



Early Learning  
Coalition of the  
Big Bend Region

COALITION

# ANTI-FRAUD PLAN



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## **Purpose of Fraud Plan**

Early Learning Coalition Big Bend Region, Inc. (ELC) has adopted this Anti-Fraud Plan for the detection and investigation of possible acts of fraud, abuse, or over-payments by recipients and contracted providers relating to the provision of and payment for Division of Early Learning's (DEL) School Readiness (SR) and Voluntary Prekindergarten (VPK) Programs. The protocols and procedures described herein are baseline activities leading toward the formal reporting of fraud to Florida Department of Education's Office of the Inspector General (DOE-OIG), through its partner agency, the Bureau of Public Assistance Fraud (BPAF), which adhere to Florida Statutes governing SR and VPK programs, specifically Rule 6M-9.400 (3), FAC. [Appendix A1: FDOE-OIG's Anti-Fraud Plan (Current Fiscal Year) Approval Checklist]

## **Organizational Structure**

ELC is composed of five major departments: Executive, Operations, Finance, Compliance, and Programs, from which a dedicated staff has been assembled to form the Internal Fraud Review Committee (Internal Fraud Team). This cross-departmental team investigates and reviews fraud-related issues, and oversees any subsequent claims, suspensions, or remediation activities. The Internal Fraud Team includes persons holding the following positions during the course of the present fiscal year [see also, Appendix A1: (Current Fiscal Year) Internal Fraud Team Roster]:

- Chief Compliance Officer
- Chief Operations Officer
- Chief Financial Officer
- Chief Program Officer
- Operations Support Specialist
- 1-Family Services Manager
- 1-Family Services Specialist
- 1-Early Care & Education Specialist
- 1-Provider Relations Specialist
- 1-Compliance Analyst
- 1-Fraud Administrator
- 1-Fraud Coordinator (chosen from the above group)

## **Fraudulent Activities Defined**

In the operation of programs using state or federal funds, deceitful activities can take on any manner of characteristics, e.g., fraudulence, misfeasance, nonfeasance, or malfeasance. These actions may constitute the omission of an act a person ought to do; the improper performance of an act a person might lawfully do; or the performance of an act a person ought not to do. Any indications of bribery, forgery, extortion, embezzlement, theft of participant checks, kickbacks from participants, and/or intentional payments to a contractor without the expectation of receiving services fall within the context of “fraud” for the scope and purpose of this Anti-Fraud Plan.

## **Fraud Detection & Triggers for Investigation**

ELC’s internal fraud process begins with a triggering event, whether it be an oral disclosure or a discovery made during periodic auditing. Below are some, but not all, of the activities that may trigger a fraud investigation by ELC's Internal Fraud Team at the point of discovery:

- Misapplication of Funds. Misapplication of funds should be considered as any alleged use of funds, assets, or property not authorized or provided for in the grant or contract. This category includes, but is not limited to, nepotism, political patronage, use of participants for political activities, ineligible enrollees, conflicts of interest, not reporting income from federal funds, violation of contract procedures, maintenance of effort violations, and the use of funds for purposes other than their designation.
- Gross Mismanagement. Actions or situations arising out of the intentional failure to perform one's duties or responsibilities in reckless disregard of the consequences constitutes gross mismanagement. This can lead to major violations of contract provisions that will severely hamper ELC's ability to fulfill its intended mission.
- Employee/Participant Misconduct. Occupational or professional misconduct are actions occurring during or outside work hours that reflect negatively on ELC or its mission. This may include but is not limited to conflicts of interest; the appearance of a conflict of interest involving outside employment businesses and professional activities; the receipt or giving of gifts, fees, entertainment, and favors; misuse of federal/state property; misuse of official information; and other activities that may adversely affect the confidence of the public or the integrity of the government; and are deemed serious violations of federal and state laws.
- Fraud detection during application process. The following are some of the methods that will be utilized in detecting potential fraud, abuse, and overpayments, which include but are not limited to:
  - Review of data quality reports generated by DEL [6M-9.400 (3)(b)]
  - Documented verification of childcare referrals from other organizations [6M-9.400 (3)(b)]
  - A process for electronic monthly reporting to the Office of Early Learning the recipients and providers terminated for fraud [6M-9.400 (3)(b)]

