

PHOTOCOPY
PRESERVATION

Fax Transmittal



Service -
CNS Management
Please deliver immediately!

To: Eric Liu
Organization
Fax Number: 456-2878
From: Tara Murphy
Department: Public Affairs
Phone Number: 202-606-5000 x158
Fax Number:
Date/time: 9/17/99
Total Pages (including cover): 3

BR -
FYI, in the
Congress Daily
News in America
CR

Message: Corporation response to IG's critique. Please let me know if you have any questions.



Corporation response to IG testimony at House Oversight hearing on 9/14/99

The Corporation has made no progress toward fixing its financial management.

The Corporation is making strong and steady progress toward correcting its financial management problems:

- This year the Corporation received a clean opinion on its FY 98 balance sheet.
- Has brought a new Y2K compliant financial reporting system on line;
- Implemented a web-based reporting system that will significantly improve accuracy of national service trust.
- [In addition, the President has nominated a highly qualified individual to serve as CFO and we are anxious for the Senate to confirm him. *The fact that we don't have a CFO is a real concern to folks on the Hill.*]

With these and other improvements, the Corporation is now within striking distance of securing an unqualified opinion on its FY 99 financial statements.

The Corporation's monitoring of its programs is inadequate.

The structure that Congress created to administer AmeriCorps is extremely decentralized. Two-thirds of AmeriCorps resources are administered and monitored by Governor-appointed State Commissions. These state entities are directly responsible for making subgrants to local programs and for monitoring the performance of those recipients of AmeriCorps funds. This decentralized structure gives states and localities flexibility to ensure AmeriCorps resources are directed to meeting local needs. But it also makes success dependent on thousands of local organizations around the country.

In the past there have been a few isolated examples of unscrupulous conduct by program administrators. And when these people are caught, they are dealt with accordingly. The cases cited by the IG represent a few bad apples in an otherwise strong bunch of programs.

While the Corporation itself is not responsible for monitoring local programs -- that is the role of state commissions -- it has taken strong steps to strengthen the ability of state commissions to monitor programs including:

- Bringing a new web based reporting system on line that will allow commissions and local programs to electronically track member service hours. Most of the AmeriCorps network will be using this system by October;
- Implementing a rigorous administrative standards review process that will help states improve monitoring of local programs;
- Held a major training last January for state commissions on financial management.

The Terre Haute incident is evidence of pervasive weakness in the management of the Corporation.

On the contrary, the Terre Haute example shows that AmeriCorps' decentralized system works. Once problems were discovered at the site, the Indiana Governor's Commission on Community Service and Volunteerism, which was responsible for monitoring the program, acted quickly to shut it down. Since then the Corporation has worked with the Commission to improve its program oversight.

The Commission has found that the situation at Terre Haute was an isolated occurrence. The Corporation is now conducting a comprehensive review of the Indiana Commission to ensure adequate financial controls are in place.

Clinton Presidential Records Digital Records Marker

This is not a presidential record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

This marker identifies the place of a publication.

Publications have not been scanned in their entirety for the purpose of digitization. To see the full publication please search online or visit the Clinton Presidential Library's Research Room.

MTBE: A PROVEN FORMULA FOR CLEANER AIR

1 GAL. GASOLINE + MTBE = Cleaner Air

1 GAL. GASOLINE - MTBE = Higher Pump Price\$

(MTBE) Methyl tertiary butyl ether

MTBE is a quality fuel additive that has been used in gasoline for nearly 20 years. It has a proven track record of reducing air pollutants like toxic lead, benzene, carbon monoxide, nitrogen dioxide and sulfur oxides from cars – everything you don't want to breathe. It helps clean the air and the EPA has recognized the importance of MTBE to reduce these dangerous emissions. MTBE also helps keep down the cost of reformulated gas at the pump.

Now more than ever, America needs a proven product that reduces smog, makes the air cleaner, and helps keep gas prices down.

MTBE: A Proven Formula for Cleaner Air

Oxygenated Fuels Association
www.ofa.net

**AMERICA CAN'T AFFORD TO BE WRONG ABOUT MTBE.
STOP THE PUSH TO BAN!**