

# OFFICE OF LONG-TERM RESILIENCY



## Anti-Fraud, Waste, and Abuse (AFWA) Policy

Version 3.4

August 4, 2023

## Version History

Version Number	Date	Summary of Changes
1.0	12/2/2019	Original Version
2.0	3/30/2020	Updated all Office of Disaster Recovery (ODR) to Office of Long-Term Resiliency (OLTR) throughout the policy. This was done due to the Office changing its name.
3.0	6/8/2021	<p>General updates related to consistent font and section headings. Added Page Numbers throughout the document. Included a table after the title page to show policy updates. Adding “and Community Development Block Grant- Mitigation (CDBG-MIT)” throughout document.</p> <p>Updated policy section titles and added abbreviations specifically in the document title that changed from “Anti-Fraud, Waste, and Abuse Policy” to “Anti-Fraud, Waste, and Abuse (AFWA) Policy”.</p> <p>Added “<i>OLTR must provide a timely response within 15 working days of the receipt of a complaint, as stated in 84 FR 169.</i>” To the last paragraph in the AFWA Complaint Process Section.</p> <p>Added a new section, under “AFWA Prevention Measures” called “Fraud Related Training.”</p> <p>Under AFWA Prevention Measures, added additional examples for clarity.</p> <p>Updated title of “Scope” section to “AFWA Definitions” and reorganized the content inside the section.</p> <p>Replaced a paragraph in Cooperation with Official Department Investigations section with:</p> <p><i>“DEO employees must cooperate with duly appointed investigators from the Office of Inspector General to uncover the facts surrounding possible violations in an official investigation. This requirement is in accordance with FDEO Employee Handbook.”</i></p> <p>Added a “Fraud 101 Related Training” and “Administration” section after the “Cooperation with Official Department Investigations” section.</p>
3.1	2/8/2022	<p>Reformatted document for consistency with other OLTR Policy Documents</p> <p>Added Version Policy, Policy Change Control and Table of Contents</p>
3.2	6/22/2022	<p>Updated the following:</p> <ul style="list-style-type: none"> <li>• Commas have been added throughout the document as appropriate.</li> <li>• On page iii, “(OLTR)” was added after “Office of Long-Term Resiliency”</li> <li>• Section headers were changed for “Fraud Related Training” to “Fraud 101 Related Training” as well as “AFWA Definitions/Examples” to “AFWA Examples”</li> </ul>

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		<ul style="list-style-type: none"> <li>• Abuse was deleted from page 1 from the definitions as it is difficult to define and there is no true/accurate definition that can be used for it.</li> <li>• Bullet points were reorganized and a new subsection was made under “AFWA Prevention Measures” called “Additional Prevention Measures from DEO Include:”</li> <li>• Under the “AFWA Prevention Measures” section “prime contractor” under the third bullet point was changed to “contractor”</li> <li>• Changed “Constituent Services Manager” to “Constituent Services Lead” and “State” to “DEO OIG” in the second paragraph of the “Confidentiality” section.</li> <li>• Under the “Fraud 101 Related Training” section “attend fraud related training” was changed to “attend annual anti-fraud related training”</li> </ul>
3.3	12/13/2022	Added section titled “acknowledgment” which contains a letter template to acknowledge receipt of this policy.
3.4	8/4/2023	<p>Added the following sections</p> <ul style="list-style-type: none"> <li>• “AFWA Definitions”</li> <li>• “Related Statutory Guidance”</li> </ul> <p>Deleted definitions from the “AFWA Examples” section</p> <p>As of July 1, 2023, and per Florida HB 5, ch. 2023-173, L.O.F. the former Florida Department of Economic Opportunity has been renamed the Florida Department of Commerce, referred to as “FloridaCommerce.” To reflect this change, all references to the former Florida Department of Economic Opportunity (including “the Department” and “DEO”) have been updated to represent FloridaCommerce.</p> <p>Formatting and branding updated to reflect new agency branding.</p>

## **VERSION POLICY**

Version history is tracked in the Version History Table (page ii), with notes regarding version changes. Dates of each publication are also tracked in this table.

Substantive changes in this document that reflect a policy change will result in the issuance of a new version of the document. For example, a substantive policy change after the issuance of Version 1.0 would result in the issuance of Version 2.0, an increase in the primary version number. Non-substantive changes such as minor wording and editing or clarification of existing policy that do not affect interpretation or applicability of the policy will be included in minor version updates denoted by a sequential number increase behind the primary version number (i.e., Version 2.1, Version 2.2, etc.).

## **POLICY CHANGE CONTROL**

Policy review and changes for the State of Florida Office of Long-Term Resiliency (OLTR) are considered through a change-control process. Policy clarifications, additions, or deletions are needed during the course of the program to more precisely define the rules by which the Program will operate. Program staff will document policy-change requests that will be tracked in the program files. Requests are compiled and brought before supervisory staff in a policy meeting. Subject matter experts working in a particular policy area or task area that will be affected by the policy decision may be invited to assist in policy evaluation, if necessary. Policy meetings will be held as frequently as is necessary to consider policy decisions critical to moving the Program forward in a timely manner. Policy decisions will be documented and will result in the revision of the document in question.

