

GOVERNMENT OF THE DISTRICT OF COLUMBIA



SENT ELECTRONICALLY
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July 22, 2016

Daniel W. Lucas
Inspector General
Office of the Inspector General
Government of the District of Columbia
717 14th Street NW
Washington, DC 20005

Dear Mr. Lucas:

This correspondence serves as the District of Columbia Department of Human Services (DHS) and Office of the State Superintendent of Education's (OSSE) joint response to the Office of the Inspector General's (OIG) draft report issued June 8, 2016 on the *Special Evaluation of the Department of Human Services Child Care Services Division, Child Care Subsidy Program*. DHS and OSSE appreciate the OIG's examination of the issues concerning program integrity in the District's Child Care Subsidy Program (Subsidy Program).

The OIG draft report noted three findings and six recommendations. DHS and OSSE agree with the findings and recommendations in the draft report and will continue current efforts and consider future actions needed to protect the integrity of the Subsidy Program.

The following provides our collective response to each recommendation under OIG's three findings:

Finding 1: DHS has not provided CCSD employees with instructions to address cases in which applicants may attempt to fraudulently obtain benefits.

Recommendation 1: In coordination with OSSE, develop and document a policy and corresponding procedures for referring potentially fraudulent activity and documentation to OSSE.

Response: Agreed. Although a policy on fraud detection and prevention has been in place since at least 2009¹, the Child Care Services Division (CCSD) and OSSE are collaborating to develop a more comprehensive policy and process for referring potentially fraudulent activity and documentation to the appropriate divisions at DHS, OSSE, Office of the Attorney General (OAG), and other appropriate oversight agencies. This revised policy will clearly define procedures for how CCSD employees will report potentially fraudulent activity to OAG, OSSE, or other appropriate oversight agencies. Additionally, OSSE and CCSD will continue to discuss fraud detection and prevention during the agencies' regularly scheduled semi-monthly meetings.

¹ Section 600.2 of OSSE's Eligibility Determination Policies for Subsidized Child Care, Sept. 2009. Available at: http://osse.dc.gov/sites/default/files/dc/sites/osse/service_content/attachments/DC%20Child%20Care%20Subsidies%20Eligibility%20Policies.pdf

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Recommendation 2: Implement a process to (a) track referrals sent to OSSE and the corresponding outcomes, and (b) disseminate the information to CCSD eligibility workers.

Response: Agreed. DHS and OSSE are committed to their continued collaboration in order to share information that will inform, progress, and dispose of a fraud investigation. As part of this process, OSSE and CCSD are developing an internal fraud tracking policy that includes a process for how CCSD employees consistently track potentially fraudulent activity that has been referred to OAG, OSSE, or other appropriate oversight agencies. The CCSD Program Manager and Supervisor will track, maintain, and provide information to the appropriate CCSD employees regarding the disposition of a fraud investigation and any limitation on a person's future eligibility in the Subsidy Program. DHS and OSSE will establish a process and put in place a system to track the results of the disposition of a fraud investigation and conduct ongoing monitoring. Similar to other federal programs which DHS administers, the system will alert CCSD employees of persons who have been found to commit child care fraud to ensure proper review prior to obtaining benefits.

Recommendation 3: Implement a process to review CCSD procedures annually, and update as necessary to ensure that they accurately reflect current child care subsidy eligibility requirements and CCSD work processes.

Response: Agreed. DHS and OSSE will implement a process to review CCSD procedures annually; however, it is important to note that CCSD currently reviews child care subsidy policies and procedures, including addressing cases of persons suspected of child care subsidy fraud, during its monthly staff meetings. Case scenarios, including those that have fraudulent or potentially fraudulent implications, are reviewed with those related policies and procedures and discussed and clarified. Additionally, comprehensive policy reviews are conducted annually and as needed, utilizing guidance developed from the OSSE Policy Manual and OSSE Eligibility Institute training guide.

Finding 2: CCSD employees do not receive sufficient refresher training to supplement the annual 1-day OSSE training.

Recommendation 4: Evaluate CCSD's on-the-job training and OSSE-provided training to determine whether modifications are necessary to ensure that child care eligibility staff are properly prepared before they conduct intake interviews and issue child care admissions forms.

Response: Agreed. In terms of classroom training, OSSE and CCSD have re-evaluated the training that is provided to CCSD eligibility staff. As a result of this evaluation, OSSE is increasing the annual one day training to a two-day training. OSSE will also implement a four-hour training specifically for the CCSD Program Manager and Supervisor focused on onboarding new CCSD eligibility staff. All trainings will include a fraud component.

DHS believes the current CCSD on-the-job training approach is robust and effective. CCSD's on-the-job training currently consists of utilizing the OSSE Eligibility Institute training guide to train new CCSD eligibility staff on eligibility determination policies and procedures for subsidized child care before staff conduct intake interviews. New CCSD eligibility staff shadow seasoned colleagues during the intake interview process for at least two weeks. New eligibility staff then progress to closely supervised interviews and case processing for another two weeks, until they eventually perform all duties with a decreased level of side-by-side supervision. However, new CCSD eligibility staff are not permitted to issue an admission form to a qualified person until he or she attends the OSSE Eligibility Institute training, which is facilitated quarterly.

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The CCSD Program Manager and Supervisor also provide ongoing coaching and supervision to new and seasoned eligibility staff, which includes but is not limited to, providing performance improvement guidelines to staff as needed and regular instruction and guidance to staff utilizing the OSSE Policy Manual. For example, in fiscal year 2015, the CCSD Program Manager and Supervisor implemented case scenarios, policy question and answer time, and fact-checking activities into the monthly staff meetings for use as regular practical tools and policy refreshers. Finally, CCSD and OSSE collaboratively evaluate all training materials.

Finding 3: DHS has not defined quality assurance process and relies on annual OSSE audits to identify problems with initial eligibility determinations and program documentation.

Recommendation 5: Instruct CCSD to develop and implement a procedure for performing quality assurance reviews.

Response: Agreed. Prior to the issuance of the June 8, 2016 draft report, CCSD initiated an internal quality assurance case review process in January 2016. The quality assurance case review process requires that the CCSD Program Manager review a random sample of case files using an internally developed audit tool monthly. This case review audit tool is based on the OSSE annual audit and Child Care Development Fund Plan requirements and is used to determine whether all documents necessary to determine eligibility were obtained and complete and whether fees, countable activities, and other eligibility factors were correctly assessed by the CCSD eligibility staff. The results of the quality assurance reviews will be analyzed by CCSD and the aggregated results shared with OSSE quarterly.

Recommendation 6: Provide OSSE with regular reports summarizing the findings of CCSD's quality assurance reviews.

Response: Agreed. CCSD will provide OSSE quarterly summary reports regarding the monthly quality assurance reviews, which will include the number of quality assurance reviews conducted, summation of the type of errors found, and the corrective actions to be taken or that were taken.

Again, DHS and OSSE appreciate the OIG's efforts in this area and look forward to continuing to work with the OIG to improve the integrity of the Subsidy Program. Please direct any follow-up inquires to Anthea Seymour, Administrator, Economic Security Administration at DHS, at (202) 698-3906 or Elizabeth Groginsky, Assistant Superintendent of Early Learning at OSSE, at (202) 727-2814.

Sincerely,



Laura Zeilinger
Director
DC Department of Human Services



Hanseul Kang
State Superintendent
Office of the State Superintendent of Education

c: Edward Farley, Assistant Inspector General