

Jefferson/Franklin Consortium Fraud Policy

Recipients of federal awards under WIOA or the Wagner-Peyser Act are obligated to report incidents of fraud, waste, misappropriation, or theft of those funds by the recipient, or a subrecipient, as a condition for receiving those funds. Failure to report such incidents can lead to the withholding of funds, suspension, debarment, or other legal remedies.

The Uniform Guidance on Federal Awards, 2 CFR 200 section 200.113, requires that all non-Federal entities or applicants for a Federal award must disclose in writing to the Federal awarding agency or pass-through entity all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award.

Subrecipients must also disclose in writing to the One Stop Coordinator, the Local Workforce Development Board (LWDB) and the Office of Workforce Development (OWD) all violations of Federal criminal law involving fraud and any other criminal activity at the same time any report is made to the United States Department of Labor (USDOL).

Penalties for noncompliance with mandatory disclosures include:

- Temporarily withhold cash payments pending correction of the deficiency by the non-Federal entity or more severe enforcement action by the Federal awarding agency or pass-through entity.
- Disallow (that is, deny both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance.
- Wholly or partly suspend or terminate the Federal award.
- Initiate suspension or debarment proceedings as authorized under 2 CFR part 180 and Federal awarding agency regulations (or in the case of a pass-through entity, recommend such a proceeding be initiated by a Federal awarding agency).
- Withhold further Federal awards for the project or program.
- Take other remedies that may be legally available.