

FFY 2022–2024

CHILD CARE AND DEVELOPMENT FUND PLAN



Section 8

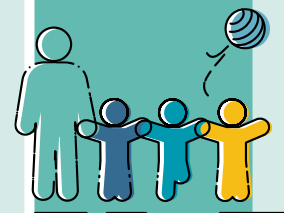


 **Office of Child Care**
An Office of the Administration for Children & Families

Ensure Grantee Program
Integrity and Accountability

SECTION

8



1. **Training Emphasis:** Section 8 uses both the terms “grantee” and “Lead Agency” to refer to the entity administering the CCDF program.

Citations within this Training

For clarity, the citations for this Preprint training are identified in the same way citations are identified in the FY 2022-2024 Preprint. Examples of the format used for these citations are included in the first column in the table below.

The authors acknowledge that when citing Legal Documents, the convention illustrated in the second column should be followed. However, to align with the FY 2022-2024 Preprint the simpler citation is being used.

Citation format for the Preprint and Preprint Training...		Guidelines for Citing Legal Documents...	
Statute	658E(c)(4)(B)(i)	Statute	42 U.S.C. § 9858 (c)(4)(B)(i) (2015).
Rule	98.45 (c)	Rule	Child Care and Development Fund, 45 C.F.R. § 98.45 (c) (2016).
Preamble	81 FR, p. 67493	Preamble	Child Care and Development Fund (CCDF) Program, 81 Fed. Reg. 67,438, 67,493 (Sept. 30, 2016) (codified at 45 C.F.R. pt. 98).

1. Citing the Child Care and Development Block Grant Act:


- The Child Care and Development Block Grant (CCDBG) Act of 2014 was originally published as Public Law 113-186. When the Act was first passed, Office of Child Care (OCC) documents cited the Public Law. OCC's link to CCDBG follows: <https://www.acf.hhs.gov/sites/default/files/documents/occ/ccdbgact.pdf> .
- However, the Act was codified in the **U.S. Code** (U.S.C.) in 2015. The U.S.C. is considered the definitive legal source.
- The law is published in 42 U.S.C. §§ 9857–9858 (title 42, sections 9857–9858). Almost all the content is in section 9858, which is broken into 9858a through 9858r. Within each subsection, elements of the law are further labeled with numbers and letters. A link to the Act in the U.S.C. (title 42, sections 9857–9858) follows: <https://www.govinfo.gov/content/pkg/USCODE-2015-title42/html/USCODE-2015-title42-chap105-subchapII-B.htm>.

2. Citing Child Care and Development Fund Regulations:

- The language in 45 C.F.R. 98 was updated through the publication of a **final rule** in September 2016. OCC link to the CCDF Final Regulations: <https://www.acf.hhs.gov/occ/law-regulation/> The language in 45 C.F.R. 98 was updated through the publication of a **final rule** in September 2016. OCC's link to the Child Care and Development Fund (CCDF) final regulations follows: <https://www.acf.hhs.gov/occ/law-regulation/ccdf-final-regulations>.
- Although changes in the final rule were originally published in the Federal Register, the regulatory language in the rule was codified in the Code of Federal Regulations (C.F.R.) shortly thereafter. The **C.F.R.** is the definitive source for the regulatory language that governs CCDF. This language is published in 45 C.F.R. 98 (title 45, part 98) and 45 C.F.R. 99 (title 45, part 99). **Thus, references to the regulatory language—even new language that was introduced in the final rule—should cite the C.F.R.** A link to the regulations in the C.F.R. follows: <https://www.ecfr.gov/cgi-bin/text-idix?SID=4f7ade0a312b92f614ef180b7bbbec06&mc=true&node=pt45.1.98&rgn=div5>.

3. Citing the Child Care and Development Fund Preamble:

- OCC's link to the Federal Register document containing the CCDF Preamble follows: <https://www.govinfo.gov/content/pkg/FR-2016-09-30/pdf/2016-22986.pdf>.
- The regulatory language is the formal policy language, and the preamble is the explanation behind it. The preamble includes recommendations and benchmarks, responses to comments submitted during the public comment period, and research and reasoning behind the regulations. The preamble is not published in the C.F.R.; therefore, references to material found only in the preamble should cite the Federal Register. A link to the Federal Register follows: <https://www.govinfo.gov/content/pkg/FR-2016-09-30/pdf/2016-22986.pdf>.



