

NYS Office of Children and Family Services
Did We “Hit the Mark” Let’s discuss the
Child Care Subsidy Fraud Regulations

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NYWFIA
30th Annual Training Seminar
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Gladys Carrión, Esq.
Commissioner

Andrew M. Cuomo
Governor



Mission of OCFS

“Promoting the safety, permanency, and well being of our children, families, and communities. We will achieve results by setting and enforcing policies, building partnerships, and funding and providing quality services.”



Overview of the Child Care Subsidy Program

- The Child Care Subsidy program is administered by social services districts and overseen by NYS OCFS
- \$739 M allocated for Child Care Subsidies in SFY 2013-14
- Approximately 234,000 children received child care subsidies in FFY 2012
- Families financial eligibility is based on the families gross annual income
 - Families are financially eligible if their gross annual income does not exceed 200% FPL
 - For example, a family size of 3, gross annual income cannot exceed \$39,060



Overview of the Child Care Subsidy Program

- Families not on Temporary Assistance are required to pay a weekly family share towards the cost of care
- Social services districts select a family share between 10-35% that will be used in the calculation of the family share
- Families in receipt of Child Care Subsidies are allowed to select any eligible child care providers
 - Eligible providers are licensed, registered or enrolled legally exempt providers



Unmet Needs

- \$738M was allocated for Child Care Subsidies in SFY 2012-13
- Social Services districts claimed more than \$800M for child care subsidies in FFY 2011-12
- Out of 58 social services districts 25 fully utilized or exceeded their allocations
- Due to insufficient funding many districts have had to:
 - Close cases
 - Close intake
 - Prioritize cases by income and open cases with the lowest income



Child Care Fraud Prevention & Detection Incentive Program

Annual Findings

- Number of cases denied due to fraud on the application: **282**
- Number of children in cases denied due to fraud on the application: **450**
- Estimate of the total amount of money the districts will save by denying cases due to fraudulent information on the application: **\$239,250.00**



Child Care Fraud Prevention & Detection Incentive Program Annual Findings (cont'd)

- Number of cases closed due to fraud: **398**
- Number of children in cases closed due to fraud: **639**
- Total amount of money districts have identified for recovery from cases closed due to fraud: **\$1,063,860**
- Total amount of money districts have recovered to date from cases closed due to fraud: **\$145,367**
- Estimate of the total amount of money the districts will save by closing cases due to fraud (cost avoidance): **\$2,477,483**



Where are We in Fighting Child Care Subsidy Fraud?



Information Sharing

- OCFS: Inspection reports, field notes, documents obtained from child day care providers, statements from parents
- Districts: Subsidy Vouchers, notes from interviews of providers, parents, staff.
- Law Enforcement: Arrest/Conviction records



Prosecution: Criminal and/or Civil

- Criminal: DA offices prosecutes provider for fraud: may be a misdemeanor or felony prosecution. Pluses: Most severe penalty may be imposed; sends strong message to the rest of the county's providers. Minuses: DA has limited resources; cases can take a long time to develop.
- Civil: District and or OCFS bring an action against the provider to a) recover funds; b) disqualify provider from the subsidy program or c) revoke provider's registration/license to provide child care. Pluses: Is faster than criminal prosecution; lower burden of proof. Minuses: Labor intensive for districts; some may see administrative sanctions as a "slap on the wrist," less deterrent value than a criminal conviction.



Outcomes

- What do we want to accomplish:
- Punishment: Imprisonment, loss of day care registration/license, disqualification from subsidy program.
- Rehabilitation: Repayment of wrongfully obtained funds, additional training requirements.
- Education: Make all providers and families aware of the consequences of engaging in child day care fraud. The goal is that this type of education will serve to reduce fraud.