- Secondary verification of information provided to check for altered documents or fake identification
- Layperson authentication of signatures on employment or residency verification forms
- Cross-check against previously reported information for inconsistencies on employment or residency verifications forms, such as phone numbers or names of individuals
- Verification of marital status and dependents indicated on pay stubs
- Cross-check for inconsistencies in family composition from previously reported information
- Tracked record of calls made or received regarding recipient's participation in other social service programs, particularly those administered by the Department of Children & Families
- Prompt investigation of provider's who report inconsistent recipient information
- Use of other sources that become available to ELC during normal business processes, such as Equifax Verification Services [6M-9.400 (3)(b)]

## **Investigation of Program Recipients**

ELC maintains specific internal fraud reporting forms that its employees can readily access to document suspected fraud by a recipient. During the investigation process, the recipient's services may be terminated or suspended depending on the nature and extent of the evidence gathered. Under normal circumstances, the internal fraud reporting process should flow in the following manner:

- 1) Once a fraudulent act or omission is first detected, the first reviewer will have fifteen (15) calendar days to complete their portion of the internal fraud reporting form.
- 2) The first reviewer is responsible for examining the recipient's paper or electronic files, including the initial certification and recertification applications and supporting documents; program attendance records; provider reimbursement records or reports; and any other documents necessary to make a determination that the recipient was ineligible for services, and that out-of-service payments were made on the recipient's behalf.
- 3) The first reviewer will submit the completed fraud form (with attached evidence) to their immediate supervisor for a secondary review and verification signature. If the second reviewer agrees, then the case will move forward.
- 4) The collected evidence is then submitted to the Internal Fraud Team for its determination at its next successive monthly meeting.
- 5) The Committee must come to a majority vote as to whether ELC will seek direct reimbursement from the recipient if it is an unintentional program violation. However, if fraud is suspected, then the matter will be discussed with the DOE-OIG

representative before it is entered into the FRS.

- 6) For unintentional program violations (non-fraudulent acts), the recipient will be sent written notification that includes the nature of their offense; the approximate date that they were deemed out of program compliance; and the approximate program funds owing back to ELC for payments made to a contracted provider on the recipient's behalf. **The same notice will further advise the recipient of their right to appeal this first-level decision within 15 calendar days of the date of the termination/suspension letter.**
- 7) If fraud is determined, the Internal Fraud Administrator and/or Fraud Coordinator will submit the case in FRS, and notify the local BPAF liaison that this action has been taken. In this latter outcome, the recipient will not be notified by ELC and will remain "active" until further instruction is received from the BPAF liaison. Information regarding potential fraud will be entered into the FRS within 15 calendar days of ELC's confirmation of a legitimate fraud claim against the recipient. [Note: It is the responsibility of ELC's Fraud Administrator and Fraud Coordinator to periodically log into FRS and check the updated status of its active cases.]
- 8) Each step of the fraud claim process will be documented to include all supporting evidence, recommended actions, and subsequent actions taken.

## **Investigation of Program Providers**

The due process procedures for Providers are specified within the contract between ELC and the Provider, pursuant to Rule 6M-4.610, F.A.C 6M-9.400(5). However, the following are some of the methods that will be utilized in detecting potential fraud, abuse, and over-payments by contracted providers:

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

The internal review process will be initiated by the completion of the form indicating what item or items above triggered a review. The remaining steps are as follows:

