

**OFFICE OF WORKFORCE OPPORTUNITY
WIOA POLICY ISSUANCE – Policy#2012-031**

Effective Date: July 1, 2020

***RESPONSIBILITIES FOR REPORTING INSTANCES OF SUSPECTED
FRAUD, PROGRAM ABUSE AND CRIMINAL CONDUCT***

PURPOSE: [US DOL TEGL 2-12](#) transmits procedures to be used by all Employment and Training Administration (ETA), and subsequently all Office of Workforce Opportunity (OWO) sub recipients and contractors, for reporting allegations of fraud, program abuse or criminal conduct involving grantees or other entities and sub recipients receiving Federal funds either directly or indirectly. The detection and prevention of fraud and abuse in programs authorized by the [US Department of Labor](#) (US DOL) are the highest priority. Therefore, systematic procedures for reporting instances of suspected or actual fraud, abuse or criminal conduct are vital. This policy will provide procedures for reporting and investigating allegations of wrongdoing or misconduct to include allegations of suspected fraud, program abuse, and criminal conduct involving sub recipients of Federal Funds from OWO and/or US DOL, ETA.

POLICY:

US DOL Policy: The [Incident Report \(IR\) form, Office of Inspector General \(OIG\) 1-156](#), is the official form used for reporting allegations of criminal and other illegal or improper activities in OWO federal funded programs. Allegations are reported to OWO (specifically the Director) and to the [OIG](#) and, within ETA, to the Office of Financial and Administrative Management (OFAM) and the Office of Regional Management. Incidents reported using the IR form may involve allegations of fraud, misfeasance, nonfeasance or malfeasance, allegations involving misapplication of funds; allegations of gross mismanagement; allegations of employee/participant misconduct; and, other potential or suspected criminal actions.

When the OIG receives an Incident Report, 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 ETA for resolutions.

Grant recipients must immediately document allegations, suspicions and complaints involving possible fraud, program abuse, and criminal misconduct using the [Incident Report \(IR form 1-156\)](#). In addition, situations involving imminent health or safety concerns or the imminent loss of funds exceeding an amount larger than \$50,000 are considered emergencies and must immediately be reported to the OIG and OFAM by telephone and followed up with a written report in the form of an IR, no later than one working day after the telephone report.

Prohibition and Reprisals: No action will 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/her position will be compromised by reporting information through the IR system, s/he may send the report directly to the OIG or OFAM.

Definitions: 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 larger than \$50,000.
- **Employee/Participant Misconduct:** Actions occurring during or outside work hours that reflects negatively on the Department and/or NH Business of Economic Affairs, Office of Workforce Opportunity 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, misuse of official information and such other activities as 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:** 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 with 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 accomplishment of program goals, waste government resources, and jeopardize future support for a particular project. This category includes, but is not limited to, inauditable 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.

Incident Report (IR) (OIG I-156): This is the primary form for reporting instances of fraud, misapplication of funds, gross mismanagement, and any other incidents of known or suspected criminal or other serious activities. The OIG I-156 may also be used to provide interim and final 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, and use of participants for political activity, ineligible enrollees, conflict of interest, and 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.

OIG Hotline: The OIG operates this Hotline to receive and process allegations of fraud, waste, and abuse concerning grants, contracts, programs and operations. The OIG also uses the Hotline to address allegations of criminal activity and serious misconduct involvement employees.

Hotline complaints should be sent to the Director of the Office of Workforce Opportunity who will report the complaint to the Complaints Analysis Office, Office of Inspector General, 200 Constitution Avenue, N.W., Washington, DC 20210 or 1-800-347-3756 or 202- 693-6999 or through their [website](#). *The OIG hotline should not be used for resolving employee grievances, Equal Employment Opportunity complaints, labor disputes or other personnel concerns.*

OWO PROCEDURES AND REPORTING PROTOCOL:

Definitions:

Complaint, for this directive only, means criminal complaint and noncriminal complaints accepted by USDOL as incidents, such as gross waste of funds, mismanagement and dangers to the public health and safety.

Sub recipient, for this directive, means service delivery contractors and other recipients that receive WIOA funds directly from the State.

Lower-tier sub recipient means a recipient that does not receive WIOA funds directly from the State.

General:

All sub recipients that receive WIOA funds shall promptly report to OIG and OWO all allegations of WIOA-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 OIG and OWO are notified immediately of any allegations of WIOA-related fraud, abuse, or criminal activity. Internal management procedures must be in writing and include the designation of a person on the sub recipients' staff who will be responsible for such notifications.

