

**FRAUD PREVENTION and INVESTIGATION
2022 CHILD CARE FRAUD SUBCONTRACT**

Approved Corporation Counsel DH 12/6/21

Begin Date: 1/1/2022
Expiration Date: 12/31/2022
Maximum Cost: \$ 4,729

WHEREAS, the State of Wisconsin has contracted with Sauk County ("SAUK") to provide child care fraud prevention and investigation services; and

WHEREAS; Dane County ("DANE") has the ability and resources to provide child care investigation and prevention services for SAUK; and

WHEREAS; the parties intend that DANE provide SAUK with certain child care fraud prevention and investigation services as set forth under the contract between SAUK and the State of Wisconsin; and

WHEREAS; SAUK wishes to subcontract certain portions of its obligation under its State contract to DANE and provide for payment to DANE;

NOW THEREFORE; the parties agree as follows:

1. DANE shall provide child care fraud prevention and investigation services sufficient for SAUK to meet its obligations as described in DCF DECE Admin Memo 21-01 – 2022 Child Care Contract - Notice of Allocations, Supplemental Fraud section.
2. The parties shall follow the investigatory policies and procedures set forth in the "Capital Consortium Fraud Program Policies and Procedures," attached hereto as Attachment A. Fraud investigations will be made by completing referrals in Benefit Recovery and Investigation Tracking System (BRITS).
3. As consideration for services, SAUK shall pay to DANE its entire Child Care Contract Allocation for Supplemental Fraud funds ("Allocation"), provided to it by the State of Wisconsin as noted in Admin Memo 21-01 – 2022 Child Care Contract - Notice of Allocations-Supplemental Fraud.
4. DANE shall invoice SAUK for the full amount of State payment to SAUK, and no more than thirty (30) days from receiving the invoice, SAUK shall send payment of the funds referenced in #3 above.
5. If the cost of services provided under this Agreement exceeds the payment made to DANE by SAUK, DANE may, at its discretion, cease performing the services described herein.
6. DANE shall give SAUK a thirty (30) day notice if it intends to cease performing services due to lack of funding.

**FRAUD PREVENTION and INVESTIGATION
2022 CHILD CARE FRAUD SUBCONTRACT**

By: _____

By: _____

(Print or type name)

(Print or type name)

Title: _____

Title: _____

Date: _____

Date: _____

CAPITAL CONSORTIUM

PROGRAM INTEGRITY PROGRAM

Policies and Procedures

PLAN SUMMARY

The Capital Consortium Program Integrity Program consists of three different organizational models. Adams, Columbia, Dane, Juneau and Sauk's Income Maintenance and Child Care Fraud funds pay a portion of two fraud Investigators' salaries and benefits. These investigators are employees of Dane County. One of the investigators is assigned the fraud referrals from Adams, Columbia, Juneau, Richland and Sauk. Dane County has four experienced staff dedicated to calculating overpayments resulting from the fraud investigations and two staff members who analyze and process the Benefit Recovery Investigation Tracking System (BRITS) inbox referrals and complete Intentional Program Violations (IPVs).

Dodge County's Program Integrity Program is primarily conducted internally. The Fraud/Overpayment Specialist and/or lead(s) manage all BRITS referrals by conducting internal desk investigations, determining and calculating overpayments and IPVs, and entering claims into the Benefit Recovery (BV) system. Referrals are made to the local Sheriff's Office for field investigations, and potentially to the District Attorney's Office for criminal prosecution.

Sheboygan County has internal integrity program. The fraud funds are allocated to funding staff positions. Fraud funded staff are responsible for integrity program activities.

FRONT END INVESTIGATION

Front end investigations occur when a client or child care provider contacts the agency for benefits or funding. This section will be divided between applicants and providers.

Applicants

Client registration staff that accept face-to-face applications or Economic Support Specialist (ESS) processing an on-line or phone application will check for applicants that have moved here from another state in the last three months. If an applicant indicates they have moved from another state, an eligibility worker or Front End Investigation (FEV) staff will contact the previous state of residence and gather information about case status in that state. If information is unclear, questionable, or difficult to obtain, the eligibility worker may make a referral to FEV staff.

The contact is made by an FEV worker who then forwards the following information to the ESS:

- whether the customer was receiving benefits,
- current status of the case, and
- TANF months used

While on CCA, all consortia ESS can refer an FEV inquiry to FEV by sending an e-mail to: fevbenefit@countyofdane.com. Once received, all FEV information will be sent to scan first.

