CORPORATION

FOR NATIONAL

SERVICE

OFFICE OF THE INSPECTOR GENERAL

Semiannual Report to the Congress

April 1, 1997 - September 30, 1997

Fiscal Year 1997
Report No. 2

Office of the Inspector General

CORPORATION
FOR NATIONAL
SERVICE

October 31, 1997

Harris Wofford
Chief Executive Officer
Corporation for National
and Community Service

Dear Senator Wofford,

This report covers the second half of fiscal year 1997 — the Corporation for National and Community Service's fourth year of operations. During this period, we issued 14 audit reports and completed action on 21 investigations. The results of our audit activities are summarized beginning on page 1 of the report, followed by the results of our investigative actions on page 12. Our annual performance statistics are also included in this report in the *Summary Report of Accomplishments for Fiscal Year 1997* on page 23.

Follow-up on Issues Discussed in Our Prior Semiannual Report

In our previous Semiannual Report (for the period October 1, 1996 through March 31, 1997) we commented on several issues, including continued deficiencies in the Corporation's management controls, failure to comply with reporting requirements of the Government Corporation Control Act, and a significant backlog in audit resolution. During this reporting period, the Corporation has taken action to resolve these matters, as described below.

Management Controls

We reported on the Corporation's progress in improving its management controls in our July 1997 report, *Report on the Follow-Study to the Auditability Survey — Phase 2.* The report disclosed that although 72 of 99 recommendations for improvements in the fiscal year 1996 *Auditability Survey* had been implemented or addressed, 21 material weaknesses and other reportable conditions continued to exist. It concluded that the Corporation's fiscal year 1994, 1995 and 1996 financial statements cannot be effectively and efficiently audited in accordance with generally accepted auditing standards because of the nature and significance of the internal control weaknesses during

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those years. Further, the report expressed the view that the uncorrected deficiencies remaining at July 14, 1997, were such that they would significantly impact the extent of audit procedures that could be performed, and potentially precluded an audit of the fiscal year 1997 financial statements.

Coincident with the issuance of the *Follow-up Study* report, the Corporation began a project to assess the status of the Corporation's efforts to correct the remaining deficiencies, to coordinate corrective actions that could be achieved by the end of the fiscal year, and to identity management issues that extend beyond the reported conditions. At the end of August, the Corporation concluded that it was best to redirect its resources toward achieving an auditable balance sheet as of September 30, 1997, so that an auditor might be able to opine on the Corporation's fiscal year 1998 financial statements.

Compliance with the Government Corporation Controls Act Reporting Requirements

The Corporation has also moved towards compliance with the reporting requirements of the Government Corporation Control Act (GCCA). As of September 30, 1997, the Corporation had drafted its fiscal year 1995 annual report, including the financial statements and management controls report required by the GCCA.

Although the Corporation has moved toward compliance with the GCCA reporting requirements related to assessment of its management controls, it has yet to establish an ongoing, risk-based management control assessment process similar to that required for Federal agencies under the Federal Managers Financial Integrity Act. The intent of an ongoing, risk-based assessment process is to ensure that the Corporation's resources are used efficiently and effectively to achieve intended results, in compliance with laws and regulations, and with minimal potential for waste, fraud and abuse. As we commented in our previous SAR, we believe that this type of comprehensive and ongoing assessment effort is essential to fully correct the deficiencies reported in the *Auditability Survey* and *Follow-up Studies* reports, and establish a control environment that assures reliable and timely reporting of the Corporation's financial and programmatic results.

Audit Resolution

There has also been progress in resolving the backlog of unresolved audit reports, findings and recommendations. The number of OIG reports with overdue management decisions has dropped from 31 to 25. (These reports are listed in Table III of this report.)

In addition, during this SAR reporting period, OIG and management agreed to implement a new audit resolution process. This process substitutes monthly meetings where findings and recommendations are discussed and related issues are resolved, for the previous process which

revolved around the shuffling of paperwork. The meetings are attended by officials from the Grants Management Office and other offices under the Chief Financial Officer, the Office of General Counsel, and the OIG. All reports issued since August 1997 are to be resolved through this new process.

Nonetheless, as required under the Inspector General Act, we are reporting that, as of September 30, 1997, the Corporation has not made final management decisions on 25 audit reports within the six months required under Federal law. These delays are now causing the Corporation to fail in meeting the statutory requirement to complete corrective action on audit reports within one year. Consequently, we are reporting that, as of September 30, 1997, the Corporation had failed to complete final action on 23 audit reports that were more than a year old. These reports are listed in Table IV (page 20) of this report.

As you are aware, the Inspector General Act of 1978, as amended, requires that you submit this report, along with any comments you may wish to make, as well as statistical tables and reports required by the law, to the Congress within 30 days. In addition, the Act requires that you submit this report, with your comments and the required information, to the Corporation's Board of Directors no later than the date on which you submit the report to the Congress.

Luise S. Jordan
Inspector General

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INTRODUCTION

The Corporation for National and Community Service (CNS) was created under the National and Community Service Trust Act of 1993. Through several programs, the Corporation offers Americans of all ages and backgrounds the opportunity to participate in community-based service programs. These programs include AmeriCorps State and National Direct grants, VISTA, the National Civilian Community Corps, Learn and Serve America, and the National Senior Service Corps.

AUDITING ACTIVITIES

OIG REPORTS ON CNS FINANCIAL MANAGEMENT

During this reporting period we issued three reports assessing CNS' financial management and operations. These reports continued to disclose material deficiencies in the Corporation's financial systems, accounting records, and management controls. The Corporation has embarked on efforts to strengthen its management controls and to improve its accounting records; however, correction of these deficiencies remains critical to achieving auditable financial information for the Corporation.

Report on the Follow-up Study to the Auditability Survey — Phase 2 (OIG Report 97-29)

On July 14, 1997, we issued our second report on the Corporation's progress in improving its financial management systems and in developing auditable financial statements.[1]

We found that the Corporation has corrected, or appropriately addressed, 72 of the original 99 findings identified in the Auditability Survey. However, 21 material weaknesses and other reportable conditions continued to exist through much of fiscal year 1997. Due to the nature and significance of these deficiencies, Arthur Andersen concluded that an effective and efficient audit of the Corporation's fiscal year 1997 financial statements may not be possible. We have reviewed Arthur Andersen's report and the workpapers supporting its conclusions and agree with the findings and recommendations presented.

