

DEPARTMENT OF CHILDREN AND FAMILIES
DIVISION OF EARLY CARE AND EDUCATION
ADMINISTRATOR'S MEMO SERIES

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X NOTICE DECE 09-02

ISSUE DATE: 12/9/2009
DISPOSAL DATE: 12/31/2009

To: Child Care Program Directors

From: Henry Wilde
Deputy Secretary

RE: Child Care Administration
2009 Fraud Allocation Clarification

PURPOSE

This memo provides clarification to the reporting instructions for claiming reimbursement of fraud investigation expenditures for child care provider fraud and W-2 client fraud for counties for the period of January 1, 2009 through December 31, 2009.

BACKGROUND

The Department of Children and Families (DCF) allocated \$325,000 to the local agencies child care administration contracts in October 2009. The purpose of this funding was to investigate suspected fraudulent activity on the part of recipients of W-2 and child care providers.

FURTHER CLARIFICATION ON REPORTING

Child Care Provider Fraud Investigation Services

The fraud funding issued as an amendment to the Administration of Child Care Programs Contract with DCF for child care is for expenses related to child care provider fraud. Child care provider fraud is not part of the County IM Contracts for Fraud Investigation. Therefore, expenditures reported on CORE codes 0841 (Child Care Provider Fraud Prevention and Investigation Services) and 8841 (County Allocated Non-Direct Costs – Child Care Provider Fraud) that are for investigation services should not be in duplication of expenditures reported in CARES for child care client fraud investigations which are uploaded to CARS for reimbursement.

W-2 Client Fraud Investigation Services

The fraud funding issued as an amendment to the Administration of Child Care Programs Contract with DCF for W-2 is for expenses related to W-2 client fraud. W-2 client fraud is part of the County IM Contracts for Fraud Investigation and all related expenditures are being entered in CARES and uploaded to CARS for reimbursement. To prevent the duplication of W-2 client fraud expenditures reported in CARS and CORE agencies must adhere to the following Conditions/Requirements for reporting W-2 client fraud expenditures in CORE:

- Only W-2/TANF non-reimbursable overmatch expenditures from the IM Fraud Investigation Contract can be reported in CORE for reimbursement on CORE codes 0842 (W-2 Client Fraud Prevention and Investigation Services) and/or 8842 (County Allocated Non-Direct Costs – W-2 Client Fraud).
- All counties who have reported expenditures on either CORE code 0842 or CORE code 8842 must report a negative to CARS profile 98 (Fraud TANF MOE Overmatch – 0% reimbursement) for the total amount reported in CORE for W-2 Client Fraud

Investigations. The adjustment to CARS can be done during closeout so that only one adjustment is needed. The negative adjustment on CARS 98 is to reduce the CARS expenditures for the overmatch that is now being claimed on CORE so there is no duplication of expenditures.

Child Care Provider and W-2 Client Fraud Prevention expenditures

Any Fraud Prevention expenditures reported in CARS cannot be reported in CORE as this would be a duplication of reported expenditures.

The following are the descriptions to report expenditures:

0840: Fraud Prevention and Investigation Services (Contract Code-not used for reporting)

0841: Child Care Provider Fraud Prevention and Investigation Services: Report direct costs for operation of the child care provider fraud prevention and investigation services. Examples of eligible costs include program monitoring, fraud prevention efforts, internal provider investigation services, provider surveillance, contracted provider investigation services, provider overpayment determinations and costs associated with pursuing related criminal investigations.

8841: County Allocated Non-Direct Costs - Child Care Provider Fraud: Report all allocated, non-direct costs included in your shared cost pool related to expenditures identified in the reporting instructions for CORE code 0841, Child Care Provider Fraud Prevention and Investigation Services.

0842: W-2 Client Fraud Prevention and Investigation Services: Report direct costs for operation of the W-2 client fraud prevention and investigation services. Examples of eligible costs include program monitoring, fraud prevention and investigation services.

8842: County Allocated Non-Direct Costs - W-2 Client Fraud: Report all allocated, non-direct costs included in your shared cost pool related to expenditures identified in the reporting instructions for CORE code 0842, W-2 Client Fraud Prevention and Investigation Services.

You **may not** include expenditures already reported to your DHS fraud contract.

ACTION SUMMARY STATEMENT

County fraud investigation funds for the period of January 1, 2009 through December 31, 2009 were issued in October 2009 and this provides additional reporting clarifications.

2010 Fraud Investigation Funds

DCF will distribute 2010 fraud funds with the local agency contracts in December 2009.

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