Lower-tier sub recipients will establish, document, and implement procedures to immediately notify the funding entity of any suspected or proven fraud, abuse, or other criminal activity involving WIOA-funded activities. Funding entities must provide written notification to lower-tier sub recipients 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 to the funding entity, OIG and OWO 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 WIOA funds resulting from the incident. It is important that an initial report is made to OIG and OWO 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 WIOA funds by taking prompt and appropriate corrective action when any evidence of a violation of WIOA or its implementing regulations is found.

Reporting:

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

Submit the report to:

Joseph Doiron, Director
Office of Workforce Opportunity
100 North Main Street Suite 100
Concord, NH 03301
Joseph.A.Dorion@livefree.nh.gov

and to the OIG at their [Website](#) by telephone at 1-800-347-3756, by fax to (202) 693-7020, or by mail to:

Office of Inspector General
United States Department of Labor
200 Constitution Avenue, N.W.
Washington, D.C. 20210

Allegations considered to be of an emergency nature may be reported by calling the OIG/DOL Hot Line at 1-800-347-3756 and followed immediately thereafter by a written incident report.

The OWO will record any incident report it receives in the WIOA Incident Report System and forward the incident report to DOL/ETA, Region I, within one working day of receipt. However, OWO may have to contact the reporting entity for clarification or additional details prior to forwarding it to Region I. Concurrently with its transmittal of the incident report to Region I, OWO will, when applicable, notify the reporting entity to take appropriate action to recover misspent funds, or to contain its financial liability.

Upon receipt, ETA Region I will forward the incident report to DOL Regional OIG, New York. Subsequently, Region I will advise OWO of the action to be taken by DOL Regional OIG. If OIG decides to investigate the incident, OWO will wait for OIG's results before commencing the state-level formal resolution. If OIG decides not to investigate the incident, OWO will request, when appropriate, a special monitoring review or an investigation by the appropriate state entities.

Otherwise, OWO 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 OWO when the incident report is submitted.

Allegations of fraud, abuse, or other criminal activity in WIOA-funded programs may originate from sources other than sub recipients. Such sources may include informants, independent auditors, or local law enforcement agencies. Whenever OWO receives an allegation from such source, OWO will prepare an incident report and submit it to Region I, in accordance with this directive. In such a case, OWO will, when appropriate, inform the subject sub recipient of the incident reported and advise the latter 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. Upon learning of the incident from federal sources, the sub recipient should contact OWO to determine whether the latter is aware of the incident. If the sub recipient is not aware of the allegations but OWO is; then the latter will, when appropriate, inform the former of the specific allegations contained in the incident report.

Inquiries: If you have any questions about the information contained in this directive, please contact, Joseph Doiron, Director OWO, at (603) 271-7275

Attachment: USDOL Reporting Instructions and Incident Report form

ACTION: All staff must be knowledgeable of the contents of this directive.

Effective Date: July 1, 2020

Policy Number: 2012-031

Title of Policy: Responsibilities for Reporting Instances of Suspected Fraud, Program Abuse and Criminal Conduct

Incident Report

U.S. Department of Labor

Office of Inspector General



For Official Use Only (When filled in)

1. Date of report

2. Agency designation code (Yr.) (Agency) (Report No.)

3. File Number (For IG use)

4. Type of report

Initial
 Supplemental
 Final
 Other (Specify) _____

5. Type of incident

Conduct violation
 Criminal violation
 Program violation

6. Allegation against

DOL Employee
 Contractor
 Grantee
 Other (Specify) _____

Given name and position of employee(s), contractor(s), grantee, etc. List telephone number, OWCP or other Claim File Number, if applicable, and other identifying data:

7. Location of incident (Give complete name(s) and addresses of organization(s) involved)

8. Date and time of incident/discovery

9. Source of complaint

Public
 Contractor
 Grantee
 Program Participant
 Audit

Investigative Law Enforcement Agency (Specify) _____

Other (Specify)

Give name and telephone number so additional information can be obtained.

