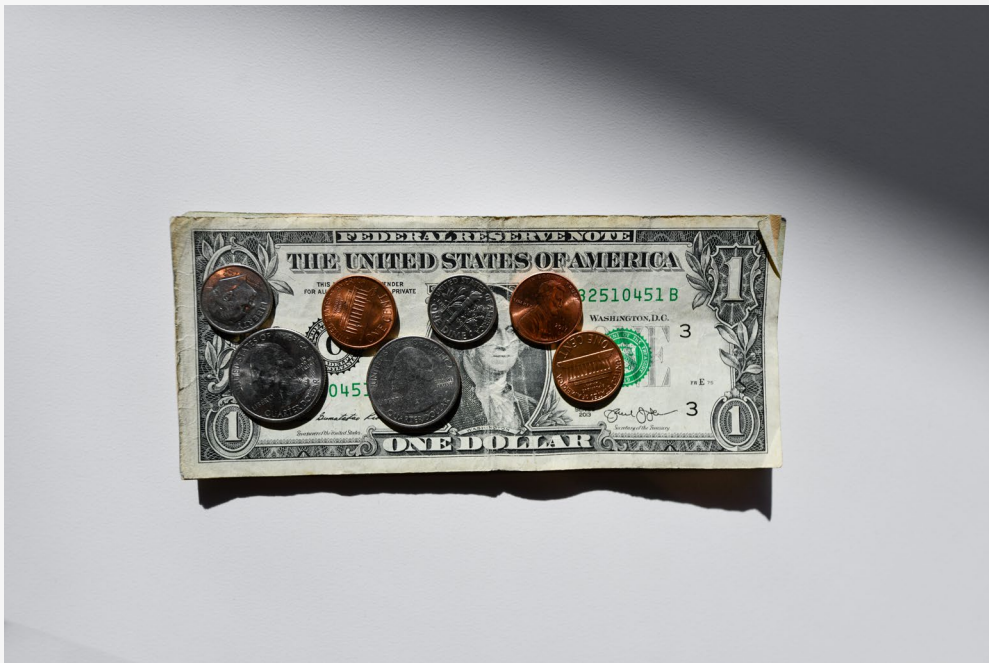


Safeguarding Against **FRAUD** in Traffic Safety Projects

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What is Fraud?



Fraud is an illegal act that involves obtaining something of value through *willful misrepresentation*.

Federal False Claims Act

31 USC §3729, et. seq.

Subjects any person to liability who:

- a) Knowingly presents or causes to be presented, a false or fraudulent claim for payment or approval;
- b) Knowingly makes, uses, or causes to be made or used, a false record or statement material to a false or fraudulent claim;
- c) \$5,000 - \$10,000 criminal penalty
- d) 3 times the actual damages suffered by the government (against the individual)
- e) Court costs

Federal False Claims Act

The Act does not require an actual payment to be made in order to be a violation. It doesn't matter if the claim is made for personal gain or not.

***JUST MAKING THE CLAIM IS A VIOLATION
OF THE FEDERAL FALSE CLAIMS ACT.***

Red Flags

Behavioral:

- Unusual work schedules
- Inconsistent or illogical explanations of discrepancies
- Lack of response to communications
- Lack of supervision during grant procedures

Procedural:

- Complaints from program beneficiaries
- Consistently late or incomplete reports
- Lack of open communication

Red Flags

Transactional:

- Unusual endorsements on documents
- Agency spending and reported grant activity don't match
- Inventory or supplies unaccounted for
- Numbers that do not balance or show differently in different documents

Common Fraudulent Activities

- Falsification of activity sheets or time sheets
- Falsification of warnings or citations
- Misuse of administrative time
- Billing the grant for non-traffic safety activity
- Officers reporting OT when they are not OT eligible or are on-duty for a regular shift
- Subcontractor/Vendor false documentation

OHSO's Prevention Strategies

- Pre-Application Questions
- Risk Assessments
- Project Director's Training Course
- Purchasing & Inventory Policy Collection
- Single Audit Report Referencing
- Separation of Duties in Reimbursement
- Appropriate Project Monitoring & Report Review
- Required Disclaimer

Required Disclaimer

“I understand that this information is being submitted to support a claim against a federally-funded grant program. False statements on this form may be prosecutable under 18 USC 1001. The information on this form is true, correct, and complete to the best of my knowledge and ability.”

Your Prevention Strategies

- Communicate the benchmarks, goals, requirements, and deliverables for the project with all personnel involved with the grant.
- Inform supervisors and all project personnel of the unique parameters of grant activity.
- Conduct periodic checks of agency systems and grant procedures: personnel changes, time and attendance quality checks, use of forms, payroll documentation, grant activities, etc.
- Maintain consistent communication with your Program Manager.

Your Prevention Strategies

- Have a process in place for staff to record start and end times.
- Prepare planned project activity events and shift schedules in advance, when possible.
- Train project employees regarding procedures for unforeseen and/or planned interruptions during OHSO activities.
- Salaried employees should be held accountable to provide evidence that their grant funded time was dedicated to grant activities.

Suspect Fraud?

- Supervisors/Agency Administrators
- OHSO Program Manager
- Local District Attorneys
- State Attorney General
- USDOT – Office of the Inspector General
 - ✓ 1-800-424-9071
 - ✓ hotline@oig.dot.gov
 - ✓ Federal Grantor Agency (NHTSA)

Questions?

Contact your Program Manager.