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## **AFWA Definitions<sup>1</sup>**

**Abuse:** Behavior that is deficient or improper when compared with behavior that a prudent person considers reasonable and necessary in operational practice given the facts and circumstances.

**Fraud:** Any intentional act or omission designed to deceive others, resulting in either HUD/State suffering a loss or the perpetrator achieving a gain.

**Mismanagement:** Creating a substantial risk to an agency's ability to accomplish its mission.

**Retaliation:** Direct or indirect detrimental action recommended, threatened, or taken, because an individual provided a good faith report of fraud or mismanagement to the agency or cooperated in assigned fact finding activities.

### **Stakeholders**

- Full time and part time employees
- Contractors
- Grantees
- Sub-grantees/Beneficiaries
- Issuers

**Waste:** The act of using or expending/mismanaging resources carelessly, extravagantly, or with no purpose.

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<sup>1</sup> Fraud Risk Management Guide (Committee of Sponsoring Organizations of the Treadway Commission, 2016), Fraud, Waste, Abuse, and Mismanagement (GAO), Departmental Fraud Risk Management Policy (2022.1) (U.S. Department of Housing and Urban Development, Effective Date of this Policy: March 31, 2022)

## Anti-Fraud, Waste, and Abuse (AFWA)

The Florida Department of Commerce’s (FloridaCommerce), Office of Long-Term Resiliency (OLTR) is the recipient of Community Development Block Grant-Disaster Recovery (CDBG-DR) and Community Development Block Grant-Mitigation (CDBG-MIT) funds from the United States Department of Housing and Urban Development (HUD) to support long-term disaster recovery needs for housing, infrastructure, and economic development. As a steward of public funds, OLTR is actively working to combat fraud, waste, and abuse in its programs.

This policy is directed specifically to OLTR’s CDBG-DR and CDBG-MIT programs and is intended to establish procedures and processes that will aid in the detection and prevention of fraud, waste, and abuse in the CDBG-DR and CDBG-MIT programs.

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

## Related Statutory Guidance

The following citations are of specific federal and state laws in relation to fraud. Other rules or regulations may apply that are not listed below.

- **18 US Code (U.S.C.) 1001**

*(a.) Except as otherwise provided in this section, whoever, in any matter within the jurisdiction of the executive, legislative, or judicial branch of the Government of the United States, knowingly and willfully—*

*(1) falsifies, conceals, or covers up by any trick, scheme, or device a material fact;*

*(2) makes any materially false, fictitious, or fraudulent statement or representation; or*

*(3) makes or uses any false writing or document knowing the same to contain any materially false, fictitious, or fraudulent statement or entry;*

*shall be fined under this title, imprisoned not more than 5 years or, if the offense involves international or domestic terrorism (as defined in section 2331), imprisoned not more than 8 years, or both.*

- **Florida Statutes (F.S.) 837.06**

*False official statements. —Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his or her official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in s. 775.082 or s. 775.083.*

*History. —s. 58, ch. 74-383; s. 34, ch. 75-298; s. 207, ch. 91-224; s. 1313, ch. 97-102.*

## AFWA Examples

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)

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

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 for CDBG-DR and CDBG-MIT activities.
- Unnecessary cost or expenditures
- Diversion of program resources

## AFWA Complaint Process

Rebuild Florida participants, employees, and contractors may report suspected fraud, waste, or abuse by contacting Constituent Management Services staff, submitting information via the Report Fraud, Waste, or Abuse online form (<http://floridajobs.org/rebuildflorida/report>; all contact information fields are optional to allow for anonymity) or by sending an e-mail to [cdbq-dr\\_antifraudwasteabuse@deo.myflorida.com](mailto:cdbq-dr_antifraudwasteabuse@deo.myflorida.com).

All suspected cases of fraud will be taken seriously, and complaints will be reported to OLTR's Compliance and Reporting Manager and FloridaCommerce's Office of the Inspector General at [OIG@deo.myflorida.com](mailto:OIG@deo.myflorida.com). If FloridaCommerce's OIG determines that it is appropriate, it will coordinate its investigation with agencies such as the Florida Office of the Inspector General, the Florida Office of the Attorney General, or the Florida Department of Business and Professional Regulation.

All substantiated cases of fraud, waste, or abuse of government funds will be forwarded to HUD's Office of Inspector General (OIG), Fraud Hotline (1-800-347-3735 or email: [hotline@hudoig.gov](mailto:hotline@hudoig.gov)) and FloridaCommerce's HUD Community Planning and Development (CPD) Representative. *OLTR must provide a timely response within 15 working days of the receipt of a complaint, as stated in 84 FR 169.*

## AFWA Prevention Measures

OLTR's Compliance and Reporting Unit is responsible for ensuring that FloridaCommerce's CDBG-DR and CDBG-MIT programs comply with all federal and state regulations as well as recommending improvements that enhance programmatic efficiency, effectiveness, and documented results. Below are the main critical responsibilities of this unit:



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## ***Office of Long-Term Resiliency—Anti-Fraud, Waste, and Abuse Policy***