Core Purpose Addressed in Section 8:

Integrity in CCDF Administration



“Administer the CCDF responsibly to ensure that statutory requirements are met and that adequate information regarding the use of public funds is provided.” (98.1 (b)(6)).

1. **Highlight:** These accountability measures should address reducing fraud, waste, and abuse, including program violations and administrative errors. Reauthorization placed an emphasis on the program integrity efforts while stating that these efforts should not be a burden to families using the program.
2. **Preamble Insight:** “This change corresponds to a new program integrity section included in subpart G of the regulations.” (81 FR p. 67456)
3. **Preamble Insight:** “The final rule adds new § 98.16(cc), requiring Lead Agencies to describe processes in place to describe internal controls to ensure integrity and accountability; processes in place to investigate and recover fraudulent payments and to impose sanctions on clients or providers in response to fraud; and procedures in place to document and verify eligibility, pursuant to § 98.68.” (81 FR p. 67456)

Section 8 Key Questions

What are the key questions Lead Agencies address in Section 8?



What are your Lead Agency's internal program controls to ensure CCDF program integrity and accountability? How are these internal controls regularly evaluated and what results are identified?

How does your Lead Agency identify and prevent fraud and intentional program violations, unintentional program violations, and agency errors? What are the results of these efforts?

How does your agency identify and recover misspent funds because of fraud? Are there sanctions?

Does your agency investigate and recover misspent funds because of unintentional program violations or agency errors? If so, how and what are the results?

- 1. Highlight:** These questions highlight the themes of the questions in section 8. Lead Agencies are asked to describe how they implement their CCDF program while focusing on program integrity.
- 2. Refinement:** Questions in section 8 have been reordered to follow the order of the language in the final rule at § 98.68 (a)(4). There is also the addition of question 8.1.4 to capture responses about the processes in place to regularly evaluate internal control activities (98.68(a)).
- 3. Training Emphasis:** It is essential that Lead Agencies be able to describe in detail the results of their internal program control efforts, including improper payments and responses to both intentional and unintentional program violations and agency errors. In addition, Lead Agencies should report the outcomes of their regular evaluation.
 - **Section 1 Connection:-** In Section 1, Lead Agencies have the flexibility to describe how the Lead Agency administers CCDF and written agreements questions. When Lead Agencies consider their responsibility for program integrity, please remember there must be mechanisms in place for internal controls regardless of what entity performs certain functions.
- 4. Discussion Question:** How does your Lead Agency ensure procedures are in place for

documenting and verifying that children receiving assistance under this part meet eligibility criteria at the time of eligibility determination and redetermination?

Why Are Section 8's Key Questions Important?

“ACF has been working with State, Territorial, and Tribal CCDF Lead Agencies to strengthen program integrity to ensure that funds are maximized to benefit eligible children and families.” (81 FR, p.67531)

“Lead Agencies must ensure that internal controls designed to limit errors and improper payments do not result in undue administrative burdens for families that would interfere with continued, stable subsidy receipt for eligible families.” (81 FR, p. 67531)

- 1. Preamble Insight:** These two quotes from the preamble highlight the support provided by the Administration for Children and Families (ACF) to Lead Agencies to strengthen program integrity, as well as the idea that a Lead Agency’s internal controls should not place undue burdens on families who are eligible for the CCDF program. These two quotes together are intended to demonstrate the careful balance between rigorous program integrity and access for eligible families and children. “Lead Agencies must ensure that internal controls designed to limit errors and improper payments do not result in undue administrative burdens for families that would interfere with continued, stable subsidy receipt for eligible families.” (81 Fed. Reg. 67531)
- 2. Highlight:** In attending to these program integrity efforts, Lead Agencies are practicing good stewardship, safeguarding federal funds, and maximizing CCDF benefits for the families the program is intended to serve.
- 3. Training Emphasis:** Within the preprint, Lead Agencies are asked to describe how they support families and children, while at the same time strengthening program integrity and accountability. This means that section 8 is much broader than just accurate subsidy payments.

Section 8 Theme: Program Integrity and Accountability

Program integrity, as defined by the Chief Financial Officers Council and the Department of the Treasury, Bureau of the Fiscal Service, encompasses the concept that programs should be organizationally and structurally sound and capable of achieving their mission without compromise. The concept has numerous components including internal controls, fraud risk management, and improper-payment prevention.

According to the Government Accountability Office's (GAO's) *A Framework for Managing Fraud Risks in Federal Programs* (Fraud Risk Framework), fraud risks may include risks of improper payments in addition to risks that do not pose a direct financial cost.

