



Monterey County Workforce Investment Board (WIB)
LOCAL POLICY BULLETIN #2004-03

Effective Date: July 1, 2014
Initial Release Date: June 1, 2004; Revised: June 4, 2014
Full WIB Adopted: June 4, 2014

TO: All Monterey County Providers of Workforce Investment Act (WIA) Title I Services

SUBJECT: Incident Reporting

REFERENCES: Title 20 Code of Federal Regulations (CFR) Sections 667.505 and 667.630. DOL Training Employment and 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)

POLICY: This policy provides procedures for reporting incidents, including but not limited to criminal fraud, criminal abuse or other criminal activity and non-criminal complaints, such as waste of funds, to the Compliance Review Office (CRO) of the Employment Development Department (EDD) and the Department of Labor's (DOL) Office of Inspector General (OIG).

This policy applies to all Monterey County Service Providers funded under the Workforce Investment Act (WIA) Title I. The Monterey County Workforce Investment Board (WIB) Oversight Committee shall be responsible for implementation, dissemination and oversight of this policy.

DEFINITIONS:

- *Complaint*, for this policy only, means criminal complaint and non-criminal complaints accepted by DOL as incidents, such as gross waste of funds, mismanagement and dangers to the public health and safety;
- *Sub-recipient*, for this policy, means Local Workforce Investment Areas (LWIA) and other recipients that receive WIA funds directly from the State;
- *Sub-recipient Contractor* is a recipient that does not receive WIA funds directly from the State.

GENERAL INSTRUCTIONS: All sub-recipients that receive WIA funds shall promptly report to the WIB, OIG and CRO all allegations of WIA-related fraud, abuse, and other criminal activity.

Each sub-recipient shall establish appropriate internal program management procedures to prevent and detect fraud, abuse, and criminal activity. These procedures must include a reporting process to ensure that the Monterey County WIB, OIG and CRO are notified immediately of any allegations of WIA-related fraud, abuse, or criminal activity. Internal procedures must be in writing and include the designation of a person on the sub-recipients' staff who will be responsible for such notifications.

Sub-recipient Contractors will establish, document, and implement procedures to immediately notify the funding entity of any suspected or proven fraud, abuse, or other criminal activity involving WIA-funded activities. Funding entities must provide written notification to Sub-recipient Contractors regarding their responsibilities to be alerted for instances of fraud, abuse, and criminal activity committed by staff, contractors, or program participants and to report all such instances to the funding entity, OIG and CRO immediately. Proof of this notification must be maintained in the funding entity's files. Sub-recipients 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 to the WIB, OIG and CRO 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 developed by the sub-recipient are to be forwarded in a supplemental incident report.

The reporting procedures do not supersede the responsibility for sub-recipients 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.



REPORTING: Within one workday of detection or discovery of information alleging fraud, abuse, or other criminal activity involving WIA funds, the detecting entity shall prepare a written incident report. The report must be submitted on the attached incident report form or similar document containing the requested information.

Submit the report to the agencies as follows:

Attn: WIB Executive Director
Monterey County Workforce Investment Board
730 La Guardia Street
Salinas, CA 93905

And to:

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

And to:

OIG (choose 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 WIB Executive Director at (831) 759-6644, by telephone to the Compliance Resolution Unit Supervisor at (916) 653-0298 and/or by calling the OIG Hotline at 1-800-347-3756 and **followed immediately thereafter by a written incident report.**

The CRO will record any incident report it receives in the WIA Incident Report System and forward the incident report to the Department of Labor (DOL), Employment and Training Administration (ETA), Region 6, within one working day of receipt. However, CRO may have to contact the reporting entity for clarification or additional details prior to forwarding it to DOL/ETA Region 6. Concurrently with its transmittal of the incident report to DOL/ETA 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, DOL/ETA Region 6 will forward the incident report to OIG. Subsequently, DOL/ETA Region 6 will advise CRO of the action to be taken by OIG. If OIG decides to investigate the incident, CRO will wait for OIG's results before commencing the state-level formal resolution. If OIG decides not to investigate the incident, CRO will request, when appropriate, a special monitoring review or an investigation by the appropriate state entities. Otherwise, CRO will require the sub-recipient to submit its fact finding and local resolution.

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 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 sub-recipients. Such sources may include informants, independent auditors, or local law enforcement agencies. Whenever CRO receives an allegation from such source, it will prepare an incident report (DOL Form DL 1-156) and submit it to DOL/ETA Region 6, in accordance with this policy. In such a case, CRO will, when appropriate, inform the sub-recipient of the incident reported and advise them of the need



to take certain action. During an investigation, based on a report of fraud or abuse, DOL OIG investigators or auditors may contact a sub-recipient regarding an incident of which the sub-recipient was not previously aware. If the sub-recipient is not aware of the allegations, but the CRO is; then the CRO will, when appropriate, inform the sub-recipient of the specific allegations contained in the incident report.

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.

ATTACHMENT: Incident Report Form

INQUIRIES: For questions or assistance related to this policy, please contact the Monterey County Workforce Investment Board staff at (831) 796-6434.

This policy is posted on the WIB website located at: www.montereycountywib.org/policies/