

<b>Department of Community College and Workforce Development</b>	Number: 589-40.2
	Effective: 08/22/06
	Page 1 of 4
SUBJECT: Workforce Investment Act Title IB Incident Reporting, Investigation, and Resolution	Approved: 

Purpose: The following policy and procedures have been adopted to provide for prompt resolution of any incident of known or suspected fraud, misapplication of funds, gross mismanagement, employee/participant misconduct, or other criminal activity.

References: PL 105-220 Workforce Investment Act  
20 CFR Part 667.630  
U.S. DOL Training and Employment Guidance Letter No. 6-84  
U.S. DOL Employment and Training Order No. 4-85  
Department of Community Colleges and Workforce Development Policy 589-40.1  
Audit Resolution  
U.S. DOL Employment and Training Administration Special Distribution  
Bulletin 1-85 (attached)

Policy: All incidents of suspected criminal activity must be reported immediately to the Department of Community Colleges and Workforce Development (CCWD). CCWD in turn will submit the report to the Regional Office of Inspector General (OIG) and the Regional Administrator of the United States Department of Labor (DOL), Employment and Training Administration (ETA). CCWD will manage the investigation and resolution process to ensure that reported incidents are closed in a timely manner.

Workforce Investment Act (WIA) staff at the State, local workforce investment area, and subrecipient levels are to be informed by their agencies to immediately report all incidents of suspected criminal activity involving WIA programs to CCWD. Staff may report such incidents to their own agency as well, and incidents may be reported anonymously.

If conflicts of interest should occur as a result of staffing the investigation, the CCWD Commissioner may appoint alternative individuals to maintain the integrity of the process.

Definitions: Fraud, misapplication of funds, gross mismanagement, employee/participant misconduct are defined in U.S. DOL Employment and Training Administration Special Distribution Bulletin No. 1-85 (attached).

Procedures:

Responsibility    Actions

**A. INCIDENT REPORTS:**

Incident Reporter forward to CCWD	1. Immediately report all suspected fraud, abuse, or other program related criminal activity directly to CCWD at 503-378-8648. Prepare and Incident Report (Form DL 1-156) following the instructions in Attachment II of Special Distribution Bulletin No. 1-85.
-----------------------------------	---

SUBJECT: Workforce Investment Act Title 1-B Incident Reporting, Investigation, and Resolution	Number: 589-40.2
	Page 2 of 4

- CCWD
2. Upon receipt of the Incident Report, immediately forwards the original and one copy each to the DOL Regional OIG office and the Regional Administrator of the US DOL Employment and Training Administration.
  3. Analyzes incident report and prepares recommendations for further action.
  4. Briefs CCWD management staff on the recommended actions.

**B. INCIDENT INVESTIGATIONS:**

Investigations are initiated by CCWD, and will be handed over to the DOL/OIG at their request.

**Investigations by CCWD:**

- CCWD
1. Reviews, updates and gather additional and related information from the incident reporter.
  2. Identifies necessary actions and develops investigation plan as appropriate.
  3. Briefs CCWD management staff on updated information and investigation plans.
  4. Conducts investigation.
  5. Drafts incident investigation report when all necessary information has been gathered.
  6. Issues incident investigation report to the Local Workforce Investment Board (LWIB) requesting response to report findings including plans for debt collection and other corrective actions as appropriate.

**Investigations conducted by DOL/OIG:**

- DOL/OIG
1. DOL/OIG notifies CCWD that it will investigate the incident
- CCWD
2. Tracks DOL/OIG incident investigation status.
- DOL/OIG
3. Prepares an investigative memorandum summarizing the results of the investigation and makes recommendations and forwards a copy to CCWD.
- CCWD
4. Receives and analyzes the investigative memorandum.
  5. Briefs CCWD management staff on the recommended actions.
  6. Forwards a copy of the investigative memorandum to the LWIB and oversees recommended actions as appropriate, including timeframe for response. The LWIB response must include plans for debt collection and other corrective actions as appropriate.

SUBJECT: Workforce Investment Act Title 1-B Incident Reporting, Investigation, and Resolution	Number: 589-40.2
	Page 3 of 4

**C. INCIDENT RESOLUTION:**

Incident resolution will be accomplished through the audit resolution process or through the separate process determined below, whichever is the most appropriate. In the event the incident is not resolved prior to the program's audit, the auditor shall be informed by the program staff of all unresolved incidents and unsuccessful administrative efforts to recover funds stemming from identified incidents.

**Initial Determination:**

- CCWD
1. Sends initial determination to the LWIB by certified mail return receipt requested. This initial determination offers the opportunity for informal resolution. If no informal resolution meeting is requested, CCWD will issue the final determination.

