



U.S. Department of Justice

United States Attorney

Eastern District of Pennsylvania

*615 Chestnut Street
Suite 1250
Philadelphia, Pennsylvania 19106-4476
(215) 861-8200*

January 13, 2016

**BIG BROTHERS BIG SISTERS OF AMERICA TO PAY \$1.6 MILLION
TO RESOLVE ALLEGATIONS OF FALSE CLAIMS FOR FEDERAL GRANTS**

PHILADELPHIA – Big Brothers Big Sisters of America Corporation (Big Brothers) has agreed to pay the United States \$1.6 million to resolve allegations of false claims for funds under Department of Justice grants awarded to help children at risk, announced United States Attorney Zane David Memeger and Principal Deputy Assistant Attorney General Benjamin C. Mizer, head of the Justice Department’s Civil Division. Big Brothers is a not-for-profit organization that provides mentoring services to boys and girls throughout the United States. The organization, originally based in Philadelphia, Pennsylvania, now is headquartered in Tampa, Florida.

Big Brothers is a national organization that acts through approximately 300 independent affiliate agencies across the United States. Since 2004, Big Brothers has received millions of dollars in grants from the Justice Department to support initiatives on behalf of children at risk. As a condition of those grants, Big Brothers was required to maintain sound accounting and financial management systems in accordance with federal regulations and guidelines designed to ensure that grant funds would be properly accounted for and used only for appropriate purposes.

The United States alleges that Big Brothers violated these regulations and guidelines with respect to three grants awarded by the Justice Department from 2009 to 2011, by commingling the grant funds with general operating funds, failing to segregate expenditures to ensure that the funds for each grant were used as intended, and failing to maintain internal financial controls to safeguard the proper use of grant funds. These allegations were documented in a 2013 audit of the three grants performed by the Department of Justice Office of the Inspector General. Since 2013, Big Brothers has replaced its management team and begun implementing policies aimed at correcting deficiencies in its management and accounting of federal grant funds.

“The US Attorney’s office is committed to protecting federal grants and ensuring that the funds are appropriately spent,” said Memeger. “Federal grant recipients must administer these grants with transparency and diligence, and the compliance measures implemented pursuant to this settlement agreement will help to achieve those goals.”

“Organizations such as Big Brothers have an obligation to the populations they serve as well as to the taxpayer to ensure that government grant funds are used for their intended purpose,” said Mizer. “The settlement announced today exemplifies the Department’s commitment to hold those who mishandle such funds accountable.”

“We appreciate the support of the U.S. Attorney for the Eastern District of Pennsylvania and the Civil Division in working with us on these kinds of cases,” said Department of Justice Inspector General Michael E. Horowitz. “The OIG’s auditors and investigators will continue to work with each other closely to uncover misuses of grant funds, and with our law enforcement partners to ensure that justice is served.”

In addition to paying the United States \$1.6 million, Big Brothers has agreed to institute a strict compliance program that requires the organization to engage in regular audits, both internally and by independent auditors; establish a compliance team, an employee code of conduct, whistleblower policies, and a disciplinary policy for employees who engage in or fail to disclose abuses of federal grant funds; provide regular employee training on these policies; and employ risk assessment tools to detect abuses that might otherwise go undetected.

The investigation was conducted by the Department of Justice Office of the Inspector General. The settlement was handled by Assistant U.S. Attorneys Joel M. Sweet and Scott W. Reid in coordination with Trial Attorney David W. Tyler of the Justice Department’s Civil Division, Commercial Litigation Branch.

The claims resolved by this settlement are allegations only; there has been no determination of liability.

**UNITED STATES ATTORNEY'S OFFICE
EASTERN DISTRICT, PENNSYLVANIA
Suite 1250, 615 Chestnut Street
Philadelphia, PA 19106**

**Contact: PATTY HARTMAN
Media Contact
215-861-8525**

*COPIES OF NEWS MEMOS AND RELATED DOCUMENTS CAN ALSO BE FOUND AT
[HTTP://www.justice.gov/usao/pae](http://www.justice.gov/usao/pae)*