

**ST. CLAIR COUNTY  
INTERGOVERNMENTAL GRANTS  
DEPARTMENT**

**COMMUNITY DEVELOPMENT BLOCK GRANT  
DISASTER RECOVERY  
CDBG-DR Anti-Fraud, Waste or Abuse (AFWA)  
Policy & Procedure Manual**



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## OVERVIEW

The St. Clair County Intergovernmental Grants Department (IGD), as grantee, is committed to the responsible management of the Community Development Block Grant Disaster Recovery (CDBG-DR) funds. The U.S. Department of Housing and Urban Development (HUD) allocated these funds to address the County's recovery needs associated with the 2022 and 2024 floods. In doing so, IGD is dedicated to being a good steward of resources while maintaining a comprehensive policy for preventing, detecting, reporting and rectifying fraud, waste or abuse. To that end, the IGD encourages any individual who is aware or suspects any kind of conduct or activity that may be considered an act of fraud, waste, or abuse, regarding the CDBG-DR Program, to report such acts to IGD's Internal Auditor, directly to the Office of Inspector General (OIG) at HUD, or any local or federal law enforcement agency.

## SCOPE

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

## DISCUSSION

IGD, as grantee of the CDBG-DR Program, is responsible for preventing, detecting, reporting and rectifying incidents of fraud, waste, or abuse, among other irregularities related to the Program. The purpose of this policy is to encourage any individual to raise any concern, known or suspected, of acts of fraud, waste, or abuse by anyone involved with the CDBG-DR Program. The process is for concerns to be raised, investigated, and, where appropriate, acted upon.

## 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. There are many forms of fraud.

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

**Abuse** includes activities that result in unnecessary costs to IGD or any subrecipients. 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** 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 benefit
- Misusing funds (diverting them for an unintended use)

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 from IGD or any subrecipient
- Accepting or seeking anything of material value from contractors, vendors, or any person that is providing services for CDBG-DR activities
- Unnecessary cost or expenditures
- Diversion of program resources

### **AFWA Related Trainings**

IGD shall require all CDBG-DR Program's staff, partners, and subrecipients that are receiving funds for the first time to attend fraud related training provided by the HUD Office of Inspector General (OIG), when it is offered. IGD will notify participants of upcoming training opportunities and ensure attendance is documented. IGD will report to its HUD Community Planning and Development (CPD) Representative that the training requirement has been met and will identify all individuals who attended.

## **REPORT AND INVESTIGATION**

Any allegations of fraud, waste, or abuse related to CDBG-DR funds or resources must be reported to IGD's executive management or directly to the OIG at HUD.

### **How to Report Fraud, Waste or Abuse**

All employees, officers, and volunteers are responsible for immediately reporting suspected misconduct to their Program Coordinator, Fiscal Manager or the Executive Director. When Program Coordinators have received a report of suspected misconduct, they must immediately report such acts to their Manager, Fiscal Manager or the Executive Director. It is possible that a citizen may disclose acts of fraud, waste, or abuse of CDBG-DR funds to any CDBG-DR Program staff (e.g., at intake centers, field/regional offices, events, etc.) or Contact HUD's OIG Fraud Hotline via phone 1-800-347-3735 or via email at [hotline@hudoig.gov](mailto:hotline@hudoig.gov).

### **Investigation and Response**

Due to the sensitive nature of suspected misconduct, Program Coordinators and managers should not, under any circumstances, perform any investigative procedures. The Fiscal Manager and/ or the Executive Director have the primary responsibility for investigating suspected misconduct involving employees below the Executive Director and executive management level. The Fiscal Manager shall provide a summary of all investigative work to the Executive Director.

**Note:** The detailed investigative procedures referenced in this section are outlined in the St. Clair County Intergovernmental Grants Department Financial Policies and Procedures Manual & Risk

Assessments and are incorporated here by reference.

All substantiated cases of fraud, waste, or abuse of government funds shall be forwarded to the U.S. Department of Housing and Urban Development (HUD), Office of Inspector General (OIG) Fraud Hotline via phone 1-800-347-3735 or email [hotline@hudoig.gov](mailto:hotline@hudoig.gov) and IGD's HUD Community Planning and Development (CPD) Representative.

### **Beneficiary Fraud Awareness**

IGD is committed to educating CDBG-DR beneficiaries about the risks of fraud, particularly in the aftermath of a disaster when fraudulent activity is more common. IGD will provide beneficiaries with information on:

- How to recognize fraudulent contractors, impersonators, and scams
- How to verify the identity of IGD staff and legitimate service providers
- Tips for protecting personal information and avoiding identity theft
- Contact information for reporting suspected fraud to IGD, HUD OIG, or local authorities

This information will be distributed through IGD's website, printed materials, and during intake or orientation sessions.

### **Support for Beneficiaries Who Experience Fraud**

If a CDBG-DR beneficiary reports that they have experienced fraud (e.g., contractor fraud, identity theft, or misrepresentation), IGD will:

- Assist the beneficiary in reporting the incident to the appropriate local or state agency, HUD OIG, or law enforcement
- Refer the beneficiary to legal aid or consumer protection services, if available
- Evaluate whether the fraudulent activity has created additional unmet need and, if so, determine eligibility for supplemental CDBG-DR assistance in accordance with program guidelines

All substantiated cases of fraud involving CDBG-DR funds will be documented and reported to HUD OIG and IGD's HUD CPD Representative.

## **CONFIDENTIALITY**

All allegations or complaints received in the CDBG-DR grantees office will be treated with extreme confidentiality. The complainant's contact information will be kept confidential, unless the complainant authorizes otherwise.

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

## **COMPLIANCE AND PREVENTION**

### **Conflict of Interest**

The County's Conflict of Interest Policy is located within the CDBG-DR Program Policies and Procedures. This policy complies with 24 CFR 570.611 and 2 CFR 200.318 and includes procedures for promptly identifying and addressing conflicts of interest among employees, officers, agents, and contractors. This Fraud, Waste, and Abuse Policy incorporates the Conflict of Interest Policy by reference.

### **Monitoring**

The County has developed a stand-alone Compliance Monitoring Policy and Procedures Manual that outlines the frequency, scope, and methodology for monitoring contractors and other program participants. This includes procedures for detecting fraud, waste, and abuse, and covers financial compliance, performance, and documentation standards. This Fraud, Waste, and Abuse Policy incorporates the Monitoring Manual by reference.

### **Subrecipient Capacity**

At this time, the County does not intend to use subrecipients for the administration of CDBG-DR funds. Should the County later decide to engage subrecipients, this policy will be revised to include criteria for evaluating subrecipient capacity, including financial management, staffing, experience, and internal controls. Until such time, the County will ensure that any entities performing program functions under contract are subject to procurement and performance oversight consistent with 2 CFR 200.

### **Verification of Applicant Information**

The County verifies the accuracy of information provided by applicants through procedures outlined in each program's policies and procedures manual. These include, but are not limited to:

- Third-party verification of income and assets,
- Review of supporting documentation (e.g., tax returns, utility bills, leases),
- Cross-checking applicant data with other federal and state databases (e.g., FEMA, SBA),
- In-person or virtual interviews when necessary.

These procedures are detailed in St. Clair County, Illinois Community Development Block Grant Disaster Recovery Policies & Procedures Manual, which is incorporated by reference into this policy.

## REVISION HISTORY

Event	Date
Adopted	August 2023
Adopted revisions	November 2025