**Informal Resolution:**

- LWIB
2. Informs CCWD staff of desire for an informal resolution meeting within 20 working days of receiving the initial determination.
- CCWD
3. Conducts informal resolution meeting with subrecipient within 15 working days of request.
- LWIB
4. Presents information relevant to the incident including attempts at prompt, appropriate, and aggressive debt collection and other corrective actions which have been taken.
- CCWD
5. Prepares written summary of the results of the informal resolution meeting, including agreements of all parties. Sends copy to LWIB and advises CCWD management.
  6. Reviews results of informal resolution meeting including agreements of all parties and determines actions to be taken to resolve the incident.
  7. If appropriate, requests advance approval from Secretary of the DOL for contemplated corrective actions in accordance with 20 CFR 667.500.

**Final Determination and Incident Resolution:**

- CCWD
8. Prepares final determination upon receipt of approval of contemplated action as appropriate.
  9. Issues final determination and sends to LWIB by certified mail, return receipt requested.
  10. The LWIB may choose to contest the CCWD's final resolution through the procedure outlined under OAR 151-020-0042 Procedure for resolving non-criminal allegations against the state, within 1 year (365 days) of receipt of the resolution.

SUBJECT: Workforce Investment Act Title 1-B Incident Reporting, Investigation, and Resolution	Number: 589-40.2
	Page 4 of 4

11. Submits a final report to the DOL ETA Regional Administrator within five (5) working days of completion detailing the results of the investigation and, where appropriate, decision to allow or disallow costs, and actions taken to recover disallowed costs.
12. In situations when the Governor is requesting a waiver of sanction as provided in Section 184 (d) (3) of WIA and at 20 CFR 667.720, the incident investigation reports and incident resolution report (final determination) will be provided to: Division of Debt Management, U.S. Department of Labor, 200 Constitution N.W., Washington D.C. 20210 (or to the most current address if there have been changes).

U.S. DEPARTMENT OF LABOR  
EMPLOYMENT AND TRAINING ADMINISTRATION  
REGION X, SEATTLE WA

SPECIAL DISTRIBUTION BULLETIN NO. 1 -85  
Orig. Off. 10 TGBF  
Page 1 of 5 Pages  
October 9, 1984

SUBJECT: DOL Incident Report Procedures

REFERENCE: Public Law 97-300, Sections 163 and 165; 20 CFR  
629.55; and  
Wagner-Peyser Act, as Amended, Section 10

CANCELLATION: None

EXPIRATION DATE: Continuing

1. **Purpose**. To transmit the established procedures and instructions for reporting know or suspected fraud, program abuse, or criminal conduct by all DOL/ETA programs, State Employment Security Agencies (SESAs), DOL Staff, State Governors, Service Delivery Areas (SDAs), Work Incentive Program (WIN), or recipients and sub recipients of ETA funds.
2. **Background** The Secretary of Labor has stated that efforts to strengthen our capabilities in the prevention and detection of abuse and fraud within the Department of Labor are of the highest priority. A systematic procedure for reporting instances of suspected or actual fraud, abuse, or criminal conduct is a vital link in this overall effort.

ETA and OIG have entered into a Memorandum of Understanding designed to govern the early reporting of all instances of known or suspected fraud, program abuse, or criminal conduct by ETA staff, SESAs, Governors, WIN, SDAs, or recipients and sub recipients of ETA funds.

From DOL 1-156, Incident Report (I.R.) (Attachment 1), will be the vehicle for notifying Regional Administrators, Governors, OIG, and the National Office of all know or suspected cases of fraud, malfeasance, misapplication of funds, gross mismanagement, or other criminal activities in ETA-funded programs. Instructions for completing Form DL 1-156 are contained in Attachment II.

3. **Definitions**. For the purpose of completing the Incident Report, fraud, misfeasance, nonfeasance or malfeasance, misapplication of funds, gross mismanagement, and employee/participant misconduct are explained in the following paragraphs. These definitions are illustrative and are not intended to be either fully inclusive or

restrictive. Definitions are also given for FBI reports and hotline summaries.

a. **Fraud, Misfeasance, Nonfeasance, or Malfeasance.** Fraud, misfeasance, and nonfeasance or malfeasance should be considered broadly as any alleged deliberate action which is apparently 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, intentional payments to a contractor without the expectation of receiving service, payments to ghost enrollees, misuse of appropriated funds, and misrepresenting information in official reports.

