

## Administrative Policy No. 10.06

**Subject:** Vendor and Contractor Investigations

**Information Contact:** Senior Director, Office of Fraud and Accountability  
MS 45817; (360) 664-5767

**Authorizing Source:** RCW [10.93.020](#)(2), RCW [74.04.012](#)

**Effective Date:** September 15, 1989

**Revised:** October 5, 2020

**Approved By:** Original signed by Lori Melchiori  
Senior Director, Office of Policy and Rules

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### Purpose

This policy establishes a process for reporting, investigating, and disposing of complaints against vendors and contractors suspected of committing fraud against the department.

### Scope

This policy applies to all Department of Social and Health Services (DSHS) employees as it relates to alleged or suspected fraud committed against the department by vendors/contractors providing goods or services to DSHS and DSHS clients.

This policy does not apply to Vendor Medicaid funded by Title XIX funds as these are under the jurisdiction of the Office of the Attorney General.

### Policy Requirements

DSHS must report, investigate, and take appropriate action on all allegations or suspicions of fraud committed against the department by vendors and contractors providing goods or services to DSHS and DSHS clients.

- A. A department employee who has reason to suspect that a vendor/contractor is committing fraud against the department must immediately report it to their supervisor.

The employee's supervisor will immediately report the allegation through their chain of command and to their contract manager. The appointing authority or designee will

immediately report the allegation to the DSHS Central Contracts and Legal Services (CCLS).

- B. CCLS will ascertain complete information about all contracts to which the vendor or contractor is a party, and notify the office of fraud and accountability (OFA) of the allegations and the contracts.
- C. OFA will:
  - 1. Coordinate with the appropriate law enforcement agencies, Office of Inspector General, and prosecuting attorneys as applicable to determine jurisdiction.
  - 2. Conduct an investigation with minimal publicity to protect the rights of the vendor or contractor and the department.
  - 3. Issue a written report and send a copy of the written report to CCLS.
- D. CCLS will:
  - 1. Confer with the Office of the Attorney General to determine whether the affected contracts should be continued in force, modified, or terminated.
  - 2. Inform all affected department programs of the recommendations of CCLS and the attorney general.