**Fraud and Incident Reporting**

The Tulsa Area Workforce Development Board (TAWDB) sets expectations and requirements for immediately reporting information and complaints involving criminal fraud, waste, abuse or

other criminal activity. The TAWDB and its subrecipients are required to report information or complaints regarding fraud, waste, abuse, or mismanagement of funds. State guidance is outlined in OWDI 03-2020 entitled Fraud and Incident Reporting, dated May 20, 2020.

**I.** **Definitions:**

A. Fraud, Misfeasance, nonfeasance, or Malfeasance: Fraud, misfeasance, and nonfeasance or malfeasance should be considered broadly as any alleged deliberate action, which is apparently 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, 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.

B. Misapplication of Funds: Misapplication of funds should be considered as any alleged use of funds, assets, or property not authorized or provided for under the WIOA or regulations, grants, or contracts. This category includes, but is not limited to, nepotism, political patronage, and use of participants for political activities, ineligible participants, and conflict of interests, failure to report income from Federal funds, violation of contract/grant procedures, and the use of Federal funds for other than specified purpose.

C. Gross Mismanagement: Gross mismanagement should be considered as actions or situations arising out of management ineptitude or oversight, leading to major violations of WIOA processes, regulations, or contract/grant provisions, which could severely hamper the accomplishment of program goals. These include situations that lead to waste of government resources and could jeopardize future support for a particular project. This category includes, but is not limited to, un-auditable records, unsupported costs, highly inaccurate fiscal and/or program reports, payroll discrepancies, payroll deductions not paid to the Internal Revenue Service, and the lack of good internal control procedures.

D. Employee/Participant Misconduct: Employee/participant misconduct should be considered as actions occurring during or outside work hours that reflect negatively TAWDB. It may include, but is not limited to, conflict of interest or the appearance of conflict of interest involving outside employment, business, and professional activities, the receipt of giving of gifts, fees, entertainment, and favors, misuse of federal property, misuse of official information, and such other activities as might adversely affect the confidence of the public, as well as serious violations of Federal and State laws.

**II.** **Standards of Conduct:** Identification processes for violations of terms of conditions are required. A violation is considered evident when the following General Assurances are not met.

A. Every reasonable course of action has been taken in order to maintain the integrity of expenditures of public funds and avoid favoritism, questionable activity, or improper conduct.

B. Federal funds have been administered in an impartial manner, free from personal, financial, or political gain.

C. Executive staff and employees avoided situations, which give rise to a suggestion that any decision was influenced by prejudice, bias, or special interest or personal gain.

**III. Fraud Risk Assessment:** Fraud Risk assessments will be performed to mitigate any area of real or potential fraud and systems will be monitored to ensure controls are in place to prevent the occurrence of fraud.

**IV. Internal controls**: In order to prevent the possibility of fraudulent activity within the organizations of TAWDB and its subrecipients, internal controls must be in place. However, if the known or suspected activity of fraud is related to the organization, this information should be immediately reported to the Oklahoma Office of Workforce Development (OOWD).

**V. Reporting Requirements:**

A. Incidents involving possible or suspected fraudulent or criminal use of WIOA Title I-B funds must be reported to the OIG by utilizing the online Submission Form at the Department of Labor’s Incident Reporting System, found at the website: www.oig.dol.gov/hotlinecontact.htm, via telephone, or U.S. mail. Reports must also be sent concurrently to the Oklahoma Office of Workforce Development (OOWD).

B. Reporting procedures do not supersede the responsibility to safeguard WIOA funds by taking prompt and appropriate corrective action. 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.

C. Sub-recipients of WIOA funds must report allegations, suspicions and complaints of possible fraud, program abuse and criminal activities involving WIOA Title I-B Funds to the Oklahoma Office of Workforce Development (OOWD) and to U.S. Department of Labor (DOL) Office of Inspector General (OIG).

D. Employees are required to report suspected fraud or abuse of any kind. Suspected fraud can include misapplication of funds, gross mismanagement, or abuse of authority. Fraud can be, but not limited to, bribery, forgery, extortion, embezzlement, theft, kickbacks, misuse of funds, or misrepresentation of information.

1. Employees are required to report to any suspected fraud or abuse by contacting one of the two following individuals.

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| --- | --- |
| Rachel Hutchings, Executive Director  907 S. Detroit, Suite 1325  Tulsa, OK 74120  918-438-7941  RHutchings@workforcetulsa.com | Cherie Stierwalt, Deputy Director  907 S. Detroit, Suite 1325  Tulsa, OK 74120  918-438-7946  cstierwalt@workforcetulsa.com |

2. If the employee is not comfortable reporting suspected fraud or abuse to either of the two named individuals, they can contact the current TAWDB Chair.

**VI. Assurance Requirements:** No action, including retaliation, will be taken against any individual who discloses information concerning suspected or actual abuse, improper activities, or makes a good faith complaint to proper authorities regarding WIOA Title I-B programs.

**VII. Submission Requirements:**

Contact information for the DOL OIG and the Oklahoma Office of Workforce Development is as follows:

U.S. DOL/Office of Inspector General

Attention: Office of Inspector

200 Constitution Avenue, N.W.

Washington, D.C. 20210

Hotline number 1-800-347-3756

[www.oig.dol.gov/hotlinecontact.htm](http://www.oig.dol.gov/hotlinecontact.htm)

Oklahoma Office of Workforce Development

900 N. Portland Avenue

Oklahoma City, Ok 73107

Phone: 405-815-6552

Toll-Free: 800-879-6552

E-mail: workforce@okcommerce.gov

**VIII.** **Equal Opportunity and Nondiscrimination Statement**: All recipients, and subrecipients/subgrantees must comply with WIOA’s Equal Opportunity and Nondiscrimination provisions which prohibit discrimination on the basis of race, color, religion, sex (including pregnancy, childbirth, and related medical conditions, transgender status, and gender identity), national origin (including limited English proficiency), age, disability, political affiliation or belief, or, for beneficiaries, applicants, and participants only, on the basis of citizenship status or participation in a WIOA Title-I financially assisted program or activity.

**IX. Action:**

The Executive Director is responsible for compliance of this policy. The Executive Director is responsible for annual review and revisions if needed. Any exceptions to this policy statement will require prior written approval from the Executive Director or chair of the Tulsa Area Workforce Development Board.

This policy will be effective immediately upon approval of the TAWDB membership.

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Chair, Tulsa Area Workforce Development Board / Date