We also reported that the Corporation's management has demonstrated a commitment to correct the financial reporting deficiencies and internal control weaknesses identified in the Auditability Survey. Further, in its response to the report, the Corporation indicates that it will implement corrective actions to address all outstanding conditions identified in the Auditability Survey by fiscal year end.

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[1] Issues as to the reliability of the Corporation's financial information were first reported to Congress in March 1996. In Report 96-36, OIG reported that the Corporation's fiscal year 1994 financial statements could not be audited because of deficiencies in systems, lack of documentation supporting the statements, and material weaknesses in CNS' management controls. In Report 96-38, a two volume report to OIG, Williams, Adley and Company, LLP and Arthur Andersen LLP made 99 recommendations for corrective actions necessary to produce auditable financial statements for the Corporation.

In our view, correction of the management control deficiencies discussed in phase 2 of the auditability survey follow up and those disclosed in OIG Report 97-27, *Audit of the National Service Trust Fund Fiscal Year 1995 and 1994 Financial Statements* and other OIG reports, is critical to achieving auditable financial information for the Corporation. The following table depicts the status of the Corporation's corrective actions related to the auditability survey through July 14, 1997.

	Total	Corrected/ Addressed	Corrective Action Adequately Designed But		Not Corrected
			Action Not Yet Implemented	Action Not Operating Effectively	
Material Weaknesses	33	21	2	1	9
Other Reportable Conditions	41	32	2	4	3[A]
Other Observations for Improvement	25	19	2	0	4[A]
Total	99	72	6	5	16

[A] Includes one condition for which the Corporation's corrective action is not planned for implementation until 1998.

Audit of the Corporation for National Service's Gift Fund (OIG Report 97-30)

We audited the Corporation for National Service's Gift Fund for fiscal years 1994, 1995, and 1996. Our examination included an assessment of the Fund's activity to determine the Corporation's compliance with applicable laws, regulations, and policies related to the fund, and the reliability of the information reported.

The Corporation's records indicate that it received approximately $2.7 million in gifts and donations during the three year period, and spent $2.2 million. However, we found that the Corporation did not maintain adequate control over the Fund's transactions, did not reconcile its cash accounts, and could not support over $160,000 of reported Gift Fund expenditures. Further, during fiscal years 1994, 1995, and 1996, Gift Fund transactions were not recorded in the general ledger, and the records that were established did not segregate unrestricted and restricted funds. Consequently, the Corporation lacks reasonable assurance that its Gift Fund information is accurate.[2] Because of these

[2] Over the past two years, work conducted by outside auditors under contract to the OIG also disclosed numerous material weaknesses and reportable conditions in the Corporation's financial management controls (see OIG Reports 96-38, *Report on the Results of the Auditability Survey*, issued in March 1996, and 97-09, *Report on the Follow-up Study to the Auditability Survey*, issued in December 1996). As a result, CNS began implementing corrective actions, such as reconciling its fund balance with the U.S. Treasury. However, these corrective actions were not in place during the period of our audit.

conditions, the scope of our work was not sufficient to enable us to conclude that the Gift Fund's financial records, as summarized in the Schedule of Gift Fund Receipts and Expenditures below, are complete and reliable.

Summary Schedule of Gift Fund Receipts and Expenditures
(Fiscal Years 1994, 1995, and 1996)
Unaudited

	Gift/Donation	Expenditure	Balance
Kauffman	$1,500,000	$1,431,281	$ 68,719
Kellogg	990,000	625,152	364,848
Time Warner	10,000	10,000	0
Northrop Grumman	6,000	2,356	3,644
Other restricted[a]	67,874	48,750	19,124
Unrestricted	146,018	108,667	37,351
Total	$2,719,892	$2,226,206	$493,686

[a] Other restricted consists of $67,874 in gifts/donations and $48,750 of expenditures recorded as unrestricted by CNS. In OIG's view, these receipts and expenditures should be reported as restricted.

We also found that the Corporation failed to manage its Gift Fund in accordance with spending restrictions and other requirements established by Congress, Comptroller General decisions, and the Corporation's policies and procedures for soliciting gifts. Because the funds were not adequately controlled and managed, the Corporation lacks assurance that its gift funds were not used for improper or inappropriate activities.

In its response to a draft of the report, the Corporation stated that it generally agreed with our findings and recommendations and that it was implementing corrective actions to strengthen the financial management of the Gift Fund. The Corporation disagreed with the recommendation that the Corporation report an Antideficiency Act violation for having unrestricted fund expenditures in excess of unrestricted funds available. In the Corporation's view, because the total Gift Fund balances were sufficient to pay expenditures, the Corporation did not violate the Antideficiency Act.

Recommended Improvements to National Service Trust Fund Operations (OIG Report 97-31)

We engaged KPMG Peat Marwick LLP to audit the Corporation's National Service Trust Fund financial statements for fiscal years 1995 and 1994 (OIG report 97-27, *Audit of the National Service Trust Fund Fiscal Year 1995 and 1994 Financial Statements*, January 15, 1997). In that report KPMG reported that the Corporation's internal controls were not adequate to ensure complete and accurate financial statements. In addition, the Corporation did not maintain adequate accounting records and other evidential matter in support of the Fund's service award liability, service award expense, and appropriations transactions. As a result of these conditions, KPMG was unable to express an opinion on the fairness of the Trust Fund financial statements.

During the engagement KPMG disclosed other issues involving the Trust Fund's internal controls. In this report KPMG discusses these conditions, and provides recommendations for corrective actions on both the material weaknesses and the additional conditions that were found.

AUDITS AND REVIEWS OF CORPORATION GRANTEES

OIG performs audits and reviews of selected AmeriCorps programs that have completed one or more years of program activity. The audits and reviews are carried out by both OIG staff and independent accounting firms under contract to the OIG.

The audits are intended to assess whether reported costs were allowable under Federal regulations and whether grantees complied with the terms and conditions of the award. The reviews are primarily performed to evaluate the accounting systems and management controls of AmeriCorps programs to determine whether they are adequate for managing the award in accordance with Federal and grant requirements and for safeguarding Federal funds. We also audit grants that were awarded by the Corporation's predecessor agencies, the Commission on National and Community Service and ACTION.

