

**Fulton, Montgomery, and Schoharie Counties
Workforce Development Board, Inc.**

**Workforce Solutions Center
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**Reporting Instances of Suspected Fraud,
Program Abuse and Criminal Conduct**

BY-2014-03

Local Workforce Investment Boards and local area staff are responsible for reporting allegations of fraud, program abuse and criminal conduct involving USDOL Employment & Training and /or NYSDOL grantees or other entities receiving funds directly or indirectly from USDOL/ETA and/or NYSDOL.

Reference Documents: TEGL 2-12
TA 12-15

NYS Policy Description:

All grant recipients that receive funds through USDOL/ETA (including all WIA associated programs) and/or NYSDOL must document and report allegations, suspicions and complaints involving possible fraud, program abuse and criminal misconduct to NYSDOL. NYSDOL requires documentation through completion and submission of an Incident Report (IR), which is presented as **Attachment A to Technical Advisory 12-15– Incident Report**. The IR should be submitted within *three (3) business days* from the time of discovery, suspicion or receipt of an allegation or complaint.

Additionally, situations involving imminent health or safety concerns, or the imminent loss of funds exceeding an amount larger than \$50,000.00, are considered emergencies and must immediately be reported to NYSDOL. In the instance of an emergency, the IR must be submitted to NYSDOL *no later than one (1) business day* from the time of discovery or receipt of an allegation or complaint.

Local Procedure: If any person involved with the implementation of a USDOL/ETA or NYSDOL authorized program becomes aware of any allegations, suspicions or complaints involving possible fraud, abuse or criminal conduct, it must be reported to the NYSDOL immediately. NYSDOL will make a determination if the reported instance must be further reported to USDOL/ETA.

To report such activity, open Attachment A of TA 12-15 and fill out the Incident Report. It should be submitted it to NYSDOL via email to WDTD.Onestop@labor.ny.gov, using the subject line Possible Fraud/Abuse/Criminal Conduct. The email should be copied to the WIB Director. Please include contact information in the submission, as a representative from NYSDOL will follow up on the report.

The definition of employee/participant misconduct; fraud, misfeasance or malfeasance; gross mismanagement; and misapplication of funds included below were developed by the United States Department of Labor to provide guidance in the reporting process. These definitions are illustrative and are not intended to be either fully inclusive or restrictive.

Emergency. 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. 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/State 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 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 accomplishments 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 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 finds, 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.