

**ST. LAWRENCE COUNTY
WORKFORCE INVESTMENT BOARD**



**REPORTING INSTANCES OF
SUSPECTED FRAUD, PROGRAM
ABUSE & CRIMINAL
CONDUCT**

Amended by the St. Lawrence County Workforce Investment Board: 06/11/2014

June 11, 2014
ST. LAWRENCE COUNTY WORKFORCE INVESTMENT BOARD
Resolution No. 14-06-10

**RESOLUTION TO ADOPT POLICY ON REPORTING INSTANCES OF SUSPECTED
FRAUD, PROGRAM ABUSE AND CRIMINAL CONDUCT**

WHEREAS, Pursuant to NYS Workforce Development System Technical Advisory #12-15 Local WIAs are to be responsible for documenting and reporting allegations of fraud, program abuse and criminal conduct involving USDOL/ETA and/or NYSDOL grantees or other entities or sub-recipients receiving funds directly or indirectly from USDOL/ETA and/or NYSDOL;

WHEREAS; NYSDOL requires documentation through completion and submission of an Incident Report within three business days from the time of discovery, suspicion or receipt of an allegation or complain;

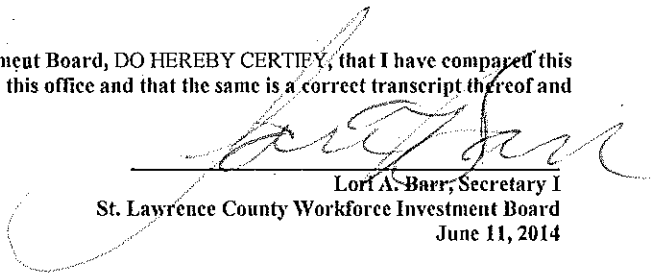
WHEREAS, situations involving imminent health or safety concerns, or the imminent loss of funds exceeding an amount larger than \$50,000.00 are considered emergencies and must immediately be reported NYSDOL;

WHEREAS, NYSDOL requires in the instance of an emergency, the Incident Report must be submitted no later than one business day from the time of discovery or receipt of an allegation or complaint;

NOW, THEREFORE, BE IT RESOLVED that the SLC Workforce Investment Board does hereby adopt the policy as required by Technical Advisory #12-15.

[WIB Action: Approved 06/11/2014; McDougall/Cooper; 13 ayes/0 nays/0 abstentions]

I, Lori A. Barr, Secretary I of the St. Lawrence County Workforce investment Board, DO HEREBY CERTIFY, that I have compared this copy of this Resolution, adopted June 11, 2014; with the original record in this office and that the same is a correct transcript thereof and of the whole of said original record.


Lori A. Barr, Secretary I
St. Lawrence County Workforce Investment Board
June 11, 2014



Andrew M. Cuomo, Governor

Peter M. Rivera, Commissioner

**NEW YORK STATE
WORKFORCE DEVELOPMENT SYSTEM
TECHNICAL ADVISORY**

Workforce Development System Technical Advisory #12-15

TO: Workforce Development Community
DATE: November 7, 2012
SUBJECT: Reporting Instances of Suspected Fraud, Program Abuse and Criminal Conduct

Purpose:

To inform Local Workforce Investment Boards (LWIB) and local area staff about their responsibilities with regard to reporting allegations of fraud, program abuse and criminal conduct involving United States Department of Labor Employment and Training Administration (USDOL/ETA) and/or New York State Department of Labor (NYSDOL) grantees or other entities or sub-recipients receiving funds directly or indirectly from USDOL/ETA and/or NYSDOL.

Policy:

All grant recipients that receive funds through USDOL/ETA (including all WIA associated programs) and/or NYSDOL must document and report allegations, suspicions and complaints involving possible fraud, program abuse and criminal misconduct to NYSDOL. NYSDOL requires documentation through completion and submission of an Incident Report (IR), which is presented as **Attachment A – Incident Report**. The IR should be submitted within *three (3) business days* from the time of discovery, suspicion or receipt of an allegation or complaint.

