**Attachment A - Sanctions Procedures**

**Step 1: Notice of Sanctionable Act**

If informal resolution fails to resolve the issue(s) within the timeframe described in the policy, OWI, as the Governor's designated administrative entity, will issue a written notice identifying any sanctionable act(s). The written notice will include requirements for a Corrective Action Plan (CAP) and the sanction(s) to be imposed. The notice will be sent by registered mail to the subrecipient (if a state grantee), the signatory official, the Chief Elected Official (CEO), the Local Workforce Development Board (LWDB) Chairperson, and the LWDB Director. The Workforce and Talent Development Board (WTDB) Chairperson will also receive the Notice of Sanctionable Act.

If deemed necessary or prudent (e.g., incidents of fraud, malfeasance, misapplication of funds, potential or suspected criminal activity, or other serious violations), sanctions may be imposed at any time and without prior notice.

Corrective Action Plan (CAP)

CAPs will be developed by local WDBs and submitted to OWI for approval. The corrective action plan will include actions the local WDB will take to correct the incident(s) of non-compliance, the estimated date the problem will be resolved, and how the local board will be involved in addressing the issue. By developing a CAP and abiding by the terms of this action plan, local WDBs may be able to respond to and resolve issues before a sanction is imposed.

CAPs may include a request for the provision of technical assistance by OWI.

**Step 2: Subrecipient Response**

The subrecipient must respond to the identified requirements in the written notice (see Step 1), and must create a CAP, within the required timeframe specified in the Notice of Sanctionable Act. In the response, the subrecipient may note justifications for the violation(s), mitigating efforts already made by the subrecipient to lessen any effects of the violation(s), and other information, as appropriate. Subrecipients may also request technical assistance activities related to sanctions

If the subrecipient resolves the sanctionable act, OWI will proceed to Step 4 and send a Notice of Resolution of Sanctionable Act.

**Step 3: Notification of Sanction(s)**

Upon determining that the subrecipient has not corrected the sanctionable act, OWI will issue a written Notice of Sanction by registered mail to the subrecipient (if a state grantee), the signatory official, the CEO, the LWDB Chairperson, and the LWDB Director. The WTDB Chairperson will also receive the Notice of Sanctionable Act. The Notice of Sanction must include the following information in accordance with 2 CFR 200.207:

* Nature of the sanction
* Reason the sanction is being imposed
* The remedial action(s) and/or condition(s) needed to remove the sanction, if applicable
* Time allowed for completing the remedial action(s) or meeting the condition(s), if applicable
* Method for appealing the sanction imposed

The sanction or sanctions will be imposed based on the following criteria:

* Totality of the circumstances surrounding the sanctionable act(s):
  + Nature of the sanctionable act(s)
  + Severity of the sanctionable act(s)
  + Frequency of the sanctionable act(s)
  + Cause of the sanctionable act(s) (e.g., neglect, intent)
  + History of the subrecipient regarding its ability to administer a program (e.g., occurrences of sanctionable acts, resolution of sanctions and sanctionable acts, efforts to prevent the occurrence of the sanctionable acts, and oversight results)
* Other criteria not listed that may be deemed appropriate (e.g., justification for subrecipient's failure to provide necessary information or take required action, or demonstrations of willingness by the subrecipient to cooperate in the sanction process)

Failure to comply with the terms of the Notice of Sanction can result in additional sanctions. If a subrecipient chooses to appeal a Notice of Sanction, the subrecipient may do so according to the appeals procedure described in the Appeals section below.

**Step 4: Notice of Resolution of Sanctionable Act**

Upon completion of the terms of the Notice of Sanction, OWI will issue a Notice of Resolution of Sanctionable Act to the subrecipient and/or to the signatory official, the CEO, the LWDB Chairperson, the LWDB Director, and the WTDB Chairperson.

Note: Timelines for completion of each step are to be determined based on the type of sanctionable act and appropriate times necessary for resolution of the sanctionable act.

**Appeals**

A subrecipient that receives a Notice of Sanction may file an appeal of the sanction(s) imposed, but not the initial incident(s) of non-compliance, with OWI and the Workforce and Talent Development Board (WTDB). A subrecipient choosing to appeal must submit a written appeal to the OWI within 30 calendar days of the issuance of the Notice of Sanction. If the 30th day falls on a weekend or holiday, the deadline will be extended to the next business day. Appeals must be submitted by registered mail, clearly identified as "Dated Material," and addressed to:

Workforce Programs Director

Office of Workforce Investments

3225 25th Street SE

Salem, OR 97302

The following procedures will apply:

* The WTDB will designate the Executive Committee or an Ad Hoc Committee of at least three WTDB members to hear the appeal.
* The designated WTDB representatives will hear the appeal and issue a written decision within 60 business days.

A local WDB which has been found in substantial violation of WIOA Title I, and has received notice from the Governor (or OWI on behalf of the Governor) that either all or part of the local plan will be revoked or that a reorganization will occur, may appeal such sanctions to the Secretary of Labor under WIOA Section 184(b). The appeal must be filed no later than 30 days after receipt of written notification of the revoked plan or imposed reorganization. Further details are at [20 CFR 683.650](https://www.ecfr.gov/current/title-20/chapter-V/part-683/subpart-F/section-683.650).