Government Accountability Office. (2015). *A framework for managing fraud risks in federal programs* (GAO-15-593SP). <https://www.gao.gov/assets/680/671664.pdf>

The Importance of agreeing on the meaning of a term which is

- Federally defined and
- Lead Agency defined



- 1. Training Emphasis:** Defining terms is essential. It is helpful for Lead Agencies to work toward a common understanding of what might be meant by program integrity, internal controls, financial accountability, risk management, improper payments, intentional and unintentional program violations, and agency errors. There are
 - federally defined terms, which are used in investigations and reports like those generated by the Government Accountability Office (GAO), and
 - state or territory defined terms, which are reported through the CCDF Plan, operationalized by the state, and used by auditors.

Section 8: Program Instructions (PI) and Information Memorandum (IM)



Subsection Number	Subsection	PI or IM Log Number	PI or IM Subject	PI or IM Web Link
8.1	Ensure Grantee Program Integrity and Accountability	CCDF-ACF-IM-2020-01	Child Care and Development Fund (CCDF) Discretionary Funds Appropriated in the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) (Public Law 116-136) passed into law on March 27, 2020.	https://www.acf.hhs.gov/occ/resource/ccdf-acf-im-2020-01
		CCDF-ACF-PI-2015-01	Applicability of Uniform Administrative Requirements, Cost Principles, and Audit Requirements (2 CFR Part 200) to Child Care and Development Fund (CCDF)	https://www.acf.hhs.gov/occ/resource/pi-2015-01
		CCDF-ACF-PI-2010-06	To remind Lead Agencies of program integrity and financial accountability provisions under the Child Care and Development Fund (CCDF) program and provide recommendations and resources for ways to strengthen program accountability.	https://www.acf.hhs.gov/sites/default/files/documents/occ/pi2010_06.pdf

- 1. Training Emphasis:** Section 8 has one applicable information memorandum and one applicable program instruction. In addition, the GAO report GAO-20-227 highlights the importance of OCC mitigating program-integrity risks (<https://www.gao.gov/assets/710/705035.pdf>).

Section 8: Key Lead Agency Decisions and Areas of Flexibility

What are the key Lead Agency decisions addressed in Section 8?



What policies and practices are used to ensure program integrity? How is risk identified? How will these policies and practices be regularly evaluated? What are the results we have identified so far?

How training and information sharing will ensure all parties are aware of their responsibilities. What training materials and methods will be used to support policy understanding?

How risk, program violations (intentional and unintentional) and agency errors are addressed to ensure CCDF program funds are used to support children and families. What are the results of these efforts?

- 1. Training Emphasis:** Lead Agencies have flexibility around their program integrity policy and practices and the flexibility to evaluate and update these policies and practices because of monitoring and evaluation. Lead Agencies benefit from funds management efforts and tracking program integrity strategies, so that they can more effectively speak to the results of their program integrity efforts.
- 2. Discussion Question:** Are there programmatic or policy decisions our Lead Agency would like to revisit based on the results we have gathered that would strengthen our program integrity efforts?

§ 98.68 Program integrity.

- (a) Lead Agencies are required to describe in their Plan effective internal controls that are in place to ensure integrity and accountability, while maintaining continuity of services, in the CCDF program. These shall include:
- (1) Processes to ensure sound fiscal management;
 - (2) Processes to identify areas of risk;
 - (3) Processes to train child care providers and staff of the Lead Agency and other agencies engaged in the administration of CCDF about program requirements and integrity; and
 - (4) Regular evaluation of internal control activities.
- (b) Lead Agencies are required to describe in their Plan the processes that are in place to:
- (1) Identify fraud or other program violations, which may include, but are not limited to the following:
 - (i) Record matching and database linkages;
 - (ii) Review of attendance and billing records;
 - (iii) Quality control or quality assurance reviews; and
 - (iv) Staff training on monitoring and audit processes.
 - (2) Investigate and recover fraudulent payments and to impose sanctions on clients or providers in response to fraud.

1. **Training Emphasis:** It can be helpful to review this section of the rule to see how the questions are organized. The next slide includes a crosswalk of the questions from the FY 2019–2021 and the FY 2022–2024 CCDF Plan Preprints.

