



Mississippi Valley Workforce Development Board

FRAUD AND INCIDENT REPORTING POLICY

APPROVED DATE: January 10, 2023

EFFECTIVE DATE: January 10, 2023

PURPOSE

To establish expectations and procedures for reporting alleged, suspected, or known fraud, program abuse, and criminal misconduct to Iowa Workforce Development (IWD) and the Department of Labor's (DOL) Office of Inspector General (OIG).

BACKGROUND

[20 CFR 683.620](#) and [TEGL 2-12](#) provide expectations and requirements for immediately reporting information and complaints involving criminal fraud, waste, abuse, or other criminal activity that must be reported to OIG.

All recipients of Workforce Innovation and Opportunity Act (WIOA) funds, including Local Workforce Development Areas (LWDAs), contractors, and service providers must implement policies and procedures to prevent and detect fraud, abuse, and criminal activities involving WIOA Adult, Dislocated Worker, and Youth program funds. Additionally, sub-recipients must report allegations, suspicions, and complaints of possible fraud, program abuse, and criminal activities involving WIOA Title I-B Funds to Iowa Workforce Development (IWD) and to the U.S. Department of Labor (DOL) Office of Inspector General (OIG).

Internal controls must be in place to prevent the possibility of fraudulent activity within the organizations of the Mississippi Valley Workforce Development Board and its subrecipients. However, if the known or suspected acts of fraud are related to the organization, this information should be immediately reported to Iowa Workforce Development.

POLICY

Reporting procedures do not supersede the responsibility for sub-recipients, including MVWDB, to safeguard WIOA funds by taking prompt and appropriate corrective action when any evidence of a violation of WIOA or its implementing regulations is found. 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 IWD (see contact information below) when the incident report is submitted.

STANDARDS OF CONDUCT

Identification processes for violations of terms of conditions are required. A violation is considered evident when the following General Assurances are not met.

- Every reasonable course of action has been taken in order to maintain the integrity of expenditures of public funds and avoid favoritism, questionable activity, or improper conduct.
- Federal funds have been administered in an impartial manner, free from personal, financial, or political gain.
- Executive staff and employees avoided situations, which give rise to a suggestion that any decision was influenced by prejudice, bias, special interest, or personal gain.

REPORTING REQUIREMENTS

The Incident Report (IR) form, OIG 1-156 (https://cms.detr.nv.gov/Content/Media/47-Attach_A.pdf) 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 the Employment and Training Administration (ETA) for resolution.

All incident reports, emergency or other, must be sent to IWD and the OIG using the contact information provided below. MVWDB and their sub-recipients must use the IR form to immediately document and report suspicions, allegations, or complaints involving the reportable issues below.

REPORTABLE ISSUES

Incidents requiring reporting include:

Employee/Participant Misconduct

Actions occurring during or outside work hours that reflect negatively on the Department 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 as well as serious violations of Federal and state laws.

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 participant 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, unauditible 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 other than specified purpose. 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.

Imminent Health or Safety Concerns or Loss of Funds Exceeding \$50,000.00

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 the Department of Labor OIG via the hotline 3 telephone number and followed up immediately (within one working day) in the form of an Incident Report. The hotline telephone number is: 800-347-3756 or 202-693-6999.

ASSURANCE REQUIREMENTS

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 (see contact information below).

SUBMISSION REQUIREMENTS

Contact information for the DOL OIG and Iowa Workforce Development Office is as follows:

U.S. DOL/Office of Inspector General
Attention: Office of Inspector
200 Constitution Avenue, N.W. Washington, D.C. 20210
Hotline number 1-800-347-3756 www.oig.dol.gov/hotlinecontact.htm

Iowa Workforce Development
1000 E Grand Avenue, Des Moines, IA 50319
Toll-Free: 866-239-0843
E-mail: wioagovernance@iwd.iowa.gov

Any person or organization who knowingly submits false or fraudulent claims or written, certified statements for money, services, or property is subject to the Program Fraud Civil Remedies Act.

REFERENCES

- CFR 683.620
- Training and Employment Guidance Letter (TEGL) No. 2-12

Equal Opportunity Programs/Employer

Auxiliary aids and services are available upon request for individuals with disabilities.