



# Workforce Issuance

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**100 DCS 08.131**

**Policy**    **Information**

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**To:** MassHire Workforce Board Chairs  
MassHire Workforce Board Directors  
MassHire Career Center Directors  
MassHire Fiscal Officers  
MassHire DCS Operations Managers

**cc:** WIOA State Partners

**From:** Diane Hurley, Acting Director  
MassHire Department of Career Services

**Date:** August 9, 2024

**Subject:** **Reporting Requirements: Instances of Suspected Fraud, Program Abuse, and Criminal Conduct**

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**Purpose:** To notify MassHire Workforce Boards (MWBs), MassHire Career Center (MCC) Operators and other local workforce partners of the requirement to follow standard operating procedures for reporting instances of suspected fraud, program abuse, and criminal conduct as detailed in [Training and Employment Guidance Letter \(TEGL\) 15-23: Employment and Training Administration Recipient Responsibilities for Reporting Instances of Suspected Fraud, Program Abuse, and Criminal Conduct](#), published June 11, 2024.

This policy addresses:

- Development of standard operating procedures to provide instruction to all workforce area (MWB, MCC and Fiscal Agent) staff for identifying and reporting instances of suspected or known fraud, program abuse, and criminal conduct

An equal opportunity employer/program.

Auxiliary aids and services are available upon request to individuals with disabilities.

TDD/TTY 1-800-439-2370 - Voice 1-800-439-0183

- All staff training, to be conducted annually, and compliance with procedural requirements for identifying and reporting instances of suspected or known fraud, program abuse, and criminal conduct

**Background:** The detection and prevention of fraud and abuse is a top priority for the U.S. Department of Labor’s programs. States, local governments, and other recipients may become aware of actual, potential, or suspected fraud, gross mismanagement or misuse of program funds, conduct violations, violations of regulations, and abuse in Employment and Training Administration (ETA) programs and operations that must be documented and reported to the Office of Inspector General (OIG) and ETA.

**Policy:** MassHire Workforce Boards must ensure that the Board, as well as MassHire Career Centers and Fiscal Agents have systematic procedures in place to document and report allegations, suspicions, and complaints of fraud, program abuse, and criminal misconduct in ETA funded programs and operations.

**Development of Standard Operating Procedures:**

Written procedures that establish a consistent approach to maintaining compliance with TEGL 15-23: Employment and Training Administration Recipient Responsibilities for Reporting Instances of Suspected Fraud, Program Abuse, and Criminal Conduct must be included in local area Standard Operating Procedures.

***Types of incidents that must be reported*** - The following types of incidents must be immediately documented and reported (examples should **not** be considered all-inclusive):

- **Emergency** - A situation involving imminent health or safety concerns, or the imminent loss of funds in excess of \$50,000.
- **Employee/Participant Misconduct** - Actions occurring during or outside work hours that reflect negatively on the U.S. Department of Labor (Department) or its mission including, but 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; and misuse of official information and such other activities as might adversely affect the confidence of the public in the integrity of the government (See 29 CFR Part 0; 5 CFR Parts 2635 and 5201), as well as serious violations of Federal and state laws.
- **Fraud, Misfeasance, Nonfeasance or Malfeasance** - Any alleged deliberate action or inaction which may be 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 or contractors, intentional payments to a contractor without the expectation of receiving services, payments to ghost (fake) enrollees, misuse of appropriated funds, and misrepresenting information in official reports.

- **Gross Mismanagement** - Actions or situations arising out of management ineptitude or oversight and leading to a major violation of statutory (such as Workforce Innovation and Opportunity Act or Wagner-Peyser) processes, regulations, or contract/grant provisions. Such actions or situations have the potential to severely hamper accomplishment of program goals, waste government resources, and jeopardize future support for a particular program/project. This category includes, but is not limited to, un-auditable records, unsupported costs, highly inaccurate fiscal reports or program reports, payroll discrepancies, payroll deductions not paid to the Internal Revenue Service, and lack of good internal control procedures.
- **Misapplication of Funds** - Any alleged deliberate use of funds, assets or property not authorized or provided for by legislation or regulations, grants, or contracts. This category includes, but is not limited to, nepotism, political patronage, use of participants for political activity, ineligible enrollees, conflicts 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. An incident report should be filed when there appears to be an intent to misapply funds rather than merely for a case of minor mismanagement. It should be noted that there are some exceptions related to nepotism for the Indian and Native American programs, as described in 20 CFR 684.630(d).