Key Refinements to Section 8: Ensure Grantee Program Integrity and Accountability

FY 2019–2021 CCDF Preprint		FY 2022–2024 CCDF Preprint	
8.1	Internal Controls and Accountability	8.1	Internal Controls and Accountability
8.1.1	Training of Lead Agency staff and other staff.		
8.1.2	Sound fiscal management practices	8.1.1	Sound fiscal management practices
8.1.3	Identify risk in the CCDF program	8.1.2	Identify risk in the CCDF program
		8.1.3	Train Child Care Staff, Lead Agency staff and other staff
		8.1.4	Regularly evaluate internal control activities
8.1.4	Identify fraud and other program violations	8.1.5	Identify fraud and other program violations
8.1.5	Identify and recover misspent funds	8.1.6	Identify and recover misspent funds
8.1.6	Sanctions	8.1.7	Sanctions

- Highlight:** Unlike the other sections, this side-by-side comparison is focused at the question level rather than the subsection level.
- Refinement:** There is a new question to capture how internal controls are regularly evaluated (8.1.4), as well as a reordering of the questions to align to the order of 98.68(a) in the final rule. There is also language added so that Lead Agencies can describe the results of any activity related to pursuing fraud and recovering overpayments. Specifically, here are the changes to this section:
 - Moved question 6.2.6 in FY 2019–2021 CCDF Plan Preprint regarding the training of providers to 8.1.3 b
 - Added question 8.1.4 to address how internal controls are regularly evaluated
 - Included element (a) in question 8.1.6 to capture the agency responsible for pursuing fraud and overpayments

CCDF Data that May Inform Section 8 Responses



Question Number	Question	Report	Elements
8.1.2	Check and describe the processes that the Lead Agency will use to identify risk in their CCDF program (98.68(a)(2)). Check all that apply:	ACF 404	Part III: State Responses to Error-Measures Findings
8.1.6	Check and describe all activities that the Lead Agency uses to investigate and recover improper payments due to fraud, unintentional program violations and agency errors.	ACF 404	Part III: State Response to Error-Measures Findings Item #22

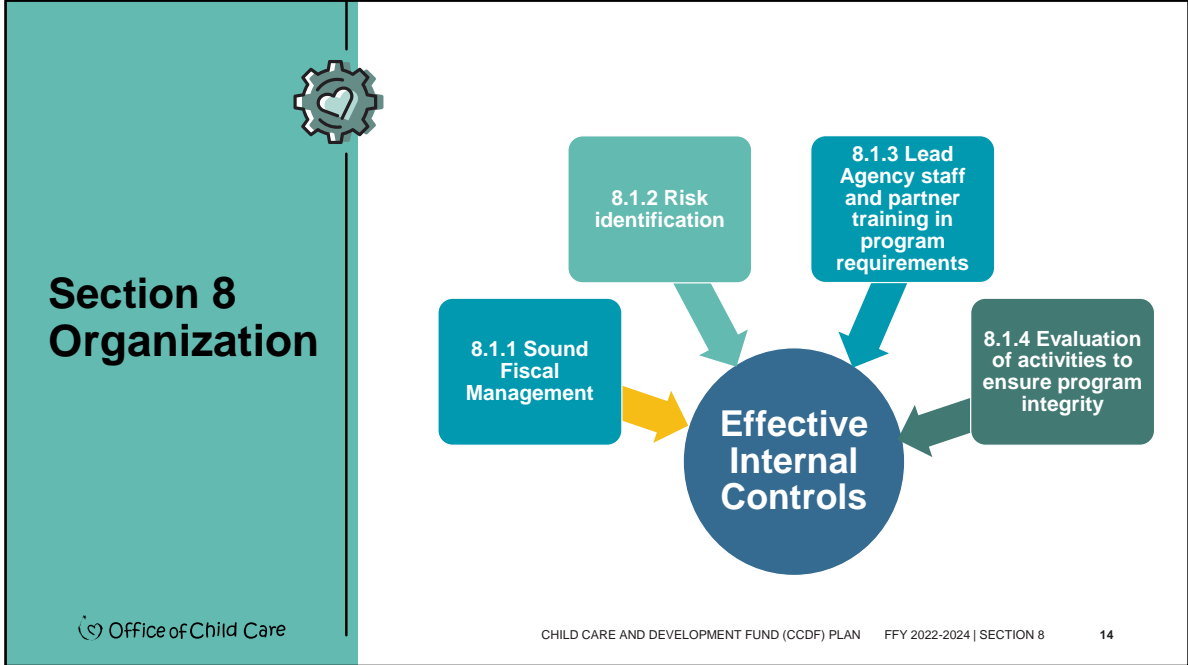
- 1. Training Emphasis:** The data elements listed on this slide could help a Lead Agency develop its responses to the questions in section 8. As a result of error rate reviews, states have implemented new policies, trainings, and ongoing case reviews and increased the monitoring of eligibility agencies. Lead Agencies may also want to consider any state audit reports that are completed on their programs.
- 2. Discussion Questions:** What other sources of administrative or partner data can help inform your responses? Other sources of data your Lead Agency collects?