We issued 11 reports on grantees during this period. As illustrated in the table below, our work has revealed issues in several areas. A brief discussion on the results of our work at each grantee follows the table.

Grantee	Award Amount	Questioned Costs	Inadequate Systems & Controls	Inadequate Subrecipient Monitoring	Other Compliance Issues
Audits					
Pennsylvania Association of Colleges and Universities (OIG Report 97-19)	$1,316,185	$64,132	√	√	√
Greater Miami Service Corps (OIG Report 97-20)	$750,000	$427,403	√	√	√
PennSERVE — American Youth and Conservation Corps (OIG Report 97-22)	$3,278,036	$0			√
University of Texas at Austin (OIG Report 97-24)	$940,948	$5,711	√	√	√
Volunteer Center of Topeka (OIG Report 97-28)	$73,597	No Findings			
Council of State Governments/March of Dimes (OIG Report 97-38)	$659,925	$80,287	√	√	√

Grantee	Award Amount	Questioned Costs	Inadequate Systems & Controls	Inadequate Subrecipient Monitoring	Other Compliance Issues
Reviews					
National Organization for Victim Assistance (OIG Report 97-11)	$700,800	$15,656	√	√	√
National Alliance of Veterans Family Service Organizations (OIG Report 97-12)	$350,005	$10,653	√	√	√
United States Catholic Conference (OIG Report 97-16)	$926,925	$62,360	√	√	√
The Enterprise Foundation (OIG Report 97-21)	$2,180,176	$61,626	√	√	√
Habitat for Humanity (OIG Report 97-25)	$2,282,165	No Findings			

Summary of Audits and Reviews of Corporation Grantees Issued During the Reporting Period

AUDITS

Audit of the Pennsylvania Association of Colleges and Universities (OIG Report 97-19)

OIG engaged the independent public accounting firm of Leonard G. Birnbaum and Company to audit the funds awarded by the Corporation for National Service to the Pennsylvania Association of Colleges and Universities (PACU) through the Pennsylvania Commission on National and Community Service (award number 94ASCPA039). The audit covered the costs claimed for the period August 1, 1994 through September 30, 1996.

The audit included an examination to determine whether financial reports prepared by PACU 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 firm found that PACU lacked adequate:

- controls over its financial management system;
- controls for monitoring subrecipients; and
- segregation of duties.

In addition, we reported that PACU incurred administrative costs in excess of the maximum allowed under the terms of the award. We questioned $64,132 in costs claimed under the award.

In its response to a draft of the report PACU disagreed with the finding that it had incurred administrative costs in excess of the maximum allowed under the terms of the award. As discussed in our March 31, 1997, Semiannual Report, OIG agrees that grantees should not be penalized for problems in the Corporation's regulations over these costs.

Audit of the Greater Miami Service Corps (OIG Report 97-20)

OIG engaged the independent public accounting firm of Tichenor and Associates to audit the funds awarded by the former Commission on National and Community Service to the Greater Miami Service Corps (GMSC) for a Defense Conversion Assistance

Program (grant number 93DCLOFL0001). The audit covered the costs claimed for the period September 30, 1993 through December 31, 1995.

The audit included an examination to determine whether financial reports prepared by GMSC presented fairly the financial condition of the award, and that the award costs reported to the Corporation were documented and allowable in accordance with the terms and conditions of the award.

The firm found that GMSC:

- claimed unsupported or unallocable costs;
- paid stipends to ineligible participants;
- paid stipends to Members as a wage;
- did not keep adequate records to determine whether Members completed the required number of service hours; and
- expended funds budgeted for Member costs in other categories without approval of the Corporation.

We questioned $427,403 in costs claimed under the award.

In its response to a draft of the report, the Corporation stated that it had not conducted a comprehensive review of the report and was unable to provide comments. GMSC did not provide a response within the 30 day response period.

Audit of PennSERVE (American Youth and Conservation Corps) (OIG Report 97-22)

OIG engaged the independent public accounting firm of Leonard G. Birnbaum and Company to audit the funds awarded by the former Commission on National and Community Service to PennSERVE for the American Youth and Conservation Corps program (award number 92COSTPA0022). The audit covered the costs claimed during the period July 22, 1992 to September 3, 1995.

The audit included an examination to determine whether financial reports prepared by PennSERVE 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.

We did not question any of the claimed costs as a result of the audit. However, we did note two instances of noncompliance, the first of which was considered material. Specifically, PennSERVE:

- was unable to demonstrate that it had submitted all required annual and quarterly progress reports; and
- did not obtain approval for budget revisions (i.e., transfers of funds between cost categories in excess of ten percent of total costs).

In its response to a draft of the report PennSERVE concurred with the findings and stated that they had begun corrective actions. The Corporation did not provide comments.

Audit of the University of Texas at Austin (OIG Report 97-24)

OIG engaged the independent public accounting firm of Leonard G. Birnbaum and Company to audit the funds awarded by the Corporation for National Service to the University of Texas at Austin (UTA) under grant number 94ADNTX045. The audit covered the costs claimed during the period August 1, 1994 through September 30, 1996.

The audit included an examination to determine whether financial reports prepared by UTA 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 firm found that UTA:

- lacked adequate controls for monitoring subrecipients;
- lacked an adequate labor distribution system for non-professorial and non-professional staff;
- lacked adequate controls for tracking and monitoring service hours performed by AmeriCorps Members; and
- lacked adequate controls over the maintenance of records.

We questioned $5,711 in costs claimed under the award.

In its response to a draft of this report UTA concurred with the findings and questioned costs and stated that they had begun corrective actions. The Corporation did not provide comments.

Audit of the Volunteer Center of Topeka (OIG Report 97-28)

OIG engaged the independent public accounting firm of Leonard G. Birnbaum and Company to audit the funds awarded by the Corporation to the Volunteer Center of Topeka for its Retired Senior Volunteer Program (grant number 340-W040). The audit covered the costs claimed for the period January 1, 1994 through March 31, 1997.

The audit included an examination to determine whether financial reports prepared by the Volunteer Center presented fairly the financial condition of the award, and that the award costs reported to the Corporation were documented and allowable in accordance with the terms and conditions of the award.

