

## **INCIDENT REPORTING POLICY**

EDD Revision Date: 9/10/02  
WIB Review Date: 8/26/04; 3/22/07

### **EXECUTIVE SUMMARY:**

#### **Purpose:**

This document establishes the Madera County Workforce Investment Board's policy on 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 Division (CRD) of the Employment Development Department (EDD) and the Department of Labor's (DOL) Office of Inspector General (OIG).

#### **Scope:**

This policy applies to the Madera County Local Workforce Area (LWIA) and all subrecipients or other programs funded under the Workforce Investment Act.

#### **Effective Date:**

This policy is effective on the date of issuance of EDD Directive WIAD02-3.

### **REFERENCES:**

- EDD Directive WIAD02-3
- Title 20 Code of Federal Regulations (CFR) Sections 667.505 and 667.630

### **STATE-IMPOSED REQUIREMENTS:**

This policy contains some State-imposed requirements. These requirements are indicated by ***bold italic*** type.

### **FILING INSTRUCTIONS:**

This policy implements the requirements of WIA Directive WIAD02-3. Retain this policy until further notice.

### **BACKGROUND:**

The WIA regulations, Title 20 CFR Section 667.630, require that information and complaints involving criminal fraud, waste, abuse, or other criminal activity must be reported immediately

through DOL's Incident Reporting System to OIG with a copy simultaneously provided to the Employment and Training Administration (ETA). The Incident Reporting System also processes non-criminal complaints regarding mismanagement and gross waste of funds. The information requested in this policy completes DOL's Incident Report Form and acknowledges the types of incidents that the OIG Hot Line seeks to identify. Reports may be submitted to the OIG at their Web site, [www.oig.dol.gov/hotnet1.htm](http://www.oig.dol.gov/hotnet1.htm), by telephone at (800)347-3756, by fax to (202)693-5210, or by mail to:

Office of Inspector General  
United States Department of Labor  
200 Constitution Avenue, NW, Room S-5506  
Washington, DC 20210

The intent of this policy is to ensure that all instances of fraud, abuse, or other criminal activity associated with WIA-funded activities are concurrently reported to the Compliance Review Division, and to the Executive Committee of the Madera County Workforce Investment Board.

When an individual has knowledge or suspicion of a violation of the WIA or its regulations, the individual must take prompt and appropriate action in reporting such knowledge or suspicion.

## **POLICY AND PROCEDURES:**

### **Definitions:**

*Complaint*, for this policy only, means criminal and non-criminal complaints accepted by DOL as incidents, such as gross waste of funds, mismanagement, and dangers to the public health and safety.

*Subrecipient*, for this policy, means the Local Workforce Investment Area and other recipients that receive WIA funds directly from the State.

*Lower-tier subrecipient*, means a recipient that does not receive WIA funds directly from the State.

### **Policy:**

***All subrecipients that receive WIA funds shall promptly report to OIG and CRD all allegations of WIA-related fraud, abuse, and other criminal activity.*** Attached is a glossary of terms related to reportable issues.

***Each subrecipient 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 CRD are notified immediately of any allegations of WIA-related fraud, abuse, or criminal activity. Internal management procedures must be in writing and include the designation of a person on the subrecipients' staff who will be responsible for such notifications.***

***Lower-tier subrecipients 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 lower-tier subrecipients 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 CRD immediately. Proof of this notification must be maintained in the funding entity's files. Subrecipients 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 OIG and CRD within one working day of the detection of the incident. The submission of an incident report should not be delayed even if all the facts are not readily available. Any facts subsequently developed by the subrecipient are to be forwarded in a supplemental incident report.***

The reporting procedures do not supersede the responsibility for subrecipients 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 work day of detection or discovery of information alleging fraud, abuse, or other criminal activity involving WIA 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:

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

And to the OIG at their Web site [www.oig.dol.gov/hotnet1.htm](http://www.oig.dol.gov/hotnet1.htm), by telephone at 1-800-347-3756, by fax to (202) 693-5210, or by mail to:

Office of Inspector General  
United States Department of Labor  
200 Constitution Avenue NW, Room S-5506  
Washington, DC 20210

And to the Chair of the Madera County Workforce Investment Board by telephone at (559) 662-4600, by fax at (559) 673-1794, or by mail to:

Attention: Chairperson  
Executive Committee

Madera County Workforce Investment Board  
209 East 7<sup>th</sup> Street  
Madera, CA 93638

Allegations considered to be of an emergency nature may be reported by telephone to the EDD/CRD Compliance Resolution Supervisor at (916) 653-3270 and by calling the OIG/DOL Hot Line at 1-800-347-3756 and ***followed immediately thereafter by a written incident report.***

The Madera County Workforce Investment Board Executive Committee will forward any incident report it receives to CRD and OIG/DOL. The CRD will record any incident report it receives in the WIA Incident Report System and forward the incident report to DOL/ETA Region 6 within one working day of receipt. However, CRD may have to contact the reporting entity for clarification or additional details prior to forwarding it to Region 6. Concurrently with its transmittal of the incident report to Region 6, CRD 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 6 will forward the incident report to DOL Regional OIG, San Francisco. Subsequently, Region 6 will advise EDD of the action to be taken by DOL Regional OIG. If OIG decides to investigate the incident, CRD will wait for OIG's results before commencing the state-level formal resolution. If OIG decides not to investigate the incident, CRD will request, when appropriate, a special monitoring review or an investigation by the appropriate state entities. Otherwise, CRD will require the subrecipient 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 CRD when the incident report is submitted.***

Allegations of fraud, abuse, or other criminal activity in WIA-funded programs may originate from sources other than subrecipients. Such sources may include informant, independent auditors, or local law enforcement agencies. Whenever EDD receives an allegation from such a source, CRD will prepare an incident report (DOL Form DL 1-156) and submit it to Region 6, in accordance with this policy. In such a case, CRD will when appropriate, inform the subject subrecipient 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 subrecipient regarding an incident of which the subrecipient was not previously aware. Upon learning of the incident from federal sources, the subrecipient should contact CRD to determine whether the latter is aware of the incident. If the subrecipient is not aware of the allegations, but CRD 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 policy, please contact the Division Administrator, Madera County Workforce Development Office at (559) 662-4600.

## Attachments

1. Glossary of Terms
2. Incident Report Form