

AmeriCorps Issued a Debt Collection Notice and Revised Policy After Issues Were Identified with a Contractor's Invoices

Closed 03/28/2024

The AmeriCorps Office of Inspector General (AmeriCorps OIG) investigated allegations that a contractor submitted invoices under its Blanket Purchase Agreement (BPA) with AmeriCorps that included unallowable and/or unsupported costs. AmeriCorps OIG's investigation found evidence that the contractor billed AmeriCorps \$167,714.42 in unallowable charges in violation of acquisition regulations and policies, including, Federal Acquisition Regulation (FAR) 31.201-2(d) Determining allowability, FAR 5.503(c) Proof of advertising, and AmeriCorps Acquisition Policy 5.1304(c) Invoice Certification, and the contractor lacked supporting documentation required by the BPA. In addition, the investigation found that the contractor both overbilled and underbilled AmeriCorps, the net of which favored the contractor.

AmeriCorps OIG also identified areas of concern in AmeriCorps' contract management practices. AmeriCorps' Contracting Officer's Representative (COR) for the contract approved contractor invoices that did not include the appropriate supporting documentation. Further, AmeriCorps should have used Firm-Fixed Price contracts instead of Time and Materials-type (T&M) contracts for the commercial services performed by the contractor because T&M contracts provide no positive profit incentive to the contractor for cost control or labor efficiency. Last, AmeriCorps did not appropriately document its justification for use of T&M contracts in accordance with the FAR.

Agency/Administrative Actions

AmeriCorps responded confirming that it had issued a debt collection notice for \$167,714.42 and that it created an annual COR training, a COR Invoice Checklist for T&M contracts, and a Contract File Standard Operating Procedure.

Case ID 2018-004