The audit disclosed no questioned costs, material instances of noncompliance, or any matters involving the internal control structures and its operations that were considered to be a material weakness.

Audit of the Council of State Governments/March of Dimes (OIG Report 97-38)

OIG engaged the independent public accounting firm of Foxx and Company to audit the funds awarded by the Corporation to the Council of State Governments/March of Dimes (cooperative agreement number 95ADNKY008). The audit covered the costs claimed for the period August 1, 1995 through December 31, 1996.

The audit included an examination to determine whether financial reports prepared by the Council of State Governments/March of Dimes presented fairly the financial condition of the award, and that the award costs reported to the Corporation were documented and allowable in accordance with the terms and conditions of the award.

The firm found that:

- unreasonable or unallocable costs were charged to the grant;
- the Council of State Governments and March of Dimes operating sites did not meet cost matching requirements; and
- one operating site paid AmeriCorps Member support costs for a two month period in which the project was not operating.

We questioned $80,287 in costs claimed under the award.

In their response to a draft of the report the Corporation stated that it had not conducted a comprehensive review of the report and was unable to provide comments. The Council of State Governments concurred with several findings and stated that it would follow up on the other issues reported with the March of Dimes and respond to the OIG at a later date. However, as of the issuance date of the report, September 30, 1997, OIG had not received any additional information on the findings. We recommended that the follow up information be sent to the Corporation's Office of Grants Management for their use in the audit resolution process.

REVIEWS

Review of the National Organization for Victim Assistance (OIG Report 97-11)

OIG engaged the independent public accounting firm of Tichenor and Associates to perform a limited review of the National Organization for Victim Assistance's (NOVA) financial reporting and accounting systems to assess their ability to comply with Federal fiscal accounting and reporting requirements and to safeguard related funds. The review revealed that NOVA's accounting systems and management controls were inadequate to report grant expenditures and to safeguard Federal funds; specifically:

- NOVA's financial management system was not adequate to properly record grant expenditures;
- NOVA did not adequately monitor subgrantee activity in the areas of reporting financial status, establishing AmeriCorps Member eligibility, providing health insurance for Members, and quantifying program accomplishments; and
- the procedures of the Fund for the City of New York, a subgrantee, were inadequate for summarizing and reporting AmeriCorps Member service hours.

We questioned $15,656 in costs charged to the grant.

In its response to a draft of the report NOVA generally disagreed with the findings and provided additional information to the firm. We updated several findings based on the information NOVA provided; however, the information did not warrant any revision to our conclusions.

Review of the National Alliance of Veterans Family Service Organizations (OIG Report 97-12)

OIG engaged the independent public accounting firm of Tichenor and Associates to perform a limited review of the National Alliance of Veterans Family Service Organizations' (NAVFSO) financial reporting and accounting systems to assess their ability to comply with Federal fiscal accounting and reporting requirements and to safeguard related funds. The review revealed that NAVFSO's accounting systems and management controls were inadequate to report grant expenditures and to safeguard Federal funds; specifically:

- NAVFSO's financial management system was not adequate to produce reports of grant expenditures that are current, accurate and complete;
- the system of accounting controls of NAVFSO did not adequately safeguard Federal funds because controls over disbursements for travel reimbursements were weak;
- the accounting controls of the Veterans Benefits Clearinghouse (VBC), a subgrantee, were not adequate to prevent unallocable and unallowable costs from being claimed as grant expenditures; and
- the program activities of the subgrantees were not adequately monitored by NAVFSO, the parent organization, because no procedures were established to collect data on accomplishment of program objectives.

We questioned $10,653 in costs claimed under the award.

In its comments on a draft of this report, the Corporation stated that it has been working with NAVFSO to resolve the financial system inadequacies identified in the report. NAVFSO generally agreed with the management control findings and stated that it had taken corrective actions. NAVFSO disagreed with the questioned costs.

Review of the United States Catholic Conference (OIG Report 97-16)

OIG engaged the independent public accounting firm of Tichenor and Associates to perform a limited review of the United States Catholic Conference's (USCC) financial reporting and accounting systems to assess their ability to comply with Federal fiscal accounting and reporting requirements and to safeguard related funds. The review revealed that USCC's accounting systems and management controls were inadequate to report grant expenditures and to safeguard Federal funds; specifically:

- USCC claimed costs as reimbursable by the Corporation when the amounts were charged as matching on the books of account;

- USCC claimed direct program costs for salaries and benefits that were administrative in nature, and as a result, exceeded the statutory five percent limitation on such costs;

- USCC and its subgrantees claimed costs that were unsupported or unallocable to the grant;

- USCC did not adequately monitor the financial activity of its subgrantees;

- USCC subgrantees assigned AmeriCorps members to inappropriate activities; and

- a USCC subgrantee lacked procedures to accumulate and approve Member service hours.

We questioned $62,360 in costs claimed under the award.

In its response USCC generally disagreed with the findings. USCC also stated that it did not decline to provide the auditors with necessary information related to progress reports that the auditors needed to complete their work, only to internal monthly program reports. However, these internal monthly reports provide the support for the progress reports, and were necessary for the auditors to evaluate whether USCC adequately monitored the performance of its AmeriCorps project.

Review of the Enterprise Foundation (OIG Report 97-21)

OIG engaged the independent public accounting firm of Tichenor and Associates to perform a limited review of the Enterprise Foundation's financial reporting and accounting systems to assess their ability to comply with Federal fiscal accounting and reporting requirements and to safeguard related funds. The review revealed that the Foundation's accounting systems and management controls were inadequate to report grant expenditures and to safeguard Federal funds. The conditions leading to this conclusion included:

- the Enterprise Foundation and its subgrantees claimed costs which were either not supported by adequate source documentation or not allocable to the AmeriCorps grant;

- the Enterprise Foundation incorrectly claimed administrative costs as direct program costs under the grant. As a result, we reclassified claimed direct costs and questioned administrative costs which were in excess of the five percent cap; and

- the Enterprise Foundation and its subgrantees did not accumulate adequate information to track the accomplishment of program objectives under the grant.

We questioned $61,626 in costs charged to the grant.

