Cause of Action Requests Investigation and Audit of Affordable Care Act Navigator in Texas for Potential Misuse of Federal Funds
Allegations against Southern United Neighborhoods and United Labor Unions Point to Misuse of Federal Funds by Failing to Comply with Navigator requirements

WASHINGTON – Cause of Action (CoA), a government oversight organization, requested today that the Inspector General of Health and Human Services investigate and audit Southern United Neighborhoods (SUN) for potential fraud in light of legal allegations that United Labor Unions Local 100 (ULU), a federal subgrantee of SUN, directed an Affordable Care Act (ACA) navigator, paid with federal grant funds, to recruit members for ULU in Texas.

In a letter to Inspector General Daniel Levinson, Cause of Action states:

"Under the Internal Revenue Code, SUN's primary purpose cannot be to support a non-charitable purpose. Moreover, OMB Circular A-133 and appropriate HHS regulations require that federal grant money be used for an approved programmatic purpose, which is belied by ULU's alleged direction of a federally-funded navigator to conduct recruiting activities for the benefit of the labor union. Given the amount of federal dollars at issue – over $1.3 million -- the Inspector General should investigate SUN and conduct an audit into the potential misuse of ACA navigator funds."

You can read the full letter here.

About Cause of Action:
Cause of Action is a non-profit, nonpartisan government accountability organization that fights to protect economic opportunity when federal regulations, spending and cronyism threaten it. For more information, visit www.causeofaction.org.

To schedule an interview with Cause of Action's Executive Director Dan Epstein, contact Mary Beth Hutchins, mary.beth.hutchins@causeofaction.org
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