



Making Every Dollar Count

Office of Children & Family Services
Roundtable on Preventing
Child Care Subsidy Fraud



Gladys Carrión, Esq.
Commissioner

David A. Paterson
Governor



Making Every Dollar Count

Why are child care subsidies important?

Child care subsidies are important because they allow many families who could not otherwise afford child care, the ability to go to work.

Why is it important to stop subsidy fraud in the child care community?

Child care subsidy fraud drains money from the system and jeopardizes NYS' ability to assist families in achieving self-sufficiency and independence.

Take a look at the number of people who depend on subsidy.



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The New York State Office of Children and Family Services (OCFS) oversees child care subsidies funded under the New York State Child Care Block Grant. Annually, almost 68,000 providers caring for more than 210,000 children receive these subsidy payments.

Those are
BIG
numbers!



Making Every Dollar Count

OCFS oversees the licensing and registration of over 19,000 child care providers with a capacity of over 664,000 children. It also oversees the enrollment of over 50,000 legally exempt providers.



**That's
right dude,
I said
nineteen
thousand!**

Making Every Dollar Count

OCFS continues to focus on ways to maintain program integrity in the child care program, eliminate improper payments to families and child care providers, and maintain the health and safety of children in child care.

**I'm making every
Spaghetti – O
count !**



Making Every Dollar Count



4,017 Child Care Centers
caring for **298,905** children



7,541 family day
care providers caring
for **57,997** children



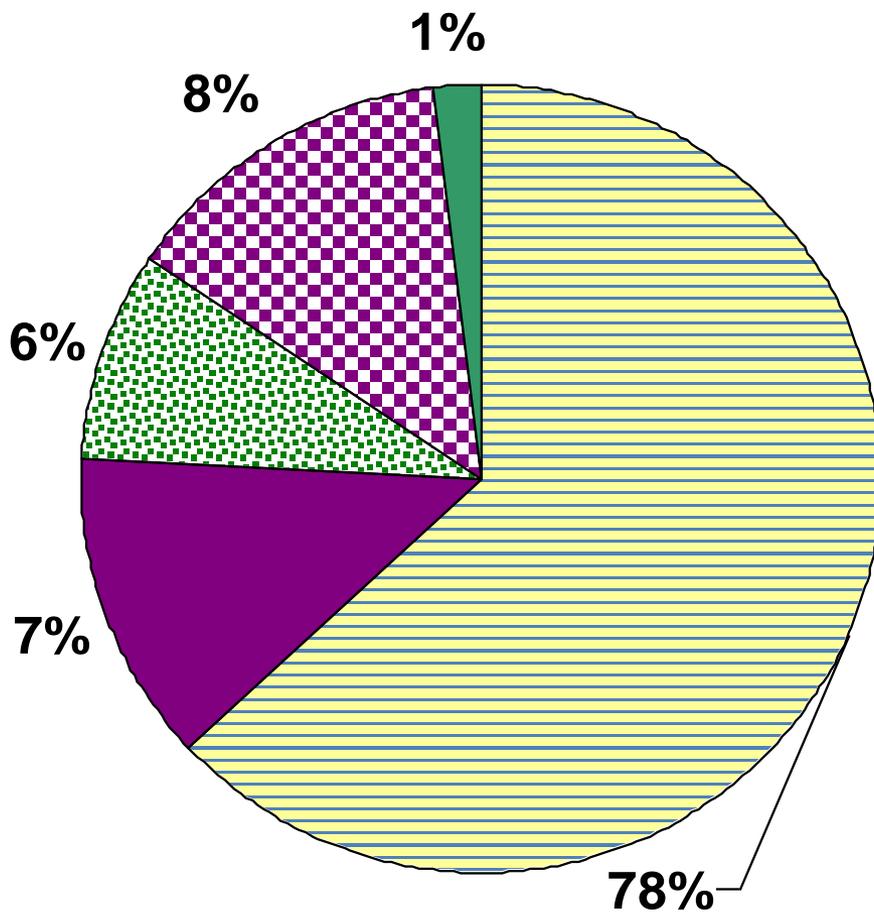
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6,846 group family day care providers caring for **94,456** children



