

# Oregon Housing and Community Services **Anti-Fraud, Waste, and Abuse (AFWA) Policy**

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# Table of Contents

<b>Purpose .....</b>	<b>iv</b>
<b>1 Purpose .....</b>	<b>5</b>
<b>Definitions/Examples .....</b>	<b>6</b>
<b>2 Definitions/Examples .....</b>	<b>7</b>
2.1 Fraud.....	7
2.2 Waste.....	7
2.3 Abuse.....	7
<b>Complaint Process &amp; Reporting Procedure .....</b>	<b>9</b>
2.4 Complaint Process & Reporting Procedure.....	10
<b>Detection and Investigation .....</b>	<b>11</b>
2.5 Detection and Investigation.....	12
<b>Oregon State Government Accountability Hotline.....</b>	<b>13</b>
2.6 Oregon State Government Accountability Hotline .....	14
<b>AFWA Prevention Measures .....</b>	<b>15</b>
2.7 AFWA Prevention Measures .....	16
<b>Oregon Whistleblower Law .....</b>	<b>17</b>
2.8 Oregon Whistleblower Law.....	18
<b>Cooperation with Official Department Investigations.....</b>	<b>19</b>
2.9 Cooperation with Official Department Investigations.....	20

<b>Awareness Training .....</b>	<b>21</b>
2.10 Awareness Training .....	22
<b>Administration .....</b>	<b>23</b>
2.11 Administration .....	24

## Version History and Version Policy

The version history of the policy guidelines is tracked in the table below, with notes for each change. The dates of each publication are also tracked in the table.

The State will publish a new version after making substantive changes that reflect a policy change. The updated policy manual will be assigned a new primary version number such as 2.0, 3.0, etc.

After making non-substantial changes, such as minor wording and editing or clarification of existing policy that do not affect the interpretation or applicability of the policy, the State will publish a version of the document with a sequential number increase behind the primary version number such as 2.1, 2.2, etc.

Amendments made to policy may go into effect on the date of the revision or may be applied retroactively, depending on the applicant pipeline and status of applicants in the program intake and recovery process. Whether a policy will be applied proactively or retroactively will be detailed in the version history below and/or within the relevant program sections.

Version Number	Date Revised	Key Revisions
1.0	September 19, 2023	Final CDBG-DR Anti-Fraud, Waste, and Abuse Policy and Procedure



# Purpose

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# 1 Purpose

Oregon Housing and Community Services (OHCS) is the recipient of Community Development Block Grant-Disaster Recovery (CDBG-DR) funds from the United States Department of Housing and Urban Development (HUD) to support long-term recovery and mitigation efforts following the 2020 Wildfires (DR-4562). As a steward of public funds, OHCS is actively working to combat fraud, waste and abuse in its programs. This policy is directed specifically to OHCS' CDBG-DR programs that are overseen by the Disaster Recovery & Resilience (DRR) Division and is intended to establish procedures and processes that will aid in the detection and prevention of fraud, waste, and abuse in the CDBG-DR programs.

This policy applies to all OHCS employees, providers, vendors, contractors, consultants, partners, citizens, applicants, external departments and agencies doing business with the OHCS-DRR Division, as well as beneficiaries and others associated with, working for, accessing, or attempting to access benefits under the CDBG-DR programs.

# Definitions/Examples



## 2 Definitions/Examples

### 2.1 Fraud

The intentional (willful or purposeful) deception or misrepresentation made by a person with the knowledge that the deception could result in some unauthorized benefit to him/herself or some other person. There are many forms of fraud.

Examples of fraud include, but are not limited to, misrepresentation of:

- Income (Unreported or under-reported)
- Household composition
- Financial resources (transferred or hidden resources)
- Residency
- Citizenship status

Other types of fraud include, but are not limited to:

- Using another person's identification
- Forging signatures or documents
- Concealing access to duplicate funding
- Misrepresenting a medical condition to obtain additional benefit
- Misusing funds (diverting them for an unintended use)

### 2.2 Waste

Waste includes over-utilizing OHCS-DRR's services, supplies or equipment, or causing unnecessary costs through carelessness or inefficiency.

