



WORKFORCE DEVELOPMENT BOARD
OF SOLANO COUNTY

POLICY ISSUANCE

Date: November 15, 2019 Number: 2019-10

INCIDENT REPORTING

INTRODUCTION

This policy provides guidance to the Workforce Development Board (WDB) of Solano County and any of its sub-recipients of Workforce Innovation and Opportunity Act (WIOA) funds, for reporting criminal activity and noncriminal complaints to the Compliance Review Office (CRO) of the Employment Development Department (EDD) and the Department of Labor's (DOL) Office of Inspector General (OIG).

QUESTIONS

Questions relating to this policy should be directed to Tracy White, One Stop Senior Manager, at 707-863-3520 or at twhite@solanowdb.org.

ATTACHMENTS

- Attachment A: Definitions
- Attachment B: Incident Report Form

POLICY

The WDB of Solano County and its WIOA sub-recipients have a responsibility to promptly report to the CRO and OIG, all allegations of WIOA-related criminal fraud, waste, abuse, and other criminal activity. Complaints regarding activity of a noncriminal nature (including mismanagement and gross waste of funds) may also be reported according to this policy.

The WDB has a responsibility to establish and maintain appropriate internal controls to prevent and detect fraud, abuse, and criminal activity. Details regarding the controls for preventing, detecting, and reporting WIOA-related fraud, abuse, or criminal activity must be outlined in written internal procedures. These procedures must include a reporting process to ensure that the CRO and OIG are notified immediately of any allegations of WIOA-related fraud, abuse, or criminal activity, as well as the person designated as responsible for such notifications.

The WDB and subrecipients 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 WIOA funds resulting from the incident. It is important that an initial report is made to the CRO and OIG within one working day of the detection of the incident. The submission of an incident report should not be delayed, even if all

facts are not readily available. Any facts subsequently uncovered by the WDB or subrecipient are to be forwarded in a supplemental incident report.

The reporting procedures do not supersede the responsibility of the WDB and its WIOA subrecipients 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.

WDB WIOA SUBRECIPIENTS

WDB subrecipient contractors must establish, document, and implement internal procedures to immediately notify the WDB of any suspected or proven fraud, abuse, waste, or other criminal activity involving WIOA-funded activities. Maintenance of internal procedures regarding criminal fraud, abuse, waste, or other criminal activity will be monitored annually.

The WDB will provide written notification to subrecipient contractors regarding their responsibilities to be alert for instances of fraud, abuse, and criminal activity committed by staff, contractors, or program participants and to report all such instances immediately. This notification will be included in any WIOA subrecipient contracts through the WDB and maintained in WDB's files.

WDB subrecipients should report all such instances to the WDB immediately upon discovery in order to comply with the appropriate reporting procedures. The WDB will submit the appropriate incident report. Should the subrecipient consider that its position will be compromised by reporting information to the WDB via an incident report, it may send the report directly to the OIG. No action will be taken against any complainant for disclosing information concerning criminal or improper activities or making a valid complaint to proper authorities.

REPORTING PROCESS

Within one workday of detection or discovery of information alleging fraud, abuse, waste, or other criminal activity involving WIOA funds, the WDB will prepare a written incident report. The report must be submitted on the attached incident report form or similar document containing the requested information and submitted to both the CRO and OIG as follows:

CRO:

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

OIG (through one of the following methods):

Website: www.oig.dol.gov/hotlinecontact.htm

Telephone: 1-800-347-3756 FAX: (202) 693-7020

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.

If WDB or subrecipient staff believe 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, staff and subrecipients have 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 with the incident report.

The CRO will record the incident in the WIOA Incident Report System and forward the incident report to DOL/ETA, Region 6, within one working day of receipt. The CRO may contact the WDB or its subrecipients for clarification or additional details prior to forwarding it to Region 6. Concurrently with its transmittal of the incident report to Region 6, the CRO will, when applicable, notify the reporting entity to take appropriate action to recover misspent funds or to contain its financial liability. Upon receipt, Region 6 will forward the incident report to the DOL Regional OIG, San Francisco.

Subsequently, Region 6 will advise the CRO of the action to be taken by the DOL Regional OIG. If the OIG decides to investigate the incident, the CRO will wait for the OIG's results before commencing the state-level formal resolution. If the OIG decides not to investigate the incident, the CRO will request, when appropriate, a special monitoring review or an investigation by the appropriate state entities. Otherwise, the CRO will require the WDB to submit its fact finding and local resolution.

Some allegations of fraud, abuse, waste, or other criminal activity in WIOA-funded programs may be reported directly to state or federal level officials. If the activity is reported to EDD or the state CRO, the CRO will, when appropriate, inform the WDB and/or subrecipient of the incident reported and advise the latter of the need to take certain action. If DOL's OIG informs the WDB of the incident, the WDB will contact the CRO to determine whether the latter 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.

DISCLAIMER

This policy is based on WDB's interpretation of the statute, along with the Workforce Investment and Opportunity Act; Final Rule released by the U.S. Department of Labor and federal and state policies relating to WIOA implementation. This policy will be reviewed and updated based on any additional federal or state guidance.

REFERENCES

Law

- Workforce Innovation and Opportunity Act of 2014 (WIOA)

Federal Guidance

- Title 20 Code of Federal Regulations (CFR) Sections 667.505 and 667.630
- Training Employment and Guidance Letter (TEGL) 2-12, [Employment and Training Administration \(ETA\) Grant Recipient Responsibilities for Reporting Instances of Suspected Fraud, Program Abuse and Criminal Conduct](#)

State Guidance

- Workforce Services Directive (WSD) 12-18 – [Incident Reporting](#)

Approved by

Workforce Development Board of Solano County

DEFINITIONS

Complaint – as defined in WSD 12-18 – 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.

Emergency – as defined in TEGL 2-12 – is 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 – as defined in TEGL 2-12 – are 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 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 – as defined in TEGL 2-12 and WSD 12-18 – is 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 – as defined in TEGL 2-12 and WSD 12-18 – is 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 Internal Revenue Service or the State of California, and lack of good internal control procedures.

Incident Report – as defined in WSD 12-18 – 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 – as defined in TEGL 2-12 – is any alleged deliberate use of funds, assets or property not authorized or provided for by legislation or regulations,

ATTACHMENT A: DEFINITIONS

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.*

OIG Hotline – as defined in TEGL 2-12 – is a 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.*

Standard of Conduct Violations – as defined in WSD 12-18 – 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.

Subrecipient – as defined locally for this policy – means any contracted entities that receive WIOA funds directly from the WDB.

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>	



WORKFORCE DEVELOPMENT BOARD
OF SOLANO COUNTY

EMPLOYEE ACKNOWLEDGEMENT OF RECEIPT AND UNDERSTANDING FOR:
INCIDENT REPORTING
(Issued November 15, 2019)

The Workforce Development Board (WDB) of Solano County's Incident Reporting Policy contains important information pertaining to my employment and duties at the WDB.

A copy of this policy has been given to me to retain for future reference, and I have been provided with the location on the Shared Drive for the policy where I can obtain an electronic copy.

Since the information and policies described in the policy are necessarily subject to change, I acknowledge that revisions to the policy may occur. All such changes will be communicated through official notices. I understand that revised information may supersede, modify, or eliminate existing policies.

I have received the Incident Reporting Policy and I understand that it is my responsibility to read and comply with the information contained in this policy and any revisions made to it.

I understand that I should consult my supervisor if I have any questions about the information contained in the policy. I understand that failure to comply with the information contained in the policy could lead to disciplinary action or termination.

Employee's Name (printed): _____

Employee's Signature: _____ Date: _____