Refer to TEGL 15-23, Attachment I, for the full list of definitions.

**Reporting incidents** - The process of reporting incidents consists of two steps:

- (i) reporting allegations of fraud, waste and abuse, criminal and other illegal or improper activities in ETA-funded grant programs and operations to the Office of Inspector General (OIG); and
- (ii) reporting the same to ETA.

- **Office of Inspector General (OIG) Hotline Portal** - The OIG operates the OIG Hotline Portal to receive and process allegations of fraud, waste, and abuse concerning Departmental grants, contracts, programs and operations. The OIG Hotline Portal is also used to address allegations of criminal activity and serious misconduct involving Department employees. Incident reports should be submitted online at: <https://www.oig.dol.gov/hotline.htm>.
- **ETAIncidentReporting@dol.gov**. This DOL email address is used to simultaneously file the improper activity that the individual is reporting in the OIG portal. The individual who is reporting should send screen shots or photos of each of the three Office of Inspector General (OIG) Hotline Portal screens (which will appear upon filing through the OIG Hotline Portal) to complete the incident reporting process.

Refer to [TEGL 15-23](#), Attachment II, Quick Reference Guide for Reporting Incidents to the office of the Inspector General Hotline Portal for additional instructions on reporting incidents.

Standard Operating Procedures (SOP) are intended to inform staff and give a general overview, with examples (as outlined in the TEG), of the types of incidents that must be immediately documented and how to report these incidents. Procedures for identifying and reporting instances of fraud must be incorporated into the local area SOP.

Please review **MassHire Workforce Issuance** 100 DCS 08.111: [Standard Operating Procedures for Boards, Career Centers and Fiscal Agents](#) for guidance on requirements to maintain operating procedures that guide staff in day-to-day operations.

#### **Staff Training and Compliance:**

MassHire Workforce Boards must ensure that MWB, MCC and Fiscal Agent staff develop a process and schedule for annual staff training of the procedural requirements for documenting and reporting allegations, suspicions, and complaints of fraud, program abuse, and criminal misconduct as outlined in their local standard operating procedures. Training must be provided to all staff and records of training with attendee lists must be maintained.

Supervisors and managers will be responsible for monitoring adherence to all standard operating procedures.

MDCS Field Management and Oversight (FMO) staff will review standard operating procedures annually and ensure local workforce areas follow their local standard operating procedures and identify areas of improvement as needed.

**Action**

**Required:** MassHire Workforce Boards must ensure that MWB, MCC and Fiscal Agents develop standard operating procedures for identifying and reporting known or suspected cases of criminal and other illegal or improper activities involving recipients of Federal funds from ETA to the OIG and ETA.

MassHire Workforce Boards must also make certain that all staff of the workforce area are provided training to ensure compliance with TEGl 15-23, and ensure that all workforce area staff are informed and knowledgeable of the related procedural requirements described within this policy.

**Effective:** Immediately

**Inquires:** Please send all inquiries to [PolicyQA@mass.gov](mailto:PolicyQA@mass.gov). Please include the description and policy number with your submission.

**References:** Training and Employment Guidance Letter (TEGL) 15-23: Employment and Training Administration Recipient Responsibilities for Reporting Instances of Suspected Fraud, Program Abuse, and Criminal Conduct

Attachment I - Definitions

Attachment II - Quick Reference Guide for Reporting Incidents to the office of the Inspector General Hotline Portal for instructions on reporting incidents.