# Anti-Fraud, Waste, and Abuse

# Code of Conduct

Federal regulations (2 CFR Part 200) and HUD's Notice of Funding Availability (NOFA) for discretionary funds require non-Federal entities receiving Federal assistance awards, excluding States, to develop and maintain written standards/codes of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts. No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest (2 CFR § 200.318(c)(1)).

Purpose

The purpose of this Code of Conduct is to set expectations for anyone involved with the CDBG-DR program to read, know and comply with at all times to minimize opportunities for fraud, waste, and abuse (FWA).

Goals

The goals of this Code of Conduct include:

1. Ensuring and maintaining public confidence in the integrity of the staff and operations of CDBG-DR funds and programs.
2. Evaluating potential ethical problems before they arise, including potential conflicts of interest.
3. Providing a system for the fair and effective enforcement of this Code of Conduct, including a mechanism for taking corrective or disciplinary action.

Code of conduct

1. No staff shall disclose without proper authorization non-public information or records concerning any aspects of the CDBG-DR programs.
2. For procurement of goods and services, no staff with a conflict of interest shall participate in the selection, award, or administration of a contract supported by funds. Such a conflict could arise if a family member or organization which employs or is about to employ any of the parties indicated herein has a financial or other interest in or a tangible personal benefit from a vendor considered for a contract. If there are any questions about a potential conflict of interest, legal counsel should be consulted.
3. No staff shall solicit or accept gratuities, favors or anything of monetary value from contractors or firms, potential contractors or firms, or parties to sub-agreements.
4. For all other cases, no staff shall participate in a decision-making process or gain inside information, obtain a financial interest, or benefit from CDBG-DR funds and activities.

Progressive Sanctions

DED may consider taking corrective or disciplinary action from the following three stages of progressive sanctions on a case-by-case basis.

Stage I: Early Warning/Early Response

* Plan an intervention strategy that involves additional FWA training or technical assistance.
* Require more frequent or more thorough FWA training and monitoring.

Stage II: Intervention for More Serious or Persistent Problems

* Restrict payment requests.
* Increase required documentation before disbursing funds for closer monitoring.

Stage III: Red Alert

* Temporarily suspend staff (or the activity).
* Terminate staff in the current program year.
* Initiate legal action.

Reporting

In the event of an allegation of FWA the person reporting shall act in accordance with the following procedures.

Any activity that in your judgment violates these principles related to CDBG-DR funds or resources must be reported to DED’s Internal Auditor, the Nebraska APA, directly to the OIG at HUD, or any local or Federal law enforcement agency.

Any person may openly or anonymously make a report. For reports that are not made anonymously, confidentiality will be maintained to the extent possible while permitting an appropriate investigation. Any information received will be treated with extreme confidentiality and shared with the DED Internal Auditor or the Nebraska APA by following established procedures. When appropriate, the DED Internal Auditor will also report the allegation to the Nebraska APA, State Attorney General’s Office, or the Office of the United States Attorney for Nebraska.

ADOPTIOn

The Subrecipient or Successful Applicant identified below shall make every effort to prevent, detect, and report FWA.

Subrecipient/Successful Applicant Name:

[This area below is to be used to show the governing body's adoption and signatures.]