Section 8 Key Resources



Section Number	Question	Resource	Link
8	Program Integrity and Accountability	Tool: Grantee Internal Controls Self-Assessment Instrument	https://www.acf.hhs.gov/occ/resource/grantee-internal-controls-self-assessment-instrument
		Child Care Administrator's Information Technology and Procurement Guide	https://childcareta.acf.hhs.gov/resource/child-care-administrators-information-technology-and-procurement-guide
		Toolkit: CCDF Fraud Toolkit	https://childcareta.acf.hhs.gov/resource/ccdf-fraud-toolkit-and-instructions-0
		Program Integrity: CCDF Fiscal Fundamentals	https://childcareta.acf.hhs.gov/sites/default/files/public/ccdf_fiscal_fundamentals_brief_final_508_0.pdf

1. **Training Emphasis:** This slide lists tools and resources available to support Lead Agencies in developing and assessing their internal program integrity efforts.



- 1. **Training Emphasis:** These elements are covered in the first four questions in section 8 and align with 98.68(a) in the CCDF final rule.

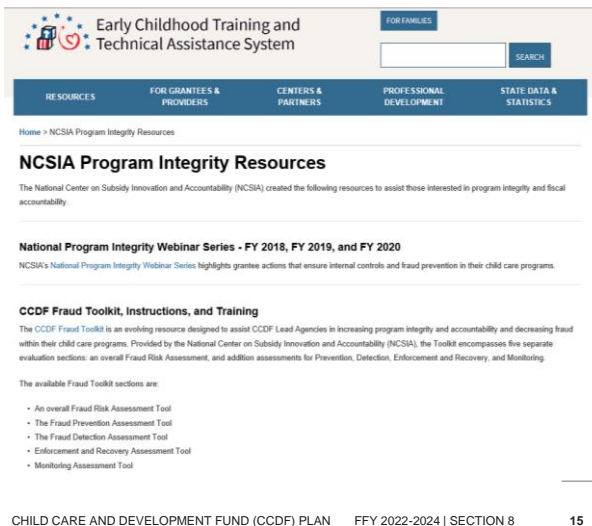
Section 8.1



8.1.1 Describe the processes in place for the Lead Agency to ensure sound fiscal management practices for all expenditures of CCDF funds 98.68(a)(1).

8.1.2 Check and describe the processes that the Lead Agency will use to identify risk in their CCDF program (98.68(a)(2)).

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The screenshot shows the website for the Early Childhood Training and Technical Assistance System. The header includes the title and a search bar. The main navigation menu has categories: RESOURCES, FOR GRANTEE'S & PROVIDERS, CENTERS & PARTNERS, PROFESSIONAL DEVELOPMENT, and STATE DATA & STATISTICS. The page content is titled "NCSIA Program Integrity Resources" and lists several resources, including a National Program Integrity Webinar Series and a CCDF Fraud Toolkit, Instructions, and Training. The footer of the webpage reads "CHILD CARE AND DEVELOPMENT FUND (CCDF) PLAN FFY 2022-2024 | SECTION 8 15".

- 1. Highlight:** These two questions ask Lead Agencies to describe the processes they have in place for both ensuring sound fiscal management practices for all expenditures of CCDF funds and identifying risk in their CCDF program.
- 2. Refinement:** Citations have been added to both questions.
- 3. Training Emphasis:** In the list of resource for this section, there is a link to the CCDF Fraud Toolkit developed by the National Center on Subsidy Innovation and Accountability (NCSIA). It encompasses five separate evaluation sections: an overall fraud risk assessment and additional assessments for prevention, detection, enforcement and recovery, and monitoring.
- 4. Discussion Question:** What additional Lead Agency processes has your Lead Agency used to identify risk in your CCDF program? An example may include the use of secure electronic signatures in lieu of wet signatures.

8.1.3 How does the lead agency share CCDF requirements and integrity efforts?

8.1.3 Check and describe how the Lead Agency ensures that all its staff members and any staff members in other agencies who administer the CCDF program through MOUs, grants and contracts ... and all providers for children receiving CCDF funds are informed and receive training regarding CCDF requirements and integrity.

