



Prevention of Fraud, Waste, and Abuse Policy  
Resilient SRQ: Community Development Block  
Grant - Disaster Recovery

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## Version History

Version	Date	Notes
1.0	1/24/2024	Original Version submitted to HUD
1.1	12/12/2024	Non-substantial changes made throughout.

## Overview

Sarasota County is a recipient of the Community Development Block Grant-Disaster Recovery (CDBG-DR) grant from the United States Department of Housing and Urban Development (HUD) funds to support long-term disaster recovery needs in the areas of housing, infrastructure, and economic recovery in affected areas. The funds are administered by Sarasota County’s Office of Financial Management, Program Management Division, and its collective operations and administration of these funds are identified herein as the “CDBG-DR Program.” As a steward of public funds, the County established procedures specifically for the CDBG-DR Program to prevent fraud, waste, and abuse.

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

This policy manual may be updated throughout the CDBG-DR process and changes will be reflected in the Version History.

## Prevention of Fraud, Waste, and Abuse

The County actively works to combat fraud, waste, and abuse in its programs. This section establishes procedures and processes that will aid in the detection and prevention of fraud, waste, and abuse specifically for the CDBG-DR Program.

### 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.

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
- Falsifying eligibility
- Destruction or concealment of records or assets

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 benefits
- Misusing funds (diverting them for an unintended use)
- Falsification of information in applications, contracts or procurement process
- Billing for services not rendered or duplication of payments
- Bribery or kickbacks
- False claims or bid rigging
- Theft, embezzlement, or other misapplication of funds or assets
- Impropriety in handling or reporting money or financial transactions
- Profiting as a result of insider knowledge
- Any dishonest or fraudulent act

**WASTE AND MISMANAGEMENT** includes over-utilizing County services, supplies or equipment, or causing unnecessary costs through carelessness or inefficiency. Failure to observe laws, rules or regulations when handling public funds leading to a wrongful use of public funds may constitute waste and mismanagement.

For example, incurring unnecessary costs resulting from inefficient or ineffective practices, systems, or controls, such as, but are not limited to, the following:

- Purchasing unnecessary supplies, material, and equipment.
- Purchasing supplies without regard to cost.
- Using supplies, materials, and equipment carelessly resulting in unnecessary waste and replacement.

**ABUSE** is the intentional, wrongful, excessive or improper use of a thing, or to use something in a manner contrary to the natural or legal rules for its use. Abuse can occur in financial or non-financial settings. 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 include, but are not limited to, the following:

- Making procurement or vendor selections that are contrary to existing policies or are unnecessarily extravagant or expensive
- Receiving favor for awarding contracts to certain vendors
- Using one's position for personal gain or to gain an advantage over another
- Failure to report damage to equipment or property
- Creating unneeded overtime
- Requesting staff to perform personal errands or work tasks for a supervisor or manager
- 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 activities from the County.
- Unnecessary cost or expenditures
- Diversion of program resources

## Complaint Processes

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 contacting CDBG-DR program staff or by emailing [ResilientSRQ@scgov.net](mailto:ResilientSRQ@scgov.net). Persons, internally working within the program as well as beneficiaries, and other persons can also anonymously report via Sarasota County's Fraud Hotline.

### **By Phone**

Call the toll-free Fraud Hotline 855-506-0304.

This hotline is managed by an independent, outside reporting company.

### **By Mail**

P.O. Box 3079

Sarasota, FL 34230

### **By Fax**

You may also fax your inquiry to 941-861-5704.

### **In Person**

Sarasota County Administration Center

Internal Audit Department

1660 Ringling Boulevard

Sarasota, FL 34236

If a complaint is received directly by the CDBG-DR program staff, upon receiving, the CDBG-DR Policy and Compliance Program Manager or their designee will have the primary duty of analyzing the complaint. If the allegations have no grounds or are not supported by any documentation, the file will be documented and closed. If the CDBG-DR Policy and Compliance Program Manager or their designee determines the complaint is substantiated, they will turn over investigation to the Sarasota County Office of the Inspector General, the Sarasota County Sheriff's Office, or the appropriate regulatory agency.

Instances of fraud, waste, or abuse of CDBG-DR funds will be forwarded to the United States Department of Housing and Urban Development Office of Inspector General (HUD OIG) Fraud Hotline (phone: 1-800-347-3735 or email: [hotline@hudoig.gov](mailto:hotline@hudoig.gov)) as well as the Sarasota County Office of the Inspector General Fraud Hotline (phone: 1-855-506-0304).

## Prevention Measures

Sarasota County is responsible for ensuring that the CDBG-DR Program actively work to prevent fraud, waste, and abuse and maintain compliance with all federal and state laws, which includes but is not limited to the following preventative measures:

