



Workforce System Directive
Special Issue and Investigative Monitoring

Effective Date of Policy: 1/19/24

Policy Number: WSD #83-2024

Rescissions: OWDI #08-2020

Approved By: Trae Rahill, Chief Executive Officer

Approved by Governor's Council for Workforce and Economic Development: 01/19/2024

STAKEHOLDERS:

- Chief Local Elected Officials
- Workforce Development Board Chairs
- Workforce Development Board Staff
- Designated Fiscal Agent Staff
- Oklahoma Career Tech
- Oklahoma Rehabilitation Services
- Wagner Peyser

REFERENCES:

- [Workforce Innovation and Opportunity Act](#)
- Workforce Innovation and Opportunity Act Sec. 184
- Federal Register/Vol. 78. No. 248, Part 200
- Federal Register/Vol. 81. No. 161, Part 683
- [2 CFR 200.113](#)
- [2 CFR 200.207](#)
- [2 CFR 200.338](#)
- [2 CFR 200.328-331](#)
- [2 CFR 200.519](#)
- [20 CFR 683.400-683.440](#)
- [20 CFR 683.410 \(b\)](#)
- [20 CFR 683.620](#)
- [20 CFR 683.700-683.750](#)
- WSD #04-2024
- WSD #26-2024
- WSD 20-2024

PURPOSE: The Oklahoma Employment Security Commission (OESC), as the Governor's chosen Workforce Innovation and Opportunity Act (WIOA) administrative entity, provides this issuance as guidance to communicate and implement the process for Special Issue and Investigative monitoring for recipients of federally funded programs and grants administered by the OESC.

MESSAGE:

Under the WIOA regulations, the U.S. Secretary of Labor holds the recipient (Governor) responsible for all funds granted to the State. The OESC is responsible for the oversight and monitoring of each Local Workforce Development Board and grant subrecipients to ensure proper stewardship of the Workforce Innovation and Opportunity Act (WIOA). The Governor establishes herein the general procedures and standards for the OESC to conduct Special Issue and Investigative monitoring outside of routine monitoring when the integrity of its grants and programs may be in jeopardy.

Special Issue/Investigation Monitoring Process

The OESC reserves the right to call for a Special Issue and Investigative monitoring when the integrity of its grants and programs may be in jeopardy. In addition to routine annual monitoring, the OESC may investigate any matter(s) deemed necessary to determine compliance with all applicable laws, regulations, uniform administrative requirements, and State and locally established policies. These investigations may be performed at any time. OESC reserves the option to conduct unannounced or unscheduled reviews as appropriate.

The OESC may conduct such monitoring by calling for a special report or a monitoring team visit, by imposing a designation, or by calling for other activities intended to gather further information about situations at the local area that give rise to concerns about the integrity of the WIOA program or any programs operated by the OESC.

Such allegations of misconduct will be reviewed in a timely manner and, if necessary, investigated at the direction of the VP of Workforce Services of OESC to determine the relevant facts and circumstances of the alleged violation or misconduct and, if necessary, conduct a thorough and timely investigation. Investigation reports will be submitted to appropriate personnel, who are responsible for determining the appropriate corrective and disciplinary actions.

Special Issue/Investigation Procedure

The OESC will conduct a preliminary inquiry and review of the facts and circumstances relating to a potential investigation. This inquiry may include obtaining additional documents or information from complainants, witnesses, other agencies, and/or the local area or subrecipient itself.

The OESC will use a variety of monitoring approaches to gather evidence related to alleged wrongdoing including but not limited to potential violations of state or federal law, rules and regulations, policies and procedures, and other abuses that may negatively impact any program

that the OESC has oversight over. Investigations will focus on obtaining sufficient factual evidence to determine whether certain actions should be taken against a Local Area or subrecipient.

Not all preliminary inquiries will result in an investigation. Some inquiries will be dismissed as the allegations contained within the complaint do not allege facts that, if true, would lead to a violation of law, rule, or policy.