- Ensure ongoing compliance with federal, state, and local regulations through review of the policies and procedures, applicant eligibility and award determinations, and program activity files.
- Conduct regular internal monitoring of FloridaCommerce’s CDBG-DR and CDBG-MIT programs and report results to program managers and OLTR Director.
- Provide oversight monitoring for FloridaCommerce’s CDBG-DR and CDBG-MIT contractor.
- FloridaCommerce OLTR will monitor any duplication of benefits, any anomalies, any suspected fraud related to performance problems, and any abuse of funds, as stated in 83 FR 28.
- FloridaCommerce OLTR will review risk level of all grant programs to determine frequency of monitoring, as stated in 83 FR 28.
- Dependent upon risk level of grant programs, monitoring frequency and what is reviewed will vary, as stated in 83 FR 28.
- Identify and assist with investigations of potential fraud, referring cases to FloridaCommerce’s OIG as appropriate.
- Oversee and coordinate all reporting for FloridaCommerce’s CDBG-DR and CDBG-MIT programs, including federal reporting requirements, data analysis, and providing data dashboards for agency leadership.
- Provide technical assistance to program areas regarding compliance issues and questions, as well as monitoring findings.

Additional Prevention Measures from FloridaCommerce include:

- FloridaCommerce OIG will monitor FloridaCommerce OLTR’s internal financial management or programmatic oversight related to grantee activities and monitoring, 83 FR 28.
- FloridaCommerce’s Bureau of Financial Monitoring and Accountability provides an additional layer of financial oversight for the CDBG-DR and CDBG-MIT grant.
- FloridaCommerce OIG has authority in conducting audits, reviews, or evaluations of agency controls of OLTR. Thereby ensuring all OLTR monitored grant programs are inspected for any fraud, waste, or abuse.

## **Confidentiality**

Complainants reporting fraud, waste, and abuse of federal resource, or other program irregularities may remain anonymous. All information received about suspected fraud, waste, and abuse will be treated confidentially. Furthermore, all investigative materials developed, and interviews conducted to substantiate the allegations of fraud, waste, or abuse will be treated confidentially.

Information will only be disclosed on a need-to-know basis to appropriate law enforcement authorities. No information about the status of an investigation will be shared outside of the Constituent Services Lead, Policy Manager, Compliance and Reporting Manager, and CDBG-DR and CDBG-MIT Program Director and authorized OLTR staff members, except with the FloridaCommerce OIG or HUD OIG upon conclusion of the investigation or with law enforcement or legal counsel, in the event legal action should be needed.

## **Florida’s Whistle-blower’s Act**

OLTR understands that confidentiality is important to avoid retaliation against reporting individuals. Florida’s Whistle-blower’s Act prevents agencies or independent contractors from taking retaliatory action against an employee who reports to a person or agency designated by the statute (see next paragraph below) violations of law on the part of a public employer or independent contractor [as defined in Section

112.3187(3)(d), Florida Statutes], that create a substantial and specific danger to the public's health, safety or welfare. It also prevents agencies or independent contractors from taking retaliatory action against any person who discloses information to an appropriate agency alleging improper use of governmental office, gross waste of funds, or any other abuse or neglect of duty on the part of an agency, public officer, or employee.

Violations of this act should be reported in accordance with Section 112.3187, Florida Statutes. Any employee who has a complaint should immediately contact the Department head, Office of the Inspector General, the Governor's Office of the Chief Inspector General, the Florida Commission on Human Relations, or the state's whistle-blower's hotline at 1-800-543-5353 [Section 112.3187, Florida Statutes].

## **Cooperation with Official Department Investigations**

FloridaCommerce employees are required to maintain high standards of honesty, integrity, and impartiality and to place the interests of the public ahead of personal interests. When allegations of violations of these standards are received, full and accurate information must be obtained so management may respond appropriately.

FloridaCommerce employees must cooperate with duly appointed investigators from the Office of Inspector General to uncover the facts surrounding possible violations in an official investigation. This requirement is in accordance with FloridaCommerce Employee Handbook.

Failure to comply as specified above without a valid mitigating reason, such as exercising a right protected by federal or state law, will constitute a violation of this policy and subject the employee to appropriate disciplinary action up to and including dismissal.

## **Fraud 101 Related Training**

All applicable OLTR staff and all subrecipients shall attend annual anti-fraud related training provided by HUD OIG to assist in the proper management of CDBG-DR and CDBG-MIT grant funds.

## **Administration**

This AFWA policy will be reviewed annually and revised as necessary to comply with Federal and State requirements. OLTR's Compliance and Reporting Manager is responsible for the administration, revision, and application of this policy.

# Acknowledgment

**Office of Long-Term Resiliency (OLTR)  
Anti-Fraud, Waste, and Abuse (AFWA)  
Policy Acknowledgment Form**

I acknowledge (with my signature below) that I have received and read a copy of the Anti-Fraud, Waste, and Abuse policy and will adhere to the requirements associated with my employment at the Florida Department of Commerce, OLTR.

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Signature

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Date

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Print Name