This question has been refined to include both

- a. Lead Agency Staff
- b. Child Care Providers (formerly 6.2.6)

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Examples of individuals who could be included in program requirements training:

- Eligibility workers
- Child care providers participating in CCDF
- Contractors, vendors and subrecipients identified in 1.2.2.
- Document processing staff
- Payments and fiscal staff
- Information technology staff
- Call center or hotline staff
- Quality control staff
- Licensing staff

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1. **Highlight:** This question builds from the previous two and asks how the Lead Agency ensures that everyone who administers the CCDF program is both trained and informed regarding program requirements and integrity.
2. **Refinement:** This question now has an “a” to address Lead Agency staff and a “b” to address providers (the former 6.2.6).
3. **Preprint Insight:** “In order to ensure program integrity in a fair, consistent, and effective manner, it is essential for child care providers to be trained and knowledgeable about program rules, while maintaining quality of care and continuity of CCDF services. In addition, we have expanded this provision to require training for staff of the Lead Agency and other agencies engaged in administration of the CCDF about program requirements and integrity. It is essential for CCDF staff, especially frontline caseworkers who determine eligibility and authorize services, to be trained in program rules and program integrity efforts.” (81 Fed. Reg. P. 67531)
4. **Training Emphasis:** Lead Agencies may find the Grantee Internal Controls Self-Assessment Instrument a supportive resource. The link to this technical assistance resource is in your section 8 guide. Also, when identifying staff who may need this training, consider which entities were identified in question 1.2.2 as performing or implementing CCDF services.

Then, in question 1.2.3, do the processes for oversight and monitoring of these entities include their training attendance?

5. **Discussion Questions:** In your training of providers and Lead Agency staff, do you address the benefits of program integrity and fraud-fighting efforts? What information do you include?

8.1.4 Describe the process in place to regularly evaluate Lead Agency internal control activities

Examples of internal controls can include practices that identify and prevent errors associated with recipient eligibility and provider payment such as:

- Checks and balances that ensure accuracy and adherence to procedures;
- Automated checks for red flags or warning signs;
- And established protocols and procedures to ensure consistency and accountability.

(81 FR, p.67531)

Discussion Question:

How does your state or territory evaluate internal control activities?



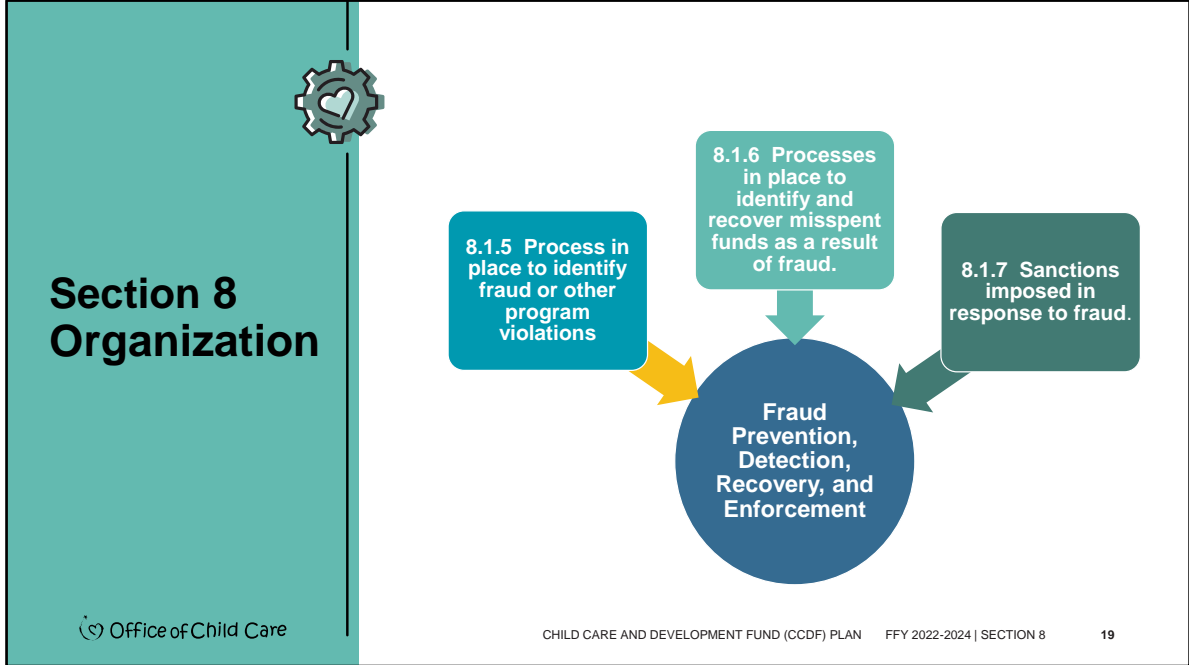
1. **Refinement:** 8.1.4 is a new question to capture responses to the description of processes to evaluate internal control activities (98.68(a)(4)).