OESC may also suspect a violation of law, rule, or policy, but may not determine that such violation rises to the level of requiring an Investigation. In such event, OESC will inform parties involved and may seek to enter into an agreement with the local area or sub-recipient for potential corrective actions or other sanctions.

Reporting Requirements

Incidents involving possible or suspected fraudulent or criminal use of WIOA Title I-B funds or any grants administered by the OESC will be reported to the Department of Labor, Office of Inspector General (DOL, OIG) or appropriate authority.

Reportable Issues

Incidents that may fall under a Special Issue and Investigative Monitoring include, but are not limited to, reportable Issues as outlined in WSD #26-2024, Fraud and Incident Reporting.

Report and Distribution

The OESC VP of Workforce Services will electronically issue a report, if applicable, within a reasonable time frame following the review to the Chief Local Elected Official (CLEO), local area fiscal agent, LWDB, or OESC's subrecipient/subgrantee. If evidence of possible violations is discovered, they will be detailed in the report. The report shall be based, in part, on the requirements of WIOA, the regulations promulgated thereunder, administrative requirements, applicable cost principles, grant agreements, and state and local policies. The report will include noncompliance findings supported by citations and required corrective actions and sanctions.

Corrective Actions, Sanctions, and Monitoring Resolution

The OESC VP of Workforce Services is responsible for monitoring resolution. Resolution of a monitoring finding is required when there are disallowed or questioned costs, administrative findings, or deficiencies.

The CLEO, local area fiscal agent, LWDB, or subrecipient/subgrantee has thirty (30) days from the date of the monitoring report to submit a single coordinated area response to designated portions of the monitoring report to the OESC VP of Workforce Services or his or her designee, unless another timeframe for response is noted in the initial determination. The response must be submitted electronically using the report template provided by OESC, and must contain all additional information, documents, or opinions the CLEO, local area fiscal agent, LWDB, or OESC's subrecipient/subgrantee want to have considered in the final determination. Electronic copies of supporting documents submitted as exhibits in support of responses to the monitoring report findings are required. Documents submitted as exhibits must be organized and referenced to facilitate easy identification and analysis by OESC staff.

An entity submitting a response to the monitoring report may request in writing a review of new documentation within an additional thirty (30) day, time period, unless another timeframe for review is noted in official correspondence with OESC. The OESC VP of Workforce Services or his or her designee will determine if new information provided warrants additional time and will advise the entity in writing of his or her decision within a reasonable timeframe. The OESC VP of Workforce Services or his or her designee may request additional information from the entity submitting a response if clarification is needed.

All monitoring findings shall be resolved within six (6) months after the initial monitoring report is issued, unless another timeframe is noted in official correspondence with OESC. The Special Issue and Investigative monitoring may result in sanctions, including such actions as submission of a Federal Incident Report, audits conducted by third parties, and temporary administrative oversight by the OESC of all, or part, of the LWDB's functions. See WSD #20-2024, Sanctions and Resolution Process for more information about corrective actions and sanctions.

Appeal and Hearing Procedures

If the subrecipient is not satisfied with the determination(s) issued in the final determination, it may file an appeal as detailed under Appeal and Hearing Procedures in WSD #04-2024, Governor's Oversight and Monitoring.

EQUAL OPPORTUNITY AND NONDISCRIMINATION STATEMENT: All Recipients, and Sub-recipients/Sub-grantees must comply with WIOA's Equal Opportunity and Nondiscrimination provisions which prohibit discrimination on the basis of race, color, religion, sex (including pregnancy, childbirth, and related medical conditions, transgender status, and gender identity), national origin (including limited English proficiency), age, disability, political affiliation or belief, or, for beneficiaries, applicants, and participants only, on the basis of citizenship status or participation in a WIOA Title-I financially assisted program or activity.

ACTION REQUIRED: This Workforce System Directive (WSD) is to become a part of your permanent records and made available to appropriate staff and sub-recipients.

INQUIRIES: If you have any questions or concerns regarding issuance email: WorkforceServices.Inquiry@oesc.ok.gov.