

GRANT FRAUD



The title slide contains the topic of the presentation and clearly identifies the origin of the presentation with the PPFTF logo and a statement that this is a message from the national Procurement Fraud Task Force.

A Message From the National Procurement Fraud Task Force



General Grant Information

Each year, the United States Government awards nearly \$450 billion dollars in Federal Assistance Agreements, most commonly in the form of grants that help to:

1. Support national infrastructure programs in transportation, homeland security, criminal justice, agriculture, human health, and the environment.
2. Fund scientific research, studies, and analyses.
3. Further the social sciences, art, literature, and promote cultural enrichment.

Unfortunately, grant dollars are susceptible to fraud, waste, and abuse.

Does the information on this slide appear to be complete without the comments of a presenter?

What information can you imagine the presenter adding to clarify the information in this slide?



ozunas@utpa.edu Grant
Recipient's

Responsibilities

Recipients of federal grants have been awarded funds to carry out the goals and objectives identified in the grant. These funds are subject to certain regulations, oversight, and audit.

1. Grant recipients are stewards of federal funds.
2. Grant dollars must be used for their intended purpose.
3. Where applicable, grant recipients must account for costs and justify expenditures.

Using federal grant dollars for unjust enrichment, personal gain, or other than their intended use is a form of theft, subject to criminal and civil prosecution under the laws of the United States.

The purpose and audience for these slides has not been explicitly identified. What would you identify as the purpose and who would you identify as the audience?



Grant Fraud Statutes

Federal grant dollars are susceptible to several forms of financial theft, most commonly in the form of specific federal violations, including:

1. Embezzlement
2. Theft or Bribery concerning programs receiving Federal funds
3. False Statements
4. False Claims
5. Mail Fraud and Wire Fraud

Each of these violations of law are subject to criminal prosecution, fines, restitution, and civil penalties.

The first three slides after the title slide are organized with a parallel structure:

1. A title that states the topic of the slide.
2. A topic sentence that expands on the topic.
3. A numbered list of examples.
4. A legal warning about the misuse or violations.



Who Commits Grant Fraud?

When business entities, individuals, communities, and other organizations receive federal grant dollars, they are entrusted with their appropriate expenditure.

Grant fraud is most often committed by:

1. Grant recipients, company officers, business partners, board members, and managers.
2. Bookkeepers, financial staff, and employees.
3. Contractors and subcontractors engaged with the recipient.
4. Recipient consultants.

The next two slides identify the scope of grant fraud.

By identifying the wide range of individuals who commit fraud, this slide informs the core audience, grant recipients, of those individuals beyond themselves who might commit fraud.



Common Grant Fraud Scenarios

Grant fraud occurs in many ways, but some of the most common fraud scenarios include:

1. Charging personal expenses as business expenses against the grant.
2. Charging for costs which have not been incurred or are not attributable to the grant.
3. Charging for inflated labor costs or hours, or categories of labor which have not been incurred (for example, fictitious employees, contractors, or consultants).

By identifying the ways fraud can occur, this slide expands the audience's understanding of the scope of fraud.

Why do you think this slide uses the term "occurs" instead of "is committed"?



Detect and Prevent Fraud

As a grant recipient, you can protect your organization and the source of your federal funds by detecting and preventing fraud:

1. Establish an adequate and effective system of accounting, internal controls, records control, and records retention.
2. Implement an internal compliance and ethics program that encourages the recognition and reporting of fraud, waste, or abuse.
3. Report suspected fraud to the Inspector General of the government agency that distributed the federal grant funds.

The next two slides identify the audience's responsibility and the benefits of being diligent.



Reporting Grant Fraud

Most government agencies have an Office of Inspector General (OIG) that is responsible for investigating allegations of fraud, waste, and abuse, and can be located at:

WWW.IGNET.GOV

Specifically, allegations of fraud can and should be made directly to your awarding agency's OIG Office of Investigations, or a designated Hotline Office within many of the OIG offices.

This slide presentation is aimed at honest grant recipients who might respond "Who me? I'd never commit fraud."

The presentation

1. Defines fraud with clear warning (Slides 2-4)
2. Explains the scope of fraud (5-6)
3. Clarifies the responsibilities of grantees (7-8)