It is not the intent of the Incident Report to elicit reports only after determination that an act or allegation is legally prosecutable. That decision is within the jurisdiction of effected U.S. Attorney. Any act which raises questions concerning possible illegal expenditures or other unlawful activity should be immediately reported.

b. **Misapplication of Funds.** Misapplication of funds should be considered as any alleged use of funds, assets or property not authorized or provided under the Job Training Partnership Act (JTPA), Wagner-Peyser Act, or regulations, grants, or contracts for all ETA-funded programs. 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, and the use of Federal funds for other than specified purposes. Indian and Native American programs are excluded from aforementioned category regarding nepotism as cited in Section 632.118 of Title IV-A, B, and E of JTPA. An Incident Report should be filed when it appears that there exists and intent to misapply funds rather than merely a case of minor mismanagement.

c. **Gross Mismanagement.** Gross mismanagement should be considered as actions or situation arising out of management ineptitude or oversight, leading to major violation of JTPA or Wagner-Peyser processes, regulation, or contract/grant provisions which could severely hamper accomplishment of program goals. These included situations which lead to waste of Government resources and could jeopardize future support for a particular project. This category includes, but is not limited to, unauditible records,

unsupported cost, highly inaccurate fiscal reports and/or program reports, payroll discrepancies, payroll deduction not paid to Internal Revenue Service, and the lack of good internal control procedures.

d. **Employee/Participant Misconduct.** Employee/participant misconduct should be considered as action occurring during or outside work hours that reflect negatively on the Department or its mission 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; the receipt or giving of gifts, fees, entertainment, and favors; misuse of Federal property; misuse of official informational and such other activities as might adversely affect the confidence of the public in the integrity of the Government (see Part O - Ethics and Conduct, et seq., 29 CFR 735, as a guide) as well as serious violations of Federal and State laws.

e. **FBI Report.** A report of the results of an FBI investigation sent to the Department of Labor in instances where DOL administrative action is warranted.

f. **Hotline Summary.** A report derived from allegation made to GAO or OIG telephone hotlines or received in writing concerning problems in Department of Labor programs.

g. **Investigative Memorandum.** An interim or a final report of OIG's finding in an investigation and the recommended corrective actions to be accomplished within a given timeframe.

4. **Action Required.** Governor's, SESAs, WIN, SDAs, and recipients and sub recipients of ETA funds are required to report fraud, misfeasance, nonfeasance or malfeasance, and employee/participant misconduct as previously explained. Governors, WIN, and SESAs are to submit an Incident Report (Form DL 1-156) directly to the Regional Administrator. SDAs will send an Incident Report to the Governor's Office, who will forward the original and one copy of the Incident Report to the Regional Administrator within one (1) workday of its receipt.

The one exception to the above-mentioned reporting procedure relates to Incident Reports arising from UI criminally related activities of which the Regional Inspector General for Investigations (RIGI) is the initial recipient in lieu of the Regional Administrator. In these particular cases, copies of the original Incident Report will be sent to the Regional Administrator.

UI incident Reports should be addressed to:

Regional Inspector General for Investigations  
U. S. Department of Labor  
450 Golden Gate Avenue, Room 11023  
San Francisco, California 94102

The Regional Administrator will ensure, except for UI criminally related activities, that the original Incident Report is delivered to the RIGI for acceptance or declination of investigation of the Incident Report.

RIGI's will provide prompt responses for those Incident Reports which requires additional time for inquiries and evaluation. A timeframe for those reports needing additional time will be determined by the Regional Administrator and the RIGI. In call cases, the RIGI will have no more than five (5) working days to make redeterminations of initial decisions.

Upon notification by the RIGI of acceptance or declination of an Incident Report, the Regional Administrator will promptly notify the Governor, SESA, or WIN of such decision.

For those Incident Reports that the RIGI declines to investigate, the Regional Administrator will decide whether the Regional Office will conduct the investigation or remand the Incident Report to the Governor, SESA, or WIN for investigation and appropriate action. Any SDA action will go through the Governor's office or designated agency.

All staff should be made aware of the contents of this bulletin and the attachments.

5. **Closeout.** For those Incident Reports that are remanded to the Governor, SESA, OR WIN for action, a finding and determination (F&D) or other similar memorandum detailing the results of the investigation, including any regulatory citation and, where appropriate, decision to allow or disallow costs, and actions taken to recover disallowed costs must be submitted to the Regional Office within five (5) working days of completion of said report in order to officially close out an Incident Report.

Upon completion of investigation by the Regional Office, or upon review of the F&D or other similar memorandum submitted by the Governor, SESA, WIN, or SDA, the Regional Administrator will notify the Governor, SESA, WIN, or SDA of any further action that may be warranted.

