Regional Program Standards

Focus: ☒ WorkSource Centers ☒ Youth Program Services
☒ Other: All Discretionary Grants
☒ Other: Worksystems Staff

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

Date: January 1, 2025 | ☐ New ☒ Revised |

Purpose

Guidance from the Department of Labor (DOL) Employment and Training Administration (ETA) provides procedures to be used by all ETA federal assistance recipients and subrecipients for reporting suspected fraud, program abuse, or criminal conduct involving recipients or other entities receiving federal awards directly from ETA or involving subrecipients receiving federal funds indirectly from ETA. This policy establishes expectations and procedures for reporting suspected fraud, program abuse, or criminal misconduct which impacts Workforce Innovation and Opportunity Act (WIOA) funding and other federally funded programs.

Contents

Definitions

The definitions of employee/participant misconduct; fraud, misfeasance, nonfeasance or malfeasance; gross mismanagement; and misapplication of funds included below were developed to provide guidance for this policy. These definitions are illustrative and are not intended to be either fully inclusive or restrictive.

Employee/Participant Misconduct

Actions occurring during or outside work hours that reflect negatively on the U.S. Department of Labor (Department) 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 (See 29 CFR Part 0; 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 or inaction which 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 (fake) 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 statutory (such as Workforce Innovation and Opportunity Act or Wagner-Peyser) processes, regulations, or contract/grant provisions. Such actions or situations have the potential to severely hamper accomplishment of program goals, waste government resources, and jeopardize future support for a particular program/project. This category includes, but is not limited to, unauditable 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, conflicts 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 incident report should be filed when there appears to be an intent to misapply funds rather than merely for a case of minor mismanagement. It should be noted that there are some exceptions related to nepotism for the Indian and Native American programs, as described in 20 CFR 684.630(d).

Procedures

Documenting and Reporting Incidents

Known or suspected fraud, program abuse, or criminal misconduct involving recipients, subrecipients, or contracts under federal awards from the Employment and Training Administration (ETA) must be immediately documented and reported to the Office of the Inspector General (OIG) and the Employment and Training Administration (ETA).

Recipients and subrecipients must promptly disclose whenever, in connection with the Federal award (including any activities or subawards there under), it has credible evidence of the commission of a violation of Federal criminal law involving fraud, conflict of interest, bribery, or gratuity violations found in Title 18 of the United States Code, or a violation of the civil False Claims Act (31 U.S.C. 3729-3733).

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 the OIG and ETA no later than one working day after the emergency was discovered.

The process of reporting incidents consists of two steps: (i) reporting allegations of fraud, waste and abuse, criminal and other illegal or improper activities in ETA-funded grant programs and operations to the Office of Inspector General (OIG); and (ii) reporting the same to ETA, using the procedures described below.

Office of the Inspector General (OIG) Reporting Procedures

Incidents and allegations 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 system, found at the website: https://www.oig.dol.gov/hotline.htm.

The OIG operates the OIG Hotline Portal to receive and process allegations of fraud, waste, and abuse concerning Departmental grants, contracts, programs and operations. The OIG Hotline Portal is also used to address allegations of criminal activity and serious misconduct involving Department employees.

The OIG Hotline should not be used for resolving employee grievances, Equal Employment Opportunity complaints, labor disputes, or other personnel concerns.

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

- Screen shots or photos must be taken of each of the three OIG Hotline 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 system 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.

If Internet access is not available, incidents can be reported to the OIG via the Toll-Free Hotline at 1-800-347-3756, or (202) 693-6999 (this is not a toll-free number).

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 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.

Please refer to *Attachment I* below for a Quick Reference Guide for reporting incidents.

Contact

Questions are to be referred to Kari Brenk at kbrenk@worksystems.org.

To submit a non-criminal complaint or grievance associated with Oregon's workforce development system or complaints alleging violations of the requirements of Title I of the Workforce Innovation and Opportunity Act (WIOA) please contact Kari Brenk at kbrenk@worksystems.org.

References

Training and Employment Guidance Letter (TEGL) No. 15-23, Employment and Training Administration Recipient Responsibilities for Reporting Instances of Suspected Fraud, Program Abuse, and Criminal Conduct .

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.