

NORTH CENTRAL COUNTIES CONSORTIUM (NCCC)
INCIDENT REPORTING PROCEDURE

I. Purpose

To establish procedures for NCCC and Subgrantees to report all suspected or actual instances of fraud, abuse, and any criminal activity related to programs funded under the Workforce Investment Act (WIA).

II. Background

The WIA regulations, Title 20 CFR Section 667.630, require that information and complaints involving criminal fraud, waste, abuse or other criminal activity must be reported immediately. Subrecipients shall establish appropriate internal program management procedures to prevent, detect and report all allegations of WIA-related fraud, abuse, and criminal activity to the Compliance Review Office (CRD) of the Employment Development Department (EDD) and the Department of Labor's (DOL) Office of Inspector General (OIG).

III. References

- Title 20 Code of Federal Regulations (CFR) Sections 667.505 and 667.630
- WIA Directive, WSD12-18
- DOL Training Employment and Guidance Letter 2-12, Employment and Training Administration (ETA) Grant Recipient Responsibilities for Reporting Instances of Suspected Fraud, Program Abuse and Criminal Conduct (July 12, 2012)

IV. Procedure

NCCC SUBGRANTEES

Subgrantees detecting the presence or appearance of fraud, abuse or other criminal activity involving WIA-funded activities shall submit a written report using the attached Incident Report Form. Subgrantees must obtain sufficient information to provide a clear, concise report of each incident, but **submission of an incident report should not be delayed even if all facts are not readily available, facts subsequently developed are to be forwarded in a supplemental report.** Reports, and supplemental reports, must be submitted using the attached Incident Report Form, within one workday of discovery or receipt of information regarding fraud, abuse, or criminal activity to the:

Executive Director
North Central Counties Consortium
1425 Butte House Rd., Suite B
Yuba City, CA 95993

Allegations considered to be of an emergency nature may be reported by telephone to the NCCC Administrative Office at (530) 822-7145, and **followed immediately thereafter with a written Incident Report** submitted to the Executive Director.

NCCC ADMINISTRATIVE ENTITY

NCCC Administrative Office following the receipt of the Incident Report Form shall maintain a copy of the report in the Administrative Entity's administrative files and forward within one workday to:

Attention: Compliance Resolution Unit
Compliance Review Division, MIC 22
Employment Development Department
P.O. Box 826880
Sacramento, CA 94280-0001

And the OIG at their website, www.oig.dol.gov/hotlinecontact.htm by fax to (202) 693-7020 or by mail to:

Office of Inspector General
United States Department of Labor
200 Constitution Avenue, N.W., Room S-5506
Washington, D.C. 20210

Allegations considered to be of an emergency nature may be reported by telephone to the Compliance Resolution Unit Supervisor at (916) 653-0298 and by calling the OIG/DOL Hot Line at 1-800-347-3756 and **followed immediately thereafter by a written Incident Report**.

All instances of non-program related criminal activity, such as burglary, arson, assault, etc., will be reported to local law enforcement agencies immediately.

Action will not be taken against any complainant for disclosing information concerning criminal or improper activities or making a valid complaint to proper authorities. Complainants may remain anonymous. If a complainant considers that his or her position will be compromised by reporting information via an incident report, he or she may send the report directly to the OIG.

Glossary: The attached Glossary of Terms is provided for use as a guide in the identification of fraud, abuse, and criminal activity. Since the Glossary cannot address every possible activity, questions as to whether an activity is, or is not, reportable under this policy should be referred to the Executive Director for immediate clarification and guidance.

Glossary of Terms

The federal definitions that follow are provided for use as a guide in the identification of fraud, abuse, and other criminal activity. Since the definitions cannot address every possible activity, questions as to whether an activity is reportable under this policy should be referred to your assigned Workforce Investment Division Regional Advisor for clarification and guidance.

Emergency is defined as a situation involving imminent health or safety concerns, or the imminent loss of funds exceeding an amount much larger than \$50,000 (e.g. \$500,000).

