

Regional Program Standards

Focus: [X] WorkSource Centers [X] Youth Program Services
[X] Other: All Discretionary Grants
[X] Other: Worksystems Staff

Topic: Incident Reporting - Fraud, Program Abuse, or Criminal Misconduct

Date: January 1, 2025 [] New [X] Revised Page 1 of 4

This policy establishes expectations and procedures for reporting alleged, suspected, or known fraud, program abuse, or criminal misconduct which impacts Workforce Innovation and Opportunity Act (WIOA) funding and other federally funded programs.

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Definitions

The definitions of employee/participant misconduct; fraud, misfeasance or malfeasance; gross mismanagement; and misapplication of funds included below were developed to provide guidance for this policy.

Employee/Participant Misconduct

Actions occurring during or outside work hours that reflect negatively on the organization, it’s funder(s), or its mission including, but not limited to: Conflict of interest or the appearance of 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-funded programs

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Fraud, Misfeasance, Nonfeasance or Malfeasance

Any alleged deliberate action which may be in violation of Federal or State 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 accomplishment of program goals, waste government/grant resources, and jeopardize future support for a 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 lack of good internal control procedures.

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.

Procedures

Identifying and Documenting Incidents

Recipients must immediately document allegations, suspicions and complaints involving any of the above defined instances of employee/participant misconduct; fraud, misfeasance or malfeasance; gross mismanagement; or misapplication of funds.

Reporting Incidents

Allegations must be immediately reported to Worksystems' Compliance and Procurement Manager, the Office of the Inspector General (OIG) and the Employment and Training Administration (ETA).

All incidents should be reported as expeditiously as possible, however 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 be reported to Worksystems and the OIG and ETA no later than one working day after the emergency was discovered.

Office of the Inspector General (OIG) Reporting Procedures

Incidents must be immediately reported to the Department of Labor Office of the Inspector General (OIG) utilizing the online Submission Form at the Department's Incident Reporting Hotline Portal system, found at the website: <https://www.oig.dol.gov/hotline.htm>.

When submitting an incident to the OIG Hotline Portal, please note the following:

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- Screen shots or photos must be taken of each of the three OIG Hotline Portal screens (*Your Information*, *Alleged Violator Information*, and *Allegation Information*) prior to clicking the “Next” button. This is important, as once the “Submit” button is clicked, the OIG Hotline Portal does not allow users to go back and review/capture what was submitted, nor print or download a copy of the incident report to submit to the ETA.
- The *Your Information* screen contains a field requesting the submitter’s social security number (SSN). This is not a required field, and it is recommended that the submitter not provide it.
- To ensure proper identification of your submission as an incident report, in the *Allegation Description* box on the *Allegation Information* screen, please start by entering “ETA Incident Report - ” and then go on to describe the allegation.

Employment and Training Administration (ETA) Reporting Procedures

A copy of the Incident Report must also be simultaneously provided to the Department of Labor’s Employment and Training Administration via email at ETAIncidentReporting@dol.gov.

The individual filing the incident report should send the screen shots or photos taken of each of the three OIG Hotline Portal screens to ETA via email at: ETAIncidentReporting@dol.gov. The subject line of the email should contain: “ETA Incident Report – [State Name]”.

Reporting procedures do not supersede the responsibility to safeguard WIOA or other federal funds by taking prompt and appropriate corrective action. Whenever the entity reporting the allegation of an incident believes that immediate action to prevent further financial loss or other damage is necessary, or recovery of funds or property may be impeded if immediate action is not taken, the reporting entity has the responsibility to take any action it deems appropriate, including contacting the local law enforcement agency.

No action, including retaliation, will be taken against any individual who discloses information concerning criminal or improper activities, or makes a good faith complaint to proper authorities. Individuals reporting incidents may remain anonymous if they so choose.

References

Workforce Innovation and Opportunity Act, Pub. L. 113-128, 29 U.S.C. 3101 et seq

Title 18 of the United States Code

The False Claims Act, 31 U.S.C. 3729-3733

20 CFR 683.420

20 CFR 683.620

20 CFR 683.430

2 CFR 200.113,

29 CFR Part 0

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Attachment 1

Quick Reference Guide – Reporting Incidents

Step 1: Complete the *Confidentiality* section of the *Your Information* screen.

- If you select “No” to not be anonymous, complete the *Your Contact Information* section of the *Your Information* screen.
- Please note that this screen contains a field requesting the submitter’s social security number (SSN). This is not a required field, and it is recommended that you not provide it.
- Take a screen shot or photo of the *Your Information* screen prior to clicking the “Next” button. Paste the screen shot or photo into a blank document and then click the “Next” button at the bottom of the page to move onto the next section.

Step 2: Complete the *Alleged Violator Information* screen.

- From the “Entity Type” drop down menu, select the appropriate entry, either “Individual” or “Organization/Issue”.
- If the “Entity Type” is “Individual” complete the *Individual Information* section.
- If there are multiple individuals involved, select the “Add Violator Information” button at the bottom left of the screen and provide the additional requested information.
- If the “Entity Type” is “Organization/Issue” complete the *Organization Information* section
- Take a screen shot or photo of the *Alleged Violator Information* screen prior to clicking the “Next” button. Paste the screen shot or photo into the document underneath the prior screen shot or photo of the *Your Information* screen and then click the “Next” button at the bottom of the page to move onto the next section.

Step 3: Complete the *Allegation Information* screen.

- To ensure proper identification of your submission as an incident report, in the *Allegation Description* box on the *Allegation Information* screen, start by entering “ETA Incident Report - ” and then go on to describe the allegation.
- Take a screen shot or photo of the *Allegation Information* screen prior to clicking the “Next” button. Paste the screen shot or photo of the *Allegation Information* screen into the document underneath the prior screen shot or photo of the *Alleged Violator Information* screen and then click the “Submit” button at the bottom of the page to complete the reporting of the incident to the OIG.

Step 4: Report the incident to ETA.

- If you decided to provide your SSN to the OIG when completing the *Your Information* screen, redact it from the screen shot or photo prior to sending to ETA.
- Save your screen shot or photo document as either a Microsoft Word document or a .pdf.
- Create a new email addressed to: ETAIncidentReporting@dol.gov with a subject line of: “ETA Incident Report – [State Name],” include your screen shot or photo document as an attachment.