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(SN 77)

**WIA BULLETIN NO. 13-04**

**TO:** WIA Partners

**SUBJECT:** Incident Report Procedures

**PURPOSE**

The purpose of this bulletin is to transmit the State Department of Labor and Industrial Relations (DLIR) procedures for reporting incidents, including but not limited to criminal fraud, criminal abuse or other criminal activity and non-criminal complaints, such as waste of funds.

**BACKGROUND**

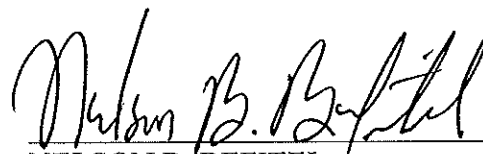
Section 667.630 of the WIA Final Rule outlines the requirements for reporting information and complaints involving criminal fraud, waste, abuse or other criminal activity through the Department's Incident Reporting System to the U.S. Department of Labor's (USDOL) Office of Inspector General or the corresponding Regional Inspector General for Investigations. Complaints of a non-criminal nature may be remanded back to the State for further resolution as set forth in Section 667.505.

**POLICY**

The standards and procedures that the DLIR will follow to report and transmit incident reports are provided in Enclosure A to this bulletin.

**INQUIRIES**

Questions regarding this bulletin should be directed to Ms. Carol Kanayama, Workforce Development Division Program Officer, at (808) 586-8825.

  
NELSON B. BEFITEL

Enclosure

bc: C. Kanayama - circulate to ER Relation's Staff  
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**STATE OF HAWAII**  
**DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS**  
**Incident Report Procedures**

I. Purpose

The purpose of these procedures is to delineate the steps that will be followed for reporting incidents, including but not limited to criminal fraud, criminal abuse or other criminal activity and non-criminal complaints, such as waste of funds, to the State of Hawaii Department of Labor and Industrial Relations (DLIR), the United States Department of Labor (USDOL), Office of Inspector General (OIG), and Office of the Regional Administrator (ORA).

II. Definition

- A. Complaint - any criminal and non-criminal complaint accepted by USDOL as incidents, such as gross waste of funds, mismanagement and dangers to the public health and safety.
- B. Subrecipient - an entity to which a Workforce Investment Act (WIA) grant is awarded by the DLIR and which is accountable to the DLIR for the use of the funds provided.
- C. Fraud - 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, forgery, theft, solicitation and receipt of bribes (kickbacks), and falsification of records and claims.
- D. Misapplication of Funds - 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 the WIA funds for other than WIA purposes.
- E. 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 which 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, inauditable records, unsupported costs, highly inaccurate fiscal and/or program reports, payroll discrepancies, payroll deductions not paid to the Internal Revenue Service or the State of Hawaii, and the lack of internal control procedures.

- F. Employee / Participant misconduct should be considered as actions occurring during or outside work hours that reflect negatively on the program or its purpose, and may include, but are not limited to, 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.
- G. Standard of Conduct Violations are violations of terms and conditions stipulated in a subgrant agreement.

### III. Incident Report, DL I-156

The Incident Report (IR), Form DL I-156, is a standardized federal form to provide written notification to the USDOL of known or suspected incidents of fraud, program abuse, or criminal conduct pursuant to 20 CFR 667.630. (Reference Form DL I-156 attached)

#### A. Purpose

1. Report occurrences of suspected or known fraud or abuse.
2. Allow the USDOL to identify trends and patterns of possible abuse throughout the States.

#### B. Completion of Form

1. Form DL I-156 shall include as much detail as possible concerning the allegations, including who, when, where, what, how and the extent. The filer is not required to provide his/her name. The USDOL's policy is to honor requests for confidentiality and not to release any data that would identify such individuals unless required to do so by order of law (e.g. court order, subpoena).
2. Information (if available) should include the following:
  - a. Type of USDOL funds or programs involved and any specific restrictions, rules, or regulations related to them.
  - b. What the individual(s) did. Include anything the individual may have done to avoid detection.
  - c. Names, positions, organizations involved in the activity, as well as the names of individuals.

- d. Date(s) of the misconduct or wrongdoing.
- e. Name and address of primary and subcontractor(s).
- f. Bid, contract, grant numbers, type of contract, date of contract or award, name of agency official responsible for the contract or grant, cost and terms of the contract, etc.
- g. If the misconduct was reported to another federal agency, provide as much information as possible on when it was reported and who received the report.

C. Reporting to the USDOL

Grant recipients and subrecipients receiving WIA funds directly from the DLIR shall file the IR report to the OIG through the USDOL ORA. Within one workday of detection or discovery of information alleging fraud, abuse or other criminal activity involving WIA funds, a written incident report, Form DL I-156 shall be prepared by the detecting entity.

1. Submit original form(s) to:

Office of the Regional Administrator  
USDOL Department of Labor, ETA  
P.O. Box 193767  
San Francisco, CA 94119-3767

2. You can send a fax to USDOL ETA, IR Unit at 415-921-9271

3. Submit copies to:

WDD Administrator  
State of Hawaii Dept of Labor & Industrial Relations  
830 Punchbowl Street, Room 329  
Honolulu, HI 96813

4. The ORA will distribute the IR in accordance with established USDOL procedures, including sending the IR to the Office of the Inspector General (OIG).

