

NEBRASKA

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DEPT. OF ECONOMIC DEVELOPMENT

CDBG-DR Anti-Fraud, Waste or Abuse (AFWA) Policy

March 2021

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1 OVERVIEW

The Nebraska Department of Economic Development (DED), as grantee, is committed to the responsible management of the Community Development Block Grant Disaster Recovery (CDBG-DR) funds. The U.S. Department of Housing and Urban Development (HUD) allocated these funds to address Nebraska's long-term recovery needs associated with the 2019 floods. In doing so, DED is dedicated to being a good steward of the resources while maintaining a comprehensive policy for preventing, detecting, reporting and rectifying fraud, waste or abuse. To that end, the DED encourages any individual who is aware or suspects any kind of conduct or activity that may be considered an act of fraud, waste, or abuse, regarding the CDBG-DR Program, to report such acts to DED's Internal Auditor, the Nebraska Auditor of Public Accounts, directly to the Office of Inspector General (OIG) at HUD, or any local or federal law enforcement agency.

2 SCOPE

This policy applies to all DED employees, providers, vendors, contractors, consultants, subrecipients, partners, citizens, applicants, external departments, and agencies doing business with DED, as well as beneficiaries and others associated with, working for, accessing, or attempting to access benefits under the CDBG-DR programs.

3 DISCUSSION

DED, as grantee of the CDBG-DR Program, is responsible for preventing, detecting, reporting and rectifying incidents of fraud, waste, or abuse, among other irregularities related to the Program. The purpose of this policy is to encourage any individual to raise any concern, known or suspected, of acts of fraud, waste, or abuse by anyone involved with the CDBG-DR Program. The process is for concerns to be raised, investigated, and, where appropriate, acted upon.

4 DEFINITIONS AND EXAMPLES

Fraud is the intentional (willful or purposeful) deception or misrepresentation made by a person with the knowledge that the deception could result in some unauthorized benefit to him/herself or some other person. There are many forms of fraud.

Waste includes over-utilizing Nebraska's services, supplies or equipment, or causing unnecessary costs through carelessness or inefficiency.

Abuse includes activities that result in unnecessary costs to DED or any subrecipients. Note that this is financial abuse, not physical or emotional abuse of a person. Physical and emotional abuse of a person should be reported to the police.

Examples of fraud include, but are not limited to, misrepresentation of:

- Income (Unreported or under-reported)
- Household composition
- Financial resources (transferred or hidden resources)
- Residency
- Citizenship status

Other types of fraud include, but are not limited to:

- Using another person's identification
- Forging signatures or documents
- Concealing access to duplicate funding
- Misrepresenting a medical condition to obtain additional benefit
- Misusing funds (diverting them for an unintended use)

Other actions constituting fraud, waste, and abuse include, but are not limited to:

- Any dishonest or fraudulent act
- Misappropriation of funds, supplies, or assets
- Impropriety in handling or reporting money or financial transactions
- Profiting as a result of insider knowledge
- Unauthorized disclosure of confidential or private information
- Accepting or seeking anything of material value from contractors, vendors, or any person that seeks a beneficial decision, contract, or action from DED or any subrecipient
- Accepting or seeking anything of material value from contractors, vendors, or any person that is providing services for CDBG-DR activities
- Unnecessary cost or expenditures
- Diversion of program resources

4.1 AFWA RELATED TRAININGS

DED shall alert to CDBG-DR Program's staff, partners, and subrecipients to fraud related training when it is offered by the HUD OIG.

5 REPORT AND INVESTIGATION

Any allegations of fraud, waste, or abuse related to CDBG-DR funds or resources must be reported to DED's Internal Auditor, the Nebraska Auditor of Public Accounts (APA), directly to the OIG at HUD, or any local or federal law enforcement agency.

5.1 HOW TO REPORT FRAUD, WASTE OR ABUSE

Any person, including any employee of the CDBG-DR Program, who suspects, witnessed, or discovered any fraud, waste, or abuse, relating to the CDBG-DR Program, should report it immediately by any of the means listed below. It is possible that a citizen may disclose acts of fraud, waste, or abuse of CDBG-DR funds to any CDBG-DR Program staff (e.g., at intake centers, field/regional offices, events, etc.). Therefore, any information received must be treated with extreme confidentiality and must be shared with the Nebraska APA by following established procedure. The Nebraska APA's ultimate goal is to establish that all information disclosed to any employee will not be rejected.

To the Nebraska Department of Economic Development Internal Auditor:

- **Online/Anonymous Email:** Fill out the Contact Form, available at <https://opportunity.nebraska.gov/contact/>
- **Phone:** 800-426-6505
- **Postal Mail:**
Nebraska Department of Economic Development
301 Centennial Mall South
PO Box 94666
Lincoln, NE 68509-4666
- **In person:**
Nebraska Department of Economic Development
301 Centennial Mall South, 4th Floor
Lincoln, NE 68508

To the Nebraska Auditor of Public Accounts (APA):

- **Online/Anonymous Email:** Fill out the AFWA Submission Form, available at the Nebraska APA's website https://auditors.nebraska.gov/About_Us/SAE_E-Mail.html.
- **Phone:** Nebraska Auditor of Public Accounts confidential Hotline at 1-800-842-8348.
- **Postal Mail:**
Nebraska Auditor of Public Accounts
State Capitol, Suite 2303
P.O. Box 98917
Lincoln, NE 68509-8917
- **In person:**
Nebraska Auditor of Public Accounts
State Capitol, Suite 2303
Lincoln, NE 68508

Contact HUD's OIG Fraud Hotline via phone 1-800-347-3735 or via email at hotline@hudoig.gov.

5.2 INVESTIGATION

Upon receiving the allegations by any of the reporting means stated previously, DED's Internal Auditor will have the primary duty of analyzing the complaint. DED's Internal Auditor reports to the Deputy Director of Operations/ Chief Legal Counsel and will notify those supervisors of any active investigations. If the allegations have no grounds or are not supported by any documentation, the file must be closed. Such determination must be made in writing and included in the file, with the consent of the Nebraska Auditor of Public Accounts.

If the allegations are substantiated, DED's Internal Auditor will conduct an investigation, in which they can seek advice from Human Resources and/or Legal Division, if necessary. To the extent that any substantiated actions violate Federal, state or local laws, Nebraska officials shall evaluate pursuing appropriate criminal or civil penalties. Any inquiries received by the Internal Auditor would also be communicated to the Deputy Director of Operations/ Chief Legal Counsel. The issue would be investigated immediately to avoid further damage. Nebraska's Auditor of Public Accounts has the authority to investigate any complaints or suspicions of fraud directly if that office determines such an investigation to be necessary.

All substantiated cases of fraud, waste, or abuse of government funds shall be forwarded to the U.S. Department of Housing and Urban Development (HUD), Office of Inspector General (OIG) Fraud Hotline via phone 1-800-347-3735 or email hotline@hudoig.gov and DED's HUD Community Planning and Development (CPD) Representative.

6 CONFIDENTIALITY

All allegations or complaints received in the CDBG-DR Nebraska Auditor of Public Accounts (APA) will be treated with extreme confidentiality. The complainant's contact information will be kept confidential, unless the complainant authorizes otherwise.

The complainant may choose to remain anonymous, in which case, they will not have to provide their contact information (i.e., name, address, telephone, and/or email) to report the alleged act or suspected act of fraud, waste, or abuse.