Examples describing processes in place to regularly evaluate internal control activities:



- **Example 1:** Monitoring of program policies and processes to ensure accuracy and adherence to procedures.
- **Example 2:** Incorporating data mining that results in automated checks of actions completed within the child care eligibility/enrollment/payment/licensing systems that produce red flag reports and real-time alerts.
- **Example 3:** Reviewing data shared from other programs to ensure the information is sufficient in meeting program objectives/goals.
- **Example 4:** Conducting internal testing of data systems to ensure any system activities that may result in noncompliance or errors are proactively identified and resolved.
- **Example 5:** Conducting an annual review of policy and procedure with designated staff using the Grantee Internal Controls Self-Assessment Instrument and/or the CCDF Fraud Monitoring Risk Assessment Tool.

1. **Training Emphasis:** Responses to question 8.1.4 should clearly tie to the Lead Agency's responses in questions 8.1.1–8.1.3.



1. **Training Emphasis:** The elements covered in the next set of questions in section 8 include identifying fraud, unintentional program violations, and agency errors; the process for identifying and recovering misspent funds; and sanctions imposed in response to fraud.

8.1.5 Lead Agency activities to ensure program integrity

8.1.5 Check and describe any activities that the Lead Agency conducts to ensure program integrity for:

- a. Fraud and intentional program violations
- b. Unintentional program violations
- c. Agency errors

Discussion Question:

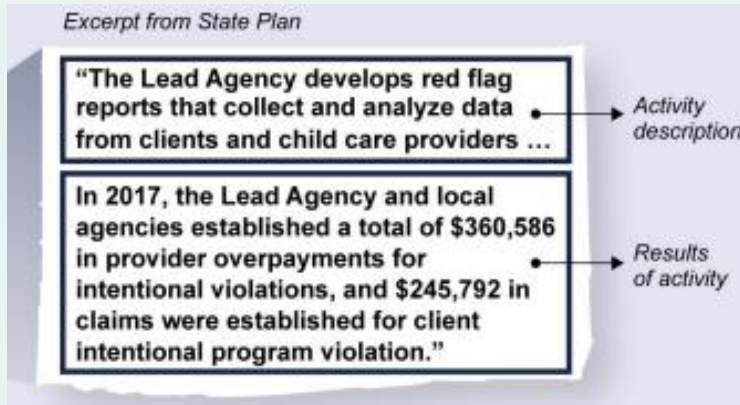
What elements are included in your Lead Agency's definition of an intentional program violation?

1. **Highlight:** Lead Agencies will be asked to provide their definition of an intentional program violation during the monitoring process.
2. **Refinement:** Question were moved into table format, and instructions in a–c describe the activities and the results of these activities in separate lines.
3. **Preamble Insight:** “While the final rule does not define the term fraud and leaves flexibility to Lead Agencies, fraud in this context typically involves knowing and willful misrepresentation of information to receive a benefit. We urge Lead Agencies to carefully consider what constitutes fraud, particularly in the case of individual families.” (81 FR p. 67471)
4. **Preamble Insight:** “The Act affirmatively states an eligible child will be considered to meet all eligibility requirements for a minimum of 12 months regardless of increases in income (as long as income remains at or below 85 percent of SMI) or temporary changes in parental employment or participation in education and training. Therefore, there are very limited circumstances in which a child would not be considered eligible after an initial eligibility determination. We encourage Lead Agencies instead to focus program integrity efforts on the largest areas of risk to the program, which tend to be intentional violations and fraud involving multiple parties.” (81 FR, p. 67471)

- 5. Training Emphasis:** Be sure to include “the results of such activity” in each response to question 8.1.5. When describing the results, consider adding information related to program integrity activities; for instance, the number of claims established for any type of improper payment collected by the Lead Agency, including intentional program violations, fraud, agency error, and unintentional program violations. Examples of results to report could include the following:
- Claims established (e.g., the number of claims established for any type of improper payment collected by the Lead Agency, including IPV, fraud, agency error, and unintentional program violations)
 - Improper payments collected (e.g., of the number of claims established for improper payments, how much of the payment was collected, including the percentages of the different methods used, such as tax intercept or benefit reduction)

- 6. Training Emphasis:** Note that both questions 8.1.5 and 8.1.6 ask for Lead Agencies to differentiate their responses for the same three elements:
- Fraud
 - Unintentional program violations
 - Agency errors

Identifying Results:



“Results” can be defined as any actual outcome that has been observed in relation to the activities described.

