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**THE YMCA OF GREATER NEW YORK
PAYS \$534,000 TO SETTLE CHARGES OF
DEFRAUDING NATIONAL COMMUNITY SERVICE ORGANIZATION**

MICHAEL J. GARCIA, the United States Attorney for the Southern District of New York, announced today that the Young Men's Christian Association of Greater New York (the "YMCA") has agreed to pay \$534,000 to settle civil charges that it defrauded the Corporation for National and Community Service (the "Corporation") while participating in the Corporation's AmeriCorps Education Awards Program ("AmeriCorps"). The Corporation is an independent federal corporation created by the National and Community Service Trust Act, which administers a number of federally-funded volunteer and community service programs, including AmeriCorps. According to the Complaint, filed yesterday, and the Settlement Agreement, filed today in Manhattan Federal Court:

The Corporation awarded an AmeriCorps grant to the YMCA for the purpose of providing a tutoring program to grade school students at various public schools in New York City from 2001

through 2005. AmeriCorps grantees -- such as the YMCA -- recruit individuals to enroll as full or part-time members in the AmeriCorps program, for specified periods of time, to perform the community service activities approved by the Corporation under the grant. According to AmeriCorps program rules: After completing the required term of service and satisfactorily completing the program, AmeriCorps members are eligible to receive a voucher from the Corporation crediting them with a post-service education award that may be used to pay off qualified student loans or to pay qualified education costs. In order for an AmeriCorps member to receive an award, the grantee must first certify to the United States that the member has performed the minimum hours of service as required by the Corporation and successfully completed all program requirements. The rules also permit members who are actively participating in an approved AmeriCorps program and who satisfy all membership eligibility criteria to receive living allowances during the terms of their service. Grantees who pay living allowances to AmeriCorps members may obtain reimbursement of these expenses from the Corporation.

The Complaint charges that the YMCA falsely certified the number of service hours completed by AmeriCorps members participating in its program so that these individuals could receive education awards to which they were not entitled. For

example, the YMCA repeatedly certified to the Corporation that its AmeriCorps members had completed certain service hours when they had not. Furthermore, the YMCA falsely certified to the Corporation that its members had completed service hours for work approved under the AmeriCorps grant when, in fact, the members had been performing other activities that were not covered under the approved program, such as working at YMCA summer camps. As a result of these false certifications, the Corporation paid education awards on behalf of numerous YMCA AmeriCorps members who, in fact, were not entitled to receive any such benefits.

In addition, the Complaint alleged that the YMCA submitted reimbursement requests for amounts it was not entitled to receive under the grant. Specifically, the Government asserted in the Complaint that the YMCA sought and obtained reimbursement for living allowances paid to numerous individuals who were not entitled to receive these amounts because they were not actively participating in the YMCA's AmeriCorps program or did not otherwise meet the membership criteria.

The YMCA agreed to pay the Government \$534,000 to settle the charges detailed in the Complaint. In agreeing to the settlement, the YMCA did not admit to any wrongdoing or liability. United States District Judge ALVIN K. HELLERSTEIN approved the settlement today in Manhattan federal court.

Mr. GARCIA praised the investigative efforts and

assistance provided by the Corporation and the Corporation's Office of Inspector General in this case.

Assistant United States Attorney PIERRE G. ARMAND is in charge of the case.

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