



Early Learning Coalition

Indian River • Martin • Okeechobee

Coalition Anti-Fraud Plan

**Early Learning Coalition of
Indian River, Martin and
Okeechobee Counties, Inc.**

Board Approved:

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Coalition Anti-Fraud Plan

Purpose

The purpose of the Early Learning Coalition Anti-Fraud Plan is for the detection and investigation of possible acts of fraud, abuse, or overpayments by recipients and contracted providers relating to the provision of and payment for School Readiness and Voluntary Prekindergarten Programs. This plan will establish the procedures for reporting allegations of possible fraud, misfeasance, misapplication of funds, gross mismanagement, and employee/participant misconduct in the Early Learning Programs – School Readiness and Voluntary Pre-Kindergarten.

Definitions

Fraud, Misfeasance, Nonfeasance, or Malfeasance: In the operation of any program funded by state or federal funds administered by Florida's Division of Early Learning, these actions which constitute the omission of an act a person ought to do, the improper performance of an act a person might lawfully do, or the performance of an act a person ought not to do are defined as fraud, misfeasance, nonfeasance, or malfeasance. This category includes but is not limited to: indications of bribery, forgery, extortion, embezzlement, and/or theft of participant checks; kickbacks from participants; and intentional payments to a contractor without the expectation of receiving services.

Misapplication of Funds: Misapplication of funds should be considered as any alleged use of funds, assets, or property not authorized or provided for in the grant or contract. This category includes but is not limited to: nepotism, political patronage, use of participants for political activities, ineligible enrollees, conflicts of interest, not reporting income from federal funds, violation of contract procedures, maintenance of effort violations, and the use of funds for purposes other than their designation.

Gross Mismanagement: Actions or situations arising out of the intentional failure to perform one's duties or responsibilities in reckless disregard of the consequences. This can lead to major violations of contract provisions and/or severely hamper the Coalition's ability to fulfill its mission.

Employee/Participant Misconduct: This is occupational/professional actions occurring during or outside work hours that reflect negatively on the Coalition or its mission. This may include but are not limited to: conflicts of interest or the appearance of a conflict of interest involving outside employment businesses and professional activities; the receipt or giving of gifts, fees, entertainment, and favors; misuse of federal/state property; misuse of official information; and other activities that may adversely affect the confidence of the public, the integrity of the government, and any serious violations of federal and state laws.

Organizational Structure

The organization is composed of five major departments: Administration, Family Services, Finance, Provider Services, and Operations. Each department has defined functions that are essential to the support and performance of ELCIRMO's mission.

The primary coalition position responsible for implementing the Coalition's Anti-Fraud Plan is the Chief Executive Officer, Marsha B. Powers, who can be contacted at mpowers@elcirimo.org or 772-223-3861. Other individuals involved in the process include the Chief Finance Officer, Family Services Manager, and respective department managers and directors. All employees are required to report potential fraud. 6M-9.400 (3)(a)

Procedures for Detecting and Investigating

Detecting for Recipients

The following are some of the methods that will be utilized in detecting potential fraud, abuse, and overpayments, which includes but are not limited to:

1. Review of data quality reports generated by DEL 6M-9.400 (3)(b)
2. Documented verification of childcare referrals from other organizations 6M-9.400 (3)(b)
3. Authenticity of information provided, such as altered documents or fake identification
4. Signatures on employment or residency verification forms
5. Inconsistencies from previously reported information on employment or residency verifications forms, such as phone numbers or names of individuals
6. Marital status and dependents indicated on paystubs
7. Inconsistencies in family composition from previously reported information
8. Calls received regarding clients receiving services
9. Providers reporting inconsistent client information
10. Other sources that become available to the Coalition during normal business processes, such as Equifax Verification Services 6M-9.400 (3)(b)

Investigating for Recipients

1. The internal process will be initiated by the completion of the proper internal review forms indicating what item or items above triggered a review.
2. During this process, the recipient's services will not be terminated or suspended.