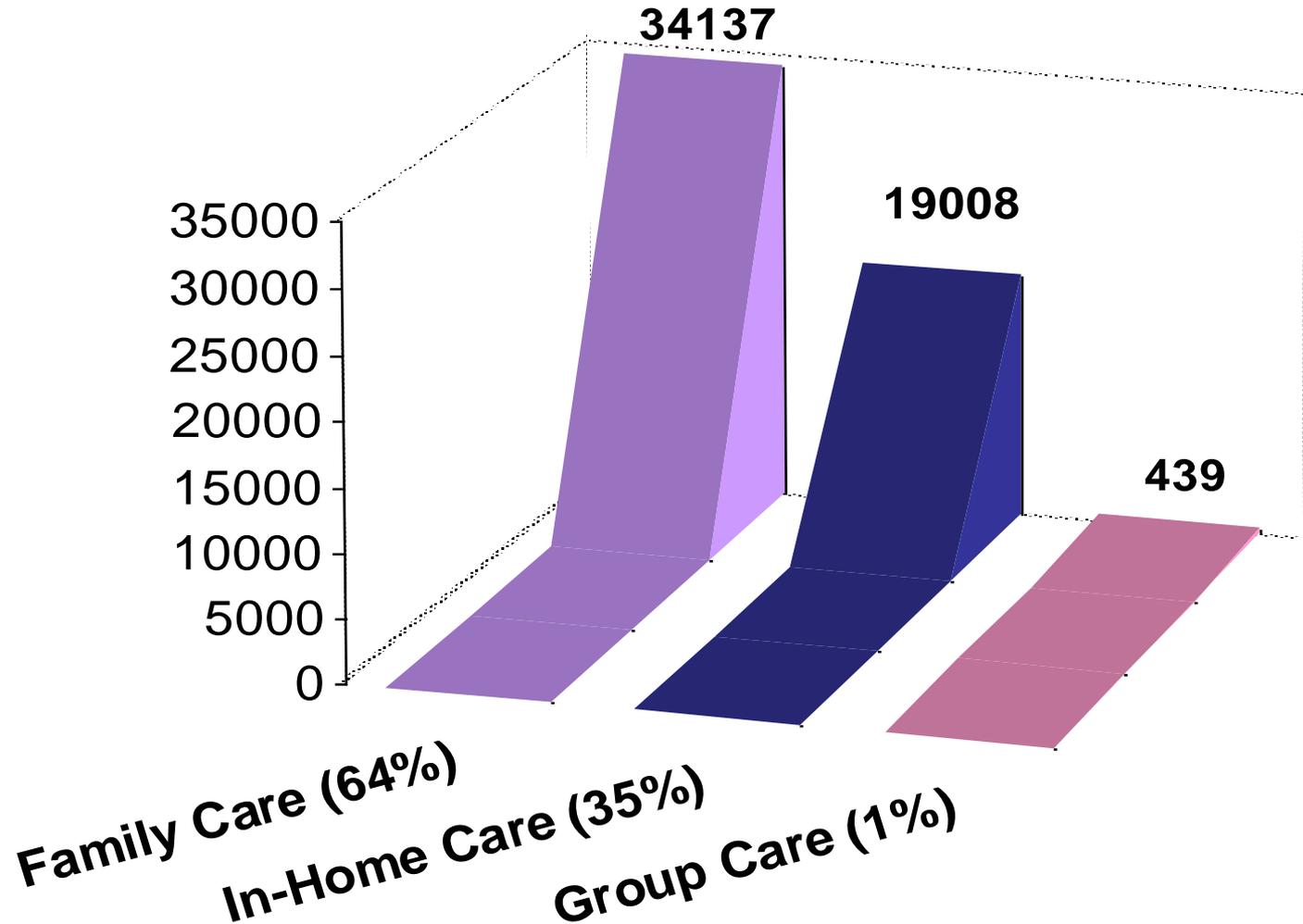
232,977 children attended 2,571 school aged child care programs

NYS Children in Subsidized Care By Type of Child Care Provider



-  Legally Exempt Family and In-Home Care
-  Family Day Care
-  Day Care Center
-  Group Family Day Care
-  Legally Exempt Group Care

