



## FRAUD AND INCIDENT REPORTING POLICY

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**Policy Number:** 1070

**Effective Date:** 7/1/2017

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### **A. BACKGROUND**

The detection and prevention of fraud and abuse in programs authorized by the Department of Labor are of the highest priority. In addition, State Law (RCW 43.09.185) requires all state agencies and local governments to immediately notify the State Auditor's Office in the event they become aware of a known or suspected loss of public resources or other illegal activity.

### **B. POLICY**

It is the policy of Workforce Snohomish (WFS) to immediately report information or complaints regarding fraud, waste, abuse or mismanagement of federal funds.

1. Internal controls are in place to prevent the possibility of fraudulent activity within the organization. However, if the known or suspected activity of fraud is related to the organization, this information should be immediately reports to the CEO or management unrelated to the activity.
2. Appropriate actions will be taken immediately to stop the fraudulent activities, safeguard remaining assets and records and prevent future instances from recurring, including personnel action if necessary.
3. 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 take or planned by the reporting entity must be reported to Employment Security Department (ESD) when the incident report is submitted.
4. All incident reports, emergency or other, must be sent to the State Auditor's Office, ESD and the Office of Inspector General (OIG) using the contact

information provided below. WFS and our subrecipients will use the Fraud and Abuse Hotline Report Form as provided by the Department of Labor at: <https://www.oig.dol.gov/hotlineform2015.htm> to immediately document and report suspicions, allegations or complaints involving:

- WIOA-related fraud;
  - Mifeasance, 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 reports to the OIG vis the hotline telephone number and followed up immediately (within one working day) in the form of an incident report.
  6. All subcontractors of WFS shall also 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 WFS 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:

- Workforce Snohomish  
808 134<sup>th</sup> St SW, Ste. 105  
Everett, WA 98204  
425-921-3488  
[Debbie.little@workforcesnohomish.org](mailto:Debbie.little@workforcesnohomish.org)
- Employment Security Department  
Attn: Indecent Reporting Internal Audit Office  
PO Box 9046  
Olympia, WA 98507-9046  
360-902-9718  
[VdeBoer@esd.wa.gov](mailto:VdeBoer@esd.wa.gov)
- Office of Inspector General  
Complaints Analysis Office  
200 Constitution Ave., NW Room S-5506  
Washington, D.C. 20210  
1-800-347-3756  
[hotline@oig.dol.gov](mailto:hotline@oig.dol.gov)

- Washington State Auditor's Office  
Attn: Hotline  
P.O. Box 40021  
Olympia, WA 98504-0031  
1-866-902-3900  
<http://portal.sao.wa.gov/SAOPortal/Public.aspx/LossReport> (online form)

## **C. DEFINITIONS**

N/A

### **References:**

- Public Law 113-128, Workforce Innovation and Opportunity Act (WIOA) of 2014, Section 185(b)
- 20 CFR 683.430 and 683.620
- Training and Employment Guidance Letter (TEGL) 2-12