programs and operations. The OIG is also to make recommendations in its Semiannual Reports concerning the impact of the legislation and regulations on the prevention and detection of fraud and abuse in programs and operations administered or financed by the Corporation.

REAUTHORIZATION OF CORPORATION PROGRAMS

As discussed in our Semiannual Report to the Congress for the period of October 1, 1996 to March 31, 1997, the authorizing statutes for the Corporation's programs, the National and Community Service Act of 1990, as amended, and the Domestic Volunteer Services Act of 1973, as amended, are due to be reauthorized. During November of 1997, the Corporation publicly released its proposed draft of a reauthorization bill. On March 19, 1998, the President transmitted a revised draft reauthorization bill to the Congress, and on March 26, 1998, "National and Community Service Amendments Act of 1998" was introduced in the House of Representatives as bill number H.R. 3561.

During this semiannual reporting period, we were asked by an interested Congressional staff member to review the Corporation's proposed draft legislation to comment on a number of points, and to address any other issues raised by our past work that would be impacted by the draft legislation. We provided our views on these matters to the Congressional staff member and to the Corporation. Our significant comments on the National and Community Service Amendments Act of 1998 are summarized as follows.

Increasing Opportunities for "Education Award Only" Programs

To help lower the average Federal cost of AmeriCorps members and VISTA program participants, the National and Community Service Amendments Act of 1998 would authorize additional funds for so-called "Education Award Only" programs. These are programs that offer AmeriCorps members the opportunity to earn post-service education benefits from the National Service Trust Fund, but that receive either a very limited amount (no more than $1,000 per AmeriCorps member) or no operational funding from the Corporation. The Act would also authorize the Corporation to make these limited support grants on a fixed-amount basis where the Corporation could waive statutory requirements that would otherwise apply to its grants.

In our comments on the National and Community Service Amendments Act of 1998, we suggested that

- the Corporation consider establishing some system of oversight for its "Education Award Only" programs to provide reasonable assurance that the performance data from those programs are accurate and reliable; and
- because these "Education Award Only" programs may represent a model approach for national service programs in the future, the Corporation and the Congress consider including in the National and Community Service Amendments Act of 1998 a mandate to evaluate the impact of these programs.

Administration of the National Service Trust

The National and Community Service Amendments Act of 1998 would also make several changes to the administration of the National Service Trust, including: making funds in the Trust available to pay for new expenses, including the Federal costs (limited to $500 per award) for National Service Scholarships and the costs of administering the Trust; making eligibility for a Post-Service Education Benefit contingent upon a number of "certifications"[7] made by grantee officials (rather than Corporation officials); providing a statutory basis for the Corporation's current administrative practice of relying upon officials from the grantee organizations to determine whether the AmeriCorps member left for "compelling personal circumstances;"[8] and expanding the allowable uses of Post-Service Education Benefits, including schools meeting the GI Bill requirements.

In our comments on the National and Community Service Amendments Act of 1998, we suggested

- Congress not make the Trust available for new expenditures until the Corporation can accurately identify the full extent of its current liability for Post-Service Education Benefits earned by AmeriCorps Members and VISTA participants;[9]

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[7] Including certifications that the AmeriCorps member or VISTA participant was eligible and appropriately enrolled in the National Service Trust Fund, and that the individual successfully completed his or her service requirement, or satisfactorily performed his or her service before being released for compelling personal circumstances.

[8] AmeriCorps Members leaving for compelling personal circumstances are eligible to receive a pro-rated education award.

[9] In OIG Report 97-27, *Audit of the National Service Trust Fund Fiscal Year 1995 and 1994 Financial Statements*, OIG's auditors were unable to express an opinion on the Trust Fund's financial statements because the Corporation did not maintain reliable records regarding its liability for post-service education benefits that the Trust will be required to pay. Until the Corporation is able to produce and maintain auditable information to support the amount of this liability, the Corporation and the Congress will not have reliable information about the extent of any surplus within the Trust Fund that would be safely available for additional Trust Fund expenditures.

- Congress delay making the Trust Fund available for its own administrative expenses until the Corporation can produce reliable cost accounting information, and those costs are independently assessed as being reasonable;

- adding to the draft legislation specific (and verifiable) criteria for programs to apply in making those determinations when an AmeriCorps member has been released "for compelling personal circumstances;" and

- requiring both the AmeriCorps member and an official from the grantee organization (or a VISTA participant and their supervisor) to certify that they meet the statutory requirements for receiving a Post-Service Education Benefit from the Trust Fund.

Finally, with regard to the increased uses of Post-Service Education Benefits, we suggested that the Corporation consider the experience of the Department of Education in administering student loans to proprietary schools, and establish management controls to deal with the additional risks such an expansion will create, before expanding the availability of Post-Service Education Benefits to such schools.

Corporation Authority to Waive Statutory Requirements

In two separate provisions, the National and Community Service Amendments Act of 1998 would grant the Chief Executive Officer broad authority to waive many of the statutory requirements applicable to National and Community Service Act programs. In both sections, the waiver or alternative requirements are conditioned upon the CEO's determination that the action will further the purposes of the national service laws. In addition, both provisions would make certain requirements non-waivable, including the prohibitions on AmeriCorps members or Corporation funds being used for political or religious activities.

In our comments on the National and Community Service Amendments Act of 1998, we suggested that, due to substantial discretion that these provisions would give the Corporation, the Congress may want to incorporate requirements that will facilitate oversight of the use of this authority, such as delaying the effective date of any waivers until 30 days after Congress is notified of the proposed action.

REVIEWS OF CORPORATION DRAFT REGULATIONS AND PROGRAM GUIDANCE

Review of Draft Regulations

During this semiannual reporting period, the Corporation provided to OIG for comment draft proposed amendments to the Corporation's regulations implementing the five percent cap on the Federal reimbursement of grantee administrative costs. Under the National and Community

Service Act, 45 U.S.C. Section 12571(d), no more than five percent of the Corporation funding made available to AmeriCorps and Learn and Serve grantees in a fiscal year may be used to reimburse "administrative costs." The Corporation had defined the costs subject to this cap in its regulations, and had provided guidance to grantees on how the cap would apply to their grant budgets. However, in a number of our audits and reviews of AmeriCorps grantees in their first few years of operations, OIG found that some grantees were including costs (principally personnel costs) that were administrative in nature in other portions of their grant budgets. In our view, these misclassifications resulted in grantees receiving Federal fund reimbursements in excess of the five percent limit on administrative expenses.

In attempting to resolve these audit findings, the Corporation and OIG agreed that a principle cause of the issue was that the guidance given to grantees during the negotiation of their final budgets was at variance with the Corporation's regulations on the five percent administrative cost cap. Accordingly, the OIG and the Corporation agreed to resolve these audit issues by clarifying the Corporation's regulations, and that the grantees would not be held responsible for any excess reimbursements they received because of conflicting guidance.

After extensive discussions between the OIG and the Corporation on the best approach to take in implementing the five percent cap, the Corporation developed draft amendments to its regulations. On March 12, 1998, the Corporation provided the draft regulations to the OIG for comment. On March 24, 1998, OIG provided the Corporation with a number of comments and suggestions for improvement that, in our view, would make the implementation of the five percent cap clearer for the Corporation, Corporation-funded programs, and auditors of those programs. On April 3, 1998, OIG was notified that the Corporation had accepted most of our suggestions.

Reviews of Other Corporation Guidance

Section 4(a)(2) of the Inspector General Act only requires OIG to review the Corporation's existing and proposed regulations. However, the Corporation has adopted the practice of using less formal means than regulations to impose requirements, issue instructions, and provide guidance to its grantees. These more informal means (including Notices of Funds Availability, Policy Statements, Program Guidelines, Grant Application Instructions, Grant Provisions, Updates, Memoranda and other documents) often affect the Corporation programs and grantee operations as significantly as regulations included in the Code of Federal Regulations. Accordingly, OIG has asked Corporation management to give OIG the opportunity to review and comment on all documents intended to set or reiterate policies regarding the Corporation's programs and operations. Between October 1, 1997 and March 31, 1998, OIG reviewed a number of Corporation policy-setting documents including the guidelines and application instructions for the AmeriCorps and Learn and Serve grants. While OIG made a number of comments on these documents for the Corporation to consider, the reviews of these documents did not result in any significant recommendations. As required under section 4(a)(2) of the

Inspector General Act, OIG will continue reviewing these draft policy-setting documents and will include significant recommendations in future Semiannual Reports.

OTHER OIG INITIATIVES TO IMPROVE MANAGEMENT

In its reviews of the Corporation's operations, the OIG has noted that the Corporation has sometimes taken positions on the availability of Corporation appropriations or funds that raise questions about whether Corporation actions are consistent with appropriations law. For this reason, the Inspector General decided to have all the professional OIG staff attend training in Federal agency appropriations law. Further, the Inspector General, as a proactive effort to promote economy and efficiency in the Corporation's programs, as well as to prevent abuse of the Corporation's appropriated funds, also suggested to the Corporation that its senior management officials would also benefit from such training. The Corporation agreed, and the OIG arranged for a training program to address both of these needs.

After researching available training classes for OIG and Corporation staff, OIG arranged for the Office of General Counsel and the Training Institute of the U.S. General Accounting Office to present their *Principles of Appropriations Law* course at the Corporation. Because of the Corporation's interest in obtaining appropriations law training, we were able to arrange a training class tailored to the issues most relevant for the Corporation. The class was offered at the Corporations Headquarters on February 3rd and 4th 1998, and was attended by OIG professional staff and by senior staff from all areas of operation of the agency, including the Chief Operating Officer, the Chief Financial Officer, the Directors of AmeriCorps, the National Senior Service Corps, and Learn and Serve, and the General Counsel.

TABLE I
INSPECTOR GENERAL REPORTS WITH QUESTIONED COSTS

		Number	Federal Costs Questioned	Federal Costs Unsupported
			(Dollars in thousands)	
1.	For which no management decision had been made by the commencement of the reporting period	22	$3,085	$1,323
2.	Which were issued during the reporting period	5	1,020	211
3.	Subtotals (1 plus 2)	27	4,105	1,534
4.	For which a management decision was made during the reporting period	19	2,732	1,283
	(i) dollar value of disallowed costs		930	212
	(ii) dollar value of costs not disallowed	—	1,802	1,071
5.	For which no management decision had been made by the end of the reporting period (3 minus 4)	8	$1,373	$ 251
6.	Reports with questioned costs for which no management decision was made within six months of issuance	3	$ 353	

TABLE II
INSPECTOR GENERAL REPORTS WITH RECOMMENDATIONS THAT FUNDS BE PUT TO BETTER USE

		Number	Dollar Value
A.	For which no management decision had been made by the commencement of the reporting period	0	0
B.	Which were issued during the reporting period	1	$9,450
C.	For which a management decision was made during the reporting period	1	$9,450
	(i) dollar value of recommendations that were agreed to by management		
	— based on proposed management action	1	$9,450
	— based on proposed legislative action	0	0
	(ii) dollar value of recommendations that were not agreed to by management	0	0
D.	For which no management decision has been made by the end of the reporting period	0	0
	Reports for which no management decision was made within six months of issuance	0	0

TABLE III
SUMMARY OF AUDITS WITH OVERDUE MANAGEMENT DECISIONS

Report Number	Title	Federal Dollars Questioned	Mgmt Decision Due*	Status as of March 31, 1998
		(Dollars in thousands)		
97-02	Audit of the Oregon Youth Conservation Corps	$280	6/22/97	1
97-12	Review of the National Alliance for Veteran Family Service Organizations	11	10/9/97	1
97-21	Review of the Enterprise Foundation	62	12/28/97	2
97-22	Audit of the American Conservation and Service Corps	0	11/10/97	2
	Total	$353		

* Under section 6009 of the Federal Acquisition Streamlining Act of 1994, as amended, a final management decision must be made within 6 months of the final report issuance.

Status

1 — Management Decision overdue.

2 — Under the Corporation's audit resolution policy, an Audit Resolution Committee proposes resolution of recommendations made in audit reports. For these two reports, the Audit Resolution Committee reached agreement on the issues; however, as of March 31, 1998, the decisions had not been documented, approved, and conveyed to the grantee.

