

1500POL Fraud

Effective Date: March 2016

Last Modified: May 2017

Purpose:

This policy applies to all Workforce Innovation and Opportunity Act programs. It describes the fraud policy and procedures that the Olympic Consortium and its service providers will follow.

Background:

Department of Labor 20 CFR Section 683.620 and TEGL 2-12 provide expectations and requirements for reporting information and complaints involving criminal fraud, waste, abuse or other criminal activity that must be reported immediately through DOL's Incident Reporting System to the OIG.

The [Incident Report \(IR\) form, Office of Inspector General \(OIG\) 1-156](#), is the official form to be used for reporting allegations of criminal and other illegal or improper activities in WIOA funded programs. 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 back to DOL for resolution.

No action will be taken against any individual who discloses information concerning criminal or improper activities or makes a valid complaint to proper authorities. These individuals may remain anonymous. If an individual believes 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 the DOL Office of Financial and Administrative Management (OFAM).

Policy:

It is the policy of the Olympic Consortium and its subrecipients to immediately report information or complaints regarding fraud, waste, abuse, or mismanagement of funds.

1. Internal controls must be in place to prevent the possibility of fraudulent activity within the organizations of the Consortium and its subrecipients. However, if the known or suspected activity of fraud is related to the organization, this information should be immediately reported to the Consortium Director or management unrelated to the activity.
2. Appropriate actions will be taken immediately to stop the fraudulent activities, safeguard remaining assets and records and prevent future instances from recurring, including personnel action if necessary.
3. 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. Any immediate action taken or planned by the reporting entity must be reported to the Employment Security Department (ESD) when the incident report is submitted.
4. All incident reports, emergency or other, must be sent to ESD and the OIG using the contact information provided below. The Consortium and our subrecipients will use the IR (OIG 1- 156)

form as provided by the Department of Labor to immediately document and report suspicions, allegations or complaints involving:

- a. WIOA-related fraud;
- b. Misfeasance, nonfeasance or malfeasance;
- c. Misapplication of funds;
- d. Gross mismanagement;
- e. Employee/participant misconduct; or
- f. Other potential or suspected criminal action.

*See link to the Hotline Online Complaint Form in the contact info provided under item 7 below.

5. Situations involving imminent health or safety concerns or the imminent loss of funds exceeding \$50,000 are considered emergencies and must be immediately reported to ESD and the OIG using the most expedient venue listed below.
6. All subrecipients of the Consortium shall also adhere to the state and federal reporting requirements noted above for all incidents of fraud as detailed in this policy, as well as notifying the Olympic Consortium immediately of any suspected fraud.
7. Report Submission. All incidents must be reported to each of the following entities either by phone, mail or email:

Olympic Consortium
614 Division Street MS-23
Port Orchard, WA 98366
360-337-5777
adurkin@kitsap.gov

Employment Security Department
Attn: Incident Reporting Internal Audit
P.O. Box 9046
Olympia, WA 98507-9046
360-902-9206
ESDGPInternalAudit@esd.wa.gov

Attn: Hotline
Office of Inspector General
U.S. Department of Labor
200 Constitution Avenue, N.W., Room S-5514
Washington, D.C. 20210
FAX: 202-693-7020
1-800-347-3756 or 202-693-6999
Hotline Online Complaint Form: <https://www.oig.dol.gov/hotline.htm>

Reference

[Department of Labor Employment and Training Administration](#) (DOL ETA) 20 CFR Parts 603, 651, 652, 653, 654, 658, 675, 679, 680, 681, 682, 683, 684, 685, 686, 687, and 688 Workforce Innovation and Opportunity Act; Final Rule.
Grant Recipient Responsibilities for Reporting Instances of Suspected Fraud, Program Abuse and Criminal Conduct, Training and Employment Guidance Letter, [TEGL 02-12](#)
Grievance Procedures, Complaints and State Appeals Processes, Code of Federal Regulations Title 20, Chapter V, Subpart 683, Subpart F, [20 CFR §683.620](#)
Incident Report (IR) form, Office of Inspector General (OIG) [1-156](#)
Prevention of Fraud and Program Abuse – Nepotism, Code of Federal Regulations Title 20, Chapter V, Part 682, Subpart F, [20 CFR §682.118](#)