



THE UNITED STATES ATTORNEY'S OFFICE

EASTERN DISTRICT *of* NORTH CAROLINA

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**Department of Justice**

U.S. Attorney's Office

Eastern District of North Carolina

FOR IMMEDIATE RELEASE

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## **United States Reaches \$842,500 Settlement with Two Public Universities and the North Carolina Commission on Volunteerism and Community Service to Resolve Alleged False Claims for AmeriCorps Funds**

Acting United States Attorney G. Norman Acker, III, and AmeriCorps OIG today announced settlements with the University of North Carolina at Chapel Hill ("UNC-CH"), East Carolina University ("ECU"), and the North Carolina Commission on Volunteerism and Community Service ("NCCV") requiring the total payment of \$842,500 to the United States for alleged false claims for AmeriCorps grant funds.

AmeriCorps' mission is to strengthen communities through community service, and this includes providing grant funds for salaries and various school programs. AmeriCorps provided grant funds as student education awards to UNC-CH and ECU students based upon UNC-CH and ECU certifications of service hours, as well as funds directly to NCCV for salaries of certain employees who oversaw AmeriCorps programs.

In exchange for these grant funds, UNC-CH, ECU, and NCCV agreed to comply with grant requirements and regulations, including certifying hours worked for AmeriCorps programs and maintaining internal controls. UNC-CH and ECU were expressly required to provide certifications for hours worked for student education awards (including for the mentoring, tutoring, and college-bound advising programs at issue).

NCCV was expressly required to provide certifications for the separate hours worked by employees paid under the AmeriCorps grants.

Based on its investigation, the United States contends that UNC-CH, ECU, and NCCV caused false certifications for service hours worked and related violations of grant requirements in connection with grant funds paid from 2014 through 2019. The United States contends that these actions constituted a misuse of grant funds and harmed AmeriCorps programs.

The United States specifically contends that UNC-CH and ECU engaged in widespread violations of grant requirements, acted with reckless disregard in causing false claims, failed to maintain proper internal controls, and systematically certified false hours for AmeriCorps Members, including taking mere seconds to electronically approve hours falsely claimed to be worked on holidays and weekends, and excessive hours claimed toward the end of school years. For example, the investigation uncovered certifications of 16-hour

days, which were beyond available service site hours that were typically weekdays on school schedules, unless approved by a supervisor.

The United States further contends that NCCV acted with reckless disregard in making false claims and causing false certifications for employee salaries to administer AmeriCorps programs, failed to maintain certifications, timesheets, and documentation for the separate AmeriCorps work of NCCV employees as required, and failed to maintain proper internal controls, such as allowing one employee to work under two overlapping grant awards and another employee to not provide the required monthly certification for over two years.

UNC-CH, ECU, and NCCV agreed to pay \$375,000, \$140,000, and \$327,500, respectively, to the United States to resolve these claims.

“These settlements demonstrate our firm commitment to protect taxpayer money and to guard the integrity of federal grant programs,” said Acting U.S. Attorney Acker. “Universities, state agencies, and all those seeking federal funds are required to make honest claims for payment. Those who do not will be held accountable. Our office will zealously pursue damages and civil penalties where warranted, and notes that cooperation was a key factor in determining an appropriate resolution in this case.”

“These AmeriCorps programs were meant to support at-risk and low-income youth academically. Instead, the universities and agency involved here ran them in a way that allowed participants to falsify their timesheets, and robbed North Carolina communities of the assistance they were supposed to receive,” said AmeriCorps Inspector General Deborah Jeffrey. “We and our partners at the U.S. Attorney’s Office for the Eastern District of North Carolina will vigorously pursue any such frauds.”

It should be noted that the civil claims resolved by settlements here are allegations only, and that there has been no judicial determination or admission of liability. UNC-CH, ECU, and NCCV deny these allegations and cooperated in resolving these claims.

Assistant United States Attorney Neal Fowler represented the United States in this civil action. The investigation was conducted by the AmeriCorps Office of Inspector General, including Counsel Stephen Ravas and Special Agents Jessica Nelson and Joy Cuffee.

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**Component(s):**

USAO - North Carolina, Eastern

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