



**WORKFORCE DEVELOPMENT BOARD**  
OF SOLANO COUNTY

## **POLICY ISSUANCE**

Date: January 24, 2025 Number: 2025-01

### **INCIDENT REPORTING POLICY**

#### **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](mailto:twhite@solanowdb.org).

#### **ATTACHMENTS**

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

#### **RESCISSIONS**

This policy replaces and supersedes *WDB 2019-10 – Incident Reporting Policy and WDB 2019-10 Incident Reporting Policy, Change 1*.

#### **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. Subrecipients must identify an person on staff who will ensure that staff and participants are aware of the incident reporting process.

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

Reporting allegations of fraud, program abuse, or criminal conduct involving WIOA funds must be submitted in two steps:

1. Complete the relevant fields on the OIG Hotline Portal:  
<https://www.oig.dol.gov/hotline.htm>.
2. Send a copy of the incident report, including screenshots or photos of the three OIG Hotline Portal screens to [ETAIncidentReporting@dol.gov](mailto:ETAIncidentReporting@dol.gov).

Subrecipients must also send a copy of the incident report and screenshots to Tracy White at the WDB at [twhite@solanowdb.org](mailto:twhite@solanowdb.org).

*Note: The OIG Hotline Portal should not be used for resolving employee grievances, Equal Employment Opportunity complaints, labor disputes, or other personal concerns.*

If the internet is not available, incidents can be reported to the OIG through the following hotlines:

- Toll-free hotline 1-800-347-3756
- Non-toll-free hotline 1-202-693-6999

While all incidents should be reported as soon as possible, the following situations must be immediately reported to the OIG no later than one working day after the emergency discovery:

- Situations involving imminent health or safety concerns
- Imminent loss of funds exceeding an amount larger than \$50,000

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.

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.

When the OIG receives an incident report from any source, the OIG will determine whether the allegations have merit, and when appropriate, conduct or arrange for an investigation and/or audit. In instances where the OIG determines that the incident does not have investigative or audit merit, the incident report will be referred to the Department of Labor for resolution.

In instances where a report is remanded to the California Employment Development Department's Compliance Review Office (CRO), it will be prioritized and CRO will request a fact-finding and resolution report. The fact-finding may, in certain circumstances, rise to the level of a special monitoring review, an investigation, or an audit by the appropriate state entities or by independent third-party auditors, as determined by the CRO.

### **RECORD RETENTION**

Financial records, supporting documents, statistical records, and all other non-federal entity records (including incident reports) pertinent to a federal award must be retained for a period of three years. For further guidance on record retention, please see [2019-08 Records Retention Policy](#).

## 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) 15-23, [Employment and Training Administration \(ETA\) Recipient Responsibilities for Reporting Instances of Suspected Fraud, Program Abuse, and Criminal Conduct](#) (June 11, 2024)

### State Guidance

- Workforce Services Directive (WSD) [24-03 – Incident Reporting](#)

### Approved by

Workforce Development Board of Solano County

## DEFINITIONS

**Emergency** – as defined in WSD 24-03 – is a situation involving imminent health or safety concerns, or the imminent loss of funds exceeding an amount much larger than \$50,000.

**Employee/Participant Misconduct** – as defined in WSD 24-03 – 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 WSD 24-03 – is 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** – as defined in WSD 24-03 – is any actions or situations arising out of management ineptitude or oversight and leading to a major violation of statutory (such as WIOA) 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 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 Referrals** – as defined in WSD 24-03 – The OIG refers incidents and allegations concerning ETA programs to the ETA in instances where the OIG determines that the incident report does not have investigative or audit merit.

**Misapplication of Funds** – as defined in WSD 24-03 – is 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. 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.



**WORKFORCE DEVELOPMENT BOARD**  
OF SOLANO COUNTY

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EMPLOYEE ACKNOWLEDGEMENT OF RECEIPT AND UNDERSTANDING FOR:  
INCIDENT REPORTING  
(Issued January 24, 2025)

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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: \_\_\_\_\_