



ANTI-FRAUD PLAN

2022-2023

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I. Anti-Fraud Plan Overview Statement

The Early Learning Coalition of Florida's Gateway, Inc. (ELCFG) recognizes that School Readiness and Voluntary Prekindergarten Program fraud exists in the early learning industry. As such, it is the policy of ELCFG to strive to protect its funders, clients, recipients, and early learning providers through the process of an effective and diligent Anti-Fraud Plan pursuant to Section 1002.91(8), FS. and Rule 6M-9.400. This Anti-Fraud Plan shall be approved by the Coalition Board and submitted for annual approval to the Division of Early Learning (DEL) Office of Inspector General (OIG) no later than June 30 of each year (or an alternative deadline assigned by DEL). DEL will notify the Coalition in writing of approval or disapproval and the reasons for disapproval, and (if necessary) a corrected plan will be submitted to DEL no later than November 1 of each year.

As part of ELCFG's funds management process, the staff will endeavor to thoroughly review each recipient (parent or legal guardian whose child was determined eligible for SR or VPK program benefits) and early learning provider's data submissions with the specific goal of identifying those potential areas of concern exhibiting fraud related indicators, flagged events and situations, or behavior indicative of fraud schemes. Those identified will be directed for specialized handling. In particular, ELCFG staff will focus on detection and prevention of overpayments, abuse, and fraud relating to the provision of and payment for School Readiness program and Voluntary Prekindergarten Education program services.

II. Anti-Fraud Plan Definitions:

- a. **Recipient-** The parent or legal guardian whose child was determined eligible for SR or VPK Education Program benefits.

- b. **Fraud-** An intentional deception, omission, or misrepresentation made by a person with knowledge that the deception, omission, or misrepresentation may result in unauthorized benefit to that person or another person, or any aiding and abetting of the commission of such an act. The term includes any act that constitutes fraud under applicable federal or state law. Imposition of fines and punishment will not be the responsibility of the Coalition. The Coalition solely acts as a preliminary investigating and reporting body to state agencies.
- c. **Suspension-** When services are temporarily no longer provided, however, parents do not have to go to the waiting list when their suspension is finished.
- d. **Termination-** When services are ended and the recipient would have to return to the waiting list when their termination is expired.

III. Description of Organization Structure with Plan Responsibilities

The Finance Director and Finance Controller are responsible for implementing the Coalition's Anti-Fraud activities. The Finance Director or Finance Controller are responsible for reviewing an initial appeal request by recipient for decision to uphold or modify the suspension or termination. The following are responsible for the daily activities related to prevention, detection, investigation, and reporting of possible overpayment resulting from potential fraud or abuse:

All Coalition Staff (Family Support Specialists, Coalition Analyst, Contract & Compliance Specialist, Suspected Fraud Tip Line (Whistleblower Line)) will receive training on how to detect and prevent fraud, abuse and overpayment on an as-needed basis. ELCFG Executive Leadership Team will serve as training agents to ensure that all departmental staff are familiar with the Anti-Fraud Plan and Whistleblower procedures. The Finance Director and Finance Controller will prepare an annual self-assessment of Internal Controls, and collaborate with ELCFG Executive Leadership Team to create and review policies and procedures in order to minimize instances of fraud.

IV. Plan Organizational Procedures

A. ELCFG Procedures Review

- a. The Human Resources Manager, Finance Director (CFO) and Executive Director(CEO) will annually review job descriptions and internal processes to confirm appropriate separation of duties are in place, and review internal controls to reduce risks.

B. ELCFG Staff Education/Awareness Training

- a. All Coalition Staff annually participate in Suspected Fraud/Whistleblower Training. Trainings may be conducted by the Executive Leadership Team and/or Department of Financial Services, Division of Public Assistance Fraud Unit, Division of Early Learning/DOE.
- b. Coalition Staff meet periodically to review any changes/updates that may arise, included, but not limited to verifying documented child care referrals from other organizations upon receipt.
- c. The Coalition's Contracts/Compliance Specialist and Coalition Analyst continually monitor throughout the year and informs ELCFG Executive Leadership Team of any suspected fraud findings.

C. SR and VPK Parent Education and Awareness

- a. Display fraud awareness posters in lobby area and/or interview rooms at ELCFG.
- b. A fraud awareness statement is included on the Parent Portal.
- c. Coalition staff will review with families the importance of reporting changes in their circumstances within ten (10) days, which includes supporting documentation, as needed.
- d. Information about the ELCFG Fraud Tip Line or any ELCFG Coalition Staff.