If a worker has information about an applicant that meets the error prone profiles (see next section), they will refer that information to the Fraud Investigator using BRITS.

Child Care Providers

Fraud referrals for child care providers come from many sources including parents, child care licensors and certifiers and anonymous phone calls. Fraud investigation can also be triggered by information gathered from State reports.

ERROR PRONE PROFILE

Cases that have one or more of the following triggers are considered to be error prone and potential referrals for investigation.

Triggers for applicants/recipients include the following:

- ✓ Multiple applications in a short time period.
- ✓ Expenses exceed income.
- ✓ Client has moved to the county from out of state within the last three months.
- ✓ Client has provided contradictory, incomplete or unclear information.
- ✓ Client has made statements inconsistent with other information available.
- ✓ Household composition becomes questionable. Examples would be absent parent contact information is the same as recipient or collateral contact information contradicts recipient's statement of household members.
- ✓ The client/case has a history of Front End Verification (FEV) overpayments, Intentional Program Violations (IPV) or allegations/convictions of fraud.
- ✓ Client exhibits behavior during an interview suggesting he/she may be withholding or misrepresenting information.
- ✓ Multiple instances of benefits being used in another State.
- ✓ Multiple Quest replacement cards.
- ✓ Frequent changes to household composition.
- ✓ Self-employed applicants reporting that their monthly expenses exceed their income.
- ✓ Using EVF-E rather than paystubs, tax information or other employment verification for long term employment.
- ✓ Reports employment but there are no wage matches.
- ✓ Landlord's address is same as applicant.
- ✓ Landlord is related to absent parent, friend or ex-spouse.
- ✓ Reported income does not match IRS, Wage Match, SWICA, DXQW, SUITES, or State Tax Forms
- ✓ The shared placement or custody arrangement is questionable.
- ✓ Multiple child care hardships per year.
- ✓ Client works for or is related to the requested child care provider
- ✓ Three or more Approved Activity Search periods (ACTS) or Temporary Break periods (TBRK) in a year

Triggers for child care providers include the following:

- ✓ The parent works for or is related to the child care provider, or has the same address as the provider.
- ✓ Clients reporting their children are no longer attending provider but provider is still being paid.
- ✓ Clients reporting that they suspect provider is misreporting child's attendance.
- ✓ History of non-compliance with Wisconsin Shares.
- ✓ Provider reporting maximum attendance.

REFERRALS TO FRAUD/OVERPAYMENT STAFF

1. Potential fraud-related overpayment exists due to unreported/under reported income:

Assuring the case is correct for ongoing benefits is the responsibility of the eligibility worker. The worker should resolve wage and new hire matches and discrepancies through requests for verification for ongoing benefits.

Refer for investigation

- If the requested information is not returned, the appropriate NV will be entered, and a fraud referral made
- If the information is returned, the case should be updated and, if the Economic Support Specialist (ESS) believes the inaccurate reporting of income was fraudulent, a referral should be made
- ESS Referrals will be made by entering a referral into BRITS
- For referrals resulting from SWICA matches, ESS will check the Overpayment/Fraud Investigation Needed box on the CWW discrepancy page. This box is checked after the discrepancy has been resolved and the ESS has confirmed it meets the referral criteria. Fraud or overpayment staff will create the BRITS referrals.

ESS should not check the box in the following situations:

- BCP Only-Premium Only
- CC Only-Copayment adjustments only
- SWICA matches for 1 and/or 2 Quarters Only
- Cases that would have been eligible under GAP income rules
- FS Only Referrals with monthly allotment of less than \$150/month or if HH was previously over 130% FPL and continue to be
- Moved out of State since last review or SMRF

Do not refer for investigation

- If the wage match or new hire match are historical and do not appear to be relevant (old new hire match with one quarter wage match with income that would not affect the case)
- If a referral is related to Unemployment Compensation being reported late, a fraud referral **should not** be made

2. Fraudulent Intent

Referrals pertaining to non-financial verification can also be made in the following and similar cases:

- The eligibility worker has obtained all the verification requested and there appears to be fraudulent intent on the part of the customer, or
- The eligibility worker is unable to obtain the information needed and suspects fraud.

Examples include unreported absent parent in the home, inaccurate reporting of work schedule in order to obtain child care assistance, not participating in FSET or W-2 activities when either is the approved child care activity, or inaccurately reporting a child in or out of the home.

