

APPROVAL DATE:

8/11/10

APPROVED BY:

Betty Baker, WIB Chair



**COUNTY OF SAN LUIS OBISPO
DEPARTMENT OF SOCIAL SERVICES**

POLICY NO: 3-08

TO: Service Providers

FROM: Department of Social Services

EFFECTIVE: September 26, 2008 (Revised September 26, 2014)

SUBJECT: Incident Reporting

REFERENCES:

- Title 20 Code of Federal Regulations (CFR) 667.505 and 667.630
- DOL Training Employment Guidance Letter 2-12, Employment and Training Administration (ETA) Grant Recipient Responsibilities for Reporting Instances of Suspected Fraud, Program Abuse and Criminal Conduct (July 12, 2012)
- Workforce Services Directive WSD 12-18

BACKGROUND:

The WIA regulations, Title 20 CFR Section 667.630, requires that information and complaints involving criminal fraud, waste, abuse or other criminal activity must be reported immediately through the U. S. Department of Labor's (DOL) Incident Reporting System to the DOL Office of Inspector General (OIG) with a copy simultaneously provided to the Employment and Training Administration (ETA) Regional Office. The Incident Reporting System also processes noncriminal complaints such as mismanagement and gross waste of funds. The information requested in this policy provides direction for the completion of the DOL Incident Report Form, attached to this policy, and acknowledges the types of incidents that the OIG Hotline seeks to identify.

When an individual has knowledge or suspicion of a violation of the WIA or its regulations, the individual must take prompt and appropriate action.

DEFINITIONS:

Complaint, for this policy only, means criminal complaint and noncriminal complaints accepted by the DOL as incidents, such as gross waste of funds, mismanagement and dangers to the public health and safety.

Subrecipient, for this policy, means local areas and other recipients that receive WIA funds directly from the State - SLO Department of Social Services (DSS)

Subrecipient Contractor means a recipient that does *not* receive WIA funds directly from the State, but receives WIA funds from SLO DSS.

Additional definitions pertaining to this policy are included in the Glossary of Terms as Attachment 1 to this policy.

POLICY:

The subrecipient, San Luis Obispo County Department of Social Services (SLO DSS), shall promptly report to the CRO and OIG all allegations of WIA-related potential fraud, abuse, and other criminal activity.

Subrecipient contractors (service providers receiving WIA funds from SLO DSS) will establish, document, and implement procedures to immediately notify DSS of any suspected or proven fraud, abuse, or other criminal activity involving WIA-funded activities. **It is the responsibility of subrecipient contractors to be alert for instances of fraud, abuse, and criminal activity committed by staff, contractors, or program participants and to report all such instances to DSS, the CRO and OIG immediately.** The entity detecting the presence or appearance of fraud, abuse, or other criminal activity must obtain sufficient information to provide a clear, concise report of each incident. Reports must include a statement of all facts, known at the time, as well as any known or estimated loss of WIA funds resulting from the incident. It is important that an initial report is made DSS immediately so that the report to the CRO and OIG to be made within one working day of the detection of the incident as required. The submission of an incident report should not be delayed, even if all facts are not readily available. Any facts subsequently developed by the detecting entity are to be forwarded in a supplement incident report.

The reporting procedures do not supersede the responsibility for subrecipients to safeguard WIA funds by taking prompt and appropriate corrective action when any evidence of a violation of WIA or its implementing regulations is found. Attachment 1 includes a glossary of terms related to reportable issues.

The incident reporting process should not be used for personnel actions such as Equal Employment Opportunity complaints, employee grievances, or labor disputes.

Reporting

Within one workday of detection or discovery of information alleging fraud, abuse, or other criminal activity involving WIA funds, a written incident report shall be prepared by the

detecting entity. The report must be submitted on the attached Incident Report form or similar document containing the requested information. The report will be submitted by DSS to both the CRO and OIG as follows:

CRO

Attention: Compliance Resolution Unit
Compliance Review Division, MIC 22
Employment Development Department
P.O. Box 826880
Sacramento, CA 94280-0001

OIG

(choose one of the following methods)

Web site: <http://www.oig.dol.gov/hotlinecontact.htm>

Telephone: 1-800-347-3756

Fax: (202) 693-7020, by

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

Allegations considered to be of an emergency nature may be reported by telephone to the Compliance Resolution Unit Supervisor at (916) 653-0298 and by calling the OIG Hotline at 1-800-347-3756 and ***followed immediately thereafter by a written incident report.***

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 CRO when the incident report is submitted.**

Allegations of fraud, abuse, or other criminal activity in WIA-funded programs may originate from sources other than subrecipients. Such sources may include informants, independent auditors, or local law enforcement agencies.