3. The first reviewer will have 15 days from the time potential fraud is suspected to complete his/her portion of the form and make a determination as to whether or not potential fraud and/or overpayment occurred due to ineligibility.
4. The review process will consist of an extensive review of electronic files, attendance, reimbursement reports, and any other documents necessary to make a determination that an overpayment was made.
5. Once the first reviewer has made a determination, this will be noted on the same form. The first reviewer will submit the completed form to the Family Services Manager
6. The second review will be conducted by the Family Services Manager for a final determination within 15 days of receipt of the form from the first reviewer.
7. If the Family Services Manager determines that potential fraud may have occurred, then the recipient will be sent written notification to include a pre-appeal process.
8. Each step of the process must be documented to include all supporting documentation, recommended actions, and actions taken.
9. Information regarding potential fraud will be entered into the Division of Early Learning's Fraud Referral System. 6M-9.400 (3)(b)

Detecting for Providers

The following are some of the methods that will be utilized in detecting potential fraud, abuse, and overpayments which includes but is not limited to:

1. Review of attendance sheets and sign-in/sign-out sheets
2. Providers with consistently perfect attendance sheets
3. Child sign-in/sign-out sheets with parent signatures
4. The time recorded on sign-in/sign-out form is always the same.
5. Unannounced visits for attendance monitoring
6. Parental complaints/allegations against a provider
7. Calls received by the organization regarding providers
8. Other sources that become available to the Coalition during normal business processes. 6M-9.400 (3)(b)

Investigating for Providers

1. The internal process will be initiated by the completion of the form indicating what item or items above triggered a review.
2. During this process, no action will be taken against the provider until due process procedures as outlined within the contract between the Coalition and the Provider are initiated via written notification.
3. The first reviewer will have 15 days from completion or receipt of the form to make a determination as to whether or not potential fraud occurred based on documentation reviewed.
4. The review process will consist of an extensive review of electronic files, attendance, reimbursement reports, and any other documents necessary to make a determination of continued eligibility, as well as to determine if an overpayment was made.

5. Once the first reviewer has made a determination, this will be noted on the same form in the area indicated for the reviewer to complete.
6. The second review will be conducted by the Chief Finance Officer for a final determination within 15 days of receipt of the form.
7. If the Chief Finance Officer finds sufficient evidence of fraudulent activity, the provider will be sent written notification of the potential fraud and the procedures outlined in the contract shall be followed.
8. Each step of the process must be documented to include all supporting documentation, recommended actions, as well as actions taken.

Mandatory Reporting

The Inspector General of DEL is the designated coordinator of all suspected fraud referrals to the Department of Financial Services, Division of Public Assistance Fraud. The Coalition is responsible for immediately reporting all actual or suspected violations to the DEL Office of Inspector General, the Department of Financial Services, Division of Public Assistance Fraud and Florida's Division of Early Learning (DEL).

1. The Coalition Administrator for the Division of Early Learning Fraud Referral System, Marsha Powers, will be notified immediately upon the initiation of an internal review process for a potential fraud, abuse, or an overpayment.
2. On a monthly basis, a report to the DEL electronically states the number of recipients and providers terminated for fraud. 6M-9.400 (3)(b)
3. The Coalition Administrator will submit all potential fraud, abuse, and overpayment to DEL utilizing the online DEL Fraud Referral System upon

completion of the internal review process while simultaneously informing the recipient and/or provider of their right to an appeal.

Further information on reporting suspected fraud may be obtained by calling the Office of Inspector General at (850) 717-8605.

Due Process for Recipients

Education and Training of Personnel

1. All staff regardless of position held within the organization are trained on the importance of being attentive to areas where there is a potential for abuse, fraud, and overpayment.
2. Each department supervisor, manager, and/or director will be responsible for providing training to their respective staff in utilizing the methods identified above for recipients and providers on detecting and preventing fraud, abuse, and overpayment.
3. Education and training will be on-going as any issues identified during the internal review process of potential abuse, fraud, and overpayment will be utilized as learning tools.
4. On an annual basis, the Coalition will review internal controls, policies, procedures, and will make any necessary changes. 6M-9.400 (3)(d)

Right to Appeal

Recipients have the right to appeal a suspension or termination of benefits based on information that has led the Coalition to conclude that School Readiness or Voluntary Prekindergarten Education program benefits have been obtained or used fraudulently.

Recipients and Providers who fail to file a timely appeal, waive their right to appeal.

Pre-Appeal Process with the Coalition Staff

1. A written advance notice of the intended action to suspend or terminate benefits will be provided to the recipient. This will clearly advise them of the allegations, the basis of the allegations, the intended action, and the date the action is to be imposed.
2. Recipients with a valid at-risk referral may not have their services suspended or terminated. These will be addressed on a case-by-case basis.
3. The written notice will be sent at least fourteen (14) calendar days before the intended action via certified mail/return receipt requested and email. If previous communication with the recipient has been translated, the written advance notice will also be translated.
4. The written advance notice will include the following:
 - a. Inform the recipient in bold print that they have ten (10) calendar days to file a written appeal to the Coalition. This should describe the nature of the error and contain any documentation which supports the recipient's claim.
 - b. Notification of the potential for repayment of improper benefits if the conclusion of the appeal results in the fact that fraud did take place, including any benefits received after the receipt of the written advance notice.
 - c. The right to request a copy of his/her file
 - d. If applicable, the amount of overpayment to be recovered.