D. SR and VPK Provider Education and Awareness

- a. Encourage early learning providers (SR and VPK) to report potential fraud to ELCFG staff through provider communication methods including email or portal communications, and provider group meetings.
- b. Periodic reminders to providers about having procedures in place to prevent fraud.
- c. Regular business practices of monitoring that occur with early learning providers that also keep providers aware of ELCFG's intentions to prevent and/or detect fraudulent practices.
- d. Use of SR and VPK monitoring tools.

E. Providers, Parents, Employees and Public Access to Reporting of Suspected Fraud

- a. The *Suspected Fraud Reporting Form and phone number* are on the ELCFG website; for the purpose of reporting potential fraud for parents, providers, employees, and general public.

F. Early Detection and Investigation of Suspected Fraud, Abuse and Improper Payment

(1) 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. Any person who knowingly:

- Provides false or misleading information or withholds information in order to participate or receive payments under the School Readiness or Voluntary Prekindergarten programs;
- Conceals information to obtain School Readiness and Voluntary Prekindergarten payments;

- Fails to disclose a change in circumstances or material information that could directly affect their eligibility to receive School Readiness or Voluntary Prekindergarten Services, benefits or reimbursement;
- Aids and abets another person in the commission of any such act.

(2) Best practices to prevent over-payments, abuse and fraud relating to the provision of and payment for services, include but are not limited to:

ELCFG will perform internal file reviews, payment validation reviews, attendance reviews, and coordinate with other agencies to perform data matches on individuals and families participating in the School Readiness and/or Voluntary Prekindergarten Programs. This includes review of data quality reports generated by DEL, documented verification of child care referrals from other organizations, electronic reporting to DEL of recipients and providers terminated for suspected fraud monthly, and a whistleblower policy. **This whistleblower policy includes a confidential method of reporting fraud to the Coalition Board Chair and is posted in the office lobby as well as on the website.**

Note: The Coalition's fraud investigation and appeals procedure outlined in this plan will complement the DEL referral process to DFS through the reporting fraud referral system.

(3) Fraud Detection Procedures:

a) *Initial Reporting:* Any potential overpayment, fraud or abuse that is uncovered or suspected by management, an employee, or an affiliated third party to ELCFG shall be immediately reported to the Executive Director, who can be reached at 386-752-9770. The Executive Director/CEO or his/her designee (Finance Director or Finance Controller shall be responsible for coordinating further investigations into the alleged fraud and for contacting and coordinating with the DELE Eligibility and Fraud Prevention Unit, the Department of Financial Services (DFS)/Office of Inspector General (OIG) Public Assistance Fraud Unit, and/or the Florida Department of Law Enforcement (FDLE). DFS and FDLE will have primary responsibility for the investigation of all suspected fraud cases presented to them, unless otherwise noted by DEL. The Finance Director or Finance Controller will serve as administrators of the Office of Early Learning Fraud Referral System and can be reached at 386-752-9770. Other members of leadership may provide insight as it relates to specific departmental incidences, such as parent eligibility and enrollment fraud, Family Services; and provider contract & compliance fraud, Provider Services and Finance/Compliance.

b) *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 DEL, DFS, FDLE, Department of Children & Families Licensing agency, ELCFG's attorney and other parties directly working on the investigation. **An employee involved in the preliminary investigation may not intentionally contact or speak with an individual, client, recipient or early learning provider that is involved, in any way, with an ongoing fraud investigation.**

c) Preliminary Investigations: Upon becoming aware of any suspected fraud or misrepresentation, the Executive Director/CEO shall, in cooperation with other employees of ELCFG, conduct a preliminary investigation in order to determine the likelihood that a fraudulent act has been committed against ELCFG. Such preliminary investigations may include, but need not be limited to: contacting DEL, DFS, FDLE, ELCFG's attorney, conducting face-to-face interviews, making telephone calls, reviewing files and making on-site visits. The Executive Director/CEO, or his or her designee, shall ensure adequate documentation is 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 ELCFG, that no further investigation is warranted, the case shall be closed and a notation placed in the file of such a determination.

d) Further Investigations: If it is determined, at the sole discretion of ELCFG, that further investigation is warranted, the Executive Director or his/her designee shall immediately contact DEL, DFS and/or FDLE and the Coalition's attorney, as necessary to undertake those actions to fully investigate the alleged fraudulent activity. Such cases of possible abuse or fraud (including the possible overpayment associated with the abuse or fraud) require mandatory reporting to DEL's OIG through the DEL Fraud Referral System – this reporting will be done by the Finance Director or Finance Controller (Contact 386-752-9770). The Executive Director shall provide the Board's Executive Committee with a summary report of the investigation findings and actions.