Upon learning of an incident from federal sources, DSS will contact the CRO to determine whether the CRO is aware of the incident.

Action will not be taken against any complainant for disclosing information concerning criminal or improper activities or making a valid complaint to proper authorities. Complainants may remain anonymous. If a complainant considers that his or her position will be compromised by reporting information via an incident report, he or she may send the report directly to the OIG.

ACTION:

The Administrative Entity for the WIB/DSS and its service providers shall follow this policy. This policy will remain in effect from the date of issue until such time that a revision

is required. The OIG Hotline telephone number for reporting suspected incidents should be prominently posted for staff members and for the general public, where applicable.

INQUIRIES:

Inquiries should be addressed to wibadmin@co.slo.ca.us

ATTACHMENTS:

1. Glossary of Terms
2. Incident Report Form

REVISION HISTORY:

<i>DATE</i>	<i>DETAILS</i>
09/26/2014	1-added Glossary of Terms Attachment 1 and Incident Report Form Attachment 2 2-updated policy to include new definitions, contact information and reporting process

Glossary of Terms

The federal definitions that follow are provided for use as a guide in the identification of fraud, abuse, and other criminal activity. Since the definitions cannot address every possible activity, questions as to whether an activity is reportable under this policy should be referred to your Regional Advisor for clarification and guidance.

Emergency is defined as a situation involving imminent health or safety concerns, or the imminent loss of funds exceeding an amount much larger than \$50,000 (e.g. \$500,000).

Employee/Participant Misconduct are actions occurring during or outside work hours that reflect negatively on the Employment Development Department (EDD) 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 government property; and, misuse of official information and other activities that 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 is defined as any alleged deliberate action which may be in violation of government 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, misrepresenting information in official reports, and falsification of records and claims regarding trainees (e.g. knowingly enrolling ineligible participants). Criminal fraud is a type of larceny and is punishable under both federal and California law as a felony. Civil fraud is subject to tort actions under civil laws.

Gross Mismanagement is defined as any 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. These actions or situations have the potential to severely hamper 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 IRS or the State of California, and lack of good internal control procedures.

Incident Report 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.

Misapplication of Funds is defined as 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, the use of government funds for other than specified purposes, and the use of WIA funds for other than WIA purposes. 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 the WIA regulations.

Note: 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.

Standard of Conduct Violations are violations of terms and conditions stipulated in the subgrant agreement. The relevant stipulations in the subgrant agreement are General Assurances, Employment of Former State Employees, Conducting Business Involving Relatives, Conducting Business Involving Close Personal Friends and Associates, Avoidance of Conflict of Economic Interest, and Maintenance of Effort.

OIG Hotline: The OIG operates the hotline to receive and process allegations of fraud, waste, and abuse concerning grants, contracts, programs and operations. The OIG also uses the hotline to address allegations of criminal activity and serious misconduct involving government employees.

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

INCIDENT REPORT

<p>1. Type of report (check one)</p> <p><input type="checkbox"/> Initial</p> <p><input type="checkbox"/> Supplemental</p> <p><input type="checkbox"/> Final</p> <p><input type="checkbox"/> Other <i>[specify]</i></p>	<p>2. Type of incident (check one)</p> <p><input type="checkbox"/> Conduct violation</p> <p><input type="checkbox"/> Criminal violation</p> <p><input type="checkbox"/> Program violation</p>
<p>3. Allegation against (check one)</p> <p><input type="checkbox"/> Contractor</p> <p><input type="checkbox"/> Program Participant</p> <p><input type="checkbox"/> Other <i>[(specify), give name and position of employee(s), list telephone number, Social Security Account number, if applicable, and other identifying data.]</i></p>	
<p>4. Location of incident</p> <p><i>[give complete name(s) and addresses of organizations(s) involved]</i></p>	
<p>5. Date and time of incident/discovery <i>[date, time]</i></p>	
<p>6. Source of complaint (check one)</p> <p><input type="checkbox"/> Audit <input type="checkbox"/> Contractor <input type="checkbox"/> Program Participant <input type="checkbox"/> Public</p> <p><input type="checkbox"/> Investigative Law Enforcement Agency <i>[(specify)]</i></p> <p><input type="checkbox"/> Other <i>[(specify), give name and telephone number so additional information can be obtained.]</i></p>	
<p>7. Contacts with law enforcement agencies</p> <p><i>[specify name(s) and agency contacted and results]</i></p>	
<p>8. Persons who can provide additional information</p> <p><i>[(include custodian of records) name, position or job title, employment, local address (street, city and state) or organization, if employed and telephone number]</i></p>	
<p>9. Details of incident</p> <p><i>[describe the incident]</i></p>	