

# Early Learning Coalition

of Pinellas County, Inc.

<b>Policy:</b> ELCPC-50.1	<b>Title: Possible Provider-Client Fraud and/or Misrepresentation Policy</b>	
	<b>Review Date:</b> September 12, 2011	<b>Next Review Date:</b> July 2012

**References:** AWI OEL-FG-0042-07 Collection of a Delinquent Account  
 School Readiness Provider Agreement  
 AWI VPK20 VPK Agreement  
 60BB-4.503 Misrepresentation or Fraud Regarding Reimbursement

**Purpose:** To establish a policy to ensure that the Early Learning Coalition identifies and takes necessary actions to identify and address cases of possible fraud and/or misrepresentation by clients and provider owner/principals.

**Scope:** This policy applies to all clients and providers that participate in Early Learning Programs including School Readiness and Voluntary Prekindergarten.

**Policy:** In its efforts to ensure the prudent use of public funds, the Early Learning Coalition will review any and all information and data to determine if there is a reasonable belief and supporting evidence that a client or provider knowingly or intentionally may have committed fraud or misrepresentation and will take appropriate action which may include, but not be limited to, refusing re-entry to Early Learning Programs until required repayment has been satisfied; denying further participation in Early Learning Programs; and/or referral of the matter and supporting evidence to AWI Eligibility and Fraud Prevention Unit and Department of Financial Services, Public Assistance Fraud Unit.

**Definitions:**

**Client** shall mean the parent, family member, or guardian that is the recipient of services for their child(ren) enrolled in an Early Learning Program.

**Provider owner/ principal** shall mean 1) the owner of the applicable business; 2) the individual that is primarily responsible for the day-to-day operations of the business; and/or 3) the

individual that is primarily responsible for hiring and directing employees (agents) to perform his/her/its duties with respect to the business.

**Early Learning Programs** shall mean any program funded with local, state, and/or federal funds administered by the Early Learning Coalition; the primary programs are School Readiness and Voluntary Prekindergarten.

**Fraud and/or misrepresentation** shall mean any negligent, false or misleading documentation, action, omission, or statement made by individual client recipient or provider for the purpose of causing the Early Learning Coalition, or any employee or affiliated third party of the Coalition, to act in reliance of said concealment or representation in order to obtain funding, or some other benefit, from the Early Learning Coalition

**Intentional program violation** shall mean any false or misleading documentation, action, omission, or statement made in order for an Owner/Principal and/or Facility to qualify as a provider or recipient in the VPK or School Readiness Program or to receive program benefits or reimbursement (as determined at the sole discretion of the Early Learning Coalition)

**Related Party** shall include but not be limited to corporate entities with same leadership, personal relatives of Principal/Owner including immediate family members or spouse.

#### **Examples of Potential Fraud or Misrepresentation:**

The following is a list of examples of potential fraud or misrepresentation and is not intended to be all-inclusive.

- Providing false or misleading information or withholding information in order to participate or receive payments under the School Readiness program;
- Concealing information to obtain School Readiness payments;
- Failing to disclose a change in circumstances or material information that could directly affect eligibility;
- Falsifying records or documents; and
- Assisting or aiding any person in committing any of the above acts.

#### **Policy Procedures:**

1) *Initial Reporting:* Any potential fraud or misrepresentation that is uncovered or suspected by management, an employee, or an affiliated third party to the Coalition shall be immediately reported to the Director of Quality Assurance. The Director of Quality Assurance shall be responsible for coordinating further investigations into the alleged fraud.

2) *Preliminary Investigations:* Upon becoming aware of any suspected fraud or misrepresentation, the Executive Director, or his/her appointee, shall, in cooperation with other employees of the Early Learning Coalition, conduct a preliminary investigation in order to determine the likelihood that a fraudulent act has been committed against the Early Learning Coalition. Such preliminary investigations may include, but need not be limited to, conducting in-person interviews, making telephone calls, reviewing files, and making site visits. The

Executive Director, or his/her appointee, shall ensure adequate notes are placed in the file documenting such allegations and any findings from the preliminary investigation, including whether further investigation is warranted. If it is determined, at the sole discretion of the Early Learning Coalition, that no further investigation is warranted, the case shall be closed and a notation placed in the file of such a determination.

3) *Penalties:* Following a determination that there is reasonable evidence of fraud, one or more of the following actions, or other actions at the sole discretion of the Early Learning Coalition, will be taken:

- a. Providers: Termination of the School Readiness Agreement and/or VPK Agreement effective 10 calendar days after the provider has received notification to allow families to enroll with an alternate provider.
- b. Client: Immediate termination of eligibility from School Readiness and/or VPK programs.
- c. Seek reimbursement through the court system
- d. Deny the client/provider from further participation in Early Learning Programs;
- e. Refuse the client/provider re-entry to the Early Learning Program until the required repayment has been satisfied.
- f. Refuse the client/provider re-entry to the Early Learning Program until the investigation by AWI and the Department of Financial Services is concluded and a determination has been reached following investigation.

The responsible individual will be notified in writing of the action to be taken.

4) *Additional Investigations:* If it is determined, at the sole discretion of the Early Learning Coalition, that further investigation is warranted, the Executive Director, or his/her appointee, shall immediately contact the AWI Eligibility and Fraud Prevention Unit, the Department of Financial Services, Public Assistance Fraud Unit (DFS), and/or Florida Department of Law Enforcement (FDLE), and notify the Coalition's counsel. The Executive Director, or his/her appointee, in coordination with these partners, shall undertake those actions necessary to assist in a full investigation of the alleged fraudulent activity. The Executive Director shall provide the Executive Committee with a brief summary report of the investigation findings and actions.

5) *Determination:* Once referred to DFS and/or FDLE, determinations of fraud are made by these entities.

Sale/Transfer of a child care facility in any manner to a Related Party shall not be considered a sufficient remedy to avoid the imposition of sanctions. Notwithstanding the foregoing, the Early Learning Coalition maintains broad discretion with respect to the determination of whether or not a facility is eligible for funding or subject to the penalties listed above, and such determination will be on an individual facts and circumstances basis at the Early Learning Coalition's sole discretion. For example, the Early Learning Coalition may determine the transfer of a facility is

still an end-around the penalties described above even if such transfer does not specifically fit the definition of a Related Party transaction.

6) Confidentiality: All information provided by management, employees, or affiliated third parties relating to any new or pending fraud claim will be treated as confidential and only shared with AWI, DFS, FDLE, Pinellas County License Board for Child Care Centers and Family Day Care Homes and/or the Coalition's attorney and other parties directly working on the investigation. No employee, who is not involved in the preliminary investigation, may intentionally contact or speak with an individual client recipient or provider that is involved, in any way, with an ongoing fraud investigation.

Exhibits: AWI Suspected Fraud Referral Record