A. BACKGROUND

The detection and prevention of fraud and abuse in programs authorized by the Department of Labor are of the highest priority. In addition, State Law (RCW 43.09.185) requires all state agencies and local governments to immediately notify the State Auditor’s Office in the event they become aware of a known or suspected loss of public resources or other illegal activity.

B. POLICY

It is the policy of Workforce Snohomish (WFS) to immediately report information or complaints regarding fraud, waste, abuse or mismanagement of federal funds.

1. Internal controls are in place to prevent the possibility of fraudulent activity within the organization. However, if the known or suspected activity of fraud is related to the organization, this information should be immediately reports to the CEO or management unrelated to the activity.

2. Appropriate actions will be taken immediately to stop the fraudulent activities, safeguard remaining assets and records and prevent future instances from recurring, including personnel action if necessary.

3. 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 take or planned by the reporting entity must be reported to Employment Security Department (ESD) when the incident report is submitted.

4. All incident reports, emergency or other, must be sent to the State Auditor’s Office, ESD and the Office of Inspector General (OIG) using the contact
information provided below. WFS and our subrecipients will use the Fraud and 
Abuse Hotline Report Form as provided by the Department of Labor at: 
https://www.oig.dol.gov/hotlineform2015.htm to immediately document and 
report suspicions, allegations or complaints involving:

- WIOA-related fraud;
- Misfeasance, nonfeasance or malfeasance;
- Misapplication of funds; gross mismanagement;
- Employee/participant misconduct; or
- Other potential or suspected criminal actions

5. Situations involving imminent health or safety concerns, or the imminent loss of 
funds exceeding an amount larger than $50,000 are considered emergencies 
and must be immediately reports to the OIG via the hotline telephone number 
and followed up immediately (within one working day) in the form of an incident 
report.

6. All subcontractors of WFS shall also adhere to the state and federal reporting 
requirements noted above for all incidents of fraud as detailed in this policy of 
federal funds, as well as notifying WFS immediately of any suspected fraud.

7. Report Submission. All incidents must be reported to each of the following 
entities either by phone, mail or email:

- Workforce Snohomish
  808 134th St SW, Ste. 105
  Everett, WA 98204
  425-921-3488
  Debbie.little@workforcesnohomish.org

- Employment Security Department
  Attn: Indecent Reporting Internal Audit Office
  PO Box 9046
  Olympia, WA 98507-9046
  360-902-9718
  VdeBoer@esd.wa.gov

- Office of Inspector General
  Complaints Analysis Office
  200 Constitution Ave., NW Room S-5506
  Washington, D.C. 20210
  1-800-347-3756
  hotline@oig.dol.gov
C. DEFINITIONS

N/A

References:

- Public Law 113-128, Workforce Innovation and Opportunity Act (WIOA) of 2014, Section 185(b)
- 20 CFR 683.430 and 683.620
- Training and Employment Guidance Letter (TEGL) 2-12