TABLE IV
REPORTS DESCRIBED IN PRIOR SEMIANNUAL REPORTS WITHOUT FINAL ACTION

Report Number	Title	Date Issued	Final Action Due*	Status Of Final Action
For which there is no management decision				
97-02	Audit of the Oregon Youth Conservation Corps	12/23/96	12/23/97	*Management Decision is overdue (due 6/22/97)*
For which final action has not been reported				
96-01	Review of the New Orleans Youth Action Corps	3/5/96	3/5/97	*Final Action has not been completed and/or reported to OIG*
96-04	Review of the Border Volunteer Corps	12/6/95	6/6/97	`` ``
96-05	Review of the National AIDS Fund	2/8/96	8/8/97	`` ``
96-11	Review of the Home Instruction Program for Preschool Youngsters	8/1/96	8/1/97	`` ``
96-16	Audit of the Greater Miami Service Corps	7/9/96	7/9/97	`` ``
96-21	Audit of ACORN Housing Corporation	3/29/96	3/29/97	`` ``
96-29	Review of the National Council on Educational Opportunities	9/26/96	9/26/97	`` ``
96-31	Pre-Audit Survey of CNS Grants Process	3/20/96	3/20/97	`` ``
96-32	Pre-Audit Survey of CNS Procurement Process	3/20/96	3/20/97	`` ``
96-36	Audit of CNS Fiscal Year 1994 Financial Statements	3/15/96	3/15/97	`` ``

TABLE IV
REPORTS DESCRIBED IN PRIOR SEMIANNUAL REPORTS WITHOUT FINAL ACTION

Report Number	Title	Date Issued	Final Action Due*	Status Of Final Action
96-38	Report on the Results of the Auditability Study	3/29/96	3/29/97	`` ``
97-01	Audit of PennSERVE	11/25/96	11/25/97	`` ``
97-04	Review of Kansas City Consensus	1/27/97	1/27/98	`` ``
97-05	Review of YouthNet of Greater Kansas City	3/10/97	3/10/98	`` ``
97-06	Review of Legal Service Corporation	3/14/97	3/14/98	`` ``
97-09	Follow-up Study to the Auditability Survey (Report 1)	12/9/96	12/9/97	`` ``
97-27	Audit of the National Service Trust Fund Fiscal Year 1995 and 1994 Financial Statements	3/10/97	3/10/98	`` ``

*For reports issued before February 10, 1996 (Report Numbers 96-04 and 96-05), final action must be completed within 18 months of the issuance of the report, as established in the regulations of ACTION, the Corporation's predecessor agency. For reports issued after that date, final action must be completed within 12 months of the report's issuance, as established under section 6009 of the Federal Acquisition Streamlining Act, Public Law 103-355, as amended.

TABLE V
STATUS OF RECOMMENDATIONS ON INTERNAL CORPORATION MANAGEMENT ISSUES

	Number of Recommendations in Reports	Corrective Action Completed	Open Recommendations
Corporation Operations and Financial Management			
Auditability Survey & Follow-up Reports (OIG Audit Reports 96-38, 97-09, and 97-29)	99	72	27
Improper Education Award Certification (OIG Investigation 97-023)	1	1	0
Alleged Travel Abuse (OIG Investigation 98-005)	4	4	0
Misuse of Corporation Resources (OIG Investigations 98-006 and 98-019)	3	3	0
Trust Fund Operations			
Audit of National Service Trust Fund Fiscal Year 1995 and 1994 Financial Statements (OIG Audit Report 97-27)	15	7	8
Recommended Improvements to National Service Trust Fund Operations (OIG Audit Report 97-31)	14	10	4
Training and Technical Assistance			
Review of Training and Technical Assistance (OIG Audit Report 98-01)	4	0	4
Gift Fund Operations			
Audit of the Corporation for National Service's Gift Fund (OIG Audit Report 97-30)	4	3	1
Audit Resolution			
OIG FY97 Semiannual Report 1	5	0	5
Total	149	100	49

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