- Ongoing compliance with federal, state, and local regulations through review of the policies and procedures, project and beneficiary eligibility and award determinations, and program activity files.
- Conduct regular internal monitoring of the CDBG-DR Program and report findings to the CDBG-DR Policy and Compliance Program Manager. Sarasota County will regularly review the risk level of all grant programs to determine frequency of monitoring of subrecipients, contractors, and other program participants. For monitoring of other agencies that will administer the County's CDBG-DR funds in a subrecipient capacity, these activities will be in accordance with the Subrecipient Monitoring Section of this policy.
- Verify the accuracy of information provided by establishing policies and procedures. These policies may include but are not limited to using third party data to verify the applicant's information and requiring attestations or certifications that the information provided is true and accurate. These policies are designed to mitigate and monitor the risk of fraud through the establishment of measures and detailed steps to manage the information and documents pertaining to each area and program.
- Conform to the standards of Sarasota County's Code of Ethics Policy as administered by the Ethics and Compliance Office and the Sarasota County's Ethics and Compliance Officer. The Ethics Policy can be found at the Sarasota County Ethics and Compliance webpage.
- For procurement of supplies, equipment, construction, and services by Sarasota County in accordance with the requirements of [24 CFR 570.489\(g\)](#) and [24 CFR 570.489\(h\)](#), as amended shall comply with Sarasota County's Procurement Manual and Procurement Code Section 2-213 on Ethical Standards and require contractors to comply with the Conflict-of-Interest provisions contained within [24 CFR 570.611](#) and [2 CFR 200.318](#). Any conflicts of interest for procurement of supplies, equipment, construction, and services will be disclosed in writing to Sarasota County's Office of Financial Management Grants Team who will provide prompt written disclosure to HUD where applicable.
- For cases not governed by [24 CFR 570.489\(h\)\(i\)](#), conform to the requirements of [24 CFR 570.489\(h\)\(ii\)](#) through adherence of the Code of Ethics for Public Officers and Employees, as adopted by the Legislature as Part III of Chapter 112, Florida Statutes. Any conflicts of interest for cases not governed by [24 CFR 570.489\(h\)\(i\)](#), will be disclosed in writing to Sarasota County's Office of Financial Management Grants Team who will provide prompt written disclosure to HUD where applicable.
- Provide technical assistance to program areas regarding compliance issues and questions, as well as monitoring findings.

All Sarasota County CDBG-DR staff are required to complete fraud-related training provided on the County's website. Subrecipient staff directly involved in the CDBG-DR grant are not required but are encouraged to view this training.

Sarasota County's CDBG-DR Program is available to audit by the Sarasota County Clerk and Comptroller's Office, Sarasota County Office of the Inspector General, and will otherwise conform to annual Single Audit Act requirements performed by an independent auditor.

## Subrecipient Oversight to Prevent Fraud, Waste, and Abuse

Sarasota County will monitor subrecipients administering CDBG-DR funds to ensure compliance with federal and program regulations, as required by 2 CFR § 200.331 and § 200.332. Subrecipient monitoring will include:

- Conducting pre-award risk assessments to evaluate capacity and compliance history.
- Reviewing financial and performance reports.
- Verifying compliance with audit requirements under 2 CFR Part 200, Subpart F.
- Addressing deficiencies and ensuring timely corrective actions.

Additional details are outlined in the CDBG-DR Monitoring Policy.

## Fraud Awareness and Assistance

Sarasota County's CDBG-DR Program will make CDBG-DR beneficiaries and subrecipients aware of the risks of contractor fraud and other potentially fraudulent activity that can occur in communities recovering from a disaster. Information on how to prevent fraud will be provided on the CDBG-DR website. In addition, CDBG-DR staff will educate the community on how to identify and report fraudulent activity by having information available in program manuals. .

Unlicensed contractor or contractor complaints can be reported to Sarasota County at 941-861-5000 or by email to [ula@scgov.net](mailto:ula@scgov.net) or [licensing@scgov.net](mailto:licensing@scgov.net) and the Florida Department of Business and Professional Regulation (DBPR) at 866-532-1440 or by email [ula@dbpr.state.fl.us](mailto:ula@dbpr.state.fl.us).

## Confidentiality

Any allegations or complaints received will be treated with extreme confidentiality and all suspected cases of fraud will be taken seriously. Complainants reporting fraud, waste and abuse of CDBG-DR will be treated confidentially as well as all investigative materials developed, and interviews conducted to substantiate the allegations of fraud, waste, or abuse. 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 staff of the CDBG-DR Program and other authorized Sarasota County staff, except with the State or HUD OIG upon conclusion of the investigation or with law enforcement or legal counsel, in the event legal action should be needed.

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

## Florida's Whistle-blower's Act

Confidentiality is essential to protect individuals who report violations from retaliation. 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 under the statute. These violations of law must

involve by 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.

## Federal Whistleblower

Employees, subcontractors, grantees and subgrantees of a federally funded contract are protected under [41 USC 4712](#), Enhancement of Contractor Protection from Reprisal for Disclosure of Certain Information. The HUD Office of Inspector General plays an important role investigating retaliation by a HUD contractor, grantee, subcontractor, or subgrantee against an employee who discloses such wrongdoing. If retaliation is confirmed, the federal agency responsible for the grant or contract may order corrective actions, including reversing retaliatory measures and compensating the employee for damages.

A retaliation complaint can be filed via HUD OIG's Hotline, located on <https://www.hudoig.gov>. Select the red tab marked "Hotline" to access the online complaint form. Complaints may also file a complaint via email at [Whistleblower@hudoig.gov](mailto:Whistleblower@hudoig.gov).

## Participation

Sarasota County employees and any contractual staff or subrecipients are required to maintain high standards of honesty, integrity, and impartiality and to place the interests of the public ahead of personal interest. When allegations of violations of these standards are received, full and accurate information must be obtained so that management can respond appropriately.

Sarasota County employees must cooperate with duly appointed investigators from the Sarasota Clerk Office of Inspector General, or the HUD General Office of Inspector to uncover the facts surrounding possible violations in an official investigation. Employees who do not cooperate may be subject to disciplinary procedures in accordance with Sarasota County Human Resources Employee Manual. For non-county employees, CDBG-DR staff will seek remedies for noncompliance with contractual agreements, up to and including termination and return of funds, for failure to participate in an investigation.