(4) Penalties:

Any person who commits an act of fraud is subject to the penalties provided in Section 414.39(5) (a), FS. The recipient is also eligible for suspension or termination.

- Suspension is a temporary situation that means that the recipient would not have to go to the back of the waiting list when the suspension is finished.
- Termination means that the recipient would have to go to the back of the waiting list when the termination expires.
- Suspension or termination is effective on the date given on the initial notice or the date of the Executive Director or Board designee's decision, whichever is later.
- If the appeals committee overturns the decision of the Executive Director or board designee (see Due Process Procedures) and determines that no fraud occurred, the suspension or termination is lifted. If the recipient is still eligible for services, they should be offered services again.
- **Penalties:**
 - First determination of fraud – eligibility is suspended for the longer of six months or restitution of overpaid benefits.
 - Second determination – eligibility is terminated for the longer of one year or restitution of overpaid benefits.
 - Third and subsequent determinations – eligibility is terminated for the longer of five (5) years or restitution of overpaid benefits.

(5) Due Process Procedures for Recipients and Reporting to the Division of Early Learning

Following a determination that there is reasonable belief and supporting evidence that the individual, client, recipient or early learning provider knowingly or intentionally committed any act as identified above, and at the sole discretion of ELCFG, the following actions may be taken:

- The client/provider will be reported through the Division of Early Learning (DOEL) Fraud Referral System. This anti-fraud policy is intended to complement, not replace, the fraud referral process. The Coalition will be able to remove ineligible recipients from the program without waiting for the often-lengthy criminal investigation and prosecution to conclude. If DFS screens out a case referred to them, this does not mean that fraud did not occur. DFS screens out many cases of improper payment due to workload issues or not being able to meet the “beyond a reasonable doubt” standard for criminal cases. This policy is intended to allow Coalitions to act on those screened-out cases as well, in cooperation with DEL’s OIG and DFS.
- The client/provider will be notified in writing of the action to be taken, and has the right to appeal suspension or termination of benefits from the SR or VPK program based on information that leads the coalition to conclude that SR or VPK program benefits have been obtained or used fraudulently. (6M-9.400(4)(a))
- **Written notice before suspension/termination:**
 1. At least fourteen (14) calendar days prior to termination.
 2. Shall include the allegations, the basis of the allegations, the intended action and the date the action is to be imposed.
 3. Shall be translated into the recipient’s native language if the coalition’s other communications with the recipient have been translated.
 4. The written notice shall include the following: (***Initial Appeal***)
 - a) *The procedure for the recipient to follow to attempt to appeal the decision. A statement, in bold print, that the failure to file a timely appeal waives the right to an appeal.*
 - b) Notice of the potential for repayment of improper benefits if the conclusion of fraud is upheld, including any benefits received after the receipt of the written advance notice.
 - c) The procedure for the recipient to obtain a copy of his/her file. 6M-9.400(4)(b)
 - d) The amount of overpayment to be recovered, if applicable.
 - e) The length of time for which the recipient’s benefits are suspended or the date of the termination of benefits, if applicable. This length of time shall be proportionate to the alleged offense committed, consistent with suspensions or terminations issued to other recipients who allegedly committed comparable offenses, and may also consider prior offenses, as appropriate.
- A suspension or termination **shall not** be applied against recipients with a valid at-risk referral.
- If the recipient believes that the conclusion of fraud was made in error, the recipient should first seek to resolve the matter by contacting the coalition and providing the necessary documentation to resolve the issue. **The Executive Director of the coalition shall not be involved in the pre-appeal resolution of the issue.** In order to preserve the

due process required by statute, the staff person making the initial appeal decision must be removed from the second appeal decision.

