

U.S. DEPARTMENT OF LABOR Employment and Training Administration Washington, D.C. 20213	CLASSIFICATION Fraud & Abuse
	CORRESPONDENCE SYMBOL TC
	DATE March 5, 1985

TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 6-84

FROM : FRANK C. CASILLAS
 Assistant Secretary for *F. C. Casillas*
 Employment and Training

SUBJECT: States' Responsibilities in DOL Incident
 Report Procedures

1. Purpose. To transmit procedures for reporting known or suspected incidents of fraud, program abuse, or criminal conduct.

2. Background. The Job Training Partnership Act (JTPA) provides for concurrent oversight activities initiated by local, State, and Federal entities in the Job Training system. In particular, Section 103 provides for local level oversight by Private Industry Councils (PICs), Sections 105, 106, 122, and 164 contain State level oversight responsibilities, and Sections 163, 164, 165, and 454 address certain Federal oversight responsibilities. In addition, 20 CFR 629.55 of the JTPA regulations states in part that "All information and complaints involving fraud, abuse or other criminal activity shall be reported directly and immediately to the Secretary of Labor."

3. Policy. The Employment and Training Administration's (ETA) policy recognizes the significant responsibilities of the States, PICs, and local elected officials in conducting oversight of JTPA. In order to carry out responsibilities at 20 CFR 629.55, the ETA is issuing to State and local program officials procedures for reporting to ETA Regional Administrators known or suspected incidents of fraud, malfeasance, misapplication of funds, gross mismanagement, or other criminal activities in ETA funded programs. The reports submitted by the States serve a dual purpose. They provide information on fraudulent activities which may be prosecutable and they provide information on other types of incidents which allow ETA to identify trends and patterns occurring throughout the States. The procedures described in the following section are intended to supplement, but not supplant, other systems of oversight carried out by local, State, and Federal entities.

RESCISSIONS	EXPIRATION DATE March 31, 1986
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DISTRIBUTION

4. Notification to the Regional Office of Alleged Problems.

In order to facilitate the reporting process, DOL has developed procedures and standardized forms for reporting incidents. Any act which raises questions concerning possible illegal expenditures or other unlawful activities should be immediately reported. It is not the intent of the Incident Report (IR) to elicit reports only after determination that an act or allegation is legally prosecutable. All such incidents shall be reported immediately even though the case may be subsequently handled by the Governors, service delivery areas (SDAs), or local law enforcement agencies.

DOL Form DL 1-156, Incident Report (IR), should be used to notify Regional Administrators (RAs) of all known or suspected cases of fraud, abuse, or other criminal activities in ETA-funded programs (see Attachments, I, II, and III -- facsimile of DL 1-156, "Use and Preparation of DL Form 1-156, Incident Report," and Definition of Terms, respectively). The original and one copy of this form should be forwarded to the appropriate RA within one work day of the discovery of the occurrence. The RA, in turn, will immediately distribute the IR in accordance with established DOL procedures.

5. Office of the Inspector General/DOL Hotline.

It is anticipated that the incident reporting procedures outlined above will be utilized to report matters to the RA. However, all State JTPA agencies are requested to notify their employees of the availability of the OIG/DOL Hotline for providing information confidentially. Sufficient copies of a poster which provides information about the Hotline are attached for display in State JTPA and SDA offices.

The Hotline--800-424-5409 (357-0227 FTS and Washington, D.C., local area)--was established for employees and the public to notify the OIG of suspected fraud, abuse, or waste in DOL-funded programs. The Hotline permits reporting of matters anonymously, if desired, to avoid fears of reprisal. Information supplied via the Hotline should be as specific as possible to enable the OIG to identify and solve the problem. The Hotline should not be used for resolving employee grievances, EEO complaints, labor disputes, or other personnel concerns.

6. ETA Action. The Employment and Training Administration is in the process of publishing in the Federal Register a notice which describes the procedures outlined above.

7. Necessary Action.

a. Establish procedures for use by State and sub-State personnel (e.g., SDAs, subrecipients, contractors, etc.) to ensure that the States fulfill their responsibilities to forward IRs to the appropriate RA within one work day of the discovery of the occurrence.

b. Ensure that State staff, SDAs, subrecipients, contractors, etc. are familiar with the procedures that are established, the content of the attachments to this document, and the availability of the OIG/DOL Hotline to provide information confidentially.

8. Inquiries. Questions concerning this notice should be directed to Anna C. Hall, Chief, Division of Special Review and Internal Control, Office of Program and Fiscal Integrity on (202) 376-6295.

9. Attachments.

a. Attachment I - DOL Form DL 1-156, Incident Report (IR);

b. Attachment II - Use and Preparation of DL Form 1-156 (IR);

c. Attachment III - Definition of Terms; and

d. Attachment IV - OIG/DOL Hotline Poster.

DOL FORM DL 1-156, INCIDENT REPORT



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 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)

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
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 of subcontract (If known) \$

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

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

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

17. Copies furnished to:

18. Attachments: (List)

USE AND PREPARATION OF FORM DL 1-156

Use and Preparation of DL Form 1-156, Incident Report

A. Purpose.

Form DL 1-156 should be used for reporting to Regional Administrators (RAs) incidents of program abuse, fraud, or other criminal violations involving ETA-funded programs and operations.