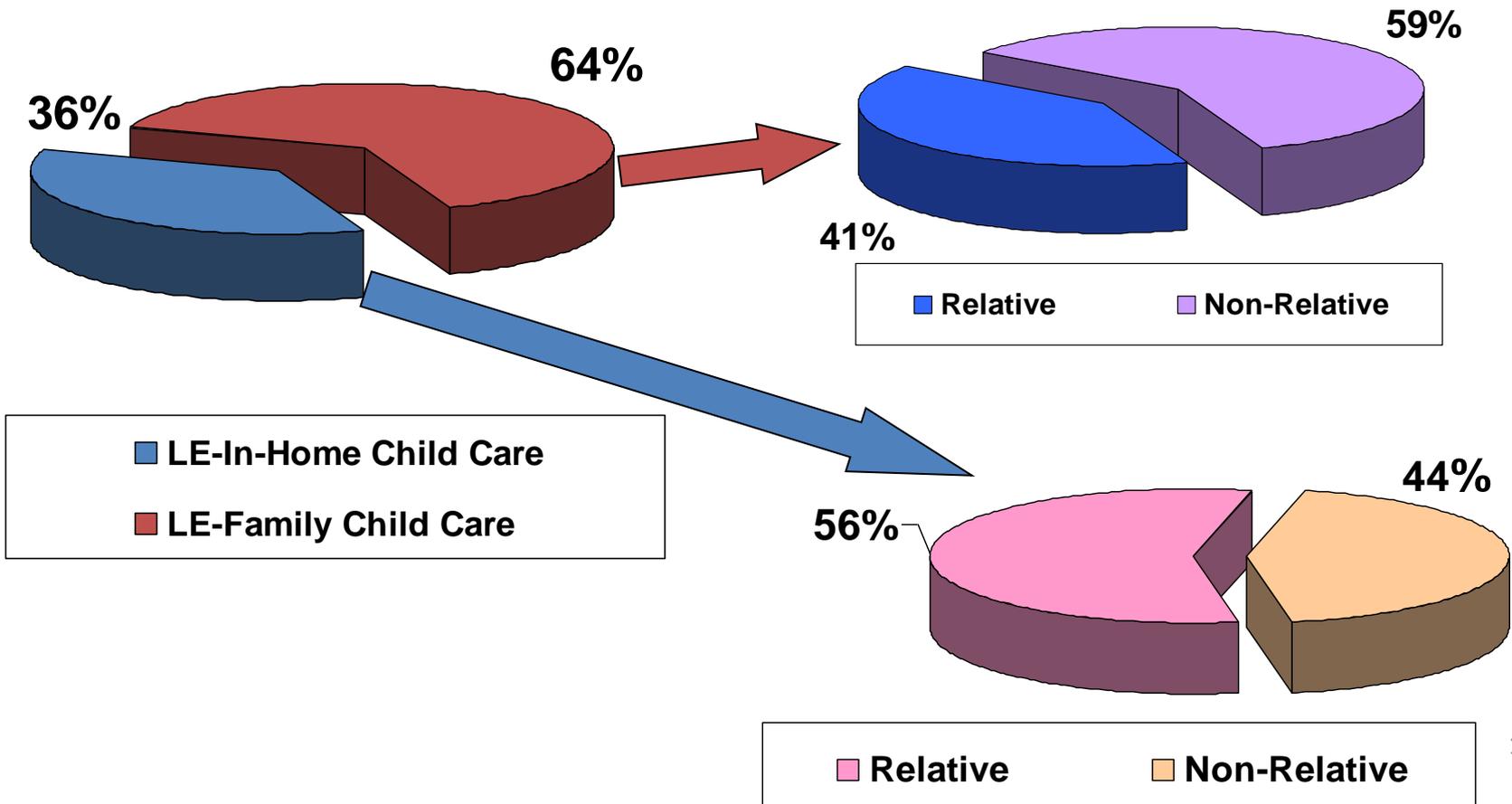
NY's Children Currently Enrolled with Legally-Exempt Child Care Providers (n=53,584)



Subsidized Child Care Providers in NYS

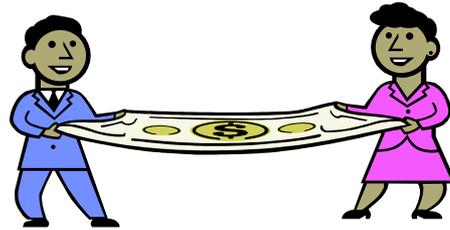
Informal Setting:

Relative vs. Non-Relative Care



Making Every Dollar Count

So, you can see that we really need every subsidy dollar that is available.