Employee/Participant Misconduct are actions occurring during or outside work hours that reflect negatively on the Employment Development Department (EDD) 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 government property; and, misuse of official information and other activities that 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 is defined as any alleged deliberate action which may be in violation of government 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 enrollees, misuse of appropriated funds, misrepresenting information in official reports, and falsification of records and claims regarding trainees (e.g. knowingly enrolling ineligible participants). Criminal fraud is a type of larceny and is punishable under both federal and California law as a felony. Civil fraud is subject to tort actions under civil laws.

Gross Mismanagement is defined as actions, or situations arising out of management ineptitude or oversight, which lead to a major violation of contract provisions and/or which severely hamper accomplishment of program goals. These include situations, which lead to waste of government resources and put into serious jeopardy future support for a particular project. This category includes, but is not limited to, unauditible records, unsupported costs, highly inaccurate fiscal and/or program reports, payroll discrepancies, payroll deductions not paid to the Internal Revenue Service or the State of California, and the lack of internal control procedures.

Incident Report is the primary form for reporting instances of fraud, misapplication of funds, gross mismanagement, and any other incidents of known or suspected criminal or other serious activities.

Misapplication of Funds is defined as 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, the use of government funds for other than specified

purposes, and the use of WIA funds for other than WIA purposes. Indian and Native American programs are excluded from the nepotism category, as cited in Section 632.118 of 20 CFR Part 632, Subpart F of the WIA regulations.

Note: 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.

Standards of Conduct Violations are violations of terms and conditions stipulated in the subgrant agreement. The relevant stipulations in the subgrant agreement are General Assurances, Employment of Former State Employees, Conducting Business Involving Relatives, Conducting Business Involving Close Personal Friends and Associates, Avoidance of Conflict of Economic Interest, and Maintenance of Effort.

OIG Hotline: The OIG operates the hotline to receive and process allegations of fraud, waste, and abuse concerning grants, contracts, programs and operations. The OIG also uses the hotline to address allegations of criminal activity and serious misconduct involving government employees.

Note: The OIG Hotline should NOT be used for resolving employee grievances, Equal Employment Opportunity complaints, labor disputes or other personnel concerns.

INCIDENT REPORT

<p>1. Type of report (check one)</p> <p><input type="checkbox"/> Initial</p> <p><input type="checkbox"/> Supplemental</p> <p><input type="checkbox"/> Final</p> <p><input type="checkbox"/> Other <i>[specify]</i></p>	<p>2. Type of incident (check one)</p> <p><input type="checkbox"/> Conduct violation</p> <p><input type="checkbox"/> Criminal violation</p> <p><input type="checkbox"/> Program violation</p>
<p>3. Allegation against (check one)</p> <p><input type="checkbox"/> Contractor</p> <p><input type="checkbox"/> Program Participant</p> <p><input type="checkbox"/> Other <i>[(specify), give name and position of employee(s), list telephone number, Social Security Account number, if applicable, and other identifying data.]</i></p>	
<p>4. Location of incident</p> <p><i>[give complete name(s) and addresses of organizations(s) involved]</i></p>	
<p>5. Date and time of incident/discovery <i>[date, time]</i></p>	
<p>6. Source of complaint (check one)</p> <p><input type="checkbox"/> Audit <input type="checkbox"/> Contractor <input type="checkbox"/> Program Participant <input type="checkbox"/> Public</p> <p><input type="checkbox"/> Investigative Law Enforcement Agency <i>[(specify)]</i></p> <p><input type="checkbox"/> Other <i>[(specify), give name and telephone number so additional information can be obtained.]</i></p>	
<p>7. Contacts with law enforcement agencies</p> <p><i>[specify name(s) and agency contacted and results]</i></p>	
<p>8. Persons who can provide additional information</p> <p><i>[(include custodian of records) name, position or job title, employment, local address (street, city and state) or organization, if employed and telephone number]</i></p>	
<p>9. Details of incident</p> <p><i>[describe the incident]</i></p>	