

Administrative Policy No. 10.06

Subject: Vendor/Contractor Investigations

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

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

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Approved By: Original signed by Dana Phelps
Senior Director, Policy & External Relations

Purpose

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

Scope

This policy applies to all Department of Social and Health Services (DSHS) employees.

Policy Requirements

DSHS must report, investigate, and take appropriate action on all allegations or suspicions of fraud committed against the department by vendors/contractors providing goods or services to DSHS and DSHS clients. Vendor Medicaid funded by Title XIX funds are excluded from this policy due to being under the jurisdiction of the Office of the Attorney General.

- A. A department employee who has reason to suspect that a vendor/contractor is committing fraud against the department must immediately report it to the employee's supervisor.
- B. The employee's supervisor must immediately report the allegation to the DSHS Central Contracts and Legal Services (CCLS).
- C. CCLS must ascertain complete information about all contracts to which the

vendor/contractor is a party, and notify the Office of Fraud and Accountability (OFA) of the allegations and the contracts.

D. OFA must:

1. Conduct an investigation with minimal publicity to protect the rights of the vendor/contractor and the department.
2. Issue a written report and send a copy of the written report to CCLS.
3. Coordinate with appropriate law enforcement agencies and prosecuting attorneys to determine jurisdiction.

A. CCLS must:

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.

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