Where does fraud happen and how much money are we talking about?



Child Care Subsidy Fraud

Did you know that:



- Nationally, the rate of improper* child care subsidy payments is 11.5%
- Approximately \$110 billion of the \$2 trillion paid out by the federal Gov't are improper payments.
- In NYS, of 276 cases reviewed in an 2009 audit, 42% had improper payments.

*Improper is defined as funds going to the wrong recipient, an incorrect amount of funding or a recipient using the funds in an undesirable manner.

Child Care Subsidy Fraud



Did you know that:

- In WI, 1000 out of 9000 regulated providers are currently under investigation for possible subsidy fraud.
- In CT in 2007 an assessment of 1200 cases resulted in:

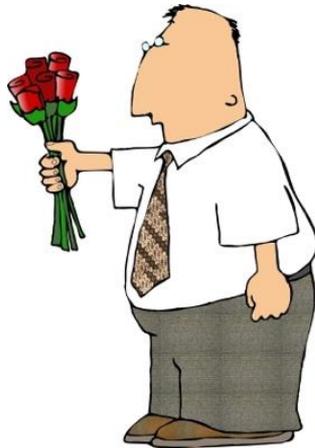


- 141 arrests
- 50 convictions
- Recoupment of \$202,000
- Cost avoidance of \$1.5M

Child Care Subsidy Fraud



A



B



C



D

Can you tell who the fraudulent provider is?

Child Care Subsidy Fraud

That's right...it's NOT easy to tell.

Fraud is a systemic problem. Sometimes it's as simple as a family provider overbilling. Sometimes it's as calculated as a well organized network of providers and child care staff working together to take money out of the system.





**We need
your help!**





Child Care Subsidy Fraud

So what are we doing about it?

- increased training of state staff to improve oversight and monitoring
- participation at the New York Welfare Fraud Investigators Association (NYWFIA) as well as Office of the State Comptroller training;
- established scholarships for local district staff to attend the New York Welfare Fraud Investigators Association annual workshops;

Child Care Subsidy Fraud

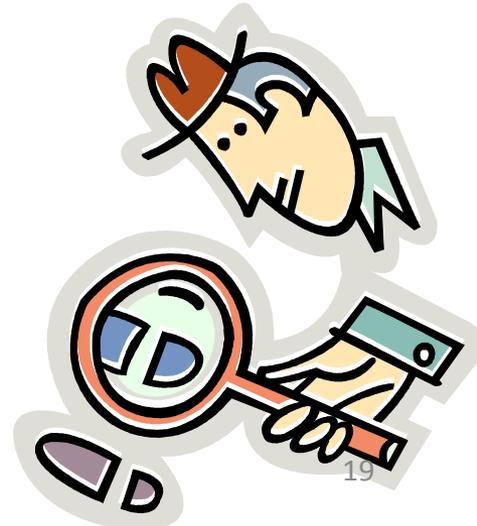
So what are we doing about it?

- implementing an automated child care time and attendance system;
- established a formal new subsidy fraud referral process between local social services districts and OCFS regional office licensing staff; and,



Child Care Subsidy Fraud

- mandated that local districts establish indicators for the referral of child care applications to their investigative units (Front End Detection System [FEDS]).





Child Care Subsidy Fraud

- regulatory revisions that provide for the health and safety of children in care
- fiscal integrity of the child care subsidy program
- defining when a child care provider is in compliance with the requirements of OCFS,
- and defining the circumstances under which child care providers may be disqualified from receiving payment

Child Care Subsidy Fraud

What are the next steps?

Well, let's convene our roundtable and figure that out!