In its response to a draft of this report, the Corporation stated that it had not conducted a comprehensive review of the report and was unable to provide comments. The Enterprise Foundation generally disagreed with the findings and provided additional information. We updated the findings based on the information provided; however, the information did not warrant any revision to our conclusions.

Review of Habitat for Humanity (OIG Report 97-25)

We engaged the independent public accounting firm of Leonard G. Birnbaum and Company to review the costs incurred by Habitat for Humanity and reported on the Financial Status Reports to the Corporation (grant number 94ADNGA015). Based on their review, the firm concluded that costs incurred by Habitat from July 1, 1994 through December 31, 1995 were accurate and in conformance with the terms and conditions of the grant.

REPORTS ISSUED DURING THE PERIOD APRIL 1, 1997 THROUGH SEPTEMBER 30, 1997

Report Number	Start Date	Issue Date	Report Name	Federal Dollars Questioned	Federal Dollars Unsupported
				(Dollars in thousands)	
97-11	9/9/96	6/19/97	Review of the National Organization for Victim Assistance	$ 16	$ 0
97-12	9/16/96	4/11/97	Review of the National Alliance of Veterans Family Service Organizations	11	2
97-16	9/16/96	9/4/97	Review of the United States Catholic Conference	62	36
97-19	11/4/96	5/14/97	Audit of Pennsylvania Association of Colleges and Universities	64	1
97-20	11/4/96	9/30/97	Audit of the Greater Miami Service Corps	427	322
97-21	10/15/96	6/30/97	Review of the Enterprise Foundation	62	38
97-22	12/2/96	5/14/97	Audit of PennSERVE (Youth and Conservation Corps)	0	0
97-24	10/21/96	4/11/97	Audit of the University of Texas at Austin	6	5
97-25	5/30/97	9/16/97	Review of Habitat for Humanity International, Inc.	0	0
97-28	6/30/97	9/30/97	Audit of the Volunteer Center of Topeka	0	0
97-29	4/14/97	7/14/97	Follow-up to the Auditability Survey (Phase 2)	N/A	N/A
97-30	2/13/97	9/3/97	Audit of the CNS Gift Fund	N/A	N/A
97-31	3/10/97	4/30/97	Recommended Improvements for the Trust Fund	N/A	N/A
97-38	7/7/97	9/30/97	Audit of The Council of State Governments/March of Dimes	80	67
			TOTAL	$728	$471

AUDIT RESOLUTION

Under the Corporation's audit resolution policy, and in accordance with applicable laws and regulations, Corporation management is responsible for evaluating findings in OIG reports, proposing corrective actions, and verifying that corrective actions are implemented within established time frames. Corrective actions must address all conditions identified in the reports. Management decisions addressing findings are to be made within six months after report issuance.

In our last Semiannual Report we commented on the Corporation's delays in making management decisions and the backlog of unresolved audit reports. Since that date, some progress has been made. Most significantly, the Corporation agreed to implement a new audit resolution process. Under the new process, representatives from the Offices of the Chief Financial Officer, Inspector General, and General Counsel (and any other area covered by an audit) meet on a monthly basis to discuss audit findings and necessary actions the Corporation must take to address OIG recommendations. The objective is to achieve consensus on the final management decision within four months of issuance of an OIG report.

All audit reports with a management decision date after August 1, 1997, are being coordinated under the new resolution process. Currently seven OIG reports are active in the new process. It will take several months before we can determine whether audit resolution has improved under the Corporation's new process.

During this reporting period we also made some progress in reducing the backlog of unresolved audit reports. As of March 31, 1997, we reported 31 audits with overdue management decisions. At September 30, 1997, this number had been reduced to 25 (see Table III, Summary of Audits With Overdue Management Decisions, page 18). During the reporting period we reached agreement on 15 audits, however, nine new reports became overdue.

The Corporation has also recently developed a new audit tracking system. The system contains OIG audit reports with open recommendations and those for which final action is not yet complete. This system, which will be updated twice a month based on input from the OIG, CFO and Grants Management Office, allows for monitoring the current status of open recommendations. Written procedures for maintaining the tracking system are being finalized.

INVESTIGATIONS

We began this reporting period with eighteen previously-opened investigative actions. During the reporting period we opened fourteen new investigative actions and closed twenty-one. We had eleven investigative actions pending at the end of this reporting period.

HIGHLIGHTS OF INVESTIGATIONS CLOSED DURING THIS REPORTING PERIOD

Admitted False Claim - Federal Prosecution Declined - Employees Terminated

We completed an investigation we opened subsequent to receiving a copy of a document that caused us to believe a Corporation employee, with the assistance of a Corporation contract employee, used a Corporation facsimile machine in an attempt to fraudulently obtain public assistance from the City of Alexandria, Virginia. The U.S. Attorney declined to prosecute, citing the dollar loss and the greater interest of the Commonwealth of Virginia. We provided the information to the Alexandria Police Department and they reported they would pursue potential Commonwealth violations. We pursued the matter administratively and interviewed each of the employees. Both employees provided statements wherein they admitted preparing and submitting a false document in support of the Corporation employee's attempt to obtain public assistance. Corporation management immediately placed the government employee on administrative leave and instructed the contractor responsible for providing the contract employee to remove the contract employee from Corporation premises. The government employee later resigned from Federal service. We also identified a second contract employee who possessed information concerning the preparation and submission of the form but did not report the matter. Corporation management declined to take action against the second contract employee, stating action was not warranted inasmuch as the second contract employee advised the first contract employee to report the matter to the Corporation's Director of Accounting, although no such report was made. (97-017)

Alleged Employee Misconduct - Referred to Management

We completed an investigation we opened subsequent to receiving an anonymous complaint alleging that an employee of another Federal agency, working on a detail to the Corporation in a supervisory position, was working irregular hours while his time sheets reflected he was working "regular and full" hours. Our inquiry determined that the time sheets prepared by the employee, and ultimately submitted to the employee's agency, did not always accurately reflect the hour he arrived at his office and the hour he departed his office. We could not determine that the total number of hours claimed each pay period by the employee were incorrect, therefore we concluded that the employee's actions did not constitute a violation of Federal criminal law. We referred our findings to management for resolution. (97-022)

