

PURPOSE:

This policy defines employee fraud and abuse and establishes procedures which the local agency shall follow when identifying, investigating, and resolving allegations of employee fraud and abuse within the WIC Program.

DEFINITIONS:

Refer to Exhibit 9.01 A for definitions.

A. POLICY

1. The local agency is responsible for educating WIC employees about the WIC Program rules, policies and procedures. All employees shall sign the Michigan WIC Employee Agreement annually (see Exhibit A, Michigan WIC Employee Signature Form) in the presence of either the Local Agency WIC Coordinator, Clinic Supervisor, or local agency designee. A copy of the signed agreement shall be given to the employee and retained in the employee's personnel file with the Human Resources Department and the WIC Coordinator shall also have access to a copy.
2. Processing and Documenting Complaints:
 - a. The Local Agency WIC Coordinator shall log all allegations of employee fraud and abuse on the Employee Compliance Log (see Exhibit C, Employee Complaint Log). The allegation must also be documented on the WIC Employee Compliance Report Form (see Exhibit D, Employee Compliance Complaint Report Form).
 - b. Allegations of employee fraud and abuse shall not be logged in the MI-WIC System, however:
 - when fraud or abuse is alleged against a WIC employee who is also a participant, and the type of fraud and abuse is participation related, the local agency shall refer to MI-WIC Policy 9.01B Violation Types/ Sanctions, to determine the Violation Type/Sanction/Restitution amounts and to assure that appropriate actions are taken.
 - Document the report and investigation details on the appropriate forms (see Policy 9.02, Exhibits D Employee Compliance Complaint Report Form, E Employee Compliance Complaint Investigation Report and F Employee Notice of Complaint).
 - Additional actions shall also be applied per this policy and the local agency's Human Resources Policies.
 - c. A complaint may include any of the following:
 - A State or locally generated report.
 - Anonymous phone calls or letters alleging employee fraud and abuse.

- Report from WIC vendors, local agency employees, clients, other officials or the general public alleging employee fraud and abuse.
- Police reports
- In-clinic observation, eg. verbal or physical abuse, witness of entering false or misleading information.
- Public information reports (i.e. newspaper/internet information suggesting potential employee violation).
- Signed affidavit from a source that a WIC employee has misrepresented information.

Note: For discrimination complaints see Policy 1.09, Civil Rights.

- d. WIC applicants, clients, vendors and the general public have a right to make a written or verbal complaint regarding the Local WIC agency and its WIC employees.
 - Upon request of the complainant, local agency staff shall provide a Compliance Complaint Report Form (see Exhibit D, Employee Compliance Complaint Report Form) and the name, address, and telephone number of the WIC Coordinator to the complainant. The local agency staff shall assist persons in completing the Compliance Complaint Report Form if and when assistance is requested.
 - Staff shall forward all Compliance Complaint Report Forms to the WIC Coordinator.
3. Conducting the Investigation:
 - a. The local agency WIC Coordinator, or person(s) designated by the Coordinator as the Compliance Investigator(s), shall conduct the initial investigation of a complaint.
 - b. Obtain and review documentation pertaining to the allegation (see Exhibit E, Employee Compliance Complaint Investigation Report). The investigation may include, where appropriate, the collection and review of pertinent documents and information such as:
 - Certification/recertification dates and other chart documentation for the period in question, such as proof of income, residency, identification etc.
 - MI-WIC System reports and other on-line documentation of transactions.
 - Benefits/EBT transaction data from MI-WIC and/or EPPIC.
 - Documentation of cash value of EBT Benefits (access via EPPIC records).
 - If applicable, estimate the calculated dollar value of the abuse or fraud (i.e. EPPIC transactions, value of property/goods/services, etc.).
 - Signed affidavits or transcripts of telephone calls or in person reports from complainant and/or other individuals.
 - Police reports.

