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# Incident Reporting

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## PURPOSE

The purpose of this policy is to provide procedures for reporting allegations of fraud, program abuse, or criminal conduct to the Employment Development Department (EDD) Compliance Review Office (CRO) and the US Department of Labor's (DOL) Office of Inspector General (OIG). This policy applies to the Pacific Gateway Workforce Innovation Network and its subrecipients of programs funded under the Workforce Innovation and Opportunity Act (WIOA).

## BACKGROUND

The Workforce Innovation and Opportunity Act (WIOA), Title 20 CFR 683.620, requires that information and complaints involving criminal fraud, waste, abuse, or other criminal activity must be reported immediately through DOL's Incident Reporting System to the OIG with a copy simultaneously provided to the Employment and Training Administration (ETA). Complaints of a noncriminal nature, such as mismanagement and gross waste of funds, may be handled under the procedures set forth in Title 20 CFR Section 683.600 or may be reported through the DOL's Incident Reporting System.

## POLICY AND PROCEDURES

### A. Definitions

**Complaint** - allegations of criminal activity and serious misconduct accepted by the DOL as incidents, and allegations of fraud, waste and abuse concerning federally-funded grants, contracts, programs and operations, and dangers to the public health and safety. The Incident Reporting System should not be used for resolving employee grievances, Equal Employment Opportunity complaints, labor disputes, or other personnel concerns.

**Contract** - a legal instrument by which a non-federal entity purchases property or services needed to carry out the project or program under a federal award. The term as used in this part does not include a legal instrument, even if the non-federal entity considers it a contract, when the substance of the transaction meets the definition of a federal award or subaward. (Uniform Guidance Section 200.22)

**Contractor** - an entity that receives a contract as defined in 200.22 Contract. (Uniform Guidance Section 200.23)

**Subaward** - an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a federal award received by the pass-through entity. It does not include payments to a contractor or payments to an individual that is a beneficiary of a federal program. A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract. (Uniform Guidance Section 200.92)

**Subrecipient** - a non-federal entity that receives a subaward from a pass-through entity to carry out part of a federal program, but does not include an individual that is a beneficiary of such program. A

subrecipient may also be a recipient of other federal awards directly from a federal awarding agency. (Uniform Guidance Section 200.92)

## B. General Guidelines

All subrecipients who receive WIOA funding must promptly report all allegations of WIOA-related fraud, abuse, and other criminal activity to the CRO. The CRO must immediately report the allegations through the DOL's Incident Reporting System to the OIG with a copy simultaneously provided to the ETA. In addition to submitting allegations to the CRO, subrecipients may also report allegations directly to the OIG, if deemed appropriate.

All subrecipients that receive WIOA funding from the Pacific Gateway Workforce Development Board must establish appropriate internal procedures to prevent and detect fraud, abuse, and criminal activity. The procedures must include a reporting process to ensure that the CRO is notified immediately of any allegations of WIOA-related fraud, abuse, or criminal activity, including the process for reporting allegations to the OIG. 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 must establish, document, and implement procedures to immediately notify Pacific Gateway Workforce Development Board's Workforce Development Officer of any suspected or proven fraud, abuse, or other criminal activity involving WIOA-funded activities. Written notification must be provided to subrecipients regarding their responsibilities to be alert for instances of fraud, abuse and criminal activity committed by staff, contractors, or program participants and to report all instances to the Pacific Gateway Workforce Development Board and the CRO immediately, including the OIG if deemed appropriate. Proof of notification must be maintained by the Pacific Gateway Workforce Development Board.

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 include a statement of all facts, known at that time, as well as any known or estimated loss of WIOA funds resulting from the incident. An initial report should be made to Pacific Gateway's Workforce Development Officer and CRO within one working day of the detection of the incident. The submission of the incident report should not be delayed, even if all facts are not readily available. Any facts subsequently developed by the subrecipient must be forwarded in a supplemental Incident Report.

The reporting procedures do not supersede the responsibility for subrecipients to safeguard WIOA funds by taking prompt and appropriate corrective action when any evidence of a violation of WIOA or its implementing regulations is found. Attachment I includes a glossary of terms related to reportable issues.

## C. Reporting

Within one workday of detection or discovery of information alleging fraud, abuse, or other criminal activity involving WIOA funds, the detecting entity shall prepare a written Incident Report (PDF). The report must be submitted on the Incident Report Form (Attachment II) or a similar document containing the requested information. The Incident Report can be submitted to CRO by email at [PACBCROIncidentReports@edd.ca.gov](mailto:PACBCROIncidentReports@edd.ca.gov). It may also be submitted to the DOL OIG at [www.oig.dol.gov/hotlinecontact.htm](http://www.oig.dol.gov/hotlinecontact.htm).

Allegations considered to be of an emergency nature may be reported by telephone to the Compliance Resolution Unit Supervisor at (916) 654-8384 or by calling the OIG Hotline at 1-800-347-3756 and followed immediately thereafter by a written incident report.

A copy of the Incident Report must also be submitted to Pacific Gateway's Workforce Development Officer, Alisa Munoz at [alisa.munoz@pacific-gateway.org](mailto:alisa.munoz@pacific-gateway.org).

If the Pacific Gateway Workforce Development Board or subrecipient staff believe 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 Workforce Development Board and subrecipients have the responsibility to take any action it deems appropriate, including contacting the local law enforcement agency. Any immediate action taken or planned by the reporting entity must be reported to the CRO with the 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 through an Incident Report, the complainant may submit the report directly to the OIG.

## REFERENCES

- Title 2 Code of Federal Regulations (CFR) Part 200: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) Sections 200.22, 200.23, 200.92, 200.93, 200.333, and 200.344
- Title 20 CFR Section 683.600 and 683.620
- DOL Training and Employment and Guidance Letter (TEGL), 2-12 " Employment and Training Administration (ETA) Grant Recipient Responsibilities for Reporting Instances of Suspected Fraud, Program Abuse and Criminal Conduct "(July 12, 2012)
- Workforce Services Directive WSD20-12 "Incident Reporting" (May 11, 2021)

## INQUIRIES

For questions or assistance related to this policy, please contact Pacific Gateway staff at (562) 570-3748.

## ATTACHMENT(S)

- Glossary of Terms and Definitions (Attachment I)
- Incident Report (Attachment II)

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