

# PROCEDURE FOR REPORTING FEDERAL GRANTS INSTANCES OF SUSPECTED FRAUD, PROGRAM ABUSE AND CRIMINAL CONDUCT

## DEFINITIONS

1. **Department of Labor employee misconduct:** Allegations of misconduct by employees may include:
  - a. Bribery: The offering, giving, receiving or soliciting of something of value for the purpose of influencing an action or the discharge of official duties.
  - b. Conflict of Interest: A clash between DOL interests and the private interest of an official that may influence the performance of the official's duties.
  - c. Embezzlement: Fraudulent appropriation of DOL property by one lawfully trusted to protect its possession.
  - d. Mismanagement: Extravagant, careless, or needless expenditure of government funds or the consumption or misuse of government property or resources, resulting from deficient practices, systems, controls or decisions.
  - e. Misuse of DOL property
  - f. Misuse of funds/credit cards
  - g. Falsification of official documents
2. **Improper Labor Management Relations:** Corrupt union officials enter into a wide variety of "sweetheart" contracts with organized crime controlled and other corrupt employers in return for bribes and other favors. Such contracts typically include concessions which are significantly beneficial for the employer and detrimental to the union member.
3. **Procurement fraud:** Fraud in connection with DOL contracts or committed by DOL contractor(s), such as making false statements or false claims or providing a product less than called for in the contract. Procurement fraud includes DOL grant fraud; theft by a DOL grantee; embezzlement of Senior Community Service Employment Program (Older Americans Act) funds; Workforce Investment Act fraud (WIA fraud), theft or embezzlement; or Workforce development board misconduct or fraud.
4. **Procurement fraud Reporting Requirement:** The Federal Acquisition Regulation ("FAR") now requires all contractors to notify the government whenever they become aware of a contract overpayment or fraud, rather than wait for the contract overpayment or fraud to be discovered by the government. If you are a federal contractor, or employee of same, and you have evidence of a violation of Federal criminal law involving fraud, conflict of interest, bribery, gratuity violations, or a violation of the False Claims Act, where such evidence arises in connection with a federal contract, click FAR Contractor Disclosure Form to file a report with this office.
5. **Worker health and workplace safety:** The Department of Labor's Occupational Safety and Health Administration (OSHA) aims to ensure employee safety and health in the United States by working with employers and employees to create better working environments. Workplace safety violations should first be referred to OSHA but if they are not remedied, these safety concerns may be reported to the OIG Hotline.

## PROCEDURES

### 1. WSC Responsibilities

- a. WSC is responsible for following the procedures set forth in TEGL 2-12. Allegations, suspicions and complaints involving possible waste, fraud, abuse or criminal misconduct must be immediately documented using the incident reporting form (OIG 1-156). Situations involving imminent health or safety concerns, or imminent loss of funds exceeding \$50,000 are considered emergencies. Emergencies must be immediately reported to the Office of the Inspector General and the Department's Office of the Financial and Administrative Management (OFAM) by phone and with a written report using the incident reporting form (OIG 1-156), no later than one business day after the phone report. Refer to TEGL 2-12 for additional information.

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## POLICY HISTORY

Approved by Vince L. Pachuiilo, Vice President of Finance and Administration

## REFERENCES

<https://www.oig.dol.gov/>