Examples of waste include, but are not limited to:

- Purchase of unneeded supplies or equipment
- Purchase of goods at inflated prices
- Failure to reuse major resources or reduce waste generation

### 2.3 Abuse

Abuse includes activities that result in unnecessary costs to OHCS. Note that this is financial abuse, not physical or emotional abuse of a person. Physical and emotional abuse of a person should be reported to the police.


Other actions constituting fraud, waste and abuse include, but are not limited to:

- Any dishonest or fraudulent act
- Misappropriation of funds, supplies or assets



- Impropriety in handling or reporting money or financial transactions
- Profiting as a result of insider knowledge
- Unauthorized disclosure of confidential or private information
- Accepting or seeking anything of material value from contractors, vendors or any person that seeks a beneficial decision, contract, or action for CDBG-DR and CDBG-MIT activities.
- Unnecessary cost or expenditures
- Diversion of program resources

# Complaint Process & Reporting Procedure



## 2.4 Complaint Process & Reporting Procedure

This policy applies to any irregularity or suspected irregularity with administering CDBG-DR resources involving employees, as well as consultants, vendors, contractors, subrecipients, sub-grantees, applicants, or outside agencies doing business with employees of such agencies, and/or any other parties with a business relationship with OHCS. All OHCS employees covered by this policy must promptly report any detected or suspected fraud, waste, or abuse, which can be done through the OHCS intranet page for Risk Reporting. It is the intention of management to maintain the confidentiality, to the extent possible, of any employee reporting such activities. An employee acting in good faith in reporting detected or suspected fraud, waste, or abuse will not be subject to any reprisals, retaliation, threats, coercion, or similar acts for having disclosed such activities.

Any employee, OHCS-DRR consultant or subrecipient who has knowledge of fraud, waste or abuse, or who has good reason to suspect that such conduct has occurred shall adhere to the procedures outlined below. When suspected fraudulent activity, waste or abuse is observed by, or made known to, an employee, OHCS-DRR contractor or subrecipient, that person shall immediately report the activity to the OHCS Disaster Recovery & Resilience Management by filling out the [CDBG-DR FWA Reporting Form](#), or they may choose to make the report to OHCS' Executive Director or Internal Auditor. The individual may also report fraudulent activity, waste or abuse to the [Oregon Secretary of State](#) online, by phone, fax or mail.

After making the initial report, the reporting employee should not take any further action to investigate. To protect the personal safety and privacy of OHCS employees and to preserve the integrity of the investigation, the reporting employee:

- Should not contact the employee or other individual who has been reported for any purpose, except for normal job duties, including efforts to gather additional information or demand restitution; and
- Should not destroy, or allow to be destroyed, any document or record of any kind that the employee knows may be relevant to a past, present or future investigation.
- Should not discuss the report with anyone other than the personnel assigned to the inquiry.

# Detection and Investigation




## 2.5 Detection and Investigation

All OHCS managers should take steps necessary to be familiar with the opportunities for impropriety that exist in their area of responsibility, and be alert for any indication of fraud, waste, or abuse as described in this policy. All managers should be aware of fraud risks impacting their respective areas, as well as the agency-wide fraud assessment. All allegations of impropriety reported under this policy must be investigated, regardless of the employee's length of service, position, or title.

If a report is made to the OHCS Internal Auditor through a hotline, or other means, a Response Team composed of the Deputy Director, Central Services Director, Internal Auditor, or their designee(s), will receive and investigate the report and inform the Executive Director of the investigation results.

The Executive Director, in consultation with the Response Team as deemed necessary, will determine whether: (a) OHCS resources may have been lost, misappropriated, or misused; (b) any unlawful or prohibited conduct has occurred in relation to OHCS operations; or (c) the findings warrant referral to outside enforcement and/or prosecutorial agencies. If so, the Executive Director or the Internal Auditor shall provide a report to the Audit Committee, and will coordinate contact with the State Auditor's Office, as appropriate. The Executive Director, in consultation with the Central Service Director, shall determine the actions appropriate in order to recover any losses.

# **Oregon State Government Accountability Hotline**



## 2.6 Oregon State Government Accountability Hotline

As part of the mission to protect the public interest and improve Oregon government, the Secretary of State has established a State Government Accountability Hotline for public employees and the public to use when reporting misuse of state government resources by state agencies, state employees or people under contract with state agencies.