B. Responsibilities of Governors.

Governors are responsible for reporting all actual or suspected violations to the Regional Administrators using the Incident Report, DL 1-156. While such information may be phoned directly to the RA, these telephone reports should be supplemented by submission of the Incident Report within 72 hours.

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 the RAs that a violation or apparent violation has occurred. It should also be used to initially inform the RAs of cases involving 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. Form DL 1-156 should be used as indicated below.

(a) It is determined that the matter cannot be resolved at the agency level and the case is administratively closed.

(b) Supplemental reports should be submitted without awaiting the results of adjudication.

3. As a Final Report

Form DL 1-156 should be used as indicated below.

(a) An incident is resolved or otherwise settled.

(b) Final adjudication or imposition of administrative/disciplinary action against the person or organization involved is initiated. When adjudication results become known, the final report should be sent to the RAs indicating the results.

D. Completion of the Incident Report.

Form DL 1-156 should 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 (e.g., October 1, 1984 - September 30, 1985) in which the report is being submitted, the two letter State abbreviation, and a number to indicate the chronological sequence of the report (e.g., 84-VT-0001 would show that the report was submitted in Fiscal Year 1984, by Vermont, and was the first report submitted in FY 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 should 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 the 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 should 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 whom the incident is reported or referred. If needed for purpose of clarification, include the reason(s) why non-principal personnel were involved (e.g., fire department personnel who made pertinent determinations in a 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 should be reported. When a suspected motive is reported, the basis/rationale for the suspicion should be noted.

(f) (How). Report the manner/method by which an incident actually or probably was committed and discovered. "How" an 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. Identify the name, title, address, and telephone number of the official completing the report.

Block 16. All copies should be signed by the responsible official for the reporting office.

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 should 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 should be forwarded with the DL 1-156, if not already provided.

F. Transmission of Reports.

Mail copies of the DL 1-156 to the appropriate RA as shown on the following page.

NOTE: The copies sent to the RA should be in a sealed envelope within the mailing envelope. In no event should reports be electronically transmitted.

U.S. Department of Labor
Regional Administrators for the
Employment and Training Administration

Revised 3/4/85

REGION I - Boston

Robert Semler
Acting Regional Administrator
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Room 1703, J.F. Kennedy Fed. Bldg
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8-223-6440/617-223-6440*

REGION II - New York

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8-265-3210/212-944-3210*

REGION III - Philadelphia

William J. Haltigan
Regional Administrator
U.S. Department of Labor/ETA
P.O. Box 8796**
Philadelphia, Pennsylvania 19101

8-596-6336/215-596-6336*

REGION IV - Atlanta

Lawrence E. Weatherford, Jr.
Regional Administrator
U.S. Department of Labor/ETA
1371 Peachtree Street, N.E., Rm. 405
Atlanta, Georgia 30309

8-257-4411/404-881-4411*

REGION V - Chicago

Steven M. Singer
Regional Administrator
U.S. Department of Labor/ETA
230 S. Dearborn Street, Rm. 634
Chicago, Illinois 60604

8-353-0313/312-353-0313*

*Commercial Dialing

**Street Address--3535 Market Street
Room 13300

REGION VI - Dallas

Floyd E. Edwards
Regional Administrator
U.S. Department of Labor/ETA
555 Griffin Sq. Bldg., Rm. 316
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8-729-6877/214-767-6877*

REGION VII - Kansas City

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8-758-3796/816-374-3796*

REGION VIII - Denver

Luis Sepulveda
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Denver, Colorado 80294

8-564-4477/303-844-4477*

REGION IX - San Francisco

Don A. Balcer
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8-556-7414/415-556-7414*

REGION X - Seattle

Harry B. Brown
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8-399-7700/206-442-7700*

DEFINITION OF TERMS

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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.*

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 services, payments to ghost enrollees, misuse of appropriated funds, and misrepresenting information in official reports.

b. Misapplication of Funds.

Misapplication of funds should be considered as any alleged use of funds, assets, or property not authorized or provided for under the Job Training Partnership Act (JTPA) or regulations, grants, or contracts. This category includes, but is not limited to, nepotism, political patronage, use of participants for political activities, ineligible participants, 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 the aforementioned category regarding nepotism as cited in Section 632.118 of the Title IV-A, B, and E of JTPA.

An Incident Report should be filed when it appears that there exists an intent to misapply funds rather than merely a case of minor mismanagement.

c. Gross Mismanagement.

Gross mismanagement should be considered as actions or situations arising out of management ineptitude or oversight, leading to major violations of JTPA processes, regulations, or

* OIG will focus only on those incidents reported under Categories "a" and "b". ETA will use the information reported on the other types of incidents in order to identify trends and patterns occurring throughout the States for management information purposes.

contract/grant provisions which could severely hamper the accomplishment of program goals. These include 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 costs, highly inaccurate fiscal and/or program reports, payroll discrepancies, payroll deductions 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 actions occurring during or outside work hours that reflect negatively on the Department of Labor, the State, or the JTPA program. It may include, but is 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 information, and such other activities as might adversely affect the confidence of the public, as well as serious violations of Federal and State laws.

HOTLINE POSTER

GOT THE WORD

on fraud, waste, or abuse? Call the IG HOTLINE
800/424-5409 toll free or 357-0227 in the
Washington metro area.

