



**Early Learning  
Coalition**  
OF PINELLAS COUNTY

## **ANTI- FRAUD PLAN**

**FY 2018-2019**

Board Approval:  
May 24, 2018

## PLAN STATEMENT

The Early Learning Coalition of Pinellas County Inc. (Coalition) recognizes that fraud exists in the early learning industry within the School Readiness and Voluntary Prekindergarten Programs. As such, it is the policy of the Coalition 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), F.S. and Rule 6M-9.400. This Anti-Fraud Plan is approved by the Coalition Board and submitted for annual approval to the Office of Early Learning (OEL) and the Office of Inspector General (OIG) no later than June 30th of each year (or an alternate deadline assigned by OEL).

## DEFINITIONS

**Fraud/Misrepresentation:** 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 or abetting of the commission of such act. The term includes any act that constitutes fraud under applicable federal or state law.

**Substantiated Fraud:** fraud that can be proven (with documentation) regardless of any court decisions.

**Suspension:** means after a termination, the period of ineligibility of School Readiness services (typically a period of up to five years). Client/Recipients will go back to the back of the waiting list when the timeframe expires.

**Termination:** means the recipient will no longer be eligible for existing services and will go to the back of the waiting list when the suspension timeframe expires.

## DESCRIPTION OF ORGANIZATIONAL STRUCTURE WITH PLAN RESPONSIBILITIES

The Finance & Fraud Analyst under the direction of the Chief Financial Officer (CFO) is responsible for implementing the Coalition's Anti-Fraud Plan. The CFO serves as the Coalition administrator for the OEL Fraud Referral System. The Finance & Fraud Analyst position is responsible for the mandatory reporting of possible abuse or fraud, including possible overpayment associated with the abuse or fraud to the Office of Early Learning's Office of Inspector General. The contact information for the Finance & Fraud Analyst is [khammill@elcpinellas.net](mailto:khammill@elcpinellas.net).

The Chief Financial Officer is responsible for reviewing the initial appeal request by the client/recipient for decision to uphold or modify the suspension and/or termination.

The following positions are responsible for the daily activities related to prevention, detection, investigation, and reporting of possible overpayment resulting in potential fraud or abuse:

- Family Services Manager
- Family Services Supervisors
- Family Services Specialist II
- Provider Contract Specialist and Supervisor
- Reimbursement Specialist and Supervisor
- Finance & Fraud Analyst

## **PLAN PROCEDURES**

The Coalition 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 (SR) or Voluntary Prekindergarten (VPK) programs. This includes review of data quality reports generated by OEL, documented verification of childcare referrals from other organizations, and the electronic monthly reporting to OEL of recipients and providers terminated for fraud by a method determined by OEL.

## **EDUCATION, AWARENESS, AND TRAINING**

The Finance & Fraud Analyst will provide a mandatory fraud prevention staff training annually and new staff training within 60 days of hire using OEL fraud prevention related training documents. The Coalition prepares an annual self-assessment of internal controls and has in place policies and procedures to minimize instances of fraud. For reporting purposes, the suspected fraud reporting form and the fraud hotline number is on the Coalition website.

## **FRAUD DETECTION PROCEDURES**

### **Initial Reporting:**

Immediate notification to the Coalition of any potential overpayment, fraud or abuse that is uncovered or suspected by management, an employee, or an affiliated third party to the Coalition is required. The Finance & Fraud Analyst will be responsible for coordinating further investigations into the alleged fraud and for contacting and coordinating with the OEL Office of Inspector General, the Department of Financial Services (DFS) Public Assistance Fraud Unit, and/or the Florida Department of Law Enforcement (FDLE). DFS and FDLE will have primary responsibility for investigation of all suspected fraud cases presented to them, unless otherwise noted by OEL.

### **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 OEL, DFS, FDLE, Department of Children and Families Licensing agency, Coalition's attorney and other parties directly working on the investigation.

### **Preliminary Investigations:**

Upon becoming aware of any suspected fraud or misrepresentation, the Finance & Fraud Analyst will conduct a preliminary investigation to determine the likelihood that a fraudulent act has been committed against Coalition. Such preliminary investigations may include, but need not be limited to contacting OEL, DFS, FDLE, ELCMC attorney, conducting face-to-face interviews, making telephone calls, reviewing files and making on-site visits. The position shall ensure adequate investigative documents are located in the file documenting such allegations and any findings from the preliminary investigation, including whether or not further investigation is warranted. A dismissal of the suspected fraud case ends the investigation if it is determined, at the sole discretion of Coalition, that further investigation is unnecessary.

### **Further Investigations:**

Once it is determined, at the sole discretion of the Coalition that the suspected fraud referral warrants a further investigation, The Finance and Fraud Analyst will calculate associated overpaid benefit amount and follow the *Due Process provisions for termination and/or suspension of School Readiness benefits*.

