

## **114 STATE EMPLOYEE MISCONDUCT**

EFFECTIVE DATE: December 3, 2025

REFERENCES: Arizona State Personnel Employee Handbook

### **PURPOSE**

The purpose of this policy is to provide guidance to the Division of Developmental Disabilities (Division) staff regarding responsibilities when reporting Division staff misconduct.

### **DEFINITIONS**

1. "Abuse" means Provider practices that are inconsistent with sound fiscal, business, or medical practices, and result in an unnecessary cost to the Division program, or in reimbursement for services that are not medically necessary or that fail to meet professionally recognized standards for health care, including beneficiary practices that result in unnecessary cost to the Division Program as outlined in 42 CFR 455.2.
2. "Confidential" means identifying information about the reporter is known, but will not be shared with anyone other than on a need to know basis.

3. "Contract" means the Division's contract with AHCCCS.
4. "Employee Misconduct" means action taken, or failure to be taken, by a DDD employee that violates the Arizona State Personnel System Employee Handbook.
5. "Employee Relations" means a unit within Human Resources who are responsible for interpreting state and federal laws, rules, and policies affecting employees during their employment and assisting management with coaching and disciplinary actions.
6. "Fraud" means an intentional deception or misrepresentation made by a person with the knowledge that the deception could result in some unauthorized benefit to himself or some other person, including any act that constitutes fraud under applicable State or Federal law, as defined in 42 CFR 455.2.
7. "Program Integrity Unit" or "PIU" means a subunit of the Division's Corporate Compliance Unit (CCU) tasked with processing all Fraud, Waste and Abuse and Employee Misconduct allegations.

8. "Waste" means over-utilization or inappropriate utilization of services, misuse or resources, or practices that result in unnecessary costs to the Medicaid Program.

## **POLICY**

### **A. REPORTING MISCONDUCT**

1. Upon identification of misconduct of a Division employee, Division staff shall report the incident to the Division's Human Resources-Employee Relations (HRER) Unit and the Division's Corporate Compliance Unit-Program Integrity Unit (PIU).
2. Division leadership shall assess what type of misconduct has been observed and gather any and all pertinent details surrounding the matter.
3. Division staff shall comply with directives provided by the Division's HRER Unit or the Division's PIU regarding fact-finding processes throughout the course of the investigation.
4. Division staff shall not discuss or disclose any information with other Division staff or Members, outside of communication regarding Employee Misconduct allegations and investigations

with the Division's HRER Unit and the Division's PIU during the reporting and collaboration process.

**B. DIVISION RESPONSE TO ALLEGATIONS**

1. The Division's PIU shall coordinate with the Division's HRER to conduct investigations related to employee misconduct.
2. Division staff must submit reassignment details to the Division's Human Resources-Employee Relations (HRER) Unit immediately. Division staff must enforce compliance of the reassignment instruction and ensure the employee's work day is fortified with appropriate alternate tasks.
3. Upon receipt of reassignment details, the Division's HRER shall immediately reassign any employee who is under investigation for misconduct allegations until the conclusion of the investigation.
4. The Division's HRER shall utilize interviews and other data methodologies as applicable during the investigation.
5. The Division's PIU shall coordinate with HRER, as appropriate, to refer findings that indicate a potential crime to DES-OIG for further investigation.

6. The Division's PIU shall refer findings that indicate potential Medicaid Fraud, Waste, and Abuse to AHCCCS-OIG.
7. The Division's HRER shall conduct disciplinary action as applicable.

**SUPPLEMENTAL INFORMATION**

Violations of the *Arizona State Personnel System Employee Handbook* include, but are not limited to the following:

1. DDD Policy or Procedure;
2. Contractual Obligations;
3. State and Federal Laws;
4. Regulations;
5. Statutes;
6. Ethical Standards and Expectations.

*Zane Garcia Ramadan*

Zane Garcia Ramadan

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Signature of Assistant Director

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Name

2025-11-25

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Date