6. **Attachments.** For those Incident Reports submitted by the Governor, SESA, WIN, SDA, or recipients and sub recipients of ETA funds, Form DL 1-156 should be completed according to the instructions (Attachment II) with the following exceptions:

**Block 2** - Leave blank

**Block 15 and 16** - Instead of DOL employee, it should be the responsible official of the agency submitting the Incident Report.

7. Inquiries. Questions concerning this Bulletin and the attachments may be directed to Terry Gribben at (206) 442-0834.
8. Distribution. B, EL, State JTPA Liaison, TGO, OIG

HARRY B. BROWN  
Acting Regional Administrator

2 Attachments - 1) Form DL 1-156  
2) Instructions for Completing Form DL 1-156

Incident Report

**U.S. Department of Labor**  
Office of Inspector General



**For Official Use Only** (When filled in)

1. Date of report

2. Agency designation code  
(Yr.) (Agency) (Report No.)

3. File Number  
(For IG use)

4. Type of report

Initial

Supplemental

Final

Other (Specify) \_\_\_\_\_

5. Type of incident

Conduct violation

Criminal violation

Program violation

6. Allegation against

DOL Employee	Contractor	Grantee	Other (Specify)
--------------	------------	---------	-----------------

Given name and position of employee(s), contractor(s), grantee, etc. List telephone number, OWCP or other Claim File Number, if applicable, and other identifying data:

7. Location of incident (Give complete name(s) and addresses of organization(s) involved)

8. Date and time of incident/discovery

9. Source of complaint

Public

Contractor

Grantee

Program Participant

Audit

Investigative Law Enforcement Agency (Specify)

Other (Specify)

Give name and telephone number so additional information can be obtained.

10. Contacts with law enforcement agencies (Specify name(s) and agency contacted and results)

11. Expected concern to DOL

<input type="checkbox"/> Local	<input type="checkbox"/> Regional	<input type="checkbox"/> National	<input type="checkbox"/> Media interest	<input type="checkbox"/> Executive interest	<input type="checkbox"/> GAO/Congressional interest
--------------------------------	-----------------------------------	-----------------------------------	---	---	---

<input type="checkbox"/> Other (Specify)
--

12. DOL Agency involved

<input type="checkbox"/> SECY	<input type="checkbox"/> ESA	<input type="checkbox"/> ETA	<input type="checkbox"/> ILAB	<input type="checkbox"/> LMSA	<input type="checkbox"/> MSHA	<input type="checkbox"/> OASAM	<input type="checkbox"/> OIG
<input type="checkbox"/> OSHA	<input type="checkbox"/> SOL	<input type="checkbox"/> ASP	<input type="checkbox"/> BLS	<input type="checkbox"/> NCEP	<input type="checkbox"/> WB	<input type="checkbox"/> OIPA	
<input type="checkbox"/> Other (Specify)							

Amount of grant or contract (If known)

\$

Amount of subgrant of subcontract (If known)

\$

13. Persons who can provide additional information (Include custodian of records)

Name	Grade	Position or job title	Employment <sup>1</sup>	Local Address (Street, City, & State) or organization, if employed and telephone number

<sup>1</sup>Enter one of these codes:

U – Unemployed    G-Grantee    C-Contractor    D – DOL    F-Other Federal Employee    P - Program Participant or claimant

---

**For Official Use Only** (When filled in)

---

14. Details of Incident (Describe the Incident)

If more room is needed attach additional sheets.

---

15. Typed name and title of DOL employee

16. Signature of DOL employee

---

## ATTACHMENT II

**Use and Preparation of DL Form 1-156, Incident Report****A. Purpose.**

Form DL 1-156 is to be used for reporting to ORM, OPFI, and OIG incidents of program abuse, fraud, or other criminal violations involving DOL programs and operations.

**B. Responsibilities of Managers and Supervisors.**

In the normal course of their work, DOL manager and supervisors frequently become aware of instances of actual, potential, or suspected fraud and abuse in the programs and operations of their agencies or in grantees and contractors working in these areas. Instances of violations of the standards of conduct of DOL employees, instance of actual suspected criminal violations, and instances of gross program mismanagement, violations of regulations, or misuse of Federal funds may also come to their attention.

DOL managers and supervisors are responsible for reporting all such actual or suspected violations to the OIG and the OPFI using the Incident Report, DL 1-156. While such information may be phoned directly to OPFI, these reports must be supplemented by submission of the Incident Report within 72 hours. If the employee submitting this form believes his/her position will be compromised, the employee may send the form directly to the OIG National Office without sending a copy to his/her supervisor.

