

**Kansas Department of Commerce  
Office of Broadband Development  
Policy and Procedures**

**Subject:** Procedures for Reporting Suspected Program Fraud or Abuse

**Issued:** February 7, 2024

**Revised:**

**Purpose:** To transmit state policy, procedures, and guidance for required reporting of alleged or suspected fraud or abuse of KOBD resources and to provide notification of compliance with the Kansas Whistleblower's Act.

**References:** 2 CFR Part 200, 41 U.S.C. Part 4712, and Kansas Statute No. 75-2973

**Background:** Information and complaints involving suspected or known fraud, waste, abuse, or other criminal activity related to KOBD programs must be reported immediately. The scope of this policy encompasses actions by any staff or official of the Kansas Department of Commerce, as well as staff, officials, subrecipients, and contractors.

**Action:** These procedures are to be used for reporting criminal complaints and reports of suspected or known fraud, waste, or program abuse related to the KOBD programs.

**Contact:** Questions should be directed to Deputy Director, Kansas Office of Broadband Development, (785) 230-4615, joseph.le@ks.gov

**Attachment:** A - Fraud and Abuse Incident Report

## Procedures for Reporting Suspected Program Fraud or Abuse

### Overview

As a recipient or subrecipient of Federal funds, recipients and subrecipients are required to use the funds only for the intended purposes and within the established guidelines. Recipients and subrecipients are responsible for providing adequate safeguards to prevent fraud, waste, abuse, and mismanagement of Federal funds. Proper management of award funds prevents misuse of funds.

It is a goal of the Kansas Department of Commerce (Commerce) to fortify program systems and place a high priority on eliminating program fraud and abuse. Consistent with this goal, systematic procedures for reporting alleged instances of suspected or actual fraud, abuse, or criminal conduct in KOBD programs are described in this policy. The scope of this policy encompasses actions by any staff or official of Commerce, as well as staff, officials, and KOBD program subrecipients and contractors.

### Definitions

To aid in the detection of fraud, program abuse, or criminal conduct, the following definitions are provided. These definitions are neither fully inclusive nor restrictive of all activities that may be included under each activity:

***Employee/Subrecipient Misconduct*** - These actions include, but are 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; misuse of official information; and such other activities as might adversely affect the confidence of the public in the integrity of the government as well as serious violations of federal and state laws.

***Fraud*** – An attempt to obtain something valuable through intentional misrepresentation. An example of fraud would be an individual stealing money by directing contracts to bogus companies. Fraud is any alleged deliberate action, which appears to be in violation of applicable federal, state, or local 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 enrollees, misuse of appropriated funds, and misrepresentation of information in official reports, including failure to report outstanding debt(s) on application for federal assistance.

***Mismanagement*** – This includes failure to appropriately manage budgets, expenditures, or documentation for grant funds. Actions or situations arising out of management ineptitude or oversight, leading to major violations of the legislative requirements, regulations, or contract/grant provisions. Such actions or situations have the potential to severely hamper the accomplishment of program goals, waste government resources, and jeopardize future support for a particular project. This category includes, but is not limited to, unauditable records, unsupported costs, highly inaccurate fiscal reports or program reports, payroll discrepancies, payroll deductions not paid to the Internal Revenue Service (IRS), and lack of adequate internal control procedures.

**Waste** – Waste is the misuse of funds or resources through excessive or nonessential expenditures. An example of waste is a program manager purchasing overpriced equipment that could have been purchased for a lesser price at a different company.

**Abuse or Misapplication of Funds** – Abuse occurs when there is an intentional and unacceptable use of grant funds or misuse of one’s position. Any alleged use of funds, assets, or property for purposes/activities 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, conflict of interest, failure to report income from federal funds, violation of contract/grant procedures, the use of federal funds for other than specified purposes, and failure to report compromise of federal debt for IRS purposes.

### **Fraud and Abuse Incident Report**

The *Fraud and Abuse Incident Report* (see Attachment A) is the official document for reporting instances of fraud, misapplication of funds, gross mismanagement, and any other incidents of known or suspected criminal or other activities. The *Fraud and Abuse Incident Report* is also used to provide supplemental and final reports about such incidents. Any report received in a written format and signed shall be accepted and handled in the same manner as if it were filed on the *Fraud and Abuse Incident Report*. Individuals designated to accept incident reports will be responsible for contacting the reporting party and obtaining information required by the *Fraud and Abuse Incident Report* that is not included in the submitted report.

Any act which raises questions of possible illegal expenditures or other unlawful activity should be reported immediately. Incident reports are not intended to elicit reports after a determination is made that an act or allegation is legally prosecutable.

### **Complaint Processing Procedures**

Each subrecipient or interested party shall abide by the following procedures for reporting known or suspected instances of fraud, program abuse, or criminal conduct relating to all programs funded through KOBD. The Fraud and Abuse Incident Form (Attachment A) shall be completed and forwarded via e-mail within one business day of the occurrence to KOBD at [kdc\\_broadband@ks.gov](mailto:kdc_broadband@ks.gov) with the subject line starting "Fraud & Abuse".

As appropriate, KOBD or the Kansas Department of Commerce Legal Counsel will assign and coordinate activities in response to an incident reported as directed by the OIG, regional administrator, governor, secretary, or deputy secretary of the Kansas Department of Commerce. Where OIG has established a reporting number, Commerce will submit quarterly status reports as required to the OIG, Commerce legal, and other appropriate parties.

### **Prohibition of Reprisals, Whistleblower Protection, and Confidentiality**

In accordance with federal regulations and the Kansas Whistleblower’s Act, no action will be taken

against any employee, grantee, or contractor for disclosing information of criminal or improper activities or making a complaint to the proper authorities. The reporting party's identity will not be disclosed except where there is consent or it is determined that disclosure will be unavoidable during an investigation.

KOBD subawards are subject to the whistleblower protections afforded by 41 U.S.C. Part 4712, which generally provide that an employee or contractor of a non-Federal entity may not be discharged, demoted, or otherwise discriminated against as a reprisal for disclosing to a person or body information that the employee reasonably believes is evidence of gross mismanagement of a Federal award, subaward, or a contract under a Federal award or subaward, a gross waste of Federal funds, an abuse of authority relating to a Federal award or subaward or contract under a Federal award or subaward, a substantial and specific danger to public health or safety, or a violation of law, rule, or regulation related to a Federal award, subaward, or contract under a Federal award or subaward. These persons or bodies include:

- A Member of Congress or a representative of a committee of Congress
- An Inspector General
- The Government Accountability Office
- A Federal employee responsible for contract or grant oversight or management at the relevant agency
- An authorized official of the Department of Justice or other law enforcement agency
- A court or grand jury
- A management official or other employee of the contractor, subcontractor, or grantee who has the responsibility to investigate, discover, or address misconduct

### **National Hotline & Online Complaint Form**

KOBD, as a federal grant recipient, is required to notify subrecipients and partners of availability of the Office of Inspector General (OIG)/US Dept of Commerce Hotline for providing information confidentially. The OIG/US Dept of Commerce National Hotline number is 1-800-424-5197.

The Office of Inspector General (OIG) maintains a Hotline for receiving allegations of fraud, waste, abuse, and gross mismanagement in U.S. Department of Commerce (DOC) programs or operations, including any organization or entity receiving DOC funds. Allegations may be reported 24 hours a day, seven days a week by DOC employees, contractors, or the public. Information supplied via the Hotline should be as specific as possible to enable the OIG to identify and solve the problem. The Hotline should not be used for resolving employee grievances, EEO complaints, labor disputes, or other personnel concerns. Additionally, an online OIG complaint form is available at <https://www.oig.doc.gov/Pages/Hotline.aspx#complainthotline>

**ATTACHMENT A: Fraud and Abuse Incident Report Form**

**Kansas Department of Commerce  
Office of Broadband Development**

**FRAUD AND ABUSE INCIDENT REPORT FORM**

Complainant Name:			Date of Report:	
Street Address (complainant):		City:	State:	Zip:
Home Phone:	Work Phone:	E-mail:		
Date of Incident:	Time of Incident: AM / PM (circle one)			
Street Address (location of incident):		City:	State:	Zip:
Home Phone:	Work Phone:	E-mail:		
Victim's name or description of property damage:				
Street Address (victim or property):		City:	State:	Zip:
Home Phone:	Work Phone:	E-mail:		
Suspect or Assailant's Name:				
Street Address (suspect or assailant):		City:	State:	Zip:
Description of Incident: <i>(Provide a clear and brief statement of the facts. Include relevant dates that will assist in the investigation. If additional space is needed, use reverse side of this form or attach additional sheets.)</i>				
Extent of injury or estimated dollar value of property loss or damage:				
Witnesses Name #1:				
Street address:		City:	State:	Zip:
Home Phone:	Work Phone:	E-mail:		
Witnesses Name #2:				
Street address:		City:	State:	Zip:
Home Phone:	Work Phone:	E-mail:		
Witnesses Name #3:				
Street address:		City:	State:	Zip:
Home Phone:	Work Phone:	E-mail:		

The above information is true and correct to the best of my knowledge.

\_\_\_\_\_  
Signature of Complainant

\_\_\_\_\_  
Date

**DISTRIBUTION:**

Kansas Department of Commerce, Office of Broadband Development, 1000 S.W. Jackson Street, Suite 100, Topeka, KS 66612-1254 Phone: (785) 230-4615, [kdc\\_broadband@ks.gov](mailto:kdc_broadband@ks.gov) with subject line beginning: "Fraud & Abuse".