

North Central Workforce Development Area

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LOCAL DIRECTIVE

Directive #: 16-142 (REV 1) Date: July 1, 2018

TO: SkillSource Staff and Service Providers

FROM: Dave Petersen, Executive Director

SUBJECT: Fraud & Incident Reporting

SUPERCEDES: Directive #16-142

Staff, sub-recipients and training providers must immediately report suspected fraud, waste, abuse or mismanagement of federal funds.

1. Internal controls deter fraudulent activity within the organization. However if fraud, theft or abuse is known or suspected, that information must be immediately reported to the Executive Director or management unrelated to the activity.
2. Management must take reasonable action to stop the suspected fraudulent activities, safeguard assets, secure records and prevent future instances from recurring, including any appropriate personnel action.
3. Whenever an entity or individual alleges theft, fraud, abuse or mismanagement of federal funds, immediate action to prevent further financial loss or damage is required including notifying local law enforcement. Any immediate action taken or planned by the reporting entity must be reported to ESD.
4. All incident reports, emergency or other, must be sent to ESD and the Office of Inspector General (OIG) using the contact information provided below. SkillSource and subrecipients will use the IR (OIG 1-156) form as provided by the Department of Labor to immediately document and report suspicions, allegations or complaints involving:
 - WIOA Title I-related fraud;
 - Misfeasance, nonfeasance or malfeasance;
 - Misapplication of funds;
 - Gross mismanagement;
 - Employee/participant misconduct; or
 - Other potential or suspected criminal actions.
5. 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 be immediately reported to the

OIG via the hotline telephone number and followed up immediately (within one working day) in the form of an IR.

6. Subrecipients shall adhere to the state and federal reporting requirements noted above for all incidents of fraud as detailed in this policy of federal funds, as well as notifying the Executive Director immediately of any suspected fraud.
7. Report Submission. All incidents must be reported to each of the following entities either by phone, mail or email:
 - SkillSource
240 N Mission
Wenatchee, WA 98801
509-663-3091
Dave@SkillSource.org or Laura@SkillSource.org
 - Employment Security Department
Attn: - Incident Reporting Internal Audit Office
PO Box 9046
Olympia, WA 98507-9046
360-902-9206
ESDGPInternalAudit@esd.wa.gov
 - Office of Inspector General
Attn: - Hotline
US Department of Labor
200 Constitution Avenue, N.W. Room S-5514
Washington, D.C. 20210
1-800-347-3756 or 202-693-6999
<https://www.oig.dol.gov/hotline.htm>

REFERENCES:

- ESD WA State WIOA Policy 5412
- 20 CFR 683-430 and 683.620
- TEGL 2-12
- Public Law 113-128, Workforce Innovation and Opportunity Act (WIOA) of 2014, Section 185(b)

NORTH CENTRAL WORKFORCE DEVELOPMENT COUNCIL

Fraud and Abuse Report Form

Date: _____	
Person Completing Report: _____	
Phone #: _____	Email: _____
Person reporting F&A: _____	Date: _____
Phone#: _____	Email: _____

Incident Details

What was the nature of the F&A incident?

How did the incident happen?

When did this incident occur?

Who are the parties suspected of committing the F&A?

Were the parties involved directly related to the program funds affected?

Where did the incident take place?

How did you discover the issue?

How much funds were involved?

Were WIA funds involved and if so how much?

Any other pertinent details to this incident not yet addressed?

Follow Up Actions

Have authorities/law enforcement been notified? _____

Date: _____

Submit copies of policies reports and documentation if applicable.

Are the funds recoverable?

If so, what are the steps for recovery and have they begun?

Are other agencies involved with the incident and recovery activities?

If so what are the other agencies and who is the person to contact regarding this incident?

ESD Audit Resolution Team notified?

Person Notified: _____

Date: _____

State Auditor's Office notified?

Person Notified: _____

Date: _____

Other Agencies notified?

Person Notified: _____

Date: _____

Final Resolution of Incident

Date of final resolution or recovery of funds? _____

How much funds were recovered? _____

What was the outcome to the parties involved? _____

What measures have been taken to address the potential for other F&A of this nature? _____

