



STATE OF MISSISSIPPI
HALEY BARBOUR, GOVERNOR
MISSISSIPPI DEVELOPMENT AUTHORITY
Gray Swoope
EXECUTIVE DIRECTOR

LONG TERM WORKFORCE HOUSING MEMORANDUM

DATE: APRIL 30, 2010

SUBJECT: FRAUD GUIDANCE

- I. BACKGROUND:** From time to time sub-recipients or sub-grantees (collectively “sub-recipients”) in the Long Term Workforce (LTWH) Program may suspect that one or more applicants has engaged or is engaging in fraudulent activities. MDA has determined that guidance should be provided to sub-recipients regarding such situations.
- II. GUIDANCE AND APPLICATION OF GUIDANCE:**
- A. Sub-recipients have a duty to report suspected fraud to the appropriate investigating agency.
- B. The following is the link to the Office of the Mississippi State Auditor through which suspected fraud may be directly reported: <http://www.osa.state.ms.us/complaint.asp>. This online form notifies the State Auditor’s Office and is reviewed by the Katrina Fraud Task Force. The toll-free telephone number of the State Auditor’s Office is 800-321-1275.
- C. Sub-recipients also may report suspected fraud to the appropriate local, state or federal law enforcement agency. The U.S. Department of Justice Katrina Fraud website is <http://www.justice.gov/criminal/katrina>, and the Fraud Hotline number is 866-720-5721. The Federal Bureau of Investigation hotline number is 800-CALL-FBI (225-5324).
- D. In those circumstances in which sub-recipients suspect an applicant or applicants have engaged in or are engaging in fraudulent activities, sub-recipients are obligated to place a “hold” on the processing of such applicant(s)’ applications, other paperwork, payments to or on behalf of such applicant(s), or any other benefit to be provided to or on behalf of such applicant(s). Except as provided in the next sentence, no further processing of such applicant(s) should occur until such time, if any, as the questions regarding applicant(s)’ activities have been resolved in a manner satisfactory to the investigating agency and the particular Sub-recipient. Unless directed otherwise by the investigating agency, if no satisfactory resolution of the questions has been reached within six (6) months of placing the applicant(s) on hold, the sub-recipient may decline the applicant(s) on the basis of the pending investigation or for such other reason(s) as may be provided in the sub-recipient’s LTWH policies and procedures.
- E. Within five (5) business days of placing a hold on the processing referred to in part II B. above, the sub-recipient is required to notify the MDA Project Manager for the project that the applicant is on hold due to suspected fraud and the details of the referral. If an applicant previously placed on hold is declined under the provisions of the last sentence in section II D above, the sub-recipient is required to notify the MDA Project Manager within five (5) business days of the date of the decision to decline and the reasons for that decision.

F. Sub-recipients may notify the applicant(s) in question that their application(s) are under review by the State Auditor's Office or other investigating agency, as the case may be. Unless directed otherwise by the investigating agency, sub-recipients should not inform the applicant(s) in question that they are under suspicion of fraud.

IV. REQUIRED ACTION: The Sub-recipient must adhere to this Fraud Guidance and maintain it on file for future reference.

V. CONTACT: Questions concerning this Fraud Guidance should be addressed to the appropriate Horne Project Coordinator.