HOW TO REFER TO THE FRAUD INVESTIGATOR

Specific processes for communication between eligibility worker, investigator, and staff responsible for completing the overpayment will vary depending on County.

Adams, Columbia, Dane, Juneau, Richland and Sauk Counties

To refer to Investigator, the above counties will complete a referral via BRITS

Dodge County

Fraud referrals completed via BRITS. Desk investigations are completed internally. If warranted, a referral is made to Dodge County's Sheriff's Office for field investigations.

Sheboygan County

To refer to Investigator, the above counties will complete a referral via BRITS.

FRAUD INVESTIGATION

Eligibility workers will complete a referral to the Investigator using BRITS. The Investigator will track all referrals and investigations.

Inappropriate Referrals

- If inappropriate, the Investigator will communicate to the eligibility worker that the referral was inappropriate and the county fraud contact and that the investigation has closed.

Appropriate Referrals

- The Investigator will complete an investigation in BRITS.
- If the Investigator determines there is an overpayment, the investigator will calculate the overpayment or assign to the staff designated to complete an overpayment for their agency. Overpayment staff will enter claims into the BV system and close the referral in BRITS.

Fraud Investigator will refer overpayments as follows:

Adams, Columbia, Dane, Juneau, Richland and Sauk Counties

Fraud Investigator will complete the investigation finding in BRITS. The case will be referred to an Overpayment Specialist for claim creation. A copy of all supporting documentation will be uploaded to BRITS or the Electric Case File and referred to Dane County overpayment specialists.

Dodge County

All investigations and outcomes are recorded in BRITS. Based on the results of the investigation(s), the Fraud/Overpayment Specialist and/or lead worker(s) calculate overpayments and enter claims into the BV system.

Sheboygan County

ESS assigned to fraud and overpayments completes after investigation is complete.

- Based on the findings and advice from the investigator, the Eligibility Worker determines which course of action to take:
 - ✓ **No Action Taken,**
 - ✓ **Termination of Eligibility,** or
 - ✓ **Benefit Reduction**

FAIR HEARING

The county that conducted the investigation and/or overpayment is responsible for the preparation for and representation at any resulting fair hearing. Specifically,

Adams, Columbia, Dane, Juneau, Richland and Sauk Counties

Fair hearings resulting from a fraud investigation and/or resulting overpayment completed by Dane County staff will be the responsibility of Dane County staff.

Hearings resulting from non-fraud overpayments will be the responsibility of local county staff.

Dodge and Sheboygan Counties

Local county staff will be responsible for all hearings.

Note: Tax intercept hearings resulting from overpayment calculated by a private agency will be the responsibility of the local county staff. Dane county staff will be available to assist in hearing preparation.

INTENTIONAL PROGRAM VIOLATION/ADMINISTRATIVE DISQUALIFICATION HEARINGS

The Administrative Disqualification Hearing (ADH) process is intended to supplement the control of public assistance fraud. The Investigator in each agency uses the information gathered to determine potential Intentional Program Violations (IPV) to refer through the law enforcement or ADH process. If an ADH hearing is required, the investigator will do all the required preparation for the hearing. The Eligibility Worker responsible for the case at the time of violation may be asked to appear at the hearing as a witness.

REPAYMENT AGREEMENTS AND PAYMENTS

The county that calculates the overpayment is responsible for generating the repayment agreement.

STAFF REPORTING REQUIREMENTS

Upon request, each county will report their cost benefit ratio based on the methodology given in the State Fraud Prevention and Investigation Program guidelines (FPIP). Dane County will keep statistics on the number of referrals received from each county, number of investigations completed and the resulting overpayments for Adams, Dane, Columbia, Juneau, Richland and Sauk. A report containing these statistics will be shared with each County by the 10th for the previous month.

Agencies are responsible for ensuring the necessary entries are completed on BV and BRITS screens for investigations and overpayments their staff complete.

Future savings are determined as the benefits saved as a result of the investigation. Investigator will follow the FPIP Guidelines as given by the State of Wisconsin.

IPV SANCTIONS in CWW

When an investigation of the FS program results in a conviction of fraud in a court or a determination of an IPV by an ADH or a signed waiver agreement by the recipient to either of those adjudication processes, the agency is required to enter the IPV sanction on the CWW page titled FoodShare IPV Sanction page.