- Toll free: 800-336-8218.

Please refer to [ORS 177.170\(1\)](#) for more information. The identity of anyone calling the State Government Accountability Hotline or otherwise making a report under ORS 177.170 is confidential per [ORS 177.180\(2\)](#).

OHCS employees, other public employees and the public can also use the [accountability reporting website](#) to report a concern or to follow up on a report.

All substantiated cases of fraud, waste, or abuse of government funds will be forwarded to the United States Department of Housing and Urban Development (HUD), Office of Inspector General (OIG) Fraud Hotline (phone: 1-800-347-3735 or email: <mailto:hotline@hudoig.gov>) and OHCS' Internal Auditor.



# AFWA Prevention Measures



## 2.7 AFWA Prevention Measures

OHCS-DRR Division's Compliance and Reporting Unit is responsible for ensuring that OHCS' CDBG-DR and CDBG-MIT programs comply with all federal and state regulations as well as recommending improvements that enhance programmatic efficiency, effectiveness, and documented results. Below are the main critical responsibilities of this unit:

- Ensure ongoing compliance with federal, state, and local regulations through review of the policies and procedures, applicant eligibility and award determinations, and program activity files.
- Conduct regular internal monitoring of OHCS-DRR Division's CDBG-DR and CDBG-MIT programs and report results to program managers and DRR Assistant Director.
- Provide oversight monitoring for OHCS-DRR Division's CDBG-DR and CDBG-MIT prime contractor.
- OHCS-DRR Division will monitor any duplication of benefits, any anomalies, any suspected fraud related to performance problems, and any abuse of funds, as stated in 87 FR 6364 and 87 FR 31636.
- OHCS-DRR Division will review risk level of all grant programs to determine frequency of monitoring, as stated in 87 FR 6364 and 87 FR 31636.
- Dependent upon risk level of grant programs, monitoring frequency and what is reviewed will vary, as stated in 87 FR 6364 and 87 FR 31636.
- Identify and assist with investigations of potential fraud, referring cases to OHCS' Internal Auditor as appropriate.
- OHCS is governed by the Oregon Government Ethics Commission which includes policies around Conflict of Interest.

# Oregon Whistleblower Law



## **2.8 Oregon Whistleblower Law**

Public employees are protected from discrimination, dismissal, demotion, transfer, reassignment, reprimand or other disciplinary action under ORS 659A.199 for responding to official requests to disclose employer violations of any federal or state law, rule or regulation, mismanagement, gross waste of funds, abuse of authority, or substantial and specific danger to public health and safety.

# Cooperation with Official Department Investigations



## **2.9 Cooperation with Official Department Investigations**

OHCS employees are required to maintain high standards of honesty, integrity, and impartiality and to place the interests of the public ahead of personal interests. When allegations of violations of these standards are received, full and accurate information must be obtained so management may respond appropriately.

OHCS employees must cooperate with duly appointed investigators from the Office of Inspector General to uncover the facts surrounding possible violations in an official investigation.

Failure to comply as specified above without a valid mitigating reason, such as exercising a right protected by federal or state law, will constitute a violation of this policy and subject the employee to appropriate disciplinary action up to and including dismissal.

# Awareness Training





## **2.10 Awareness Training**

OHCS maintains an ongoing program of fraud, waste, and abuse awareness training to ensure that all OHCS employees understand this policy and their roles and responsibilities in detecting and preventing fraud, waste, and abuse. OHCS employees are required to complete classroom or online training annually. Compliance with the training requirements are reported to the Executive Director. Information shall be readily available at all times to OHCS employees regarding fraud, waste, and abuse prevention resources through multiple channels of communication.

All applicable OHCS-DRR staff, OHCS-DRR contractors and subrecipients shall attend fraud related training provided by HUD OIG to assist in the proper management of CDBG-DR and CDBG-MIT grant funds.

# Administration



## **2.11 Administration**

This AFWA policy will be reviewed annually and revised as necessary to comply with Federal and State requirements. OHCS-DRR's Chief Compliance and Reporting Manager is responsible for the administration, revision and application of this policy.