Alleged Employee Misconduct - Referred to Management

We completed an investigation we opened subsequent to receiving information from an AmeriCorps*VISTA that while attending an AmeriCorps*VISTA pre-service orientation in Chicago, Illinois, her roommate may have been assaulted by an employee at one of the Corporation's state offices. Our investigation developed evidence to indicate the Corporation state office employee acted in violation of Corporation regulations and the Code of Federal Regulations. Based upon the evidence documented in our investigation, the Corporation suspended the employee, without pay, for fourteen calendar days for unprofessional conduct unbecoming a Federal employee. (97-013)

Alleged Misuse of Corporation Resources - Reported to Management

We completed an investigation we opened subsequent to our receipt of an August 1, 1996 letter on Corporation letterhead that was addressed and faxed to a Department of Commerce official, with a copy provided to an individual at the Democratic National Committee (DNC). The letter, signed by a person who was a Corporation employee at the time the letter was prepared and faxed, discussed a request by a group of Indo-Americans to have a meeting with someone in the Clinton Administration who could discuss U.S. trade policy with India. The letter became public as part of the ongoing investigations by the Department of Justice and the U.S. Senate Committee on Governmental Affairs into campaign fund raising.

We found no evidence or indication that the intended purpose of the letter was anything other than arranging a meeting between the Department of Commerce official and a group of interested Indo-Americans. In addition, our investigation disclosed no evidence or indication that this meeting took place. Further, we found no similar correspondence prepared by the former Corporation employee, nor did we find any other evidence of similar use of Corporation resources by the individual. The identifiable cost to the Corporation for the resources used by the former employee to fax the letter was less than $1.00. We provided the results of our investigation to Corporation management for whatever action the Corporation deemed appropriate. (97-020)

Corporation's Relationship With Non-Profit Organization - Investigation Concluded

We completed an investigation that we opened subsequent to determining that issues we raised regarding the relationship between the Corporation and a non-profit organization were not satisfactorily explained by documents and information obtained during the course of our initial review. We conducted further inquiries and ultimately referred the matter to the Department of Justice. We were notified that the investigation into the matter has been concluded and remains under seal. We provided the results of our preliminary inquiry to the Corporation's Chief Executive Officer for whatever action he deemed appropriate. (96-019)

Procurement Findings - Management Takes Corrective Action

We completed an investigation that we opened subsequent to developing information that Federal regulations may have been violated when the Corporation obligated funds available through September 30, 1995 for fiscal year 1997 services under a contract between the Corporation and one of its contractors. We determined there was statutory authority for the obligation of funds in one fiscal year for services, to include severable services, to be provided in the following fiscal year. We did note however, a practice involving recruitment of the contractor's employees that could adversely affect the Corporation's rights under the contract and that could result in, at the very least, the appearance that the Corporation was circumventing contract provisions in order to afford current and former Corporation employees an unfair advantage in obtaining civilian employment. These findings were reported to Corporation management. In response to our findings, Corporation management issued a memorandum to Corporation officers and department heads, advising them that Corporation contractors are "...fully responsible for recruitment and referral of qualified people to fulfill our stated work needs." The memorandum also informed the officers and department heads that "...Corporation staff are not to engage in providing [to the contractor] names and resumes of candidates...," and asked them to distribute the information to appropriate staff members within their departments. (97-005)

STATISTICAL SUMMARY OF INVESTIGATIONS

Opened and Closed	
Number of Cases Open at Beginning of Reporting Period	18
Number of New Cases Opened During This Reporting Period	14
Number of Cases Closed During This Period With Significant Findings	6
Number of Cases Closed During This Period With No Significant Findings	15
Total Cases Closed This Reporting Period	21
Number of Cases Open at End of Reporting Period	11
Referred	
Number of Cases Referred for Prosecution During This Reporting Period	1
Number of Cases Accepted for Prosecution During This Reporting Period	0
Number of Cases Declined for Prosecution During This Reporting Period	2[3]
Number of Cases Pending Prosecutive Review	0

[3] Includes one case presented for prosecution during a previous reporting period and declined during this reporting period.

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	25	$3,058	$1,264
2.	Which were issued during the reporting period	8	728	471
3.	Subtotals (1 plus 2)	33	3,786	1,735
4.	For which a management decision was made during the reporting period	11	701	412
	(i) dollar value of disallowed costs		168	63
	(ii) dollar value of costs not disallowed	—	533	349
5.	For which no management decision had been made by the end of the reporting period (3 minus 4)	22	$3,085	$1,323
6.	Reports with questioned costs for which no management decision was made within six months of issuance	13	$2,357	

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	0	0
C.	For which a management decision was made during the reporting period	0	0
	(i) dollar value of recommendations that were agreed to by management		
	-- based on proposed management action		
	-- based on proposed legislative action		
	(ii) dollar value of recommendations that were not agreed to by management		
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 September 30, 1997
		(Dollars in thousands)		
94-09-60	Fresno Adult Literacy	$ 2	4/5/95	1
95-27	Commonwealth of Kentucky	1	3/24/96	1
96-05	Review of the National AIDS Fund	0	8/8/96	2
96-06	Review of the National Center for Family Literacy	234	2/17/97	3
96-07	Review of The Arc of the United States	12	12/2/96	2
96-08	Review of the National Association of Community Health Centers, Inc.	0	12/11/96	2
96-11	Review of the Home Instruction Program for Preschool Youngsters	0	1/27/97	2
96-16	Audit of the Greater Miami Service Corps	625	1/5/97	2
96-20	Audit of Public Allies	14	9/23/96	4
96-21	Audit of ACORN Housing	61	9/25/96	3
96-28	Review of the Local Initiatives Support Corporation	76	7/17/96	3
96-29	Review of the National Council of Educational Opportunity Associations	36	3/25/97	2
96-31	Pre-Audit Survey of CNS Grants Process	N/A	9/16/96	5
96-32	Pre-Audit Survey of CNS Procurement Process	N/A	9/16/96	5
96-36	Audit of CNS Fiscal Year 1994 Financial Statements	N/A	9/11/96	5

