

Department of Justice Office of Public Affairs

FOR IMMEDIATE RELEASE

Monday, December 1, 2014

Maricopa County Community College District Agrees to Pay \$4 Million for Alleged False Claims Related to Award of AmeriCorps Education Awards

Maricopa County Community College District (MCCCD) has agreed to pay \$4.08 million to resolve allegations under the False Claims Act that it submitted false claims to the Corporation for National and Community Service (CNCS) concerning AmeriCorps state and national grants, the Justice Department announced today. MCCCD is the entity responsible for operating community colleges in Maricopa County, Arizona, and is based in Phoenix.

“Those who receive federal funds must deal with the government openly and honestly,” said Acting Assistant Attorney General Joyce R. Branda for the Justice Department’s Civil Division. “The Department of Justice will ensure that financial assistance provided by the Corporation for National and Community Service is received only by eligible individuals who satisfy CNCS’s mission of promoting service and education.”

CNCS is an independent federal agency that administers AmeriCorps, among other national service programs. MCCCD obtained AmeriCorps funding for Project Ayuda, a program that proposed to engage students in national service. In order to receive an AmeriCorps education award, a student had to meet certain service-hour requirements. MCCCD allegedly improperly certified that students had completed the required number of service hours so that they would earn an education award. This resulted in CNCS providing education awards to these students. MCCCD also allegedly improperly received grant funds from CNCS to administer the project.

“Our internal process uncovered MCCCD’s mismanagement, and we worked with the Justice Department to ensure that taxpayer dollars were recovered,” said CNCS’s General Counsel Valerie Green. “This is an example of how interagency collaboration works.”

“Taxpayers are justifiably outraged when a community fails to receive promised services because national service funds were misused,” said CNCS’s Inspector General Deborah J. Jeffrey. “We hope that this settlement will deter other grantees from similar misconduct.”

The allegations resolved by this settlement arose from a whistleblower lawsuit filed under the False Claims Act by Christine Hunt, an MCCCD employee. Under the False Claims Act, private citizens can sue on behalf of the government and share in any recovery. Hunt’s share of the settlement is \$775,827.

This case was handled by the Commercial Litigation Branch of the Civil Division and CNCS’s Office of Inspector General and Office of General Counsel.

The lawsuit is captioned *United States ex rel. Hunt v. Maricopa County Community College District; Paula and Richard Vaughn*, No. 11-cv-2241 (D. Ariz.). The claims resolved by the settlement are allegations only, and there has been no determination of liability.