

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



## Contents

- Overview ..... 1
- Prevention of Fraud, Waste, and Abuse ..... 2
  - Definitions And Examples ..... 2
  - Complaint Processes ..... 3
  - Prevention Measures ..... 3
  - Subrecipient Monitoring and Management ..... 4
  - Fraud Awareness and Assistance ..... 5
  - Confidentiality ..... 5
  - Florida’s Whistle-blower’s Act ..... 5
  - Federal Whistleblower ..... 6
  - Participation ..... 6

## 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 development 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, maintain a comprehensive website, prevent duplication of benefits, and ensure timeliness of expenditures.

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

As a steward of public funds, 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

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)

**WASTE** includes over-utilizing County services, supplies or equipment, or causing unnecessary costs through carelessness or inefficiency.

**ABUSE** includes activities that result in unnecessary costs to the County. 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.

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 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 at 855-506-0304. This hotline is managed by an independent, outside reporting company.

If a complaint is received directly by the CDBG-DR program staff, upon receiving, the CDBG-DR 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 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 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 and its subrecipients shall attend fraud related training provided by HUD OIG, when offered, to assist in the proper management of CDBG-DR grant funds.

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 Monitoring and Management

County will make a determination regarding agreements with other agencies, as to whether the agreement constitutes a contract or a subrecipient relationship per 2 CFR § 200.331. If determined a Subrecipient, County will ensure that subawards are issued that meet all requirements per 2 CFR § 200.332. Sarasota County will monitor other agencies that administer CDBG-DR funds including subrecipients. Monitoring of subrecipients will occur at least once annually during the grant life cycle to ensure compliance with the CDBG-DR regulations and monitoring level and frequency will be commensurate with experience of subrecipient and risks of the grant program.

When determining the capacity of potential subrecipients, the County will follow the process outlined in the Grants Policy and Procedures Manual, to include employing a pre-award risk assessment in conformance with 2 CFR 200.332(b). The risk considerations shall include but is not limited to the subrecipient's prior experience with similar subawards, the results of previous audits to a similar program, and whether the subrecipient has new personnel or new systems.

Additional monitoring will also include the following as required in the Sarasota County Grants Policy and Procedures Manual (2021) and in conformance with 2 CFR 200.332(d):

1. Reviewing financial and performance reports, required by the County.
2. Verify subrecipient is audited, as required by 2 CFR Part 200, Subpart F –Audit Requirements and or Florida Single Audit Act
3. Following-up and ensuring the subrecipient takes timely and appropriate action on all deficiencies, pertaining to the Federal award provided to the subrecipient from the County, detected through audits, on-site reviews, and other means.

4. Issuing a management decision for audit findings, pertaining to the Federal award provided to the subrecipient from the County, as required by 2 CFR 200.521 Management decision.
5. Performing desk and/or on-site review of the subrecipients program operations.

## 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 and in application documents. In addition, CDBG-DR staff will educate the community at CDBG-DR information sessions on how to identify and report fraudulent activity by having flyers, handouts, or other information available at information sessions or other applicant resource pages for CDBG-DR.

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).

If Sarasota County determines the beneficiary is eligible for additional assistance as a result of any fraudulent activity, the beneficiary will be given the opportunity to submit a new request and re-evaluation of their remaining unmet need. The unmet need will be reviewed by program staff before determining the unmet need award amount, subject to the applicable program policies and available funding, where the fraudulent activity occurred.

## Confidentiality

Any information 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.

## Florida's Whistle-blower's Act

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].

## 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 wrongdoing by their employer in a federal program. Where the Inspector General's investigation supports retaliation, the federal agency responsible for the grant or contract may order the contractor or grantee to unwind the retaliation and to pay for damages incurred by the employee because of the retaliation.

A retaliation complaint can be filed via HUD OIG's Hotline, located on public website, <https://www.hudoig.gov>. Select the red tab marked "Hotline" and you will be taken to an online form you can fill out. Employees, subcontractors, grantees and subgrantees may also file a complaint via [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.