**C. Use of the Incident Report, Form DL 1-156.****1. As an Initial Report**

The DL 1-156 is designed primarily as an initial report of actual or suspected violations to inform ORM, OFPI, and OIG that a violation or apparent violation has occurred. It should also be used to initially inform ORM, OFPI, and OIG of cases involving ETA employees, programs, and operations being investigated by or reported to other investigative agencies.

**2. As a Supplemental Report**

The DL 1-156 should also be used to submit supplemental information not available at the time the original report was submitted.

### 3. As a Final Report

Form DL 1-156 should be used when:

- (a) An incident is resolved, or otherwise settled.
- (b) It is determined that the matter cannot be resolved at the agency level and the case is administratively closed.
- (c) Upon final adjudication or imposition of administrative /disciplinary action against the person or organization involved. Final reports will be submitted without awaiting the results of adjudication. When adjudication results become know, a supplement to the final report will be sent to OIG, ORM, and OPFI indicating the results.

### D. Completion of the Incident Report.

Form DL 1-156, will be completed as follows:

**Block 1.** Enter the date the form is actually signed by the responsible agency official.

**Block 2.** Enter the fiscal year in which the report is being submitted, the agency code designation, and a number to indicate the chronological sequence of the report, e.g., 84-01-ETA-1 would show that the report was submitted in calendar 1984, by Region I, ETA, and was the first report submitted in 1984.

**Block 3.** Leave Blank. For use by OIG only.

**Block 4.** Indicate the type of report being submitted by checking the appropriate block. If the report is both an "Initial" and a "Final" report, then place a check in both the initial and final blocks.

**Block 5.** Check appropriate block.

**Block 6.** Check appropriate block.

**Block 7.** Enter the name of the person, recipient or Subrecipient if applicable, and the location where the incident occurred. A general geographic (city, town) location or mail address shall be used.

**Block 8.** Complete as necessary.

**Block 9.** Check appropriate block(s). Public includes press.

**Block 10.** Any information requested by any law enforcement agency should be reported here. Identify the officer and/or agency who made the request. In Block 14, describe what information was requested from and offered to the outside agency.

**Block 11.** Indicate the type of interest/publicity that the incident may generate, or actually has generated, by placing a check in the appropriate block(s). If necessary, a brief statement of explanation may be included in Block 14.

**Block 12.** Check appropriate block.

**Block 13.** Complete as necessary.

**Block 14.** Synopsis - This is a clear, concise statement of the incident which should include:

- (a) (When). Identify the time and date when the incident occurred when it was discovered when it was reported to supervisory personnel, OIG, or other law enforcement agency; and whether an inventory was conducted to determine extent of loss.
- (b) (What). Describe the complete incident in as much detail as is available and necessary to give a complete picture of what happened. Cost/Value figures will be shown in the appropriate place in Block 12.
- (c) (Who). Enter the names of those principal personnel who are listed in Block 7 and Block 13, as well as other personnel whose identities are necessary to complete the narrative and give the reader a complete picture of what happened. Include, when applicable, complete identities of persons/agencies to who the incident is reported or referred. If needed for purpose of clarification, include the reason(s) why nonprincipal personnel were involved, e.g., fire department personnel who made pertinent determinations in suspected arson incident.
- (d) (Where). Clearly specify the location where the incident occurred, e.g., a certain building an area/room within a building, a particular contractor, grantee location. If the direction and distance from an identifiable point of reference (e.g., building, street, intersection, bridge) is known this should be indicated.

- (e) (Why). Frequently the motive for an incident is not readily discernible (e.g., a suicide or property destruction) or it must be deduced from the existing facts and circumstances. If the "Why" for an incident is known or suspected it will be reported. When a suspected motive is reported, the basis/rational for the suspicion will be noted.
- (f) (How). Report the manner/method by which an incident actually or probably was committed and discovered. "How" and incident was discovered and committed should be reported in sufficient detail to assist proper authorities in the development of preventive measures.
- (g) Plan of Action. Indicate if OPFI or OIG assistance is requested.

**Block 15.** Self-explanatory.

**Block 16.** All copies should be signed by the responsible official for the office unless the employee believes he/she should send the form directly to the OIG and OPFI.

**Block 17.** Self-explanatory.

**Block 18.** Self-explanatory.

**Continuation.** Entries requiring additional space may be continued at the end of the synopsis entry in Block 14 or on a separate sheet(s) of bond paper. Each continuation sheet will be headed "Continuation" and indicate the Activity Identification Code from Block 2.

**E. Supporting Documentation.**

All documentation (e.g., photographs, drawings) pertinent/relevant to the incident or necessary to clarify the attendant facts will be forwarded with the DL 1-156 if not already provided.