Source: Government Accountability Office. (2020). Child Care and Development Fund: Office of Child Care Should Strengthen Its Oversight and Monitoring of Program-Integrity Risks (GAO-20-227). <https://www.gao.gov/assets/710/705035.pdf>

1. **Training Emphasis: The response must address both the activity and the RESULTS.** It is important to note the distinction that GAO identified in its analysis between question responses that describe an activity vs. question responses that describe the actual outcome that has been observed in relation to the activities conducted to ensure program integrity. The next two slides provide more examples.

Examples of responses to identify the results of program integrity activities:

“From Quarter 2 2019 through Quarter 1 2020, 145 matches were received from the PARIS reports. Any instance discovered of a client receiving benefits from multiple states is entered as a fraud referral. When a match is received, a letter is sent to the corresponding state requesting information on benefit start and end date. Of the 145 letters sent, the Lead Agency received 92 responses from other states. This resulted in 10 referrals for fraud investigation.”

“In FY 2020, the Lead Agency screened 2,565 provider referrals and completed 165 formal investigations (6.4% of referrals). In FY 2020, the Lead Agency received 14,005 client referrals. Of the provider formal investigations, 30 resulted in no overpayment, 109 resulted in overpayment only, 24 resulted in overpayment and stipulation that the provider would follow program rules, and 28 resulted in provider termination. During the same time period, \$372,505 in provider overpayments were established due to provider intentional program violations. The Lead Agency also established 74 client intentional program violations totaling \$248,892.”

1. **Training Emphasis:** These responses describe the actual outcome that has been observed in relation to the activities conducted to ensure program integrity.

Examples of responses to identify the results of program integrity activities:

In SFY 2020, the special investigations unit convicted two clients and established claims for \$10,086 in improper payments, established claims for eight clients totaling \$14,879 and settled claims with thirteen clients for a total of \$52,847 in improper payments.

In SFY 2019, the Lead Agency detected an increase in payment errors related to mailing of checks to providers not eligible for payment. The total amount of improper payments related to this error was \$47,000 in SFY 2019. Through a data mining process (provider payments, licensing, and eligibility systems) the Lead Agency created a daily system alert to notify supervisors and management of payment process requests for ineligible providers. The internal control process decreased the improper payments related to ineligible providers by \$27,500 in SFY 2020.

- 1. Training Emphasis:** These responses describe the actual outcome that has been observed in relation to the activities conducted to ensure program integrity.

8.1.6 Lead Agency activities to recover improper payments



8.1.6 Check and describe all activities that the Lead Agency uses to investigate and recover improper payments due to fraud, unintentional program violations and agency errors.

- “a” identifies the agency responsible for pursuing fraud and overpayments.
- Be sure to include “the results of such activity” in each response.

ACF has been working with State, Territorial, and Tribal CCDF Lead Agencies to strengthen program integrity ... The requirements in this section build on these efforts and are designed to reduce errors in payment and minimize waste, fraud, and abuse to ensure that funds are being used for allowable program purposes and for eligible beneficiaries. (81 FR, p. 67531)

1. **Refinement:** Question 8.1.6 had “a” added to identify what agency is responsible for pursuing fraud and overpayments, and “including the results of such activity” was moved to the lead sentence.
2. **Training Emphasis:** Activities can include those that are identified as possible choices, but they are not limited to those choices. An “other” box is provided for Lead Agencies to identify other activities they might use. Note that both questions 8.1.5 and 8.1.6 ask for Lead Agencies to differentiate their responses for the same three elements:
 - Fraud
 - Unintentional program violations
 - Agency errors

8.1.7 Lead Agency placed sanctions

8.1.7 What type of sanction will the Lead Agency place on clients and providers to help reduce improper payments due to program violations?

The Lead Agency may discontinue assistance prior to the next redetermination in limited circumstances where there have been... (iii) Substantiated fraud or intentional program violations that invalidate prior determinations of eligibility. (81 FR, p.67466)

- 1. Training Emphasis:** Responses to question 8.1.7 should align with question 3.4.2 (c) when discussing reasons assistance may be discontinued.