LOS ANGELES COUNTY
COMMUNITY AND SENIOR SERVICES

DIRECTIVE

Number: CD- 15 – 9	**SUBJECT: Incident Reporting**
Date: August 25, 2015	**Effective Date: Immediately**

TO: **ALL WORKFORCE INVESTMENT OPPORTUNITIES ACT (WIOA) SUBRECIPIENTS**

RECISSION:

This directive supersedes any prior directives issued by CSS on this subject.

PURPOSE:

The purpose of this directive is to inform all Workforce Innovation and Opportunity Act (WIOA) subrecipients of the requirements and procedures to report criminal activity committed by staff, contractors, or program participants and non-criminal complaints, such as mismanagement and waste of funds to the Department of Community and Senior Service (CSS), the California Employment Development Department (EDD), and the Department of Labor's (DOL) Office of Inspector General (OIG) and San Francisco Regional Office of the Employment and Training Administration (ETA).

APPLICATION:

This directive applies to subrecipients of programs funded with U. S. Department of Labor funding.

REFERENCE:

- Title 20 Code of Federal Regulations (CFR) Sections 667.505 and 667.630
- 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)
- State Directive Number: WSD12-18, Subject: Incident Reporting, Date: June 12, 2013

DEFINITIONS:

Complaint, for this directive only, means criminal complaint and noncriminal complaints accepted by the DOL as incidents, such as gross waste of funds, mismanagement and dangers to the public health and safety.

Employee/Participant Misconduct should be considered as actions occurring during or outside work hours, that reflect negatively on the Department of Labor, the State and the WIA program or its purpose, and may include, but are not limited to, conflict of interest or the appearance of conflict of interest involving outside employment, business and professional activities, and the receipt or giving of gifts, fees, entertainment, and favors; misuse of federal property; misuse of official information; and other activities that might adversely affect the confidence of the public regarding the integrity of government.

Fraud is any deceitful act or omission, or willful device used with the intent to obtain some unjust advantage for one party, or to cause an inconvenience or loss to another party. Types of fraud include embezzlement, extortion, forgery, theft, theft of participant checks solicitation and receipt of bribes (kickbacks), and falsification of records and claims regarding trainees (e.g., knowingly enrolling ineligible participants), intentional payments to contractors without the expectation of receiving services, and payments to ghost enrollees. Criminal fraud is a type of larceny and is punishable under both federal and State 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 that 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, unauditable records, unsupported costs, highly inaccurate fiscal and/or program reports, payroll discrepancies, payroll deductions not paid to the Internal Revenue Service and the lack of internal control procedures.

Misapplication of Funds is defined as any use of funds, assets, or property not authorized or provided for in the grant or contract. This category includes, but is not limited to, nepotism, political patronage, use of participants for political activity, intentional services to ineligible enrollees, conflict of interest, failure to report income derived from federal funds, violation of contract provisions, maintenance of effort violations, and the use of WIA funds for other than WIA purposes. Note: a report must be filed when it appears that there exists an intent to misapply funds rather than merely a case of minor mismanagement.

Standard 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.

Subrecipient, for this directive, means a recipient that does not receive WIA funds directly from the State.

BACKGROUND:

DOL and EDD require that allegations and complaints involving criminal fraud, waste, abuse or other criminal activity be reported immediately through DOL's Incident Reporting System to the OIG with a copy simultaneously provided to EDD and ETA. Complaints of a noncriminal nature, such as mismanagement and gross waste of funds, may also be reported through DOL's Incident Reporting System.

POLICY:

Within one workday of detecting an incident, a written incident report must be submitted on the attached form or similar document containing the requested information. Submit the incident report simultaneously to:

Compliance Division
Los Angeles County
Department of Community and Senior Services
3175 West Sixth Street
Los Angeles, CA 90020-1708

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

Regional Administrator
Region 6
Employment and Training Administration
U. S. Department of Labor
90 7th Street, Suite 17-300
San Francisco, CA 94103-1516

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

The incident report to the OIG may also be sent through its website at:

www.oig.dol.gov/hotlinecontact.htm

Or FAX: (202) 693-7020

Allegations considered to be of an emergency nature may be reported by telephone to the CSS Compliance Officer at (213) 738-7321, the EDD Compliance Resolution Unit Supervisor at (916) 653-0298 or by calling the OIG Hotline at 1-800-347-3756 and **followed immediately thereafter by a written incident report**.

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.

PROCEDURES:

Each subrecipient shall establish appropriate internal procedures to prevent and detect fraud, abuse, and criminal activity. These procedures must include a reporting process to ensure that CSS, EDD and DOL are notified immediately.

Internal procedures must be in writing and include the designation of a person on the subrecipients' staff who will be responsible for such notifications.

Subrecipients detecting the presence or appearance of fraud, abuse, or other criminal activity must obtain sufficient information to provide a clear, concise report of each incident. Reports must be made on the attached form and include a statement of all facts, known at the time, as well as any known or estimated loss of WIA or WIOA funds resulting from the incident. The submission of an incident report should not be delayed, even if all facts are not readily available. Any facts subsequently developed by the subrecipient are to be forwarded in a supplemental incident report.

The reporting procedures do not supersede the responsibility for subrecipients to safeguard WIA or WIOA funds by taking prompt and appropriate corrective action when any evidence of a violation of WIA or its implementing regulations is found.

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 taken or planned by the subrecipient must be reported to reporting entities listed above when the incident report is submitted or amended.**

ACTION:

CSS and its subrecipients shall follow this policy. This policy shall remain in effect until such time that a revision is required.

INQUIRIES:

If you have any questions regarding this Directive, please contact Adrian Romero at (323) 806-6497 or aromero@css.lacounty.gov

PAUL GOLDMAN, Assistant Director
Contracting Services

Attachment

INCIDENT REPORT

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