

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 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.

This policy applies to all local job center staff, Board staff, and Board members who are all responsible for fraud/abuse prevention as well as reporting any cases immediately to the WDB Director. Cases of fraud and abuse will be determined on an individual basis. The WDB Director may consider verbal warning, written warning, probation, or termination based upon the severity of the infraction. In case of charges against the WDB Director, the WDB Chairman shall be notified to serve in the investigative and hearing role. If necessary, they will make a final recommendation to the Workforce Development Board. All fraud and abuse investigations will be kept confidential and will only be shared with those individuals who need to know.

Any cases of confirmed fraud, waste, or abuse by contracted agencies of the WDB that rise to the level of disciplinary action must be reported to the WDB Director as soon as is legally possible. In all cases where the WDB or contracted agency situations result in criminal charges being filed, the Workforce Development Board and the Office of Workforce Development for the Division of Higher Education and Workforce Development, must be notified immediately and concurrently.