- e. The length of the suspension of benefits or date of termination of benefits, if applicable. The length of time will be proportionate to the alleged offense committed and consistent with suspensions or terminations issued to other recipients who allegedly committed comparable offense. The Coalition may also consider prior offenses as appropriate.
 - f. A recipient who fails to file a timely appeal to the Coalition waives the right of appeal.
5. The Chief Executive Officer of the Coalition will not be involved in the pre-appeal process.
 6. Recipients that believe that a pre-appeal process did not resolve the issue may file a formal written appeal for review by the Chief Executive Officer as outlined in #3 below.

Appeal Process with the Chief Executive Officer or Designated Person by the Coalition's Board

1. Submit a written appeal to the Chief Executive Officer or other staff person as designated by the Coalition's board.
2. The appeal must fully describe the nature of the error the recipient believes has been made and contain any documentation which supports the recipient's claim.
3. The appeal must be received via regular mail or email by the Coalition before the date of the intended action. The recipient who fails to file a timely appeal waives the right of appeal.
4. If the recipient files a timely appeal, he/she will not have services suspended or terminated until receiving a written decision by the Chief Executive Officer or designee or the original date of the intended action, whichever is later.

5. The Chief Executive Officer of the Coalition or designee must respond to the recipient in writing within thirty (30) days of receiving the appeal with a decision as to whether the suspension or termination will be upheld or modified.

Recipients who wish to appeal the decision of the Chief Executive Officer or designee may request further review by an appeals committee as outlined in #4 below.

Appeal Process with an Appeal Committee

1. The request for further review by an appeals committee must be submitted to the Coalition in writing within ten (10) calendar days of the Chief Executive Officer's or designee's written response to the recipient's formal written appeal.
2. The Chair of the Coalition's board will select an appeals committee, including a chair of the appeals committee.
3. The appeals committee will convene within forty-five (45) calendar days of receipt of the recipient's request for an appeal.
4. The recipient will be given an opportunity to defend his/her position in an orderly proceeding of the appeals committee.
5. When the meeting of the appeals committee is scheduled, the recipient will be notified of the date of appeals committee, informed that it is a public meeting, and informed that any information presented may be used by other state agencies.
6. The recipient will be provided with up to thirty (30) minutes to present his/her position and any information he/she wishes the appeals committee to consider.

7. The Coalition staff will be available to provide any information requested by the committee.
8. The appeals committee will consider all statements, review all documents, and may request any additional evidence or information from the parties if an appeals committee member believes it is necessary and relevant to the decision making. The required determination letter will be tolled for the length of time given to provide the additional information.
9. The appeals committee will provide a written report to the recipient including the final determination and the basis for the decision.
10. The appellant will be notified in writing within ten (10) days of the date of the meeting of the appeals committee's determination.
11. The determination of the appeals committee will be final.
12. The recipient is not eligible for future services until the balance due is paid in full.

Repayment Process

The ELCIRMO may make arrangements for restitution of fraudulent payments with the recipient and/or provider upon receiving notification from a state agency.

1. The arrangement will include a reasonable repayment schedule.
2. If there is any interruption in the repayment schedule, a reminder notice will be sent within 10 business days of missing payment. The recipient and/or provider must provide a reason for the missed payment and when repayments will resume. Failure to respond will result in the remaining balance being due immediately.

3. If it is determined that no further repayments will be received from the client and/or provider, at the discretion of the Chief Executive Officer, the Coalition may pursue legal action to recover the remaining balance due or pursue prosecution for fraud.
4. The Coalition will determine if it continues services for the recipient and/or provider on a case-by-case basis.
5. Recipients with a valid at-risk referral will be handled on a case-by-case basis.
6. All payments will be documented by the Finance department.
7. The Finance department will submit the payment and required information to the Division of Early Learning.

How to Report and File a Complaint

If you know that employees, a contractor, childcare service provider, parent, or other benefit recipient has done something fraudulent, such as falsifying records, committing fraud, or wasting or mismanaging state personnel, equipment, or money, please contact the ELCIRMO and Marsha Powers at 877-880-1223 or mpowers@elcirmo.org. Additionally, you may contact the Office of Inspector General at 850-717-8605 or inspector.general@oel.myflorida.com. Information on how to report and file a complaint can be found on the ELCIRMO website at www.elcirmo.org.