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For more information, visit <http://del.wa.gov/care/help/fraud.aspx>

In September 2011, the State Auditor's Office issued a report on Working Connections Child Care (WCCC) subsidy payments to child care providers.

The audit found that lack of access to child care attendance records could result in overpayments and questionable payments to providers.

Auditors reconciled invoices paid through WCCC with child attendance records collected from child care providers over a three-month period. Auditors identified four high-risk groups from which to pull attendance records:

- Multiple providers billing from the same address.
- Parents enrolled in WCCC who also have provider billing numbers.
- Providers billing for children of parents with invalid Social Security numbers.
- Providers billing for children of parents with Social Security numbers belonging to a deceased person.

In total, auditors requested records from 146 of the 19,684 providers paid through WCCC in fiscal year 2010 (.74 percent of all providers). Based on this review, auditors calculated overpayments of \$2.6 million. The vast majority of that (\$2 million) resulted from a seven-year expanded audit scope of one child care provider. That case is currently being investigated.

**Recent actions DEL and DSHS have taken to help ensure child care subsidy funds are reaching those who qualify for it (including some actions in response to the audit findings):**

- Working to recover more than \$426,000 in overpayments from 19 providers identified in the audit.
- Reviewing at least 10 more providers for possible criminal action.
- Hiring new DEL auditors specifically to help identify fraud or misuse of child care subsidies.
- DEL and DSHS are preparing joint recommendations for moving to an electronic subsidized child care attendance system (due to the Legislature by Dec. 31) to help reduce unintended errors and intentional fraud in subsidy billing and payment.
- DSHS is leading a joint workgroup to review existing policies and procedures for reporting, evaluating and resolving suspected fraud and improper payments to child care providers.
- DEL created a new web page--with a prominent link on our home page--with information on how to report suspected child care subsidy fraud.