WORKSOURCE WIOA FRAUD AND ABUSE AWARENESS POLICY

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I. PURPOSE

The purpose of this policy is to communicate the South Central Workforce's (SCW) procedures for reporting allegations of fraud, program abuse, or criminal conduct involving the Workforce Innovation and Opportunity Act (WIOA) Title I, Wagner-Peyser, and Trade Adjustment Assistance (TAA) laws.

II. BACKGROUND

The detection and prevention of fraud and abuse in programs authorized by the Department of Labor (DOL) is of the highest priority. Therefore, procedures for reporting instances of suspected or actual fraud, abuse, or criminal conduct are vital for States, local governments, and grantees who become aware of:

- Actual, potential, or suspected fraud
- Gross mismanagement and misuse of program funds
- Conduct violations
- Violations of regulations
- Abuse in programs and operations

III. POLICY

A. All partners must follow the communication and coordination expectations outlined in the region's Memorandum of Understanding (MOU), including notifying the One-Stop Operator (OSO) when allegations may impact system operations, partner activities, or shared service environments.

B. Should any board member, SCW staff, subrecipient, or WorkSource Partner become aware of any actual or suspected program abuse, fraud, or criminal activity, they must report the incident to SCW's EO Officer within 24 hours of detection.

C. SCW EO Officer shall notify the OSO when allegations involve shared spaces, shared staff, or any activity that may affect center operations

D. WorkSource Partners must follow their internal incident-reporting procedures in addition to notifying SCW and must document all internal actions taken.

E. SCW EO Officer shall immediately notify SCW's CEO and initiate the Incident Report (IR) form. Instructions on how to complete and submit the IR to the Office of Inspector General (OIG) can be found in Attachment A Incident Report form.

F. The IR form shall be used for any incident that alleges criminal, and other illegal or improper activities in programs. This shall include:
   - allegations of misfeasance, nonfeasance, or malfeasance
   - allegations involving misapplication of funds
   - allegations of gross mismanagement
   - allegations of employee/participant misconduct
   - other potential or suspected criminal actions.

G. When the OIG receives an IR, they determine whether the allegations have merit and, when appropriate, conduct or arrange for an investigation and/or audit. If the OIG determines that the case does not have investigative or audit merit, the case is referred to the Employment and Training Administration (ETA) for resolution.

H. Situations involving imminent health or safety concerns, or the imminent loss of funds exceeding an amount larger than $50,000, are considered emergencies and must immediately be reported to the OIG and Office of Federal Awards Management (OFAM) by telephone and followed up with a written report in the form of an IR, no later than one working day after the telephone report.

I. No board member, SCW staff, or subrecipient shall act against any complainant for disclosing information concerning criminal or improper activities or making a valid complaint to proper authorities.

J. Complainants may remain anonymous. If a complainant considers that his/her position will be compromised by reporting information through the IR system, he/she may send the report directly to the OIG or OFAM.

K. All incident documentation must be retained for a minimum of three years, consistent with federal record retention requirements.

IV. ACTION

Attachment B WIOA Fraud and Abuse Awareness Form must be completed by each board and SCW staff member upon engagement and employment with the board. Furthermore, a new form must be signed when this policy is updated.

V. DEFINITIONS

Emergency: A situation involving imminent health or safety concerns, or the imminent loss of funds exceeding an amount much larger than $50,000.

Employee/Participant Misconduct: Actions occurring during or outside work hours that reflect negatively on DOL or its mission including, but not limited to conflict of interest or the appearance of a conflict of interest involving outside employment, business, and professional activities; the receipt or giving of gifts, fees, entertainment, and favors; misuse of Federal property; and, misuse of official information and such other activities as might adversely affect the confidence of the public in the integrity of the government (See 29 CFR Part O; 5 CFR Parts 2635 and 5201) as well as serious violations of Federal and state laws.

Fraud, Misfeasance, Nonfeasance, or Malfeasance: Any alleged deliberate action that may be in violation of Federal statutes and regulations. This category includes but is not limited to indications of bribery, forgery, extortion, embezzlement, theft of participant checks, kickbacks from participants or contractors, intentional payments to a contractor without the expectation of receiving services, payments to ghost enrollees, misuse of appropriated funds, and misrepresenting information in official reports.

Gross Mismanagement: Actions or situations arising out of management ineptitude or oversight and leading to a major violation of the legislative process, regulations, or contract/grant provisions. Such actions or situations have the potential to severely hamper the accomplishment of program goals, waste government resources, and jeopardize future support for a particular project. This category includes, but is not limited to, un-auditable records, unsupported costs, highly inaccurate fiscal reports or program reports, payroll discrepancies, payroll deductions not paid to the Internal Revenue Service, and a lack of good internal control procedures.

Incident Report (IR): This is the primary form for reporting instances of fraud, misapplication of funds, gross mismanagement, and any other incidents of known or suspected criminal or other serious activities. The IR form may also be used to provide interim and final reports.

Misapplication of Funds: Any alleged deliberate use of funds, assets, or property not authorized or provided for by legislation or regulations, grants, or contracts. This category includes, but is not limited to, nepotism, political patronage, use of participants for political activity, ineligible enrollees, conflict of interest, failure to report income from Federal funds, violation of contract/grant procedures, and the use of Federal funds for other than specified purposes. An IR should be filed when there appears to be an intent to misapply funds rather than merely for a case of minor mismanagement. Indian and Native American programs are excluded from the nepotism category, as cited in Section 632.118 of 20 CFR Part 632, Subpart F of WIOA regulations.

OIG Hotline: The OIG operates this Hotline to receive and process allegations of fraud, waste, and abuse concerning DOL grants, contracts, programs, and operations. The OIG also uses the Hotline to address allegations of criminal activity and serious misconduct involving DOL employees. Hotline complaints can be sent directly to the:

Complaints Analysis Office

Office of Inspector General
200 Constitution Avenue, N.W., Room S-5506
Washington, D.C. 20210.

They can be telephoned to the OIG on the Toll-Free Hotline at 1-800-347-3756, or they can be emailed to hotline@oig.dol.gov. The OIG Hotline should not be used for resolving employee grievances, Equal Employment Opportunity complaints, labor disputes, or other personnel concerns.

REFERENCES

- 20 CFR 683.430
- 20 CFR 683.620
- TEGL 12-23
- WorkSource System Policy 1034

ATTACHMENTS

- Attachment A: Incident Report
- Attachment B: WIOA Fraud and Abuse Awareness Form