Additionally, situations involving imminent health or safety concerns, or the imminent loss of funds exceeding an amount larger than \$50,000.00, are considered emergencies and must immediately be reported to NYSDOL. In the instance of an emergency, the IR must be submitted to NYSDOL *no later than one (1) business day* from the time of discovery or receipt of an allegation or complaint.

Additional Information:

The detection and prevention of fraud and abuse in programs authorized by the USDOL/ETA and/or NYSDOL is of the highest priority. States, local governments and grantees may become aware of actual, potential or suspected fraud; gross mismanagement or misuse of program funds; conduct violations; violations of regulations; and/or abuse in USDOL/ETA or NYSDOL programs and operations provided by USDOL/ETA or NYSDOL grantees.

USDOL/ETA has established a procedure to ensure that any and all allegations of wrongdoing or misconduct, including allegations of suspected fraud, program abuse, and criminal conduct involving grantees and other recipients or sub-recipients of federal funds from USDOL/ETA, are immediately and consistently reported. This procedure places the responsibility of reporting any such activity to USDOL/ETA on NYSDOL. However, such activity may be witnessed by or reported to any person involved with the implementation of a USDOL/ETA program.

NYSDOL has expanded this procedure to accommodate suspected fraud, program abuse and criminal conduct involving State authorized funding as well. Therefore, if any person involved with the implementation of a USDOL/ETA or NYSDOL authorized program becomes aware of any allegations, suspicions or complaints involving possible fraud, abuse or criminal conduct, it must be reported to the NYSDOL immediately. NYSDOL will make a determination if the reported instance must be further reported to USDOL/ETA.

To report such activity, fill out the IR and submit it to NYSDOL via email to WDTD.Onestop@labor.ny.gov, using the subject line **Possible Fraud/Abuse/Criminal Conduct**. Please include contact information in the submission, as a representative from NYSDOL will follow up on the report.

Some useful definitions have been included in **Attachment B – Definitions** to help you determine if an Incident Report is necessary.

Inquiries:

Please direct any questions regarding this Technical Advisory to WDTD.Onestop@labor.ny.gov.

References:

Training and Employment Guidance Letter (TEGL) No. 2-12: Employment and Training Administration (ETA) Grant Recipient Responsibilities for Reporting Instances of Suspected Fraud, Program Abuse and Criminal Conduct.

Attachments:

Attachment A – Incident Report

Attachment B – Definitions

Definitions

The definition of employee/participant misconduct; fraud, misfeasance or malfeasance; gross mismanagement; and misapplication of funds included below were developed by the United States Department of Labor to provide guidance in the reporting process. These definitions are illustrative and are not intended to be either fully inclusive or restrictive.

Emergency. 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. 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 Federal/State property; and, misuse of official information and such other activities as might adversely affect the confidence of the public in the integrity of the government (See 29 CFR Part 0;5 CFR Parts 2635 and 5201) as well as serious violations of Federal and State laws.

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.

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 accomplishments 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, and lack of good internal control procedures.

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 finds, 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. 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.

NEW YORK STATE DEPARTMENT OF LABOR
Division of Employment and Workforce Solutions

INCIDENT REPORT

1. Type of Incident:

- Conduct Violation
- Criminal Violation
- Program Violation

2. Allegation Against:

- DOL Employee
- Contractor
- Grantee
- Other (Specify) _____

Name and position of employee(s), contractor(s), grantee, etc. Include telephone number, email address and other identifying data *(continue on page 2 if necessary)*.

3. Location of incident [give complete name(s) and addresses of organization(s) involved].

4. Date and time of incident/discovery:

5. Source of complaint:

- Public
- Contractor
- Grantee
- Program Participant
- Audit
- Investigative Law Enforcement Agency
- Other (specify) _____

Name, telephone, and email address so additional information can be obtained.

6. Contacts with law enforcement agencies [specify name(s) and agency contacted results].

7. Expected concern to DOL:

- Local
- Regional
- National
- Media Interest
- Executive Interest
- GAO/Congressional Interest
- Other (specify) _____

8. Amount of grant or contract (if known):

Amount of subgrant of subcontract(if know):

9. Persons who can provide additional information (*include custodian of records*):

Include name, job title, organization, address, email and phone number.

10. Additional comments: