

# FINAL

Subject:	Incident Reporting for WIOA and other Employment and Training Administration (ETA) Grants
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Distribution:	Arapahoe/Douglas Works! Workforce Center Leadership and Employees

**The Arapahoe/Douglas Workforce Development Board (ADWDB) has designated Arapahoe/Douglas Works! as the provider of Career Services for WIOA Title I: Adult, Dislocated Worker and Young Adult programs, Title III: Wagner-Peyser, and Temporary Assistance for Needy Families (TANF).**

## CITATIONS/REFERENCES

- The Workforce Innovation and Opportunity Act ([WIOA](#)) [Section 185, Reports; Recordkeeping; Investigations, Title 2 Code of Federal Regulations \(CFR\) Part 200: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#)
- [Training and Employment Guidance Letter \(TEGL\) 15-23, Employment and Training Administration Recipient Responsibilities for Reporting Instances of Suspected Fraud, Program Abuse, and Criminal Conduct](#)
- [20 CFR 683.200\(h\), 20 CFR 683.220, 20 CFR 683.420 and 683.430, 20 CFR 683.600-620](#)
- [56072 Federal Register/Vol. 81, No. 161, August 19, 2016](#)

## PURPOSE

To establish guidance, processes and procedures for Arapahoe/Douglas Works! staff to ensure immediate documentation and reporting of instances that are alleged, suspected, or known fraud, program abuse and criminal misconduct involving federal assistance to recipients, subrecipients, or contracts funded by WIOA Title I and other ETA programs to the Office of Inspector General (OIG) and ETA.

## BACKGROUND

The detection and prevention of fraud and abuse are a top priority for the U.S. Department of Labor's programs. States, local governments, and other recipients may become aware of actual, potential, or suspected fraud, gross mismanagement or misuse of program funds, conduct violations, violations of regulations, and abuse in ETA programs and operations that must be documented and reported to the OIG and ETA.

The Uniform Guidance requires recipients of Federal awards and their subrecipients to report if they have credible evidence of commission of a violation of Federal criminal law involving fraud, conflict of interest, bribery, or gratuity violations found in Title 18 of the United States Code, or a violation of the civil False Claims Act (31 U.S.C. 3729–3733). Therefore, systematic procedures for reporting instances of suspected or actual fraud, abuse or criminal conduct are vital.

## DEFINITIONS

The definitions of employee/participant misconduct; fraud, misfeasance, nonfeasance or malfeasance; gross mismanagement; and misapplication of funds were developed to provide guidance per [TEGL 15-23](#). The [ADWDB-04-2025 - Incident Reporting for WIOA and other Employment and Training Administration \(ETA\) Grants](#)

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definitions in [TEGL 15-23](#) are noted as illustrative and 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 \$15,000
- **Employee/Participant Misconduct.** Includes actions occurring during or outside work hours that reflect negatively on the U.S. Department of Labor (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 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 or inaction 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 (fake) enrollees;
  - Misuse of appropriated funds; and
  - Misrepresenting information in official reports
- **Gross Mismanagement.** Includes actions or situations arising out of management ineptitude or oversight and leading to a major violation of statutory (such as Workforce Innovation and Opportunity Act or Wagner-Peyser) processes, 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 program/project. This category includes, but is not limited to:
  - Unauditable 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;

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- Use of participants for political activity;
  - Ineligible enrollees;
  - Conflicts 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. 'It should be noted that there are some exceptions related to nepotism for the Indian and Native American programs, as described in 20 CFR 684.630(d).'

## POLICY/ACTION

The Arapahoe/Douglas Works! Workforce Administrator is designated the responsibility to promptly or within 2 working days, report all known or suspected cases of criminal or other improper activities related to alleged, suspected, or known fraud, program abuse and criminal misconduct involving federal assistance to recipients, subrecipients, or contracts funded by WIOA Title I and other ETA programs to the OIG and ETA. In the absence of the Arapahoe/Douglas Works! Workforce Administrator, the local Equal Opportunity Officer (EOO) shall assume this duty.

Complainants may remain anonymous and no action will be taken against any complainant for discovering information concerning criminal or improper activities or making a valid complaint to proper authorities. If a complainant considers that his/her position will be compromised by reporting information, he/she may send the report directly to the OIG.

