

## OKLAHOMA WORKFORCE DEVELOPMENT ISSUANCE #03-2020

**TO:** Chief Local Elected Officials  
Workforce Development Board Chairs  
Workforce Development Board Staff

**FROM:** Don Morris, Executive Director

**DATE:** May XX, 2020

**SUBJECT:** Fraud and Incident Reporting

**PURPOSE:** The Oklahoma Office of Workforce Development (OOWD), as the Governor's chosen Workforce Innovation and Opportunity Act (WIOA) administrative entity, provides this issuance as guidance to the local workforce development boards and all recipients of Workforce Innovations and Opportunity (WIOA) funds.

**REFERENCES:**

- 20 CFR 683.620
- Training and Employment Guidance Letter (TEGL) No. 2-12

**MESSAGE:** Training and Employment Guidance Letter (TEGL) No. 2-12 and 20 CFR 683.620 provide expectations and requirements for immediately reporting information and complaints involving criminal fraud, waste, abuse or other criminal activity. The Oklahoma Office of Workforce Development (OOWD) and its sub-recipients are required to report information or complaints regarding fraud, waste, abuse or mismanagement of funds.

**INSTRUCTIONS:** All recipients of Workforce Innovation and Opportunity Act (WIOA) funds, including Local Workforce Development Areas (LWDAs), contractors and service providers must implement policies and procedures to prevent and detect fraud, abuse and criminal activities involving WIOA Adult, Dislocated Worker, and Youth program funds. Additionally, sub-recipients 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).

Internal controls must be in place to prevent the possibility of fraudulent activity within the organizations of the Local Workforce Development Boards and its subrecipients. 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).

### 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.

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

**RESCISSIONS**  
None

**EXPIRATION DATE**  
Continuing

- 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.

### **Reporting Requirements**

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's Incident Reporting System, found at the website: [www.oig.dol.gov/hotlinecontact.htm](http://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).

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.

### **Reportable Issues**

Incidents requiring reporting include:

#### Employee/Participant Misconduct

Actions occurring during or outside work hours that reflect negatively on the 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 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 or State statutes and regulations. This category includes, but not limited to, indications of bribery, forgery, extortion, embezzlement, theft of participant checks, kickbacks from participant or contractors, 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.

#### 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, unauditible records, unsupported costs, highly inaccurate fiscal reports or program report, 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, 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 other than specified purpose. 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.

Imminent Health or Safety Concerns or Loss of Funds Exceeding \$50,000.00

Situations involving imminent health or safety concerns, or the imminent loss of funds exceeding \$50,000 are considered emergencies and must be immediately reported to the Department of Labor OIG via the hotline telephone number and followed up immediately (within one working day) in the form of an Incident Report. The hotline telephone number is: 800-347-3756 or 202-693-6999.

**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.

**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](mailto:workforce@okcommerce.gov)

**Any person or organization who knowingly submits false or fraudulent claims or written, certified statements for money, services, or property is subject to the Program Fraud Civil Remedies Act.**

**EQUAL OPPORTUNITY AND NONDISCRIMINATION STATEMENT:** All Recipients, and Sub-recipients/Sub-grantees 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.

**ACTION REQUIRED:** This Oklahoma Workforce Development Issuance (OWDI) is to become a part of your permanent records and made available to appropriate staff and sub-recipients.

**INQUIRIES:** [If you have any questions about this issuance, please contact Staff in the Oklahoma Office of Workforce Development. Contact information can be found at http://www.oklahomaworks.gov/about/.](http://www.oklahomaworks.gov/about/)