



## Workforce Innovation and Opportunity Act (WIOA) Policies and Procedures

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# Reporting Incidents of Fraud, Program Abuse and Criminal Activity

**Policy Number:** ADM-3005, Rev. 2

**Release Date:** March 14, 2023

**Supersedes:** Reporting Incidents of Fraud, Program Abuse and Criminal Activity, Rev. 1 released October 14, 2020.

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## PURPOSE

This policy establishes procedures for reporting alleged, suspected, or known fraud, program abuse, and criminal misconduct associated with the Workforce Innovation and Opportunity Act (WIOA) Title I funded programs.

The formatting of this policy was updated; no other substantive changes occurred with this policy revision.

## BACKGROUND

The requirements for immediate reporting of information and complaints involving criminal fraud, waste, abuse, or other criminal activity associated with WIOA Title I funded programs are provided in:

- 20 CFR 683.620
- U.S. Department of Labor Employment & Training Administration's Training and Employment Guidance Letter (TEGL) 2-12, and
- Washington State Employment Security Department (ESD) WIOA Policy 5412, Rev. 2

## POLICY

Any individual who suspects or has knowledge of fraud, program abuse, or criminal misconduct associated with the implementation of WIOA Title I programs, must immediately report their concerns to the Department of Labor's Office of Inspector General (OIG) and ESD using the procedures detailed in this policy. If ESD is the subject of the incident report, the incident should only be reported to the OIG with a copy provided directly to the Department of Labor's Employment and Training Administration (DOLETA) by the reporting entity.

No action will be taken against those who disclose information concerning criminal or improper activities or file a valid complaint to proper authorities. The reporting individuals shall remain anonymous. If an individual believes that their position will be compromised by reporting information through the OIG's Incident Reporting (IR) form (see below), they may send the report directly to the OIG (see contact information below).

Reporting procedures do not supersede the responsibility for subrecipients, including WorkForce Central, to safeguard WIOA Title I 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 ESD (see contact information below) when the incident report is submitted.

## PROCEDURES

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 ESD and the OIG.

The [Incident Report \(IR\) form, Office of Inspector General \(OIG\) 1-156](#) is the official form to be used for reporting allegations of criminal and other illegal or improper activities in WIOA Title I funded programs. The IR form must be used in the following situations:

- Fraud, misfeasance, nonfeasance, or malfeasance:
  - Any alleged deliberate action 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 enrollees, misuse of appropriated funds, and misrepresenting information in official reports.
- 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 for other than specified 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.
- 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 accomplishment of program goals, waste government resources, and jeopardize future support for a particular project. This category includes, but is not limited to un-auditable records, unsupported costs, highly inaccurate fiscal reports or program reports, payroll discrepancies, payroll deductions not paid to the Internal Revenue Service (IRS), and lack of good internal control procedures.
- Employee/participant misconduct:
  - Actions by the Pierce County Workforce Development Board, WorkForce Central and its contractors and subrecipients that occur during or after work hours that reflect negatively on WorkForce Central and/or the Department of Labor 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 federal property; and/or misuse of official information and such other activities as might adversely affect the confidence of the public in the integrity of the government.
- Other potential or suspected criminal actions.

If ESD is the subject of the incident report, the incident should only be reported to the OIG with a copy provided directly to DOLETA by the reporting entity. Otherwise, the IR form must be delivered to both ESD and the OIG, with a copy to the DOLETA using the following contact information:

**Employment Security Department (ESD)***(Choose one method)*

- [ESDGPCommissionerRequests@esd.wa.gov](mailto:ESDGPCommissionerRequests@esd.wa.gov)
- Mail:  
Office of the Commissioner  
Employment Security Department  
Attention: WIOA Incident Reporting  
P.O. Box 9046  
Olympia, WA 98507-9046

**and****Office of Inspector General (OIG):***(choose one method)*

- Hotline for emergency situations:  
1-800-347-3756 or 202-693-6999
- Hotline Online Complaint Form:  
<https://www.oig.dol.gov/hotline.htm>
- FAX: (202) 693-7020
- Mail:  
Attention: Hotline  
Office of Inspector General  
U.S. Department of Labor  
200 Constitution Avenue, N.W.  
Room S-5514  
Washington, D.C., 20210

**Copy to:****Dept. of Labor's Employment and Training Administration (ETA)***(choose one method)*

- Email: [RO6-RA-SF@dol.gov](mailto:RO6-RA-SF@dol.gov)
- Mail:  
Attention: Regional Administrator  
U.S. Department of Lab  
Employment and Training Administration  
San Francisco Regional Office  
90 7<sup>th</sup> Street, Suite 17300  
San Francisco, CA 94103
- Phone: 414-625-7977

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 Department of Labor's Employment and Training Administration (ETA) for resolution.

**REFERENCES**

- [20 CFR 683.620](#)
- [DOL ETA TEGL 2-12](#) – *ETA Grant Recipient Responsibilities for Reporting Instances of Suspected Fraud, Program Abuse and Criminal Conduct*
- [ESD WIOA Policy 5412, Rev. 2](#) – *Reporting Incidents Involving WIOA Funding*

**APPROVED**

  
Katie Condit (Mar 14, 2023 14:58 PDT)

Katie Condit, WorkForce Central CEO

Mar 14, 2023

Date

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