The Arapahoe/Douglas Workforce Administrator or the local EOO will be responsible for following the procedures set forth in this section:

- **Identifying and Documenting Incidents** – Recipients must immediately document allegations, suspicions and complaints involving possible fraud, program abuse and criminal misconduct.

If unsure if a situation qualifies as an "incident" based on the definitions in this policy and [TEGL 15-23](#), the discretion to err on the side of caution shall take precedence and a report will be completed in accordance with the procedures discussed below.

- **Reporting Incidents** – The process of reporting incidents consists of two steps:
1. Reporting allegations of fraud, waste and abuse, criminal and other illegal or improper activities in ETA-funded grant programs and operations to the OIG; **and**
  2. Reporting the same to ETA, using the process described below.

Recipients must promptly disclose whenever, in connection with the Federal award (including any activities or subawards thereunder), it has credible evidence of the commission of a violation of Federal criminal law involving fraud, conflict of interest, bribery, or gratuity violations found in Title 18 of the United States Code, or a violation of the civil False Claims Act (31 U.S.C. 3729-3733).

Please note that while all incidents should be reported as expeditiously as possible, situations involving imminent health or safety concerns, or the imminent loss of funds exceeding an amount larger than \$15,000 are considered emergencies and must immediately be reported to the OIG and ETA no later than **one working day** after the [ADWDB-04-2025 - Incident Reporting for WIOA and other Employment and Training Administration \(ETA\) Grants](#)

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emergency was discovered.

**Note:** In any incident, the Governance Committee will receive notification within seven (7) calendar days.

- **Reporting the Incident to the OIG Hotline Portal** – Incidents and allegations involving ETA recipients and programs should be reported to the OIG by completing the relevant fields contained in the OIG Hotline Portal (<https://www.oig.dol.gov/hotline.htm>).

**The OIG Hotline Portal should not be used for resolving employee grievances, Equal Employment Opportunity complaints, labor disputes, or other personnel concerns.**

If Internet access is not available, incidents can be reported to the OIG via the Toll-Free Hotline at 1-800-347-3756, or (202) 693-6999 (this is not a toll-free number).

When submitting an incident using the OIG Hotline Portal, it is important to note that after clicking on 'Submit', the OIG Hotline Portal does not allow users to go back, review, print or download a copy of the incident report.

- Be prepared to capture screen shots or photos of each of the three OIG Hotline Portal screens: 'Your Information', 'Alleged Violator Information', and 'Allegation Information' prior to clicking the 'Next' button. The screen shots or photos will be used for the incident report emailed to the ETA
  - The 'Your Information' screen contains a field requesting the submitter's social security number (SSN). **This is not a required field**, and it is recommended that the submitter not provide it. However, if you decide to provide your SSN to the OIG, please ensure it is redacted before providing the screen shots or photos to ETA via email.
  - To ensure proper identification of your submission as an incident report, in the 'Allegation Description' box on the 'Allegation Information' screen, please start by entering **"ETA Incident Report - "** and then go on to describe the allegation.
- **Reporting the Incident to ETA** – ETA takes allegations of any type of improper activity seriously and needs to have the same information that is being submitted to the OIG Hotline Portal for developing its oversight and monitoring strategies. Therefore, the individual filing the incident report should send the screen shots or photos taken of each of the three OIG Hotline Portal screens to ETA via email at: [ETAIncidentReporting@dol.gov](mailto:ETAIncidentReporting@dol.gov). The subject line of the email should contain: **"ETA Incident Report – [State Name]"** for easy identification of the ETA Regional Office that needs to be provided the information to evaluate as part of ETA's overall grant monitoring and oversight responsibilities

The OIG will review and determine if allegations have merit and, when appropriate, conduct or arrange for an investigation and/or audit. However, in instances where the OIG determines that the incident report does not have investigative or audit merit, the incident report is referred to ETA for resolution. In these instances, depending on the circumstances, ETA will either forward the incident report to the recipient to research and report back, or ETA will work with the recipient to analyze and report on the incident. When an incident report is referred to a recipient, the recipient must prioritize this activity, so ETA can report the resolution to the OIG in a timely manner.

Attachment I: Incident Policy – OIG Reporting Quick Reference Guide

*Only the Arapahoe/Douglas Works! Division Manager and/or the Workforce Center Administrator(s) may grant exceptions to provisions within this policy.*

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