### **DUE PROCESS PROCEDURES**

- The Due Process procedures for Child Care Providers are stated in the contract between the Coalition and the provider, pursuant to Rule 6M-4.610, F.A.C. 6M-0.400 (5) and the Coalition policy ELCP -10.1A.
- A client suspected of fraud will have their case referred to the OEL Fraud Referral System. Via the United States Postal Service, written notification to the client advising him/her of the actions taken along with notification that the client has the right to appeal the suspension and/or termination of benefits from the SR program, are mailed to the client's address on file. The Coalition policy ELCP -10.1B will be followed.
- Written notice before suspension/termination will include:
  - Translation into the client/recipient's native language if the Coalition's other communications with the client/recipient have been translated
  - 14 calendar day notice prior to termination and/or suspension
  - The allegations, the evidence of the allegations, the intended action and the date the actions are to be imposed
  - The process for the client/recipient to follow to attempt to appeal the decision
  - A statement, **in bold print**, that failure to file a timely appeal waives the right to an appeal
  - Notice of the potential for repayment in full of improper benefits received if the conclusion of substantiated fraud is upheld, including any benefits received after the receipt of the written advance notice for cases that are under the minimum threshold for a referral to the OEL Fraud Referral System
  - The procedure for the recipient to obtain a copy of his/her file
  - The amount of overpayment to be recovered
  - The length of time for which the client/recipient's benefits are suspended or the date of termination of benefits, if applicable. This length of time shall be no less than a period of five years that are consistent with suspensions and terminations issued to other client/recipients who allegedly committed comparable offenses

## **CLIENT/RECEIPIENT RIGHT TO CHALLENGE DECISION**

1. If the client/recipient believes that the conclusion of suspected fraud was made in error, the client/recipient should first seek to resolve the matter by contacting the Coalition and providing the necessary documentation to resolve the issue. The Chief Executive Officer of the coalition shall not be involved in the pre-appeal resolution of the issue. To preserve the due process required by statute, the staff making the initial appeal decision must be removed from the second appeal decision.
2. If the recipient believes the issue was not resolved by the Coalition, the recipient may file a formal written appeal for review by the Chief Executive Officer using the following procedure:
  - Submit a written appeal to the Chief Executive Officer or other executive staff person as designated by the Coalition Board. The appeal must fully describe the nature of the error the client/recipient believes occurred and shall contain any documentation that supports the client/recipient's claim
  - The appeal must be postmarked or faxed before the date of the intended action. The recipient who fails to file a timely appeal waives the right to an appeal
  - Once the client/recipient files a timely appeal, he/she will not be suspended or terminated from the program until the written decision of the Chief Executive Officer or the original date of the intended action, whichever is later
  - The Chief Executive Officer or other executive staff person designated by the Coalition Board must respond to the client/recipient, in writing, within 30 days of receiving the appeal with a decision as to whether the suspension and/or termination is upheld or modified.
  - The recipient who wishes to appeal the decision of the Chief Executive Officer or other executive staff person designated by the Coalition Board may request further review by an appeals committee. The submission to request a further review by an appeals committee must be submitted to the Coalition in writing within 10 calendar days of the date of the written response from the Chief Executive Officer or other executive staff persons designated by the Coalition Board to the client/recipient's formal written appeal.
3. The client/recipient will have the opportunity to defend his or her position in an orderly proceeding of the appeals committee. Written notification must be sent to the client/recipient when the meeting of the appeals committee is scheduled, informed that it is a public meeting and that any information presented may be used by other state agencies.
  - The Coalition Board Chair selects the appeals committee and the appeals committee selects the Chair. This committee shall consist of at least three Board members.
  - The appeals committee must convene within 45 calendar days of receipt of the client/recipient's request for appeal
  - The client/recipient has 30 minutes to present his/her position along with any information he/she wishes the appeals committee to consider
  - The coalition staff, excluding the Chief Executive Officer or other executive staff person designated by the Board, shall be available to provide any information requested by the committee
  - The appeals committee will review all documents and statements, and may request additional evidence or information from the parties if an appeals committee member believes it is necessary and relevant to the decision making. The final determination letter remains on hold in order to comply with the length of time given to the client/recipient to provide the additional information

- The appeals committee shall select or appoint a member of the Coalition staff, excluding the Chief Executive Officer or other executive staff person designated by the Coalition Board, to outline the events of the appeals committee proceeding and the final determination including the basis for the decision
- Notification in writing to the appellant of the appeals committee's determination is sent via the United States Postal Service within 10 days of the date of the meeting
- The determination of the appeals committee shall be final

## **PENALTIES**

Any person who commits an act of substantiated fraud is subject to the penalties provided in Section 414.39(5) (a), FS. The recipient is also subjected to suspension and/or termination of services. **Client/recipients with a valid at-risk referral do not face suspension and termination of services.** Suspension and/or termination is effective on the date given on the initial notice or the date of the Chief Executive Officer or Board designee's decision, whichever is later. A voided suspension and/or termination occurs if the appeals committee overturns the decision of the Chief Executive Officer or Board designee and determines that no fraud occurred. If the client/recipient is still eligible, services will be re-established.

### **1. Cases Below Minimum Threshold**

If there is enough evidence of suspected fraud and the re-payment amount is less than or equal to \$4,999.99 the case will be processed through the re-payment agreement process. A client/recipient is eligible for School Readiness services once the full restitution amount is paid or the five-year suspension timeframe has concluded, whichever comes first.

### **2. Cases Above Minimum Threshold**

If there is enough evidence of suspected fraud and the re-payment amount is greater than or equal to \$5,000.00 the Finance and Fraud Analyst will enter required information along with the benefit amount that the client/recipient was not entitled to, into The OEL Fraud Referral System. A client/recipient is eligible for School Readiness services after the five-year suspension timeframe has concluded.