- Any pertinent employee complaint history.
 - Other documents/factors relevant to determine whether the employee has failed to comply with the policies and procedures of the WIC program.
- c. Whenever feasible, request a meeting with the employee to obtain an employee response and any additional information regarding the allegation. During the meeting, the following should take place:
- Follow human resources grievance procedures.
 - Discuss the allegation and the documentation/information collected.
 - Ask questions to help identify if the fraud and abuse was intentional. Take detailed notes during the interview.
 - Review the employee's personnel file. Discuss, if any, signed work agreements and the signed Michigan WIC Employee Signature Form (see Exhibit A, Michigan WIC Employee Signature Form).
 - Explain the investigation process, possible actions which may be taken, and any grievance procedures in place.
 - Provide counseling regarding repercussions of committing fraud and abuse as related to USDA regulations, etc.
- d. Document the details of the investigation on the Employee Compliance Investigation Report (see Exhibit E, Employee Compliance Investigation Report), making sure to include all steps that you have taken in the WIC Coordinator/Investigator Notes section.
- e. Identify and document multiple occurrences of abuse by the same employee(s).
- f. Depending on type of complaint (see Exhibit B, Employee Violation Types/Sanctions,), Local Agency Coordinator shall remove the employee from access to EBT benefits and remove roles, until the investigation is complete.
- g. Analyze the information collected and determine if there is sufficient evidence to substantiate the allegation.
- h. Notify the State Compliance Lead immediately if the complaint has been substantiated (see Exhibit B, Employee Violation Types/Sanctions).

Note: It is expected that the Local Agency will follow its own Human Resources Policy in conjunction with this policy when abuse and fraud by an employee is reported. Where the Agency's policy does not address WIC specific incidences this policy shall be applied.

4. Confirmed Allegations and Employee Sanctions:

In Conjunction with MDCH WIC Division:

- a. Determine the action or sanction to be applied based on the type of violation (see Exhibit B, Employee Violation Types/Sanctions).
- b. Refer to local agency's Human Resource Policy for applying the sanction and notifying the employee. If no policy exists as such:
 - Draft and sign the "Employee Notice of Complaint" (see Exhibit F, Employee Notice of Complaint). Include the alleged violation, investigation findings, action to be taken, if any, and the effective date of the sanction.
 - The "Employee Notice of Complaint" letter shall be delivered by certified mail or in person to the employee.
 - i. If the employee is physically present, s/he may sign for the notice acknowledging receipt of the notice and that a copy has been provided.
 - ii. If the employee refuses to sign a receipt, it shall be documented under the signature line that the employee refused to sign.
- c. Implement the sanction and notify all parties as required.
- d. Forward a copy of the Employee Compliance Complaint Report Form (see Exhibit D), Employee Compliance Investigation Report (see Exhibit E), Employee Notice of Complaint (see Exhibit F), and any other pertinent documentation to the MDCH/WIC Division Compliance Lead upon confirmation of allegation and implementation of sanction.

5. Record Keeping and Retention:

- a. All complaint reports and corresponding investigation documentation must be maintained in a secure, centralized, file, separate from the employee's file.
- b. All complaints and supporting documentation should be kept for a period of three years and 150 days (Local Agency Human Resources policy may designate other, additional period of retention of documentation).

B. GUIDANCE

1. The Coordinator may review the content of the complaint with the MDCH/WIC Division Compliance Lead to obtain guidance and to determine possible investigation strategies when needed.
2. It is recommended that employee complaint documentation should be kept in separate files in a locked file cabinet or other place that can be kept confidential.
3. The Michigan WIC Employee Confidentiality and Compliance Agreement and Signature form may be reviewed and signed by WIC staff in conjunction with the annual Civil Rights training.

References:

Federal Regulations 246.23 (d)

Cross References:

1.06 Records Retention and Destruction

9.01 Client Compliance

Exhibits:

9.02 A Michigan WIC Employee Signature Form

9.02 B Employee Violation Types/Sanctions

9.02 C Employee/Agency Complaint Log

9.02 D Employee Compliance Complaint Report Form

9.02 E Employee Compliance Complaint and Investigation Report Form

9.02 F Employee Notice of Complaint