10. Contacts with law enforcement agencies (Specify name(s) and agency contacted and results)

11. Expected concern to DOL

Local
 Regional
 National
 Media interest Interest
 Executive
 GAO/Congressional interest

Other (Specify) _____

12. DOL Agency involved

SECY
 ESA
 ETA
 ILAB
 LMSA
 MSHA
 OASAM
 OIG

OSHA
 SOL
 ASP
 BLS
 NCEP
 WB
 OIPA

Other (Specify) _____

Amount of grant or contract (If known)

\$

Amount of sub grant of subcontract (If known)

\$

13. Persons who can provide additional information (Include custodian of records)

Name job title	Grade	Position or	Employment ¹
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Local Address (Street, City, & State) or organization, if employed and telephone number

¹Enter one of these codes:

U - Unemployed

G-Grantee

C-Contractor

D - DOL

F-Other Federal Employee

P - Program Participant or
claimant

(Complete page 2 of this form)

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For Official Use Only (When filled in)

14. Details of Incident (Describe the Incident)

If more room is needed attach additional sheets.

15. Typed name and title of DOL employee

16. Signature of DOL employee

17. Copies furnished to:

18. Attachments: (List)

AUDITS AND INVESTIGATIONS



Chapter 700 - Allegations of Wrongdoing or Misconduct, Incident Reporting, and Whistleblower Protection

ETA INSTRUCTIONS FOR OIG 1-156 INCIDENT REPORT (IR)

1. Using the Incident Report Form: The OIG 1-156 Incident Report Form should be used for filing:

(a) Initial Incident Report: Form OIG 1-156 is designed primarily as an initial report to inform the Employment and Training Administration's (ETA) Office of Financial and Administrative Management (OFAM) and the Office of the Inspector General (OIG) that a violation or apparent violation has occurred. It should also be used to inform OFAM and OIG of cases involving ETA employees, programs, and operations being investigated by or reported to other investigative agencies.

(b) Supplemental Incident Report: Once the initial Form OIG 1-156 has been filed Form OIG 1-156 should be used:

- (1) To provide supplemental information not available at the time of the original report.
- (2) If the matter cannot be resolved at the agency level and the case goes to litigation or arbitration at another level, supplemental reports will be submitted without awaiting results of adjudication or arbitration.

(c) Final Incident Report: Form OIG 1-156 should be used when:

- (1) An incident is resolved, or otherwise settled.
- (2) Adjudication and arbitration results are known and all requirements of such adjudication or arbitration have been completed.

2. Completing the Incident Report Form:

The agency designation code requested in block 2 is assigned by the office preparing the form and should include the fiscal year in which the report is being submitted, the agency acronym, and a number to indicate the chronological sequence of the report (for example, 09-CHI-ETA-01 would show that the report was submitted in Fiscal Year (FY) 2009, by Chicago, ETA, and was the first report they submitted in FY 2009, and 09-OWI-ETA-02 would show that the report was submitted in FY 2009 by the Office of Workforce Investment (OWI), ETA/NO, and was the second report OWI submitted in FY 2009).

Block 16 should be signed on all copies by the responsible official for the office unless the employee believes he/she should send the form directly to the OIG and OFAM.

Entries requiring additional space may be continued at the end of the synopsis entry in Block 14 or on a separate sheet(s) of bond paper. Head each additional sheet "Continuation" and give the Agency Identification Code from Block 2.

3. Transmitting the Completed Incident Report Form:

For IRs originating in a region or concerning a regional office (RO) program, the Regional Administrator/Regional Apprenticeship Director (RA/RD) should send the original signed OIG 1-156 via a transmittal memorandum to the Special Agent-In Charge (SAC) of the OIG's Regional Office of Labor Racketeering and Fraud Investigations within two days of discovery or receipt of the incident report and simultaneously forward copies to OFAM and the Office of Regional Management (ORM) or the Office of Apprenticeship (OA).

For IRs originating in the national office (NO) or concerning an NO program, the originating office should send the original signed OIG 1-156 to OFAM within two days of discovery or receipt of the incident report and simultaneously forward copies to ORM or OA. OFAM will send the original IR to the OIG within two working days of receipt.

See Attachment E for SAC and other OIG addresses.

Mail ETA NO copies to:

Office of Financial and Administrative Management
200 Constitution Avenue, N.W., Room N-4653
Washington, D.C. 20210
ATTENTION: OGM

Office of Regional Management
200 Constitution Avenue, N.W., Room C-4517
Washington, D.C. 20210

or

Office of Apprenticeship
200 Constitution Avenue, N.W., Room N-5311
Washington, D.C. 20210

Note: If the report concerns Department of Labor staff, the copies for the ETA NO should be sent in a sealed envelope addressed to the Administrator of OFAM with a notation on the envelope "TO BE OPENED BY ADDRESSEE ONLY."