

(Note: Fraud will be its own chapter, removed from the Overpayment chapter)

FRAUD

A. Division of Fraud Investigations

See [WAC 388-446-0001](#) (Cash and medical assistance fraud.) for more information about fraud.

Division of Fraud Investigations (DFI)

The Division of Fraud Investigations (DFI) investigates intentional overpayment cases for fraud. The investigations can result in fraud charges against consumers or providers. This is dependent upon the case record evidence provided to DFI and the findings of DFI's investigation.

What is fraud and how is it discovered?

Fraud occurs when an individual obtains benefits by **deliberately** concealing or misrepresenting facts. This could include withholding or providing incorrect information about a provider, household composition, income, activity or children needing child care. Information can be provided by the individual to the department by paper, on-line or by telephone and is documented in WCAP.

Fraud can also occur if a **provider** submits false information to get **paid** for services they are not eligible for or did not provide.

Indicators of fraud can be found at any point in time such as when handling a case on a routine basis, determining eligibility, reviewing attendance or payment records, or receiving a report from a member of the public.

Fraud referrals for WCCC are made by:

- CSO staff for consumer fraud of past eligibility
- DEL Central Office staff for provider fraud

Fraud Early Detection program (FRED)

The Fraud Early Detection program (FRED) is under the direction of DFI and provides investigative support when activities are required that go beyond the scope of the child care worker's authority. The purpose of FRED is to:

- a. Provide a cost effective measure for reduction of errors;
- b. Save benefit funds for families requiring assistance;
- c. Reduce investigation and prosecution of recipients by resolving questionable circumstances prior to the authorization of benefits.

FRED investigators assist the department in the following ways:

- d. Obtain information related to current eligibility requested by the child care worker (the worker should use locally established procedures for contacting the Fred investigator);
- e. Use interviews with consumers and third parties (called collateral contacts) to resolve questions or inconsistencies;
- f. Report findings to the child care worker;
- g. Make recommendations regarding criminal prosecution, if significant past ineligibility is discovered;
- h. Participate in Fair Hearings, if necessary. Always notify the investigator of an upcoming hearing.

The worker does not need to suspect fraud in order to make a FRED referral. FRED referrals are used to help determine current eligibility accuracy.