

ATLANTIC COUNTY OFFICE OF WORKFORCE DEVELOPMENT

2 South Main Street, 2nd Floor, Pleasantville, NJ 08232

Telephone: (609) 485-0052 Fax: (609) 485-0067

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Procedures for Reporting Fraud, Program Abuse or Criminal Misconduct

Purpose: To transmit procedures to be used by Workforce Innovation and Opportunity Act (WIOA) grant recipients 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 from the Employment and Training Administration (ETA).

Background: Training and employment Guidance Letter (TEGL) 2-12 provides procedures for ETA grant recipients for reporting allegations of fraud, program abuse or criminal conduct involving grantees or other entities/sub-recipients receiving Federal funds directly or indirectly from ETA. TEGL 2-12 requires that the Incident Report Form (IR), Office of Inspector General (OIG) 1-156 be used for reporting allegations of criminal and other illegal or improper activities in ETA-funded programs.

All sub-recipients who receive WIOA funding must follow the requirements of TEGL 2-12 when addressing incidents involving misuse of federal training funds. These procedures are applied for incidents such as allegations of fraud, misfeasance, nonfeasance, sineasance or malfeasance; allegations involving misapplication of funds; allegations of gross mismanagement; allegations of employee/participant misconduct; and other potential or suspected actions.

Definitions:

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 (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 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 contractor without the expectation of receiving service, 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, businesses that are not limited to, un-auditable 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, use of participants for political activity, ineligible enrollees, conflict 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.

Procedure:

All Atlantic County Workforce Development grant recipients, sub-recipients and other entities, including Atlantic County Office of Workforce Development staff and contracted providers who receive Federal funds either directly or indirectly from the ETA; must immediately document and report allegations, suspicions and complaints involving possible fraud, program abuse and criminal misconduct using the attached *Incident Report form*, (IR) OIG 1-156. This form must be submitted within 24 hours of knowledge of the fraud or abuse. The report should be submitted to the Office of Inspector General (OIG) and the Office of Financial and Administrative Management (OFAM).

Situations involving imminent health or safety concerns, or loss of funds exceeding \$50,000 are considered emergencies and must be immediately reported to the OIG and OFAM by telephone and must be followed up with a written report in the form of an IR, no later than one working day after the telephone report.

Attached to this policy is TEGL 2-12 which provides the required instructions and forms for notification of fraud, program abuse or criminal conduct.

This policy is pending approval.
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