



BEAD Program Technical Assistance Resource

Fraud, Waste & Abuse

Resource Version:

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Resource Details:

Category	Grant Agreements & Onboarding
Summary	This document summarizes the subrecipients requirements and obligations related to fraud, waste and abuse as laid out in the Grant Agreements and required by federal regulation and NTIA guidance.
WI BEAD contact:	PSCBeadGrants@wisconsin.gov

Disclaimer: This document is intended solely to assist subrecipient in better understanding the Wisconsin BEAD program and associated policies/processes. This document does not supersede, modify, or otherwise alter applicable statutory or regulatory requirements, the terms and conditions of the award, or the Grant Agreement. In all cases, statutory and regulatory mandates, the terms and conditions of the award, and NTIA policies and guidance shall prevail over any inconsistencies contained in this document.

Prevention of Fraud, Waste & Abuse

The following statement is posted on all federally funded broadband grant webpages:

The PSC Fraud, Waste and Abuse Hotline accepts tips and complaints about potential fraud, waste, abuse and mismanagement of PSC-administered grants. A professional staff member will review your information and determine the appropriate next steps. To report fraud, waste, abuse or mismanagement, please contact the PSC Fraud Hotline at 1-800-225-7729 or 1-608-266-2001 (Local).

Fraud, Waste and Abuse are all defined slightly differently:

Fraud is **wrongful or criminal deception** intended to result in financial or personal gain. It includes:

- False representation of facts
- Making false statements
- Concealing information
- Personal purchases with company credit card
- Shell companies / conflicts of interest

Waste is **thoughtless or careless expenditure, mismanagement, or abuse of resources** that is detrimental or potentially detrimental to the U.S. government. It also includes:

- Incurring unnecessary costs
- Inefficient or ineffective practices, systems, or controls

Abuse is when a recipient or contractor uses federal grant funds or resources in **ways that are not authorized, not for the intended public purpose, or in a manner that benefits themselves** or others at the government's expense. It is distinct from fraud (intentional deception) and waste (extravagant or unnecessary spending), but it can overlap with them.

Subrecipients are required to contact the Commission if they detect any instances of fraud, waste and/or abuse or suspicious activity.

Subrecipients may contact the PSC Fraud Hotline at 1-800 225-7729 or 1-608-266-2001 (Local) or the point of contact designated in their grant agreement.

Commission staff will route the information to the appropriate Commission staff to be reviewed.

From the BEAD Grant Agreement Section 25:

25.0. Prevention of Waste, Fraud and Abuse

25.1. Consistent with the principles in 2 CFR part 200, at any time(s) during the grant period of performance, the Commission or NTIA may direct a member or members of Subrecipient's key personnel to take a government-provided training on preventing waste, fraud and abuse. Key personnel include those responsible for managing the Subrecipient's finances and overseeing any Contractors, Subcontractors or Subrecipients (for financial matters and/or general oversight related to the grant). NTIA or the Commission will provide instructions on when and how to take such training(s), and costs incurred by Subrecipient relative to the training (e.g., staff time) are eligible for reimbursement pursuant to this Agreement.

25.2. The Subrecipient must monitor award activities for common fraud schemes, including but not limited to: false claims for materials and labor; bribes related to the acquisition of materials and labor; product substitution; mismarking or mislabeling on products and materials; and time and materials overcharging. Should the Subrecipient detect any fraud schemes or any other suspicious activity, the Subrecipient must contact the Commission point of contact designated this Agreement.

25.3. Additionally, in accordance with 2 CFR § 200.113, the Subrecipient must disclose, in a timely manner, in writing to the Commission all violations of federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Grant Award. The Subrecipient is required to report certain civil, criminal, or administrative proceedings to SAM.gov. Failure to make required disclosures can result in any of the remedies described in 2 CFR § 200.339. (See also 2 CFR Part 180, 31 USC § 3321, and 41 USC § 2313.)

25.4. The Subrecipient should use the Waste, Fraud and Abuse hotline established by the Commission at 1-800-225-7729 or 1-608-266-2001 (Local).

Additional Resources:

- BEAD Grant Agreement
- [Fraud Awareness - Office of Inspector General, U.S. Department of Commerce](#)