TABLE III
SUMMARY OF AUDITS WITH OVERDUE MANAGEMENT DECISIONS

Report Number	Title	Federal Dollars Questioned	Mgmt Decision Due*	Status as of September 30, 1997
		(Dollars in thousands)		
96-38	Report on the Results of the Auditability Study	$ N/A	9/25/96	5
97-01	Audit of PennSERVE	875	5/24/97	4
97-02	Audit of the Oregon Youth Conservation Corps	280	6/22/97	1
97-04	Review of Kansas City Consensus	0	7/28/97	1
97-05	Review of YouthNet of Greater Kansas City	0	9/8/97	1
97-06	Review of the Legal Services Corporation	82	9/12/97	4
97-08	Review of the University of Maryland at Baltimore County	59	6/22/97	1
97-09	Auditability Study Follow-up Survey (Report 1)	N/A	6/12/97	5
97-17	Review of the Presidio Leadership Center	N/A	9/3/97	4
97-27	Audit of the Trust Fund Fiscal Year 1995 & 1994 Financial Statements	N/A	9/6/97	5
	Total	$2,357		

* Under Federal regulations a final management decision must be made within 6 months of the final report issuance.

Status

1 Proposed Management Decision (PMD) not received.
2 Substantial agreement on issues - awaiting revised PMD.
3 PMD received, but agreement not reached on all issues.
4 PMD received September 30, 1997 and is currently under review.
5 PMD was not accepted; further action is required by Corporation management.

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				
94-09-60	Fresno Adult Literacy	10/7/94	4/5/96	Management Decision is overdue (due 4/5/95)
95-27	Commonwealth of Kentucky	9/25/95	3/24/97	Management Decision is overdue (due 3/24/96)
96-05	Review of the National AIDS Fund	2/9/96	8/8/97	Management Decision is overdue (due 8/8/96)
96-06	Review of the National Center for Family Literacy	8/21/96	8/21/97	Management Decision is overdue (due 2/17/97)
96-07	Review of The Association of Retarded Citizens	6/3/96	6/3/97	Management Decision is overdue (due 12/2/96)
96-08	Review of the National Association of Community Health Centers Inc	6/14/96	6/14/97	Management Decision is overdue (due 12/11/96)
96-11	Review of the Home Instruction Program for Preschool Youngsters	8/1/96	8/1/97	Management Decision is overdue (due 1/27/97)
96-16	Audit of the Greater Miami Service Corps	7/9/96	7/9/97	Management Decision is overdue (due 1/5/97)
96-20	Audit of Public Allies	3/27/96	3/27/97	Management Decision is overdue (due 9/23/96)
96-21	Audit of ACORN Housing Corporation	3/29/96	3/29/97	Management Decision is overdue (due 9/25/96)
96-29	Review of the National Council on Educational Opportunities	9/26/96	9/26/97	Management Decision is overdue (due 3/25/97)
96-31	Pre-Audit Survey of CNS Grants Process	3/20/96	3/20/97	Management Decision is overdue (due 9/16/96)
96-32	Pre-Audit Survey of CNS Procurement Process	3/20/96	3/20/97	Management Decision is overdue (due 9/16/96)
96-36	Audit of CNS Fiscal Year 1994 Financial Statements	3/15/96	3/15/97	Management Decision is overdue (due 9/11/96)
96-38	Report on the Results of the Auditability Study	3/29/96	3/29/97	Management Decision is overdue (due 9/25/96)

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 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 Reported To OIG
96-12	Audit of the NorthWest Service Academy	9/18/96	9/18/97	" "
96-34	Audit of the Georgia Department of Community Affairs	4/26/96	4/26/97	" "
96-35	Audit of the Montana Conservation Corps	5/8/96	5/8/97	" "
96-37	Review of the I Have a Dream Foundation	5/13/96	5/13/97	" "
96-41	Review of the Oneida Indian Nation	8/9/96	8/9/97	" "
96-43	Review of the Mid-Atlantic Network of Youth & Family Services	8/9/96	8/9/97	" "
96-51	Audit of Bowie State University	9/30/96	9/30/97	" "

*For reports issued before February 10, 1996 (Report Numbers 94-09-60, 95-27, and 96-05), the final action due date is 18 months from the issuance of the report, as established in the regulations of ACTION, the Corporation's predecessor agency. For reports issued after that date, the final action due date is 12 months from the report issuance date, as established under section 6009 of the Federal Acquisitions Streamlining Act, Public Law 103-355, as amended.

INDEX TO REPORTING REQUIREMENTS OF THE INSPECTOR GENERAL ACT

IG Act Reference*	Reporting Requirement	Page
Section 4 (a)(2)	Review of Legislation and Regulations.	N/A
Section 5 (a)(1)	Significant problems, abuses, and deficiencies related to the administration of CNS programs and operations.	11
Section 5 (a)(2)	Recommendations with respect to significant problems, abuses, and deficiencies found in the administration of CNS programs and operations.	N/A
Section 5 (a)(3)	Prior significant recommendations on which corrective action has not been completed.	20
Section 5 (a)(4)	Matters referred to prosecutive authorities.	15
Section 5 (a)(5)	Summary of instances where information was refused.	N/A
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.	10
Section 5 (a)(7)	Summary of each particularly significant report.	1
Section 5 (a)(8)	Statistical table showing number of reports and dollar value of questioned costs.	16
Section 5 (a)(9)	Statistical table showing number of reports and dollar value of recommendations that funds be put to better use.	17
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.	18
Section 5 (a)(11)	Significant revised management decisions.	N/A
Section 5 (a)(12)	Significant management decisions with which the Inspector General disagrees.	N/A

* Refers to sections in the Inspector General Act of 1978, as amended.

SUMMARY REPORT OF ACCOMPLISHMENTS FOR FISCAL YEAR 1997

AUDIT PERFORMANCE MEASURES

One of our strategic goals continues to be improved delivery of OIG services, reports and other work products. Although we are developing new measures to augment our originally established audit statistics, we have continued to monitor the number of audit reports we issued annually, their cost and their timeliness, as the table below illustrates.

AUDIT PERFORMANCE STATISTICS

	Fiscal Year		
	1995	1996	1997
Number of Audit Reports	18	33	26
Questioned Costs (*in thousands*)	$234	$1,854	$2,024
Costs per Audit Hour			
OIG Staff*	---	$57	$75
Contracted Services	---	$63	$66
Timeliness**	---	168 days	223 days

* OIG cost per hour estimate is based on the total salary and benefits costs for audit staff divided by the direct hours charged to audit assignments.