D. Direct reporting to the USDOL's National Office

Form DL I-156 may also be completed and sent directly to the USDOL's OIG National Office in Washington D.C. in the following manner.

1. Internet reporting.

- a. You can send allegations by accessing this e-mail address: [hotline@oig.dol.gov](mailto:hotline@oig.dol.gov) (put "hotline complaint" in the subject).
- b. To use a Hotline Form, you must have a web browser that supports both forms and HTML 3.0 tables.

2. Other reporting methods.

- a. You can call the toll-free telephone number : 1-800-347-3756 or 202-693-6999.
- b. You can send a fax to: 202-693-5210
- c. You can write to:

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

3. Copies should also be sent to the USDOL ORA and the State of Hawaii DLIR. (Reference III. C. above)

IV. Roles and Responsibilities of the OIG

The OIG conducts criminal, civil, and administrative investigations relating to violations of Federal laws or regulations, concerning the United States Department of Labor.

- A. The OIG, upon receipt of the IR, will send a written notification to the ORA, who in turn will send the notification to the DLIR.
- B. The OIG will determine if the IR warrants an investigation including working closely with the Department of Justice and other Federal, state, and local law enforcement organization.

- C. Upon determining if an IR warrants an investigation, the OIG will notify the ORA. No further action is taken by the ORA or the DLIR unless advised by the OIG.
- D. If the OIG declines to investigate, the ORA will take appropriate action including requesting the DLIR to initiate appropriate action.
- E. Additional information on the roles and responsibilities of the OIG is provided in more detail at the OIG website at [www.oig.dol.gov](http://www.oig.dol.gov).

#### V. Roles and Responsibilities of the ORA

The ORA assists the OIG in the resolution of an incident report.

- A. The ORA is responsible for transmitting and following-up on instructions from the OIG.
- B. If the OIG decides to investigate the incident, the ORA will wait for further instructions from the OIG including any request to the DLIR to commence formal resolution.
- C. If the OIG declines to investigate, the ORA may initiate an investigation or remand the case to the DLIR for appropriate resolution.

#### VI. Roles and Responsibilities of the DLIR

- A. Within twenty-four (24) hours of receipt of an IR from a grant recipient, subrecipient, employee, or the public, the DLIR will send the IR to the ORA. The DLIR will await further instructions from the ORA or the OIG before taking further action.
- B. If the OIG declines to investigate, the ORA may remand the case to the DLIR for appropriate resolution.
- C. An IR remanded to the DLIR Workforce Development Division (WDD) Administrator will require an appropriate course of action based on the nature of the allegations and available information. The basic course of action shall include the following:
  - 1. Assignment of staff to conduct the fact finding investigation.
  - 2. Based on the fact finding results, establishment of a resolution process including :
    - a. Notice of Initial Determination

- b. Informal Resolution Period
  - c. Final Determination
  - d. Debt collection, if required
  - e. Appeal rights
3. A request for closure.

The WDD Administrator shall submit a Request for Closure letter to the ORA. This notice includes sufficient documentation to assure the USDOL that all findings have been addressed by the State.

#### VII. Roles and Responsibilities of the DLIR WIA Grant Recipient or Subrecipient

Each DLIR grant recipient or subrecipient that receives WIA funds shall establish appropriate internal program management procedures to prevent and detect fraud, abuse, and criminal activity. At a minimum, these procedures should include:

- A. A reporting process to ensure that the OIG, the ORA, and the DLIR are notified immediately of any allegations of WIA-related fraud, abuse, or criminal activity.
- B. The designation of a person or persons who will be responsible for the IR notifications.
- C. A process to ensure that lower level subrecipients are provided with written notification of their responsibilities in the IR process. Information should include the USDOL OIG Hotline for anonymous reporting of incidents. The Hotline and IR process is only to be used for fraud, abuse, and waste, and not for employee grievances, EEO complaints or labor disputes.

#### VIII. Request for Waiver of Liability

- A. A recipient of the IR may request a waiver of liability under WIA Section 184(d)(2).
- B. Waiver of the liability may be made relative to the IR or any supplemental IR in accordance with 20 CFR 667.720.
- C. Only the DOL Grant Officer has the authority to grant a waiver.
- D. Criteria for Waiver
  - 1. Misexpenditure occurred at a subrecipient's level.

2. Not due to willful disregard.
3. If fraud did exist, it was perpetrated against recipient/subrecipient.
4. Recipient discovered, reported and cooperated in prosecution.
5. Further debt collection inappropriate or futile.



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)

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 Program participant or claimant Other (Specify)

Give 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)

e 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

Local Regional National Media interest Executive interest GAO/ Congressional Interest

Other (Specify)

12. DOL Agency involved

SECY ESA ETA ILAB LMSA MSHA OASAM OIG OSHA SOL ASP BLS NCEP WB OIPA

Other (Specify)

Amount of grant or contract (If known) \$

Amount of subgrant or subcontract (If known) \$

13. Persons who can provide additional information (include custodian of

Local Address (Street, City, & State) or organization, if employed and telephone number

Name Grade Position or job title Employment

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):

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15. Type name and title of DOL employee:

16. Signature of DOL employee:

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17. Copies furnished to:

18. Attachments: