

IN THE EXECUTIVE ETHICS COMMISSION
OF THE STATE OF ILLINOIS

In re: LINDA SATERFIELD,)
EDMY ROMAN, and) OEIG Case #09-01147
JUMPSTART DUAL LANGUAGE)
ACADEMY.)

OEIG FINAL REPORT (REDACTED)

Below is a final summary report from an Executive Inspector General. The General Assembly has directed the Executive Ethics Commission (Commission) to redact information from this report that may reveal the identity of witnesses, complainants or informants and “any other information it believes should not be made public.” 5 ILCS 430/20-52(b).

The Commission exercises this responsibility with great caution and with the goal of balancing the sometimes-competing interests of increasing transparency and operating with fairness to the accused. In order to balance these interests, the Commission may redact certain information contained in this report. The redactions are made with the understanding that the subject or subjects of the investigation have had no opportunity to rebut the report’s factual allegations or legal conclusions before the Commission.

The Commission received a final report from the Governor’s Office of Executive Inspector General (“OEIG”) and a response from the agency in this matter. The Commission, pursuant to 5 ILCS 430/20-52, redacted the final report and mailed copies of the redacted version and responses to the Attorney General, the Governor’s Executive Inspector General and to Linda Saterfield and to Edmy Roman at their last known addresses.

The Commission reviewed all suggestions received and makes this document available pursuant to 5 ILCS 430/20-52.

EXECUTIVE SUMMARY & GLOSSARY

The Illinois Department of Human Services (DHS) administers a multi-million dollar program referred to as the Child Care Assistance Program (CCAP). This program funds child care assistance provided to low-income families receiving child care services from so-called non-contracted child care providers that account for over 90% of child care (CCAP) program providers. There are over 60,000 non-contracted child care providers who receive some State funds in exchange for providing child care services, one such provider is Jumpstart Dual Language Academy (Jumpstart), whose owner and director is Edmy Roman.

In late 2009, the Office of Executive Inspector General (OEIG) received allegations that fraudulent documents had been submitted involving child care services allegedly provided by Jumpstart. The OEIG's investigation revealed that Ms. Roman knowingly and repeatedly submitted numerous false and fraudulent documents reflecting that Jumpstart had provided child care services to certain children, when, in fact, its own attendance records indicated it had not. After analyzing, in part, a 22-month period of Jumpstart documentation submitted to DHS, investigators discovered that Jumpstart received State overpayments. The majority of the overpayments were the result of Jumpstart's representation that child attendance for entire month periods was at or near 100%, when it was not. When investigators asked Ms. Roman about the reported 100% attendance in her records, she stated, "If I put the actual attendance, I won't get paid the full amount." In total, Ms. Roman received over \$200,000 in State funds that she was not entitled to receive. The OEIG recommends that Jumpstart and Ms. Roman be removed from future participation in CCAP and that DHS recover State funds Jumpstart and Ms. Roman improperly obtained.

In light of the numerous false and fraudulent documents Jumpstart submitted and the extensive amount of overpayments Jumpstart received, investigators sought to determine DHS's oversight of the other approximate 60,000 Illinois non-contracted child care providers. During its investigation, DHS staff informed investigators that although DHS is not mandated to monitor any of the non-contracted providers, it does monitor some of them if "something looks unusual" about their billings or if there is extra time available on the monitoring schedule.

In light of its investigation into DHS's monitoring of non-contracted providers, it is clear that DHS has inadequate controls in place to ensure the integrity of the CCAP program and that it is failing to comply with its duty to oversee CCAP. The OEIG recommends that the DHS Secretary take appropriate action with respect to the failure to monitor non-contracted child care providers.

- **CCAP:** Child Care Assistance Program
- **CCDF:** Child Care and Development Fund
- **CCR&R:** Child Care Resource and Referral agency contracted by DHS to locally administer the CCAP. A CCR&R determines family eligibility for CCAP, parent co-payment amounts, and processes payments to participating child care providers.
- **Site administered provider:** A child care provider that has a contract with the State to provide child care services through CCAP. Site administered providers are also referred to as contracted providers.

I. ALLEGATIONS AND OVERVIEW

On November 24, 2009, the Office of Executive Inspector General (OEIG) received a complaint alleging that City of Chicago employee [Recipient] [Information concerning the recipient of financial aid under the provisions of the Public Aid Code shall not be disclosed pursuant to 305 ILCS 5/11-9.] submitted fraudulent documents to the Illinois Department of Human Services (DHS) in order to obtain Child Care Assistance Program (CCAP) subsidies through her child day care provider, Jumpstart Dual Language Academy (Jumpstart).¹ It was further alleged that DHS and [Administrator], one of the entities responsible for administering CCAP, was not adequately reviewing documents submitted in connection with the program.

As part of its investigation, the OEIG learned that another entity was conducting an investigation of [recipient]. As a result, the OEIG focused its investigation on whether Jumpstart was improperly billing the State for child care services, and whether DHS and [Administrator] properly monitored the CCAP program payments. Based on this investigation, the OEIG found, in part, that DHS overpaid Jumpstart based upon false documents Jumpstart submitted to DHS. Furthermore, the lack of DHS oversight has likely resulted in similar overpayments to other child care providers.

II. BACKGROUND

A. Child Care Assistance Program (CCAP)

CCAP is a subsidized child care program administered by the DHS Bureau of Child Care and Development. CCAP provides child care subsidies to qualifying low-income families seeking child care assistance.² Once approved, a CCAP case is opened for the family. Families who participate in the CCAP program are referred to as DHS clients. CCAP is funded by the federal Child Care and Development Fund (CCDF), Title XX Social Services Block Grant, Temporary Assistance for Needy Families, and State General Revenue Funds.³

DHS is the direct recipient of the federal funds used to finance CCAP and, therefore, for purposes of those federal funds, is designated the program's "Lead Agency." As Lead Agency, DHS has agreed to administer the program in accordance with applicable federal laws, regulations, and provisions of the CCDF Plan. Although DHS has broad authority and flexibility in its administration of CCAP and may delegate its administrative tasks to other entities,⁴ as Lead Agency, DHS "retain[s] overall responsibility for the administration of the [CCAP]" and is accountable for the use of funds.⁵ Accordingly, DHS must monitor CCAP programs and services, determine CCAP fund expenditure priorities, oversee the expenditure of funds by sub-

¹ In December 2009, the OEIG referred this matter to the Office of the Illinois Attorney General (AG). In November 2010, the AG referred the matter back, at which point the OEIG resumed its investigation. After resuming its investigation, the OEIG discovered additional losses to the State, which exceeded \$5,000. Consequently, pursuant to 5 ILCS 430/20-80, the matter was again referred to the AG in July 2012. The AG conducted its review of the matter and in December 2012 referred the matter back to the OEIG.

² DHS, Illinois Annual Child Care Report FY2012, *available at* <http://www.dhs.state.il.us/page.aspx?item=65285> (last visited on July 1, 2013).

³ *Id.*

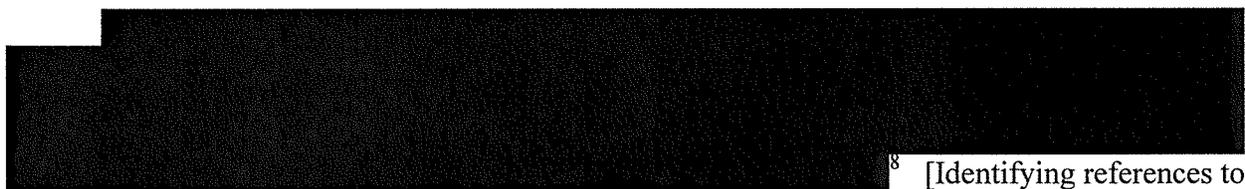
⁴ 45 C.F.R. § 98.11(a).

⁵ 45 C.F.R. § 98.11(a). *Cf.* CCDF Plan for Illinois, FFY 2012-2013 at 7.

grantees and contractors, and promulgate rules or regulations to govern the administration of CCAP.⁶

B. Child Care Resource and Referral Agencies (CCR&R)

DHS has executed various Community Services Agreements (Agreement) with non-state entities known as Child Care Resource and Referral (CCR&R) agencies who, in turn, “locally administer” CCAP. Currently, there are 16 CCR&Rs that have Agreements with DHS. Pursuant to its Agreement with the State, a CCR&R is responsible for determining family eligibility for CCAP, parent co-payment amounts, and for processing payments to child care providers.⁷ Once a CCR&R determines a family is eligible to receive CCAP benefits, the CCR&R opens a case for that family.



⁸ [Identifying references to Administrator redacted.]

C. Child Care Providers

Child care providers are the persons or organizations that provide the child care services that CCAP may subsidize. There are different classes of child care providers, including contracted providers, also referred to as site administered providers; and various classes of non-contracted providers, also referred to as certificate providers.

DHS contracts directly with approximately 40 site administered providers;⁹ however, the overwhelming majority of child care providers are non-contracted providers that include:

- day care centers,
- licensed day care homes,
- licensed group homes, and
- license-exempt home providers.

According to DHS [Employee 1], Statewide, there were about 64,391 non-contracted providers in CCAP in fiscal year 2010, and about 63,970 non-contracted providers in CCAP in

⁶ *Id.*
⁷ DHS Child Care Program Manual, Sec. 01.02.05 (1/1/03), available at <http://www.dhs.state.il.us/page.aspx?item=9877> (last visited on June 13, 2013).
⁸



⁹ According to [Employee 1], there were 44 site administered providers in fiscal year 2010 and 42 site administered providers in fiscal year 2011. Site administered providers agree to accept the CCAP rate set by the State as payment in full for child care services, and may not charge participating families more than the State CCAP rate. In light of contractual relationships these providers have with the State, DHS maintains direct oversight of these providers, and officially monitors, or audits, them on a periodic basis—once every three years. Because the allegations at issue in this investigation do not implicate a site administered provider, the OEIG did not specifically analyze the reporting requirements and duties for site administered providers.

fiscal year 2011.¹⁰ These providers had at least one payment processed by a CCR&R in the fiscal year. DHS has enacted different rules for payment and documentation depending on the classification of the child care provider.¹¹

CCAP clients have flexibility in selecting the day care centers from which they may receive subsidized child care. In other words, a CCAP client may enroll his/her children in a site administered day care center, or with a non-contracted provider.

D. Non-Contracted Child Care Provider Jumpstart

Jumpstart is a non-contracted child care provider located in Chicago, Illinois. Edmy Roman is the owner and Director of Jumpstart which has been a CCAP child care provider since about 2006.

Jumpstart has had three child care facilities since its inception. Jumpstart 1, located at 9802 S. Ewing Avenue, Chicago, IL, is the only Jumpstart facility that remains open to date. According to a child care center website, Jumpstart 1 has the capacity to serve 89 children ages five to thirteen.¹² [Administrator] is the CCR&R that services Jumpstart.

E. The 80% Attendance Rule for Day Care Center Providers

DHS has a policy referred to as the 80% Attendance Rule, which explains how DHS payment amounts due to child care providers are to be determined.¹³ This policy sets forth a payment formula, applicable to certain non-contracted providers such as Jumpstart, based on monthly child attendance rates at each facility. The 80% Attendance Rule is calculated monthly as follows¹⁴:

Step 1 – Determine Facility Attendance Percentage for the Month:

- For all CCAP eligible children, sum the total “attended days”—the number of days a child is present at the child care facility during that month.
- For all CCAP eligible children who attended the facility at least one day in the month, sum the total “eligible days”—the predetermined number of days of child care assistance approved for each child for the month.
- Determine the attendance percentage for the facility by dividing the total “attended days” by the total “eligible days.”

¹⁰ DHS Division of Human Capital Development (n/k/a Division of Family and Community Services) Director Linda Saterfield estimated in November 2011 approximately 163,000 non-contracted providers in the CCAP Statewide. For purposes of this Final Report, the OEIG uses the conservative estimate of approximately 65,000 non-contracted providers.

¹¹ See, e.g., DHS Child Care Program Manual, Sec. 05.01.01 (setting forth the types of “Legal Care Arrangements” eligible for payment).

¹² http://childcarecenter.us/provider_detail/jumpstart_dual_language_academy_chicago_il#.UcxDHflaz5M

¹³ DHS Child Care Program Manual, Sec. 06.03.01 (10/27/2010). The 80% Attendance Rule was revised in February 22, 2013; however, the relevant calculation remains the same.

¹⁴ According to the 80% Attendance Rule, “a day care center with multiple locations must calculate the 80% attendance percentage for each location separately and submit the results separately.” DHS Child Care Program Manual, Sec. 06.03.01 (10/27/2010).

If the resulting attendance percentage for the facility is equal to or greater than 79.5%, the child care provider will receive payment for 100% of the total eligible days for participating children in that month.

If the resulting attendance percentage for the facility is less than 79.5%, payment is broken down based on each CCAP family, as described in Step 2.

Step 2 – Determine Attendance Percentage for Each Eligible Family for the Month:

- For each participating CCAP family, determine: a) the total “attended days” for all participating children in each family, and b) the total number of “eligible days” for all participating children in the family.
- Determine the attendance percentage per family, by dividing the total “attended days” by the total number of “eligible days” for all participating children in that family.

If a family’s attendance percentage is equal to or greater than 79.5%, the provider will receive payment for that family’s total number of eligible days, or 100% payment. That is, the provider will be paid as if the participating children in the family attended 100% of the eligible days.

If a family’s attendance percentage is less than 79.5%, the provider receives payment only for the actual number of “attended days” by the participating children in that family.

For a child’s eligible days to be included in both the Step 1 and Step 2 calculations, the child must have attended the facility at least one day for that month.¹⁵ In an instance where a child fails to attend the day care center during the reporting month, the child’s zero attendance is not used in the 80% Attendance Rule calculation and the provider will not be reimbursed for any subsidy for that child, regardless of whether the provider, even in the child’s absence, nonetheless recorded 79.5% attendance.

F. Child Care Certificate Reports and the Child Care Tracking System

In order to determine how much a child care provider will be reimbursed, child care providers are required to submit monthly “Child Care Certificate Reports” (Certificate Report).¹⁶

The Certificate Report is a pre-printed DHS document that DHS issues on a monthly basis to child care providers. Non-contracted providers are required to complete these Certificate Reports and submit them to their assigned CCR&R. Within five days of receiving the Certificate Report, the CCR&R enters the attendance data from the Certificate Report into its Child Care Tracking System. The system then calculates the attendance percentage (in accordance with the 80% Attendance Rule), and the payment due the provider based on the attendance information

¹⁵ In order for a child’s rate type (full time, part time, or school age) to be included in the 80% calculation and for any eligible days to be paid with respect to a child, a child must attend at least one day in the rate type. DHS Child Care Program Manual, Sec. 06.03.01.

¹⁶ Appendix 1 contains an exemplar Certificate Report for the reader’s reference. Identifying information has been redacted from the document at Appendix 1.

input from the Certificate Report is then made. Although DHS has access to the Child Care Tracking System, DHS employees do not verify the system information prior to payment being made to the non-contracted child care providers. Payment is subsequently made to the provider by the Illinois Office of the Comptroller.¹⁷

The Certificate Report contains the following information:

- the case number and client name for each CCAP eligible family;
- the names and dates of birth of all CCAP eligible children from each family;
- the reimbursement rate for each child;
- how many days the child is approved to receive subsidized child care assistance in accordance with the rate type;
- the parent co-payment amount; and
- the number of “eligible days” for which each child is approved to receive subsidized child care assistance for the month.

The Certificate Report also contains a “days attended” column, on which the child care provider must record, for each child, the total number of days each subsidized child was present during that particular month.

In addition, the last page of the Certificate Report contains a form in which the child care provider may include the total attendance percentage of subsidized children for its facility that month. In addition, the child care provider must sign the Certificate Report certifying the following:

- that the information submitted on the form is “complete and accurate;”
- that the provider understands that it must “maintain, for a minimum of 5 years from the date of payment, daily attendance records to fully document the extent of services provided and agree to make records and supporting documentation relevant to the services billed herein available to any and all authorized department representatives and federal authorities;” and
- that the provider “understand[s] that failure to maintain adequate records shall establish a presumption in favor of the state for any funds paid by the state for which adequate documentation is not available to support disbursement.”¹⁸

By signing the form, the child care provider also affirms its understanding that:

“giving false information or fail[ing] to provide correct information can result in referral for prosecution for fraud.”¹⁹

¹⁷ All active cases in the Child Care Tracking System having at least one approved eligible day for the service month will be included on the monthly certificate report sent by DHS.

¹⁸ See Appendix 1; see also DHS Child Care Program Manual, Sec. 06.01.01 (revised 6/10/13) (“**The provider is responsible for maintaining daily attendance records/sign-in sheets which can be requested by IDHS at any time within five years. It is important to keep these records to verify that care was provided for the days that were billed.**” (emphasis in original)).

G. Child Care Provider Attendance Records

As noted above, child care providers are required to maintain, for a minimum of five years, daily attendance records. DHS does not require attendance records to be maintained in any particular format.

III. INVESTIGATION

A. CCAP Child Care Client [Recipient]

DHS CCAP child care client [Recipient] received child care benefits for the care of her two children. [Recipient] applied and was approved for benefits in 2005 and again in March 2007. Following her March 2007 application, [Recipient] was required to and did submit redetermination applications and was approved for six months of benefits July 2007, January 2008, July 2008, and July 2009.²⁰ [Recipient]'s CCAP subsidies were canceled in December 2009 for failure to complete a redetermination form.

Based on Jumpstart Certificate Reports submitted to [Administrator], Jumpstart billed DHS for child care services it provided to the [Recipient] children from March 2007 through November 2008 and again from July 2009 through December 2009.

B. Analysis of Jumpstart Records Related to the [Recipient] Children

The OEIG obtained and analyzed Jumpstart's monthly attendance records related to the [Recipient] children as well as the corresponding monthly Certificate Reports Jumpstart submitted, for the purpose of determining whether Jumpstart reported that the [Recipient] children attended Jumpstart on days they may not have attended.²¹ Specifically, the OEIG obtained Jumpstart's "Days of the Month" attendance sheets, which were completed by Jumpstart's classroom teachers.

The days of the month attendance records revealed that the [Recipient] children stopped attending Jumpstart in September 2009 and thus there was no record of any [Recipient] children present at the facility after September 2009. The OEIG then reviewed the Certificate Reports Jumpstart submitted to its CCR&R, [Administrator], for the months of October, November, and December 2009. Those Certificate Reports revealed that Jumpstart reported that the [Recipient] children attended its facility:

- 54 of the 54 eligible days in October;
- 48 of the 48 eligible days in November; and
- 52 of the 52 eligible days in December.

¹⁹ See Appendix 1.

²⁰ Each benefit approval period lasted six months. [Recipient] did not submit an application for the six month period January 2009 through July 2009.

²¹ The OEIG commenced its review with a focus on Jumpstart's reporting related to the [Recipient] children's attendance at the Jumpstart 3 facility for the months of July, September, October, November, and December 2009. [Administrator] was unable to locate Certificate Reports for August 2009; therefore, the OEIG was unable to review and analyze that month's data.

Based in part on this reporting, Jumpstart certified on its Certificate Reports for each of these three months that it had maintained at least 80% attendance at the facility.

In light of Jumpstart's Certificate Reports, DHS paid Jumpstart a total of \$3,172.29 for child care services allegedly provided for the [Recipient] children as follows: Jumpstart received payments totaling \$1,088.37 for October 2009, \$984.96 for November 2009, and \$1,098.96 for December 2009. However, because Jumpstart records reveal that the [Recipient] children did not attend at least one day in the rate type during those three months, per the DHS policy, Jumpstart was not eligible to receive any payment for the [Recipient]'s eligible days. In other words, during that three month period, Jumpstart received \$3,172.29 to which it was not entitled.

C. Interview of Jumpstart Owner and Director Edmy Roman

On June 13, 2011, the OEIG interviewed Edmy Roman, the owner and director of Jumpstart. Ms. Roman said that at the time of the interview, Jumpstart provided day care services for 89 children who participated in CCAP, and, as a result, received approximately \$45,000 to \$50,000 per month in CCAP funds.

Ms. Roman said that she did not receive any training regarding the 80% Attendance Rule from DHS although she stated that she could seek guidance from her CCR&R, [Administrator]..

1. Jumpstart's CCAP Certificate Reports and Attendance Records

Ms. Roman confirmed that she receives a Certificate Report from DHS each month and that she completes and delivers it to [Administrator] for processing. When asked how she completes the portion of the Certificate Reports that requires her to identify each CCAP child's actual attendance, Ms. Roman explained that rather than recording the number of days actually attended by each CCAP child based on attendance records, she takes the maximum number of eligible days approved by DHS and simply records that on the attendance line. In fact, Ms. Roman stated that when she completes the Certificate Reports, she does not consult her attendance records to confirm when the children were actually present, unless a child stopped attending Jumpstart in a particular month. According to Ms. Roman, she does, however, deduct days that Jumpstart is not open when documenting the number of attended days on certificates for all CCAP children. Ms. Roman said that Jumpstart's Certificate Reports do not always accurately reflect the attendance of its CCAP children. Ms. Roman said that she has always completed the Certificate Reports in this manner so that she could get paid the full amount.

An investigator informed Ms. Roman that the Jumpstart Certificate Reports reflected that Jumpstart had 100% attendance for all eligible children in July, September, October, November, and December 2009. In response, Ms. Roman said that to the best of her knowledge, Jumpstart did have 100% attendance during those months. Ms. Roman, however, also said that she did not "scrutinize" her attendance records as much as she should have and they would not confirm what she reported in the Certificate Reports -- that Jumpstart's CCAP children attended 100% of the time during those months.

Ms. Roman said that in the past, she did not maintain accurate attendance records, but that since being interviewed by other agencies, she began keeping more accurate attendance records. Ms. Roman said that, previously, parents and instructors did not always sign the children in or out on attendance records, but that she now requires her secretary to sign the

children in and out each day. Ms. Roman said that she keeps attendance to the best of her abilities and she is satisfied if the attendance records are accurate within five to ten children. Despite her more accurate attendance keeping, she stated that she generally did not use these attendance records when filling out the Certificate Reports.

2. [Recipient] Family Attendance at Jumpstart

As set forth above, the OEIG's review of Jumpstart's attendance records revealed that the [Recipient] children did not attend Jumpstart in October, November, or December 2009. Nonetheless, Ms. Roman certified on the Certificate Report that the [Recipient] children had attended Jumpstart during those three months.

OEIG investigators questioned Ms. Roman about the discrepancy regarding the [Recipient] children. Ms. Roman stated that she did not refer to Jumpstart's attendance records when she completed the Certificate Reports for those months. Ms. Roman reiterated that she began maintaining better attendance records after the [Recipient] children stopped attending Jumpstart.

3. Ms. Roman's Understanding of the 80% Attendance Rule

Investigators asked Ms. Roman about her understanding of DHS's 80% Attendance Rule. Ms. Roman acknowledged that she misunderstood the 80% Attendance Rule and did not realize that she was supposed to record on the Certificate Report the actual number of days a child attended Jumpstart. Rather, Ms. Roman said she thought she was eligible to receive 100% payment, which is why she completed the Certificate Reports in the manner she did, *i.e.*, as if children attended 100% of the time.

Ms. Roman said, however, that despite her improved attendance records, Jumpstart's current Certificate Reports would not accurately reflect Jumpstart's attendance records. In fact, Ms. Roman said, "If I put the actual attendance, I won't get paid the full amount." Ms. Roman stated that in the future, she would ensure that Jumpstart complies with the 80% Attendance Rule. Ms. Roman said she did not feel she should reimburse the State for any overpayments she may have received, but would do so if necessary.

D. OEIG's Investigation of Jumpstart's Billing Practices

After Ms. Roman's interview, and continuing into 2013, the OEIG expanded its investigation and sought to determine whether Jumpstart was following proper billing procedures. The OEIG attempted to identify if discrepancies existed between attendance listed on the Certificate Reports submitted to [Administrator] and the actual student attendance as reflected by Jumpstart's own records.

In order to conduct this analysis, the OEIG requested additional attendance records from Jumpstart. Specifically, the OEIG requested Jumpstart attendance records for the time period January 2010 through October 2011 for Jumpstart 1, the Jumpstart facility that remained open at the time of the request.²² In response, Jumpstart produced the following types of attendance

²² On February 10, 2012, an OEIG investigator had a telephonic interview with Ms. Roman. Ms. Roman explained how the Jumpstart 1 attendance records were collected and maintained.

documents to the extent that she had them for particular months, which were described by Ms. Roman as:

Days of the Month attendance sheets: These documents were filled out by classroom teachers during class, however, Ms. Roman stated that she did not designate any particular teacher to take attendance and teachers did not always witness or record children arriving;

Parent Sign-In Sheets: These documents are signed by people who drop off or pick up their child, or by the child her/himself, however, Ms. Roman stated that Jumpstart did not mandate that these sheets be filled out at pick-up or drop-off and sometimes her secretary would monitor these sheets because they were located at her desk; and

Student Sign-In Sheets: These documents were signed by the children and maintained by the teacher, however, Ms. Roman stated that she did not designate any particular teacher to monitor the Student Sign-In Sheets.

1. Review of Jumpstart Records Related to CCAP

The OEIG used the attendance records provided by Jumpstart to manually determine if Jumpstart had met the 80% Attendance Rule and thus was eligible for 100% payment for all of the children's eligible days. The OEIG reviewed the monthly attendance records provided by Jumpstart and compared those monthly records with the Certificate Reports completed and submitted by Ms. Roman. Ms. Roman certified that the Certificate Reports were accurate and those reports served as the basis for DHS's payment to Jumpstart.

A review of the documents revealed that not all of the different types of attendance documents were available for each month. Moreover, the OEIG's review of Jumpstart's attendance records revealed inconsistencies across the different types of attendance records. For example, in some instances, a child's name appeared as present on the Day of the Month attendance sheet but did not appear on the Parent Sign-In Sheet. For purposes of this analysis, the OEIG reviewed each type of attendance record separately and counted the number of days attended by each child as reflected on the separate attendance records. The OEIG then used the monthly attendance record reflecting the largest number of attended days as the "Days Attended" by a child for that month. The OEIG used these numbers to determine if Jumpstart met the 80% Attendance Rule and thus was eligible for 100% payment for all of the children's eligible days.

2. Jumpstart 1 Comparison of Certificate Reports and Attendance Records

A comparison of the Jumpstart 1 Certificate Reports and attendance records revealed that for the 22-month period of January 2010 through October 2011, the amount of attendance reported on the Certificate Reports was greater than the actual attendance reflected in Jumpstart's attendance records for every month. Based on Jumpstart's *reported* attendance for those 22 months and because of the 80% Attendance Rule, Jumpstart obtained payment for 100% of the eligible days for all CCAP children. However, Jumpstart's *actual* attendance records reveal that Jumpstart *did not* qualify for 100% payment for 17 of the 22 months. In other words, for 17 months, Jumpstart improperly reported that it had met the 80% Attendance Rule threshold, entitling it to full 100% payment, when in actuality it had not and thus was not entitled to 100% payment.

The following table reflects, by month, the actual attendance percentage based on the Jumpstart attendance records provided to the OEIG, and the attendance percentage as reported by Jumpstart 1. The shaded rows reflect the only months in which Jumpstart met the 80% Attendance Rule and, thus, was entitled to full reimbursement. For the remaining months, Jumpstart failed to meet the 80% Attendance Rule, yet because Jumpstart inaccurately reported actual attendance in the Certificate Report it submitted to [Administrator], Jumpstart received 100% reimbursement for all months.

Jumpstart Actual Child Attendance vs. Reported Child Attendance

Year	Month	Actual Days Attended Per Attendance Records	Days Eligible Per Certificate Report	Actual Attendance (%)	Reported Attendance (%) ²³	Payment Received	
						Based on Jumpstart Reported Attendance	
2011	Oct	1,410	2,312	61%	100%	100%	
	Sept	1,437	2,090	69%	99%	100%	
	Aug	1,422	2,156	66%	99%	100%	
	July	1,181	1,804	65%	99%	100%	
	June	1,643	2,073	79%	99%	100%	
	May	1,591	1,977	80%	99%	100%	
	April	1,305	1,976	66%	99%	100%	
	Mar	1,539	2,074	74%	100%	100%	
	Feb	1,130	1,675	67%	99%	100%	
	Jan	1,321	1,793	74%	99%	100%	
	2010	Dec	1,273	1,955	65%	100%	100%
		Nov	1,360	1,782	76%	100%	100%
Oct		1,489	1,973	75%	100%	100%	
Sept		1,513	1,888	80%	100%	100%	
August		1,190	1,660	72%	100%	100%	
July		1,199	1,781	67%	98%	100%	
June		1,082	1,436	75%	100%	100%	
May		1,131	1,337	85%	97%	100%	
April		821	1,081	76%	96%	100%	
March		851	1,130	75%	99%	100%	
Feb		960	1,154	83%	100%	100%	
Jan		965	1,182	82%	100%	100%	

3. Jumpstart 3 Reporting

Following its analysis of the attendance and billing records for Jumpstart 1, the OEIG conducted additional analysis of the Jumpstart 3 documents, which included the days of the

²³ Although the reported attendance percentages for the months of June, July, and September 2011 round up to 100%, for purposes of this analysis, and in order to avoid the inference that Jumpstart claimed perfect attendance for those months, the percentages have been rounded down to 99%.

month attendance sheets and Certificate Reports for the months of July 2009, and September through December 2009. The OEIG's analysis revealed that when compared to its attendance records, the attendance reported on the Certificate Reports for Jumpstart 3 was also incorrect. Specifically, Jumpstart 3 reported the [Recipient] children attending during the months of October through December 2009, even though they had stopped attending Jumpstart. As discussed above, based on this false reporting, Jumpstart received \$3,172.29 to which it was not entitled.

Similarly, for the months analyzed, the OEIG determined that Jumpstart improperly sought reimbursement for five other children who did not attend Jumpstart but were reported as having done so on the Certificate Reports. The Certificate Reports reflecting the false attendance of these five children were the July 2009, November 2009, and December 2009 Certificate Reports. As a result, Jumpstart received an additional \$2,413.53 to which it was not entitled. Removing the [Recipient] children and those five other children from the 80% Attendance Rule calculation for the months the children were not present at the facility for at least one day, as required by the DHS policy, Jumpstart 3 still maintained at least 79.5% attendance, and thus, was entitled to the reimbursements it received for that time period, except for \$3,172.29 and \$2,413.53 received for the [Recipients] and the five other children.

4. OEIG's Jumpstart Overpayment Analysis

The OEIG then conducted an overpayment analysis of Jumpstart 1 for each of the 17 months for which Jumpstart failed to meet the 80% Attendance Rule.

For each of the months, the OEIG calculated the actual payment that should have been paid to Jumpstart had Jumpstart accurately reported the attendance of children as reflected in the Jumpstart attendance records.²⁴ The OEIG also obtained from DHS the actual amounts paid to Jumpstart for those months. The OEIG compared actual payments to Jumpstart with the amounts to which Jumpstart would have been entitled based on its actual attendance, and determined how much Jumpstart was overpaid for that particular month.²⁵

For the 17 months analyzed, the OEIG found that Jumpstart received about \$226,998.66 in payments to which it was not entitled as set forth in the following table.

²⁴ Per the 80% Attendance Rule, if the facility-wide attendance falls below 79.5%, the facility will not qualify for across the board 100% reimbursement, but must calculate per family attendance percentages and receive payment based on those calculation percentages.

²⁵ The attendance records maintained by Jumpstart failed to denote whether a child was in attendance a full day or partial day. Thus, the OEIG was unable to determine which pay rate to use to calculate the amount Jumpstart would have been entitled to based on its actual attendance. Thus, in conducting its payment calculation, the OEIG used the full-time pay rate, which inured to the benefit of Jumpstart.

Jumpstart Overpayment Analysis

Year	Month	Reported Attendance Percentage	Payment Received Based on Reported Attendance	Actual Attendance Percentage	Estimated Payment Should Have Received	Overpayment
					Per Attendance Records	
2011	Oct	100%	\$56,054.30	61%	\$35,894.18	\$20,160.12
	Sept	99%	\$53,118.02	69%	\$35,272.34	\$17,845.68
	Aug	99%	\$71,226.84	66%	\$43,276.56	\$27,950.28
	July	99%	\$56,721.73	65%	\$35,779.85	\$20,941.88
	June	99%	\$57,700.62	79%	\$45,675.32	\$12,025.30
	April	99%	\$48,922.70	66%	\$34,536.58	\$14,386.12
	March	100%	\$48,208.87	74%	\$37,436.98	\$10,771.89
	Feb	99%	\$37,378.56	67%	\$28,243.24	\$9,135.32
	Jan	99%	\$40,582.92	74%	\$33,355.74	\$7,227.18
2010	Dec	100%	\$48,104.61	65%	\$35,515.29	\$12,589.32
	Nov	100%	\$41,790.07	76%	\$34,956.78	\$6,833.29
	Oct	100%	\$47,298.62	75%	\$35,737.80	\$11,560.82
	Aug	100%	\$53,988.02	72%	\$36,386.23	\$17,601.79
	July	98%	\$50,282.30	67%	\$35,336.79	\$14,945.51
	June	100%	\$39,736.42	75%	\$31,647.02	\$8,089.40
	April	96%	\$28,621.66	76%	\$21,809.56	\$6,812.10
	March	99%	\$30,350.45	75%	\$22,227.79	\$8,122.66
	Total Overpayment					

E. Oversight of the CCAP Program

The OEIG then began investigating what, if any, measures DHS or [Administrator] took to monitor Jumpstart or any of the other approximately 65,000 non-contracted child care providers.

1. DHS [Employee 2]

The OEIG interviewed DHS [Employee 2] on March 8, April 5, and December 7, 2011. [Employee 2] stated that he and his staff, which includes himself, one administrative assistant, and four monitors, are tasked with monitoring CCAP providers and CCR&Rs.

With respect to the CCR&Rs, [Employee 2] said that DHS has a general guideline to monitor CCR&Rs at least once every three years although he was not sure by whom or when this guideline was established. [Employee 2] said that there are approximately 16 CCR&Rs and his unit generally monitors the 16 CCR&Rs by, among other things, reviewing client files, comparing the corresponding data with CCAP policies or procedures to ensure that client

eligibility had been properly determined, and confirming that providers did not bill for more than the approved number of eligible days for which the client qualified.²⁶

However, with respect to non-contracted child care providers, including Jumpstart, [Employee 2] said that he was unaware of any DHS policy that requires DHS to monitor this category of providers. Instead, [Employee 2] stated that his unit will monitor some non-contracted providers if time permits at the end of the monitoring period. He said that some years, such as Fiscal Year 2010, his monitors did not monitor any non-contracted providers because his unit was too busy; other years they may monitor between 50 and 80 non-contracted providers. [Employee 2] said that he chooses non-contracted providers to monitor by reviewing a list of how much CCAP funds providers receive annually, and selecting some who received the most. [Employee 2] said his unit has never monitored Jumpstart.

In any event, [Employee 2] said that CCR&Rs do not review child care provider attendance records at the time they input the Certificate Report data, and in fact, are not required to do so by DHS. He did note, however, that there have been some instances in which the providers do not maintain attendance records. [Employee 2] emphasized that it was each provider's responsibility to accurately report attendance, particularly because the provider certifies the accuracy of the Certificate Reports. [Employee 2] said that the only way DHS or [Administrator] would discover fraud would be if someone reported it or if it was uncovered during monitoring by his unit. [Employee 2] said it was impossible to verify the accuracy of the data that providers enter on their Certificate Reports because it would be too expensive to review all of the attendance records. [Employee 2] said that DHS has chosen to prioritize and use most of the CCAP funding for direct service care, not to review provider Certificate Report submissions.

2. DHS [Employee 3]

The OEIG interviewed [Employee 3] on April 13 and November 1, 2011. [Identifying three sentences redacted.]²⁷

[Employee 3] said that DHS does monitor non-contracted providers if "something looks unusual" about their billings or if the Quality Assurance unit has extra time available on the monitoring schedule. [Employee 3] said that DHS is mandated to monitor contracted providers once every three years, but is not mandated to monitor non-contracted providers. [Employee 3] did not know the origin of DHS's monitoring practices and could not recall any legislative or administrative rules regarding these mandates.

²⁶ The OEIG also interviewed DHS [Employee 4]. [Employee 4] reported that he monitors [Administrator] once every three years. During this monitoring, he reviews a random selection of 200 client files consisting of three months of the client's records in order to ensure that the records of the CCR&R, such as [Administrator]'s records, correspond to the client applications. He verifies that the information in the CCR&R's client file matches the information on the client's and provider's application. [Employee 4] confirms the client's work schedule matches the hours the children receive care, and that client paystubs match the information in the applications.

²⁷ [Redacted.]

3. DHS Division of Family and Community Services Director Linda Saterfield

Since March 2010, Linda Saterfield has served as the Director of DHS's Division of Family and Community Services, and its predecessor, the Division of Human Capital Development. As the Director of Family and Community Services, Ms. Saterfield oversees operations of all programs and services within the Division, including the Bureau of Child Care and Development, which has oversight over CCAP.

In order to better understand CCAP and, specifically, Ms. Saterfield's involvement with CCAP, the OEIG conducted interviews of Linda Saterfield on multiple occasions in 2011 and on November 1, 2013.

Ms. Saterfield stated that DHS ultimately is responsible for the administration of CCAP. Ms. Saterfield stated that her role with CCAP involves the administrative responsibilities of ensuring that CCAP is carried out in accordance with State administrative rules, policies, procedures, and federal guidelines.

Ms. Saterfield acknowledged that CCAP is funded predominantly with federal funds, DHS is the designated "Lead Agency" for CCAP, and it is the Bureau of Child Care and Development's main concern to carry out the federal government's mandates for the Child Care and Development Fund. Ms. Saterfield stated that as the Lead Agency, DHS must ensure compliance with the federal grant and applicable funding rules, submit a State CCDF plan to the federal government biennially, and complete fiscal and programmatic reports.

Ms. Saterfield stated that she is actively involved with preparation of the CCDF plan submitted to the federal government. Ms. Saterfield stated that because she is responsible for administering the CCDF plan and is the primary contact for the Plan, for the CCDF Plans for Illinois for federal fiscal years 2010-2011 and 2012-2013 filed with the federal government, she is listed as either the "day-to-day contact" or the "CCDF Administrator." Ms. Saterfield stated that as the CCDF Administrator, overpayments to CCAP child care providers are her responsibility.

a. DHS's Monitoring of CCAP

Ms. Saterfield stated that the Program Integrity and Quality Assurance unit monitors the providers within CCAP. Ms. Saterfield explained that DHS must conduct on-site monitoring of all contracted providers at least once every three years. Ms. Saterfield said that DHS is not mandated to monitor non-contracted providers, but nonetheless, [Employee 2] selects some non-contracted child care providers for monitoring since they are receiving CCDF dollars.

Ms. Saterfield said that 90-95% of CCAP providers are non-contracted and that the Program Integrity and Quality Assurance unit does not have sufficient staff to monitor all non-contracted providers. Ms. Saterfield acknowledged there was no guidance stating that DHS **did not** have to monitor non-contracted providers. Rather, Ms. Saterfield said that as the administrator of the CCAP, and recipient of Child Care Development and State General Revenue Funds, DHS has the duty to oversee any sub-recipients of these funds, such as child care

providers. Ms. Saterfield said that DHS does not provide a lot of oversight of the CCAP providers, but only provides periodic monitoring of the sample of non-contracted providers selected. Ms. Saterfield said that the non-contracted providers that DHS selects for monitoring are those that receive higher levels of funds from DHS. Ms. Saterfield said DHS never monitors non-contracted providers who are family, friends, or neighbor caregivers, because that is not a good use of agency resources.

Despite this very limited monitoring of non-contracted providers, Ms. Saterfield believed the current practice constituted an adequate procedure for purposes of DHS's monitoring duties.

b. CCR&R's Role in CCAP

Ms. Saterfield said that CCR&Rs are responsible for determining eligibility for CCAP services, determining copayments, maintaining data, entering Certificate Report billing information, and supplying referrals or technical assistance to clients and providers. Ms. Saterfield stated that CCR&R [Administrator] is not responsible for verifying the attendance documented on the Certificate Reports by providers and that [Administrator] is fulfilling its contract with DHS. She stated that it is ultimately DHS's responsibility to carry out the CCAP and "guarantee integrity" within the Certificate Report program.

In an initial interview, Ms. Saterfield said that CCR&Rs and DHS have the joint responsibility of minimizing the submission of fraudulent Certificate Reports by providers, but acknowledged that there are no procedures or practices in place to educate and encourage CCR&R employees to identify fraudulent submissions. However, in her November 1, 2013 interview, Ms. Saterfield stated that CCR&R employees are told to watch for instances in which providers consistently bill 100% and to refer them to DHS. Ms. Saterfield stated that DHS has provided CCR&Rs, including [Administrator], a "clarifying memo" requesting such reporting to DHS.²⁸

c. Ms. Saterfield's Acknowledgment of Jumpstart's Improper Billing Practices

During her November 1, 2013 interview, the OEIG reviewed with Ms. Saterfield the OEIG's analysis of Jumpstart's attendance records and estimated overpayments. Specifically, investigators showed Ms. Saterfield its calculation for a family in Jumpstart's February 2011 Certificate Report submitted to DHS for payment. Ms. Saterfield immediately noted that there was something problematic with the Certificate Report because it appeared that Jumpstart had recorded the children as attended "100% of the time." She said that this was something "that stands out" and that if she had reviewed this, she would have contacted the child care provider to ensure it knew how to properly complete a Certificate Report. After reviewing the OEIG's

²⁸ In light of Ms. Saterfield's statement that a "clarifying memo" had been provided to CCR&Rs, investigators requested a copy of the memo. In response, Ms. Saterfield subsequently provided OEIG investigators an email sent to CCR&Rs dated July 19, 2012 with an attached Memorandum dated July 18, 2012 with subject: "Clarification Regarding CCAP Policy 06.03.01 – 80% Attendance Rule." The email and accompanying memorandum asks CCR&Rs to communicate with providers that "*consistently*" bill 100% attendance in order to correct their reporting procedures, and to identify and report the names of such providers to [Employee 2]. "Consistently" is not specifically defined in the Memo, other than to say it does not mean "occasional/one-time." Clarification Memorandum, dated July 18, 2012 (emphasis in original).

analysis, Ms. Saterfield agreed that it appeared that Jumpstart had falsified the Certificate Report for the month of February 2011 and fraudulently billed the State. Ms. Saterfield was offered the opportunity to review the OEIG's analysis of another CCAP family billed by Jumpstart; however, she declined to do so.

F. [REDACTED]

[Information concerning entity not found to have committed a violation redacted.]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

2. [REDACTED]

[REDACTED]

3. [REDACTED]

[REDACTED]

IV. ANALYSIS

A. Jumpstart and Edmy Roman Falsified Certificate Reports with Respect to Child Care Services Provided at Jumpstart 3

The OEIG's review of Jumpstart 3 records revealed that Jumpstart reported 100% attendance for the [Recipient] children for the months of October, November, and December 2009. As noted above, Jumpstart's attendance records showed that the [Recipient] children did not attend the facility during those three months. Despite this fact, Ms. Roman certified on the Certificate Reports that the [Recipient] children attended the facility for each of the three months.

In addition, the OEIG's review of Jumpstart 3 records revealed that Jumpstart reported as in attendance five other children who did not attend Jumpstart 3 during the months of July, November, and December 2009.

Therefore, the OEIG concludes that:

The allegation that Jumpstart and Ms. Roman falsified Jumpstart's July 2009 Certificate Report is **FOUNDED**;

The allegation that Jumpstart and Ms. Roman falsified Jumpstart's October 2009 Certificate Report is **FOUNDED**;

²⁹ [Redacted.]

The allegation that Jumpstart and Ms. Roman falsified Jumpstart's November 2009 Certificate Report is **FOUNDED**; and

The allegation that Jumpstart and Ms. Roman falsified Jumpstart's December 2009 Certificate Report is **FOUNDED**.

B. Jumpstart and Edmy Roman Fraudulently Billed the State for Unperformed Child Care Services Related to Children Attending Jumpstart 3

In addition to making false certifications when she reported inaccurate attendance in the Certificate Reports, Ms. Roman engaged in fraudulent conduct when she billed the State for services that Jumpstart 3 did not provide to the [Recipient] children, as well as other children.

Because the [Recipient] children did not attend Jumpstart 3 at least one day each in the months of October, November, or December 2009, Jumpstart should not have included these children in its billing. Ms. Roman's fraudulent billings related to the [Recipient] children for those three months resulted in Jumpstart's receipt of \$3,172.29 in overpayments from DHS--\$1,088.37 for October 2009, \$984.96 for November 2009, and \$1,098.96 for December 2009.

Similarly, Ms. Roman fraudulently billed DHS for services provided to five other students who the OEIG concludes, based on the attendance records reviewed, did not attend Jumpstart 3 during the corresponding months. As a result, Jumpstart received an additional \$2,413.53 in overpayments for these children.

In total, for the five months of Jumpstart 3 records reviewed, the OEIG found that Jumpstart 3 received \$5,585.82 in payments to which it was not entitled. Thus, the allegation that Jumpstart and Ms. Roman fraudulently billed the State for unperformed child care services is **FOUNDED**.

C. Jumpstart and Edmy Roman Falsified Certificate Reports with Respect to Child Care Services Provided by Jumpstart 1

Every month, Ms. Roman submits a Certificate Report to [Administrator], certifying that the information contained within the Certificate Report is "complete and accurate." By her own admission, however, Ms. Roman has submitted Certificate Reports containing inaccurate information. Specifically, Ms. Roman said that she typically records 100% attendance for all eligible days for all CCAP children, regardless of the number of days children actually attend Jumpstart, adding she does not even consult Jumpstart's attendance records when completing the reports.

The OEIG did a comparison of Jumpstart's attendance records and the Certificate Reports submitted by Jumpstart for a 22-month period between January 2010 and October 2011. The attendance records for those months did not match the attendance reported on the Certificate Reports. The findings of that comparison supported Ms. Roman's admission that the Certificate Reports submitted to [Administrator] contained inaccurate information. Specifically, the OEIG found that attendance reported on the Certificate Reports was greater than the attendance shown in Jumpstart's attendance records. Moreover, for 17 of those months, Jumpstart reported its

attendance exceeded 79.5% even though Jumpstart's attendance percentages fell below that number.

Ms. Roman's response to the fact that she inaccurately reported actual attendance numbers on the Certificate Reports she submitted for payment by DHS appeared to be that she thought she was supposed to record 100% attendance because she believed she was entitled to receive payment for 100% of the eligible days. Ms. Roman provided no rationale for that argument, and, in fact, later appeared to refute her own statement when she admitted ". . . if I put the actual attendance, I won't get paid the full amount."

The purpose of completing Certificate Reports is to report to DHS a child's actual attendance so that proper payment can be disbursed, not to falsely inflate attendance numbers so that full payment can be made even when children did not attend the child care provider's facility. Simply regurgitating to DHS the number of eligible days for a child does not equate to actual attendance.

Ms. Roman has a duty to ensure the attendance information she reported to [Administrator] is accurate. Moreover, by signing the monthly Certificate Reports, Ms. Roman certified the accuracy of the information she recorded thereon. Nevertheless, Ms. Roman continued to misrepresent the actual monthly attendance of CCAP children at her facility and failed to maintain accurate records. Thus, the OEIG concludes that the allegation that Jumpstart and Ms. Roman falsified the Jumpstart 1:

- January through December 2010 Certificate Reports is **FOUNDED**.
- January through October 2011 Certificate Reports is **FOUNDED**.

D. Jumpstart and Edmy Roman Fraudulently Billed the State for Unperformed Child Care Services by Jumpstart 1

Jumpstart submitted false Certificate Reports and, based on those submissions, received payment from DHS, to which it was not entitled. To the extent the Certificate Reports overstated Jumpstart's records such that it appeared that Jumpstart met the 80% Attendance Rule threshold, when in fact it did not, Jumpstart overbilled the State for services.

The OEIG's overpayment analysis revealed Jumpstart overbilled the State \$226,998.66. Thus, the claim that Jumpstart and Ms. Roman fraudulently billed the State for unperformed child care services by Jumpstart 1 is **FOUNDED**.

E. DHS Division of Family and Community Services Director Linda Saterfield Failed to Adequately Oversee the Child Care Assistance Program

CCAP receives a predominant source of its funding from the federal Child Care and Development Fund. DHS is the Lead Agency and is responsible for overseeing the provision of CCAP services, with Ms. Saterfield identified as the "CCDF Administrator" in DHS's reporting to the federal government. In fact, DHS employees charged with administering the CCAP know that DHS is responsible for overseeing CCAP and ensuring the integrity of the program. DHS, however, has failed in upholding these basic tenets.

This investigation has revealed that DHS has failed to implement sufficient internal controls to minimize improper or fraudulent billing by providers for days for which they did not provide child care services. Consequently, at least one of the over 65,000 non-contracted child care providers, namely Jumpstart, received over \$226,000 in State funds for child care services for which they were not entitled to receive.

DHS monitors the CCAP providers through audits conducted by the Quality Assurance unit, which according to [Employee 2], is tasked with monitoring all CCAP providers Statewide. [Employee 2], however, has admitted that because his unit does not have sufficient resources, it only monitors CCR&Rs and providers that have direct contracts with the State, and only monitors non-contracted providers in very limited circumstances, if at all. Quality Assurance may monitor only up to 80 non-contracted day care providers in one year, but in some years may monitor none. DHS largely disregards these providers, which represent the majority of the day care centers receiving CCAP funds from the State, simply because they do not have direct contracts with the State.

According to Division of Family and Community Services Director Linda Saterfield, non-contracted providers account for **90-95%** of providers in CCAP. To the extent DHS monitors these non-contracted providers, DHS focuses only on those receiving higher levels of funds from DHS. Focusing on the largest providers necessarily leaves out a great majority of providers, including those such as Jumpstart, which this investigation revealed has repeatedly overbilled the State. This investigation has also revealed that non-contracted providers present a substantial risk for the loss of funds.

It is apparent that DHS has no formal controls in place requiring appropriate documentation to accurately reflect the hours of care provided to CCAP clients. Even with contracted providers, [Employee 2] admits of instances in which attendance records are not maintained. By way of example, when reviewing Jumpstart's records, the OEIG had to piece together various types of attendance records and logs maintained by Jumpstart, the majority of which were inconsistent with each other.

In addition, Ms. Saterfield stated that a provider consistently billing 100% attendance is a "red flag." In fact, within moments of leafing through a Certificate Report presented to her by OEIG investigators, she noted potential issues with the reporting by the child care provider. This observation by Ms. Saterfield did not take weeks nor hours to make, but was something "that stands out." While DHS may have sent out a clarifying memorandum to CCR&Rs in July 2012 asking them to be on the alert for providers consistently billing 100% attendance, it is not clear whether the memorandum has had an impact on reporting and billing or whether the CCR&Rs are complying with DHS's request, as it does not appear to be incorporated into any contract with the CCR&Rs.

Furthermore, it is clear that at least one and perhaps hundreds or even thousands of other non-contracted providers are not familiar with reporting rules, such as DHS's 80% Attendance Rule and thus may be submitting false Certificates.

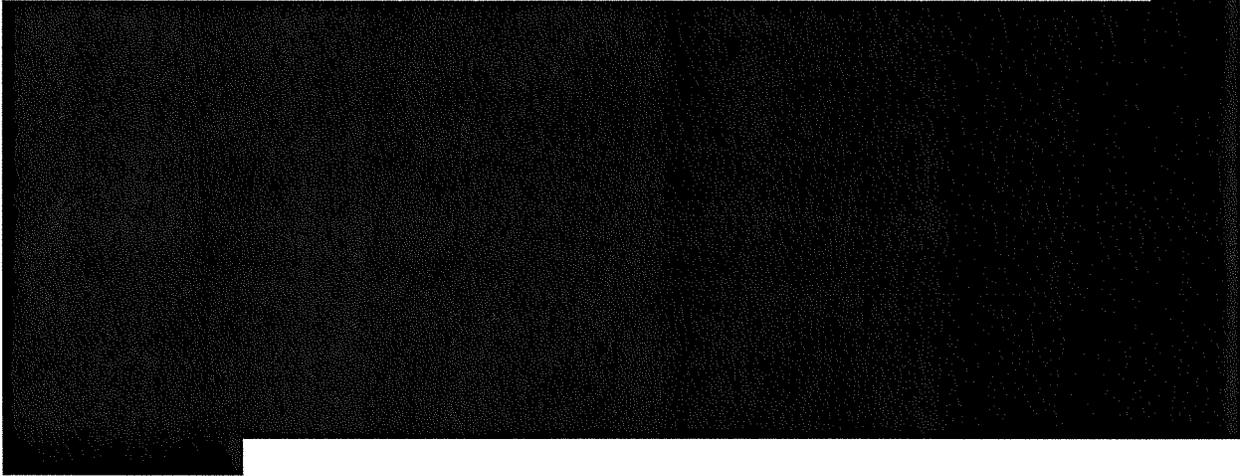
In effect, DHS relies on non-contracted child care providers to monitor themselves – by relying on them to accurately report attendance, knowing any audits are unlikely. While DHS

focuses its efforts on monitoring providers who have restrictions imposed on them by virtue of their direct contracts with the State, the non-contracted providers appear to have free reign to do as they please and to interpret the reporting and reimbursement rules as they desire. DHS's practice of focusing on the largest non-contracted providers leaves room for the thousands of remaining non-contracted providers to escape scrutiny and to overbill the State.

Ms. Saterfield, Director of DHS's Division of Family and Community Services, has stated that she is charged with administrative responsibilities for the CCAP, and for ensuring that CCAP is carried out in accordance with State administrative rules, policies, procedures, and federal guidelines. Thus, the allegation that Ms. Saterfield and DHS has failed to adequately oversee the CCAP is **FOUNDED**.

F. 

[Information concerning entity not found to have committed a violation redacted.] 



V. LOSS TO THE STATE

The OEIG has determined that the monetary loss to the State is approximately \$232,584.48. This total represents the sum of the overpayments made to both Jumpstart 1 and Jumpstart 3 for the months described above.

VI. CONCLUSIONS AND RECOMMENDATIONS

As a result of its investigation, the OEIG issues these findings:

- **FOUNDED** – Jumpstart and Edmy Roman falsified Certificate Reports with respect to attendance at Jumpstart 3 for the month of July 2009 and as a result obtained State funds they were not entitled to receive.
- **FOUNDED** – Jumpstart and Edmy Roman falsified Certificate Reports with respect to attendance at Jumpstart 3 for the month of October 2009 and as a result obtained State funds they were not entitled to receive.

- **FOUNDED** – Jumpstart and Edmy Roman falsified Certificate Reports with respect to attendance at Jumpstart 3 for the month of November 2009 and as a result obtained State funds they were not entitled to receive.
- **FOUNDED** – Jumpstart and Edmy Roman falsified Certificate Reports with respect to attendance at Jumpstart 3 for the month of December 2009 and as a result obtained State funds they were not entitled to receive.
- **FOUNDED** – Jumpstart and Edmy Roman falsified the Jumpstart 1 January 2010 Certificate Report.
- **FOUNDED** – Jumpstart and Edmy Roman falsified the Jumpstart 1 February 2010 Certificate Report.
- **FOUNDED** – Jumpstart and Edmy Roman falsified the Jumpstart 1 March 2010 Certificate Report and as a result obtained approximately \$8,122.66 in State funds they were not entitled to receive.
- **FOUNDED** – Jumpstart and Edmy Roman falsified the Jumpstart 1 April 2010 Certificate Report and as a result obtained approximately \$6,812.10 in State funds they were not entitled to receive.
- **FOUNDED** – Jumpstart and Edmy Roman falsified the Jumpstart 1 May 2010 Certificate Report.
- **FOUNDED** – Jumpstart and Edmy Roman falsified the Jumpstart 1 June 2010 Certificate Report and as a result obtained approximately \$8,089.40 in State funds they were not entitled to receive.
- **FOUNDED** – Jumpstart and Edmy Roman falsified the Jumpstart 1 July 2010 Certificate Report and as a result obtained approximately \$14,945.51 in State funds they were not entitled to receive.
- **FOUNDED** – Jumpstart and Edmy Roman falsified the Jumpstart 1 August 2010 Certificate Report and as a result obtained approximately \$17,601.79 in State funds they were not entitled to receive.
- **FOUNDED** – Jumpstart and Edmy Roman falsified the Jumpstart 1 September 2010 Certificate Report.
- **FOUNDED** – Jumpstart and Edmy Roman falsified the Jumpstart 1 October 2010 Certificate Report and as a result obtained approximately \$11,560.82 in State funds they were not entitled to receive.
- **FOUNDED** – Jumpstart and Edmy Roman falsified the Jumpstart 1 November 2010 Certificate Report and as a result obtained approximately \$6,833.29 in State funds they were not entitled to receive.

- **FOUNDED** – Jumpstart and Edmy Roman falsified the Jumpstart 1 December 2010 Certificate Report and as a result obtained approximately \$12,589.32 in State funds they were not entitled to receive.
- **FOUNDED** – Jumpstart and Edmy Roman falsified the Jumpstart 1 January 2011 Certificate Report and as a result obtained approximately \$7,227.18 in State funds they were not entitled to receive.
- **FOUNDED** – Jumpstart and Edmy Roman falsified the Jumpstart 1 February 2011 Certificate Report and as a result obtained approximately \$9,135.32 in State funds they were not entitled to receive.
- **FOUNDED** – Jumpstart and Edmy Roman falsified the Jumpstart 1 March 2011 Certificate Report and as a result obtained approximately \$10,771.89 in State funds they were not entitled to receive.
- **FOUNDED** – Jumpstart and Edmy Roman falsified the Jumpstart 1 April 2011 Certificate Report and as a result obtained approximately \$14,386.12 in State funds they were not entitled to receive.
- **FOUNDED** – Jumpstart and Edmy Roman falsified the Jumpstart 1 May 2011 Certificate Report.
- **FOUNDED** – Jumpstart and Edmy Roman falsified the Jumpstart 1 June 2011 Certificate Report and as a result obtained approximately \$12,025.30 in State funds they were not entitled to receive.
- **FOUNDED** – Jumpstart and Edmy Roman falsified the Jumpstart 1 July 2011 Certificate Report and as a result obtained approximately \$20,941.88 in State funds they were not entitled to receive.
- **FOUNDED** – Jumpstart and Edmy Roman falsified the Jumpstart 1 August 2011 Certificate Report and as a result obtained approximately \$27,950.28 in State funds they were not entitled to receive.
- **FOUNDED** – Jumpstart and Edmy Roman falsified the Jumpstart 1 September 2011 Certificate Report and as a result obtained approximately \$17,845.68 in State funds they were not entitled to receive.
- **FOUNDED** – Jumpstart and Edmy Roman falsified the Jumpstart 1 October 2011 Certificate Report and as a result obtained approximately \$20,160.12 in State funds they were not entitled to receive.
- **FOUNDED** – Jumpstart and Edmy Roman fraudulently billed the State for unperformed child care services at Jump Start 1 and as a result obtained approximately \$226,998.66 in State funds they were not entitled to receive.

- **FOUNDED** – Jumpstart and Edmy Roman fraudulently billed the State for unperformed child care services related to the [Recipient] children’s attendance at Jumpstart 3 and as a result obtained approximately \$3,172.29 in State funds they were not entitled to receive.
- **FOUNDED** – Jumpstart and Edmy Roman fraudulently billed the State for unperformed child care services related to other children attending Jumpstart 3 for the months of July 2009, November 2009, and December 2009 and as a result obtained approximately \$2,413.53 in State funds they were not entitled to receive.
- **FOUNDED** – Linda Saterfield, Director of DHS’s Division of Family and Community Services, and DHS failed to adequately oversee the Child Care Assistance Program and as a result one non-contracted child care provider, namely Jumpstart obtained approximately \$232,584.48 in State funds for which the provider was not entitled to receive.
- **UNFOUNDED** – [Redacted]
[Redacted] [Unfounded allegation redacted.]

Based upon the evidence, the OEIG recommends that DHS:

- Establish protocols for maintaining appropriate attendance documentation by providers that accurately reflect the days of care provided as a condition of payment for those days.
- Monitor additional non-contracted providers, or amend the CCR&R agency contracts to require CCR&R agencies to compare attendance records to Certificate Reports, or to, at a minimum, address instances in which providers are consistently billing at or near 100% attendance levels.
- Implement uniform child care provider attendance records to be submitted with Certificate Reports.

In addition, the OEIG recommends that DHS’s Secretary take appropriate action with regard to DHS’s Division of Family and Community Services Director Linda Saterfield’s failure to adequately monitor the over 60,000 non-contacted child care providers.

The OEIG also recommends that DHS remove Jumpstart and Ms. Roman as well as other non-contracted child care providers Ms. Roman owns or establishes from future participation in CCAP, and take whatever steps are necessary to recoup the approximately \$232,584.48 in State funds paid to Ms. Roman for which she was not entitled to receive.

Finally, the OEIG will refer this matter to the Office of the Illinois Attorney General for whatever other or additional action they deem appropriate.

No further investigative action is needed and this case is considered closed.

Date: December 11, 2013

Office of Executive Inspector General
for the Agencies of the Illinois Governor
69 W. Washington Street, Ste. 3400
Chicago, IL 60602

By: **Spiridoula Mavrothalasitis**
Assistant Inspector General

Reginald Spears
Investigator # 124



CHILD CARE CERTIFICATE REPORT FOR: REDACTED

DHS PROVIDER ID#: REDACTED
LOCATION: TYPE OF CARE:

MAIL THE COMPLETED REPORT TO:

REDACTED

REDACTED

HOW MANY DAYS WAS YOUR CENTER
OPEN FOR BUSINESS DURING THE MONTH: _____

CHILD CARE CASE NO./ CLIENT'S NAME	CHILD'S NAME/ DATE OF BIRTH	RATE	FULL/ PART/ SCH AGE	PARENT CO-PAY	ADJUSTED CO-PAY	ELIG	DAYS ADJ ELIG	ATTD	ADJ DAYS CODE*	IF YOU ADJUST DAYS OR CHILD NO LONGER ATTENDS. LIST DATE(S)
REDACTED IVR CASE# REDACTED REDACTED	REDACTED	28.50	F	REDACTED			26	REDACTED		
		14.25	P							
		14.25	S							
	REDACTED	28.50	F	0.00			25	REDACTED		
		14.25	P							
		14.25	S							
REDACTED IVR CASE# REDACTED REDACTED	REDACTED	28.50	F	REDACTED			23	REDACTED		
		14.25	P							
		14.25	S							
	REDACTED	28.50	F	0.00			23	REDACTED		
		14.25	P							
		14.25	S							
	REDACTED	28.50	F	0.00			23	REDACTED		
		14.25	P							
		14.25	S							

Page Total: Attended Days _____ Adjusted Eligible Days _____

All Adjusted Days Codes of O-Other Must Be Explained Below

*Adjusted Days Codes: If you adjust the number of days for a child, enter one of the reason codes listed below.
Increased Days - E-Extra Work; H-Holiday or Day Off School for School Age Child; Y-Year Round School; O-Other
Decreased Days - B-Behavioral Problems C-Child No Longer Attends; D-Start Date Changed; I-Illness;
Working or in School, S-Out of State; V-Vacation; Y-Year Round School; O-Other

2BPLM211

State of Illinois
Department of Human Services

Date of Issue: REDACTED
VOID AFTER 6 MONTHS
PAGE 14 OF 15

CHILD CARE CERTIFICATE REPORT FOR: REDACTED

PROVIDER NAME: REDACTED
DHS PROVIDER ID#: REDACTED
LOCATION: REDACTED TYPE OF CARE: REDACTED

COMMENTS: _____

CALCULATE YOUR ATTENDANCE PERCENTAGE (Percentage of Attended Days / Adjusted Eligible Days). You cannot include in the Eligible Days any days that the center was closed (for example, holidays). Only the actual days the child attended can be included in the Attended Days. The child must attend at least one day for the rate type (full-day, part-day, or school age) in order to count the eligible days for that rate. If Section A is not completed, payment for each family will be based on the attendance percentage for all the children in the family.

- A) All Children Listed on this Certificate Report:
 Total Number of Attended Days: _____
 Total Number of Adjusted Eligible Days: _____
 Percentage of Attended Days / Adjusted Eligible Days: _____ %

OPTIONAL: If you have additional children enrolled under a DHS Site Administered Contract, complete Sections B and C below to calculate your attendance percentage for all children in the DHS Child Care Assistance Program. If Sections B and C are not completed, the Attendance Percentage will be based on Section A.

- B) All Children Listed on your DHS Site Administered Monthly Enrollment Report for this Location
 Total Number of Attended Days: _____
 Total Number of Adjusted Eligible Days: _____
- C) All Children Listed in the DHS Child Care Assistance Program for this Location (A plus B)
 Total Number of Attended Days: _____
 Total Number of Adjusted Eligible Days: _____
 Percentage of Attended Days / Adjusted Eligible Days: _____ %

If all the children listed on the Certificate Report (or all children in the DHS Child Care Assistance Program for this location) when combined attended 80% or greater of adjusted eligible days (or the attendance percentage listed in your contract if you are a Site provider), payment will be based on adjusted eligible days for all children listed on the Certificate Report. If the combined attendance percentage is less than 80%, payment for each family will be based on the attendance percentage for all the children in the family. (If all the children in a family attended 80% or greater of adjusted eligible days, payment will be based on the number of adjusted eligible days for that family. If all the children in a family attended less than 80% of adjusted eligible days, payment will be based on the number of attended days for that family.)

I certify that I have verified the daily rates charged for each child. I understand that I cannot charge a parent receiving subsidized child care a higher rate than I charge private paying clients. This includes discounts such as multiple child discounts, staff discounts, full-week discounts, pre-pay discounts, and sliding fee scales.

I certify that I will maintain, for a minimum of 5 years from the date of payment, daily attendance records to fully document the extent of services provided and agree to make all records and supporting documentation relevant to the services billed herein available to any and all authorized department representatives and federal authorities. I understand that failure to maintain adequate records shall establish a presumption in favor of the state for any funds paid by the state for which adequate documentation is not available to support disbursement.

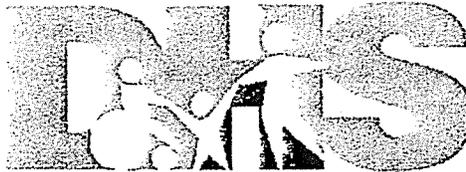
I certify that the information submitted above is complete and accurate. I understand giving false information or failure to provide correct information can result in referral for prosecution for fraud.

PROVIDER'S SIGNATURE: REDACTED DATE: REDACTED

PRINT PROVIDER'S NAME: REDACTED

PHONE NUMBER: REDACTED FAX: REDACTED
E-MAIL: _____

(SEQ:007373F)



Illinois Department of Human Services

Pat Quinn, *Governor*

Michelle R.B. Saddler, *Secretary*

Office of the Secretary
401 South Clinton Street • Chicago, Illinois 60607
100 South Grand Avenue East • Springfield, Illinois 62762

January 2, 2014

Mr. Ricardo Meza
Executive Inspector General
Office of the Executive Inspector General
For the Agencies of the Illinois Governor
69 West Washington Street, Suite 3400
Chicago, Illinois 60602

RE OEIG Complaint #09-01147

Dear Executive Inspector General Meza:

On December 11, 2013 your office issued its Final Summary Report for the referenced complaint. On December 27, 2013 we received your follow-up mailing of relevant evidentiary material relating to this matter. To date, the Department of Human Services has initiated an internal review and notified Jumpstart Dual Language Academy of its termination as a provider in the Department's Child Care Assistance Program.

I am writing to request additional time in order to review the supplemental evidentiary material and respond to your findings and recommendations. We believe we can respond in full to your Final Summary Report by close of business on January 13, 2014.

Please let me know if you have any questions or concerns with respect to granting this request.

Respectfully,

Michelle R.B. Saddler
Secretary



Pat Quinn, *Governor*

Michelle R.B. Saddler, *Secretary*

Office of the Secretary
401 South Clinton Street • Chicago, Illinois 60607
100 South Grand Avenue East • Springfield, Illinois 62762

January 10, 2014

Mr. Ricardo Meza
Executive Inspector General
Office of the Executive Inspector General
For the Agencies of the Illinois Governor
69 West Washington Street, Suite 3400
Chicago, Illinois 60602

RE OEIG Complaint #09-01147

Dear Executive Inspector General Meza:

On January 2, 2014 the Illinois Department of Human Services requested a short extension of time in order to respond to your Final Summary Report for the captioned case. At the time, we believed we could respond in full to your findings by close of business on January 13, 2014. I am now writing to request an additional extension of time up to the close of business on January 24, 2014.

Our review of the supplemental evidentiary material has become more time consuming than we had originally anticipated. In addition, your office is in the process of providing us with additional evidentiary material and we greatly appreciate these efforts. Finally, this additional time will allow for the completion of the recommended discipline.

Please let me know if you have any questions or concerns with respect to granting this second request.

Sincerely,

Michelle R.B. Saddler
Secretary



Illinois Department of Human Services

Pat Quinn, *Governor*

Michelle R.B. Saddler, *Secretary*

Office of the Secretary
401 South Clinton Street • Chicago, Illinois 60607
100 South Grand Avenue East • Springfield, Illinois 62762

January 29, 2014

Mr. Ricardo Meza
Executive Inspector General
Office of the Executive Inspector General
For the Agencies of the Illinois Governor
69 West Washington Street, Suite 3400
Chicago, Illinois 60602

RE: OEIG Complaint #09-01147

Dear Executive Inspector General Meza:

After reviewing the referenced final report, the Illinois Department of Human Services (IDHS) provides the following background and response.

Overview of Child Care Assistance Program Monitoring

The Child Care Program has a rigorous eligibility determination and redetermination process for families wishing to access the program. The policies and procedures that govern the Child Care Assistance Program are detailed in the Child Care Program Manual that is available on the IDHS website at: <http://www.dhs.state.il.us/page.aspx?item=9877>.

Applicants that successfully meet the criteria and are determined eligible for assistance generally receive authorization for six months. At the end of the six month authorization period, families must go through a redetermination process to assess their continued eligibility for assistance. Most families apply directly to their local Child Care Resource and Referral (CCRR) agency and are approved for assistance through the Certificate Program. Providers that participate in the Certificate program do not enter into a contract with IDHS but sign a certification on the child care application which attests to their willingness to comply with the requirements of the program as stated. All providers are legal care arrangements that meet the definitions established under the Child Care Act of 1969.

Federal Child Care Development Fund regulations require all states to operate a "certificate program" which allows parents to select care from a full range of legal care options. The certificate serves as the authorization for child care services and identifies the number of full and/or part-time days per month that the family has been authorized to receive care during the eligibility period. The authorization follows the parent so if a parent changes providers the authorization goes with the parent. The certificate is generated monthly based on the authorization approved by IDHS and mailed to the provider for completion. The certificate very clearly states that only the days the child actually attended should be entered on the certificate and very clearly states that the provider must maintain daily attendance records that fully document the services provided and billed to the state. The certificate is returned to the local CCRR for processing and the attended days of care are entered into the case record for each child. Any changes in the eligibility status of the case can be checked at the time the payment is entered. It is expected that certificates are reviewed for accuracy at the time they are entered for payment.

In addition to the child care providers in the certificate program, there are 40 providers with whom IDHS contracts. Many of the contractors provide services in multiple locations or through various program models such as home care networks, Head Start Collaboration classrooms and before/after school care. Due to this structure, there are over 300 programs, or sub grantees, within those 40 contracts that must be considered when scheduling the reviews for each year. Families being paid through these Site contracts account for approximately 10% of the total program caseload.

Section 7 of the Child Care Program Manual covers various administrative procedures handled by staff or contracted administrative agents which includes policy 07.04.01 on processing overpayments that occur as a result of program violations. Violations are discovered in a number of ways including during the normal course of reviewing and verifying eligibility documents, processing monthly certificates, referrals from other agencies (DCFS, ISBE, Fraud hotline at Auditor General, HFS), anonymous phone tips and emails, and monitoring activities. In calendar year 2013, the Child Care Bureau detected 545 program violations and established \$2.7 million in overpayments.

While the Program does have internal controls, as demonstrated by the program violations detected by staff, it is reasonable to assume that with more resources for staff devoted to on-site field reviews more violations would be uncovered. There are five staff members assigned to the Bureau's Program Integrity and Quality Assurance (PIQA) unit, consisting of one manager and four field review staff. The Monitoring process is described in the Child Care Program Manual Section 07.10.01. Staff monitoring is prioritized as follows:

1. All sub grantees/contractors are monitored once every three years. These sub grantees/contractors perform the eligibility determination function that serves as the primary focus of IDHS' oversight process. There are over 300 locations that fall into this review category so approximately 100 locations per year are monitored.
2. Improper payments review is a federally mandated review which is conducted on a rotating basis once every three years. In accordance with federal guidelines, DHS reviews 276 case files for eligibility and payment accuracy every cycle.
3. Each year staff runs a report on the amount of payments issued to child care providers in the certificate program. A random sample of those providers receiving the greatest amount of reimbursement is selected for on-site reviews. Given that license-exempt home care providers have much lower revenue from the State, child care centers are the main focus of the review.
4. Field staff conduct reviews on request when we have been alerted to potential program violations from staff, sub grantees/contractors or other state agencies or reports from outside callers.

Responses to OEIG Recommendations

Recommendation: "Establish protocols for maintaining appropriate attendance documentation by providers that accurately reflect the days of care provided as a condition of payment for those providers."

Response: Protocols now exist and providers are notified of these protocols in three places:

1. All providers who apply to receive payments through the Child Care Assistance Program sign a Provider Certification as part of the application process agreeing to the following:
 - "If I am a child care center provider, licensed home, or group home, I will maintain, for a minimum of five (5) years from the date of payment, daily attendance records to fully document the extent of services provided and agree to make all records and supporting documentation relevant to the services billed herein available to any and all authorized Department representatives and Federal authorities."
 - "Failure to maintain adequate records shall establish a presumption in favor of the State for any funds paid by the State for which adequate documentation is not available to support disbursement."
2. The Child Care Assistance Program Manual, Section 06.01.01 (<http://www.dhs.state.il.us/page.aspx?item=10859>) also states: "The provider is responsible for maintaining daily attendance records/sign-in sheets which can be requested by IDHS at any time within five years."
3. The Child Care Certificate Report (Form IL-444-3492A), the form used by centers to bill IDHS for services

rendered, includes the following statements which the provider attests to with their signature:

- “I certify that I have verified the daily rates charged for each child. I understand that I cannot charge a parent receiving subsidized child care a higher rate than I charge private paying clients. This includes discounts such as multiple child discounts, staff discounts, full-week discounts, pre-pay discounts, and sliding fee scales.”
- “I certify that I will maintain, for a minimum of 5 years from the date of payment, daily attendance records to fully document the extent of services provided and agree to make all records and supporting documentation relevant to the services billed herein available to any and all authorized department representatives and federal authorities. I understand that failure to maintain adequate records shall establish a presumption in favor of the state for any funds paid by the state for which adequate documentation is not available to support disbursement.”
- “I certify that the information submitted above is complete and accurate. I understand giving false information or failure to provide correct information can result in referral for prosecution for fraud.”

The Child Care Assistance Program uses these agreements and policies during its reviews and when assessing overpayments to providers. Confirming when a child is present at a provider location is very hard to accomplish given that the process is mainly paper-based and open to fraudulent activities either at the time care is reportedly provided or after the fact. While IDHS pursues further monitoring if it learns of attendance records that appear fabricated or altered, there is no way to guarantee that all attendance records are valid or accurate. Some states have attempted to address this by deploying various electronic attendance systems, such as swipe cards or biometric devices. These methods have also proved to be troublesome. Scan cards are still susceptible to fraud as a card can be left with the provider who can then scan it at any time. Biometric devices, such as fingerprint or retina scanners, often do not work for children as they grow and are cost prohibitive when dealing with the size of the provider population in Illinois.

Recommendation: “Monitor additional non-contracted providers, or amend the CCRR agency contracts to require CCRR agencies to compare attendance records to Certificate Reports, or to, at a minimum, address instances in which providers are consistently billing at or near 100% attendance levels.”

Response: IDHS agrees with this recommendation. In July 2012, IDHS issued a memo clarifying the process to be followed when a provider submits a certificate indicating 100% attendance for all children. The process will not prevent a child care provider from reporting attended days incorrectly, but it does identify a scenario that often leads to improper payments. The 100% Certificate Billing Verification Process objective requires that CCRR staff verify an assertion that 100% of certificate billing recorded during the month is a valid reflection of actual attendance.

The process requires different protocols depending on how many months a provider has reported 100% attendance. During the first month a center reports 100% attendance, the CCRR staff must:

- Call the center, explain the 80% attendance rule, and reiterate to the child care center that only attended days can be reported on the certificate.
- Inform the center of the What Is CCAP? training that is available either through the CCRR or online through the INCCRRA web site.
- Offer the provider an opportunity to meet with CCRR staff face-to-face to discuss proper billing practices.
- Send the provider a form letter indicating that any additional months where the provider reports attendance at or near 100% (97%-100%) must be accompanied by sign-in sheets or attendance records verifying attendance. The form letter also states that if a child care provider reports attendance at or near 100% for additional months, a face-to-face billing training between provider staff and the CCRR is required.

If a provider reports 100% attendance in the second and subsequent months, the CCRR staff must:

- Require and review attendance records and sign-in sheets to verify that the certificate is a valid reflection of attendance, prior to processing the child care certificate.
- Meet with child care provider staff face-to-face for a billing training within 30 days, if the reported attendance is not supported by proper documentation.

If the provider reports 100% attendance for a third month in a row, CCRR staff must:

- Include the provider on its report to IDHS Child Care and Development's Program Integrity and Quality Assurance (PIQA) unit of those providers who consistently bill at or near 100% of their eligible days. The CCRR sends a report to PIQA on a monthly basis.
- The PIQA unit analyzes the billings of providers reported by CCRRs and schedule an on-site monitoring review. PIQA will review the provider attendance records including the monthly attendance report, the sign in/sign out sheets, and meal records if available. If inconsistencies between the attendance records and the billing certificates are discovered, IDHS will issue an overpayment letter to the provider based on the investigation of records.

In addition, CCRRs are required to track all providers reporting 100% attendance in a spreadsheet. They must also maintain all corrective action plans, and documentation of trainings and conversations on this issue with the providers.

[Administrator], the contracted agency that manages approximately 60% of the CCAP cases in Illinois, put these practices into place and tracked results. Of the licensed child care providers in Cook County, 12.5% billed for 100% attendance for all children in the month of May 2012. By September 2013 that number was reduced to 2% of licensed providers. This data strongly supports that the procedures listed above have served as an effective method of reducing 100% billing and will continue to reduce the number of improper payments made.

Recommendation: "Implement uniform child care provider attendance records to be submitted with Certificate Reports."

Response: IDHS agrees to pursue this recommendation. At least two other State of Illinois agencies require child care providers to maintain some form of monthly attendance records. The Illinois Department of Children and Family Services require all licensed providers to maintain daily attendance records for the children in their care. The attendance records are checked during the annual licensing review. The Illinois State Board of Education requires all providers billing for reimbursement from the Child and Adult Care Food Program (CACFP) to maintain a daily list of attendance and meal/snack counts and conducts on-site reviews of these documents at least annually. In order to reduce redundant paperwork, the IDHS Child Care Assistance Program has accepted the records maintained for these agencies as valid and reliable documentation of attendance when conducting on-site reviews.

The Child Care Assistance Program will work with DCFS and ISBE to see if a new attendance sheet can be developed that would be acceptable for all programs. Once the form is completed, IDHS will require it for use in the Child Care Program.

In addition, IDHS will work with DCFS and ISBE to develop an MOU that would ensure that issues or concerns about any child care providers are shared across agencies. Since we are all working with the same provider population, it would be beneficial to coordinate efforts and share resources whenever possible.

Recommendation: "The OEIG also recommends that DHS remove Jumpstart and Ms. Roman as well as other non-contracted child care providers Ms. Roman owns or establishes from future participation in CCAP, and take whatever steps are necessary to recoup the approximately \$232,485.48 in State funds paid to Ms. Roman for which she was not entitled to receive."

Response: IDHS agrees with this recommendation. On December 20, 2013, a letter was mailed and faxed to Ms. Roman at her child care center address. The letter gave notice that IDHS would be terminating Jumpstart from the Child Care Assistance Program effective December 31, 2013. IDHS also instructed to issue notices to all families using this provider that CCAP would no longer make payments to Jumpstart as of December 31, 2013 and that the families would need to secure new child care arrangements. worked with each family to help them find

Ricardo Meza
January 29, 2014
Page 5 of 5

appropriate care for their children so that, they would be able to continue with their employment, education or TANF-required activities without a break in care.

IDHS and [redacted] are working together to conduct a review of each month cited in the report, as well as more current months of billing, to determine the correct overpayment amounts for each month. Once this review is complete, letters will be sent to Ms. Roman, requesting payment. Thirty (30) days after the letters are sent they will be forwarded to the IDHS Bureau of Collections (BOC) to establish an Accounts Receivable file. The provider will then need to either make a payment in full to BOC or establish an appropriate payment plan. If the provider fails to remit payment or establish a plan, BOC will forward the account to the Illinois Office of the Comptroller and to their contracted private collection agencies to pursue further actions.

Recommendation: "The OEIG recommends that the DHS Secretary take appropriate action with regard to DHS' Director of Family and Community Services, Linda Saterfield's failure to adequately monitor the over 60,000 non-contracted child care providers."

Based on the recommendation of the OEIG, Secretary Saddler personally issued Director Linda Saterfield an oral reprimand. While Ms. Saterfield has been employed as the Director of the Division of Family and Community Services, her former position as Bureau Chief of the Child Care Office has been vacant. Since her departure, the Child Care Bureau has lost staff and due to the seriousness of these allegations more stringent monitoring is needed. Based on the oral reprimand and a desire to ensure greater supervision and accountability in this bureau, IDHS decided to return Linda Saterfield to the Bureau of Child Care to fully assess and determine the needs of this office.

Sincerely,

Michelle R.B. Saddler
Secretary