- If the recipient believes that the issue was not resolved by the coalition, the recipient may file a formal written appeal for review by the Executive Director, using the following procedure: **(Second Appeal)**
 1. Submit a written appeal to the Executive Director or other executive staff person as designated by the Coalition Board. The appeal must fully describe the nature of the error the recipient believes has been made and shall contain any documentation which supports the recipient's claim.
 2. The appeal shall be postmarked or emailed before the date of the intended action. The recipient who fails to file a timely appeal waives the right of appeal.
 3. If the recipient files a timely appeal, he or she will not be suspended or terminated from the program until the written decision of the Executive Director or the original date of the intended action, whichever is later.
 4. The Executive Director or other executive staff person designated by the Coalition Board 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.
 5. The recipient who wishes to appeal the decision of the Executive Director or other executive staff person designated by the Coalition Board may request further review by an appeals committee.
 6. The request for further review by an appeals committee must be submitted to the Coalition in writing within ten (10) calendar days of the date of the Executive Director or other executive staff person designated by the Coalition Board's written response to the recipient's formal written appeal.
- The recipient shall be given the opportunity to defend his or her position in an orderly proceeding of the appeals committee. When the meeting of the appeals committee is scheduled, the recipient shall be; **1)** notified of the date of the appeals committee, **2)** informed that it is a public meeting, **3)** and, informed that any information presented may be used by other state agencies. **(Third and Final Appeal)**
 1. The appeals committee shall be selected by the Board Chair of the Coalition and a chair of the appeals committee shall be named. This committee shall consist of at least three (3) Board members.
 2. The appeals committee shall be convened within forty-five (45) calendar days of receipt of the recipient's request for an appeal.
 3. The recipient shall be provided up to thirty (30) minutes to present their position and any information they wish the appeals committee to consider.
 4. The coalition staff, excluding the Executive Director or other executive staff person designated by the Board, shall be available to provide any information requested by the committee.
 5. 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 final determination letter will be tolled for the length of time given to provide the additional information.

6. The appeals committee shall select or appoint a member of the Coalition staff, excluding the Executive Director or other executive staff person designated by the Coalition Board, to memorialize the events of the appeals committee proceeding and the final determination including the basis for the decision.
7. The appellant shall be notified in writing of the appeals committee's determination within ten (10) days of the date of the meeting.
8. The determination of the **Appeals committee shall be final.**
9. The due process procedures for providers will be provided for in the statewide contract between the coalition and the provider, pursuant to Rule 6M-4.610, F.A.C. 6M-9.400 (5).

Imposition of fines and punishment will not be the responsibility of the Coalition. The Coalition solely acts as a preliminary investigating and reporting body to state agencies.

- As a reminder for reporting fraud and criminal activity outside the information already reported via the Division of Early Learning Fraud Referral System, in accordance with 2 CFR 200.113, Mandatory disclosures, the ELC and its approved subcontractors (if any) must comply with and inform its employees of mandatory reporting requirements. Each employee of the ELC and any subcontractor (Subrecipient or Contractor) providing services in connection with executed agreements between DEL and the ELC shall disclose to the DEL Inspector General in a timely manner and in writing all violations involving fraud, bribery, or gratuity violations potentially affecting such agreement(s) and/or the related federal/grant program(s). Instructions for submitting required report information can be found online on DEL's Office of Inspector General page under the section "Filing a Complaint" at <http://www.floridaearlylearning.com/about-us/early-learning-overview/office-of-the-inspector-general>

G. Benefit Recovery

Cases Below Minimum Threshold will be Screened Out or Not Referred

In situations where DFS determines that there is reasonable suspicion fraud has occurred, but is unable to refer the case to the States Attorney's Office (SAO) due to low restitution amount or other reasons, the case will be processed through the repayment agreement process.

1. DFS determines that there is reasonable suspicion fraud has occurred, but refuses case due to restitution is below \$5,000.00 or the case is screened out or not referred for other reasons.
2. DFS shares findings and supporting documentation with Coalition Staff.
3. The Coalition Staff notifies recipient(s) in writing with delivery confirmation to inform them of the DFS/SAO decision and that they must repay the improper payment by signing a repayment agreement.
4. Payments must be made by money order or cashier's check and payable to the Early Learning Coalition of Florida's Gateway, inc.

5. The assigned ELCFG Staff person will write a receipt for each payment received and document payments in recipient(s) file.
6. All payments will be delivered to the Finance/Compliance Department for further processing.
7. If the recipient fails to meet the terms of the repayment agreement, or refuse to sign the repayment agreement, the ELCFG may choose to have the case resubmitted to DEL/DFS or file a civil action through the County Clerk of Court.

H. Anti-Fraud Contact

TBA, Finance Director/CFO
(386) 961-0124

Stacey DePratter, Fiscal Controller
386-752-9770
sdepratter@elcgateway.org

LaShone T. Surrency, Executive Director
386-752-9770
lsurrency@elcgateway.org