



Andrew M. Cuomo, Governor

Peter M. Rivera, Commissioner

**NEW YORK STATE
WORKFORCE DEVELOPMENT SYSTEM
TECHNICAL ADVISORY**

Workforce Development System Technical Advisory #12-15

TO: Workforce Development Community

DATE: November 7, 2012

SUBJECT: Reporting Instances of Suspected Fraud, Program Abuse and Criminal Conduct

Purpose:

To inform Local Workforce Investment Boards (LWIB) and local area staff about their responsibilities with regard to reporting allegations of fraud, program abuse and criminal conduct involving United States Department of Labor Employment and Training Administration (USDOL/ETA) and/or New York State Department of Labor (NYSDOL) grantees or other entities or sub-recipients receiving funds directly or indirectly from USDOL/ETA and/or NYSDOL.

Policy:

All grant recipients that receive funds through USDOL/ETA (including all WIA associated programs) and/or NYSDOL must document and report allegations, suspicions and complaints involving possible fraud, program abuse and criminal misconduct to NYSDOL. NYSDOL requires documentation through completion and submission of an Incident Report (IR), which is presented as **Attachment A – Incident Report**. The IR should be submitted within *three (3) business days* from the time of discovery, suspicion or receipt of an allegation or complaint.

Additionally, situations involving imminent health or safety concerns, or the imminent loss of funds exceeding an amount larger than \$50,000.00, are considered emergencies and must immediately be reported to NYSDOL. In the instance of an emergency, the IR must be submitted to NYSDOL *no later than one (1) business day* from the time of discovery or receipt of an allegation or complaint.

Additional Information:

The detection and prevention of fraud and abuse in programs authorized by the USDOL/ETA and/or NYSDOL is of the highest priority. States, local governments and grantees may become aware of actual, potential or suspected fraud; gross mismanagement or misuse of program funds; conduct violations; violations of regulations; and/or abuse in USDOL/ETA or NYSDOL programs and operations provided by USDOL/ETA or NYSDOL grantees.

USDOL/ETA has established a procedure to ensure that any and all allegations of wrongdoing or misconduct, including allegations of suspected fraud, program abuse, and criminal conduct involving grantees and other recipients or sub-recipients of federal funds from USDOL/ETA, are immediately and consistently reported. This procedure places the responsibility of reporting any such activity to USDOL/ETA on NYSDOL. However, such activity may be witnessed by or reported to any person involved with the implementation of a USDOL/ETA program.

NYSDOL has expanded this procedure to accommodate suspected fraud, program abuse and criminal conduct involving State authorized funding as well. Therefore, if any person involved with the implementation of a USDOL/ETA or NYSDOL authorized program becomes aware of any allegations, suspicions or complaints involving possible fraud, abuse or criminal conduct, it must be reported to the NYSDOL immediately. NYSDOL will make a determination if the reported instance must be further reported to USDOL/ETA.

To report such activity, fill out the IR and submit it to NYSDOL via email to WDTD.Onestop@labor.ny.gov, using the subject line **Possible Fraud/Abuse/Criminal Conduct**. Please include contact information in the submission, as a representative from NYSDOL will follow up on the report.

Some useful definitions have been included in **Attachment B – Definitions** to help you determine if an Incident Report is necessary.

Inquiries:

Please direct any questions regarding this Technical Advisory to WDTD.Onestop@labor.ny.gov.

References:

Training and Employment Guidance Letter (TEGL) No. 2-12: Employment and Training Administration (ETA) Grant Recipient Responsibilities for Reporting Instances of Suspected Fraud, Program Abuse and Criminal Conduct.

Attachments:

[Attachment A](#) – Incident Report

[Attachment B](#) – Definitions