Outcomes Continued

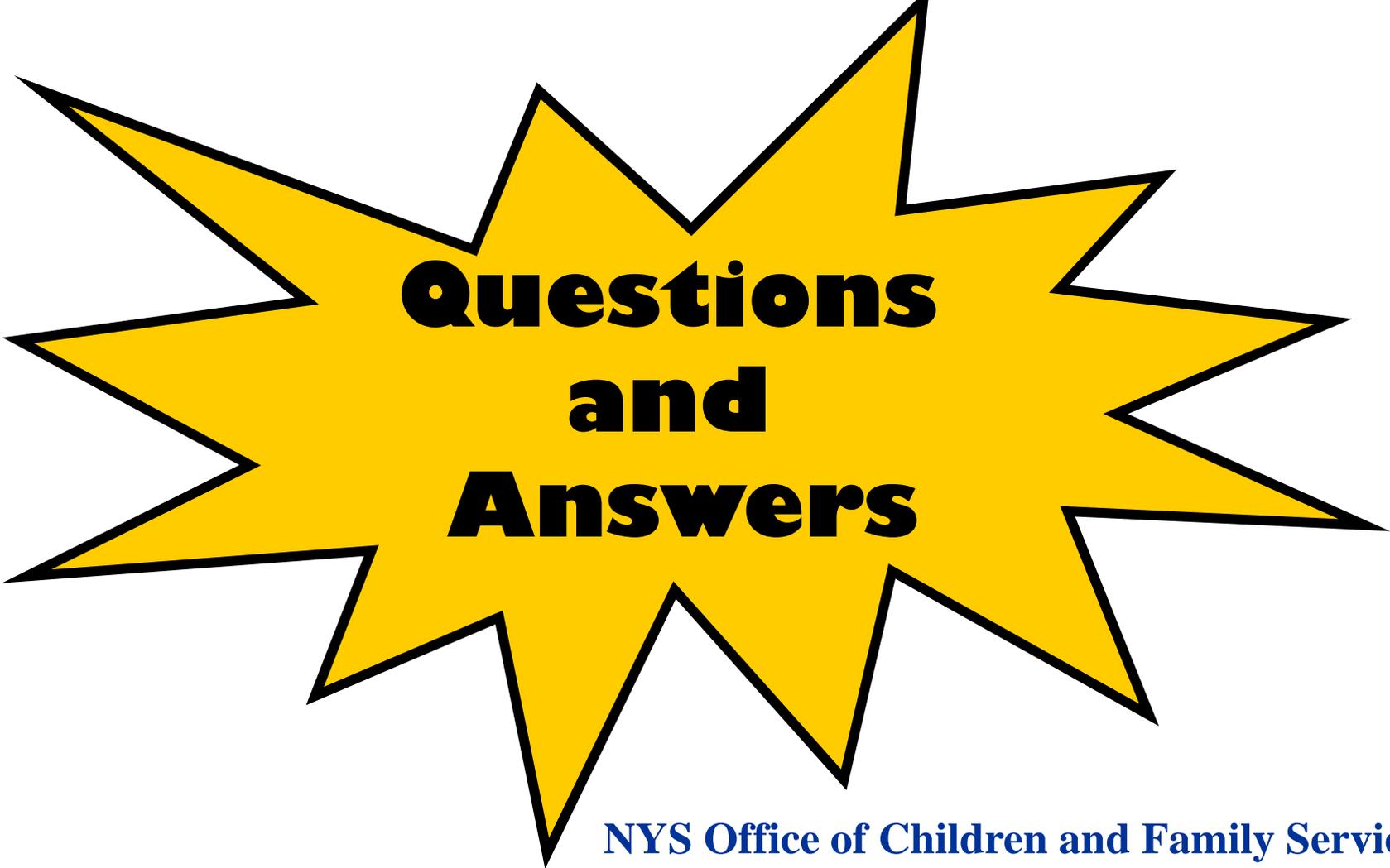
- Greater availability of subsidy funds: As fraud decreases, each district will have more funds to meet needs that are currently unmet.
- Children receive higher quality child care. More children will be able to attend high quality child care programs and be exposed to better programming.



Child Care Subsidy Fraud Regulations

- **Erie County Department of Social Services**
- **Onondaga County Department of Social Services**





**Questions
and
Answers**

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