** From inception of a grant audit/review through issuance of the final report and thus including a 30 day response period.

As shown above, two audit performance measures had significant changes between fiscal years 1996 and 1997. First, the cost per audit hour for OIG staff increased. The primary reason for this increase was the large turnover in audit staffing during this fiscal year — two auditors retired and a third transferred to another organization within the Corporation. During this period of turnover,

the utilization rate (the amount of time spent on audit assignments versus other activities) for auditors dropped significantly. In fiscal year 1996, auditors spent approximately 65 percent of their time directly on audit assignments. In fiscal year 1997, the utilization rate dropped to about 50 percent. Our goal for fiscal year 1998 is for auditors to spend at least 65 percent of their time directly on audits.

The second performance measure with a significant change between fiscal years 1996 and 1997 was in the timeliness of audit reports issued. It took an average of 55 more days to issue a report in fiscal year 1997 than in fiscal year 1996. The factors contributing to this increase included:

- The complexity of assignments performed by OIG staff and independent accounting firms under contract increased. These assignments included OIG's Review of the Presidio Leadership Center and our continuing follow-up studies on auditability issues at the Corporation.
- Lack of timely performance by several independent public accounting firms under contract to the OIG. We are no longer utilizing the services of these firms.

INVESTIGATIONS PERFORMANCE MEASURES

The basic mission of the OIG investigative element is to lawfully determine as many of the facts as possible surrounding a given incident. The incident under review may include allegations of criminal activity, allegations of non-criminal activity, or allegations that include both criminal activity and non-criminal activity. The basic mission of the investigative element remains unchanged regardless of the nature of the incident: Determine as many facts as possible surrounding a given incident. How an allegation is developed, i.e., reactively or pro-actively, has no impact on the basic mission.

What occurs after the initial receipt of a complaint, allegation, or information that results in the development of a complaint or allegation, varies, depending primarily upon whether the matter is criminal or non-criminal, and if criminal, whether or not it is accepted by the Department of Justice for prosecution.

All matters involving evidence of Federal criminal violations are referred to the Department of Justice for a prosecutive decision. This does not mean that all allegations of Federal criminal violations are referred; only those with evidence of a Federal criminal violation are referred, with some exceptions. For example, all allegations of significant fraud and all allegations against certain senior government officials are referred to the Department of Justice without regard to the amount of evidence available at the time the allegations are received. The majority of the criminal matters we investigate involving Corporation programs and operations are declined for prosecution by the Department of Justice because of the low dollar amounts involved. We have had no declinations of a criminal matter because of our inability to sufficiently develop evidence of criminal misconduct.

Those matters that we determine are non-criminal and those matters that have been declined for prosecution by the Department of Justice are often referred to Corporation management for administrative action. This administrative action might involve suspension or even removal of an employee. Administrative action could also involve a redesign or refinement of a process or system that was identified by our efforts as one that could be improved. When we refer such matters to management, we usually request that management provide us a brief narrative of what, if any, administrative action was taken as a result of the referral to them.

One other area that deserves mention involves those matters (criminal and non-criminal) that we find did not occur, did not occur as alleged, or were not within our purview. While some of these matters are as important as a founded criminal investigation (and as such are identified and reported separately), the majority are minor and we combine them in one quarterly file, without opening a separate investigative action. Regardless of the severity however, each matter requires some degree of preliminary inquiry. The following table presents statistics on our investigative workload.

INVESTIGATIONS PERFORMANCE STATISTICS

	Fiscal Year		
	1995	1996	1997
Investigative Actions Opened	23	39	31
Investigative Actions Resolved and Closed	14	29	46
Average Monthly Caseload	Unknown	23	19
Investigative Matters Resolved Without Opening a Separate Investigative Action	Unknown	48	69
Referrals for Prosecution	1	7	4
Administrative or Management Action Taken	2	4	3

The total number of investigative matters reported (the sum of Investigative Actions Opened and Investigative Matters Resolved Without Opening a Separate Investigative Action) increased from 87 in fiscal year 1996 to 100 in fiscal year 1997. This increase may be explained in part by a developing awareness of the OIG's existence and purpose, coupled with the growth of the agency's programs and participation level.

The total number of Investigative Actions Opened decreased from 39 in fiscal year 1996 to 31 in fiscal year 1997. The reason for part of this decrease is apparent when viewed alongside the increase in fiscal year 1997 of Investigative Matters Resolved Without Opening a Separate Investigative Action. We simply resolved the less significant matters without initiating a separate, more visible, investigative file--we did a little more investigating and less administrating.

The total number of Investigative Actions Resolved and Closed increased from 29 in fiscal year 1996 to 46 in fiscal year 1997. There are two possible explanations for this increase. First, we had three investigators working throughout fiscal year 1997 whereas we had only two working in fiscal year 1996. Second, by resolving more investigative matters without opening a separate investigative action in fiscal year 1997, we were able to shift the effort that would have been expended on administratively opening and closing several minor cases to closing the backlogged cases.

One of our more significant criminal investigations is currently in the hands of the U.S. Attorney and is pending presentation to the Federal grand jury. In another criminal matter that was handled administratively after the U.S. Attorney declined to prosecute, the Corporation accepted the resignation of one government employee and required that a Corporation contractor remove a contractor-employee from the Corporation premises. Following one of our employee misconduct investigations, Corporation management suspended the employee, without pay, for fourteen calendar days. Other investigative matters have resulted in recommendations to Corporation management that corrective actions be taken to correct cited deficiencies or crime conducive conditions.

Corporation for National Service
Office of the Inspector General
Summary of Obligations and Expenditures
(in thousands)

	Fiscal Year		
	1995	1996	1997
Salaries and Benefits	$1,028	$1,085	$1,152
Travel	33	35	27
Contracted Audit and Advisory Services:			
Corporation Operations and Activities	433	343	109
Grant Audits and Reviews	425	420	582
Training	6	9	13
Supplies	10	14	10
Furniture and EDP Equipment	56	25	62
Contract Services and Other Office Support	6	5	14
Total Obligations	$1,997	$1,936	$1,969