- 1) The first reviewer will have 15 days from completion or receipt of the form to make a determination as to whether or not potential fraud occurred based on documentation reviewed.
- 2) The review process will consist of an extensive review of electronic files, attendance, reimbursement reports, and any other documents necessary to make a determination of continued eligibility, as well as to determine if an overpayment was made.
- 3) Once the first reviewer has gathered sufficient information to substantiate a claim of fraud, the first reviewer will submit the completed form to their immediate supervisor for secondary review and signature if the second reviewer agrees the case warrants further review.
- 4) Once the information is submitted to the Fraud Review Team, the information will be reviewed at its next successive monthly meeting. The Fraud Review Team must come to a majority vote as to whether the matter is an *unsubstantiated claim*; an *unintentional program violation*; or a *substantiated (verifiable) fraud case*.
- 5) If the matter is deemed an *unintentional program violation*, the Fraud Review Team will seek direct reimbursement from the provider. The provider will be sent written notification to include a pre-appeal process within 15 days of the Fraud Team's determination.
- 6) The second review will be conducted by the Chief Financial Officer for a final determination within 15 days of receipt of the form.
- 7) If a state-level review of the matter is warranted to determine provider fraud, the ELC's Fraud Administrator will notify the DOE-OIG representative of the impending action, and further submit the case into FRS if advised to do so. The provider will **not** be notified of these actions and will remain "active" until further instruction is received from the BPAF liaison.
- 8) Each step of the process will be documented to include all supporting evidence, recommended actions, and actions taken.

## **Mandatory Reporting**

DOE-OIG is the designated coordinator of all suspected fraud referrals to BPAF. As such, ELC is responsible for immediately reporting substantiated violations to DOE-OIG by email and with the initiation of a case file through FRS. ELC's Fraud Administrator will convene monthly meetings of ELC's Fraud Review Team to review any reportable fraud activities, in particular those cases in which a recipient or provider was suspended or terminated for fraud under the SR and VPK programs [F.S., 6M-9.400 (3)(b)]. The accused party(ies) will be notified of the allegations against them at the appropriate time, to include written notice of their rights of due process; ability to obtain copies of records held by ELC; and their ability to appeal any termination, suspension, or remediation decisions made by ELC, its governing body, or other agency designee.

## **ELC Staff Education & Training**

Regardless of position held within the organization, all staff will be trained on the importance of being attentive to areas where there is a potential for abuse, fraud, and overpayment. Each department supervisor, manager, and/or director will be responsible for providing training to their respective staff by the methods described above. Education and training will be ongoing since any issues identified during the internal fraud review process can also serve as learning experiences. ELC will review internal controls, policies, procedures annually, and make any necessary policy or procedural changes, per F.S., 6M-9.400 (3)(d).

## **Right to Due Process & Appeal**

If ELC determines that the SR or VPK program funds have been obtained through deception or used fraudulently, the Recipient has the right to appeal their suspension or termination. ELC's CEO or their designee must respond to the recipient in writing within thirty (30) days of receiving the appeal request, along with a decision as to whether the suspension or termination will be upheld or modified, per F.S., 6M-9.400 (4)(e). **Appendices C1 through C3** more fully describe ELC's three-stage appeal process, and when these activities may be initiated during the course of investigation. If the recipient does not forfeit their right to appeal, a decision as to whether a suspension or termination will be upheld or modified will be decided at the third (final) appeal hearing.

## **Repayment & Remediation**

ELC will determine if it continues services for the recipient on a case-by-case basis. Likewise, recipients with a valid "at-risk referral" may have separate remediation processes that will be reviewed and handled on a case-by-case basis after consultation with the referring agency.

Direct Repayment to ELC. ELC may make arrangements for repayment of fraudulent payments with the recipient and/or provider directly, after the BPAF has reviewed and screened out the case. The repayment arrangement will include: the total amount due, with an option for a lump-sum payment or a reasonable monthly repayment schedule. If there is any interruption in the repayment schedule, a reminder notice will be sent within ten (10) business days of any missed payments. The recipient and/or provider must offer a reasonable explanation for the missed payment and a specific date that payments will resume. All payments will be appropriately documented and handled by ELC's Finance



Department and reported to DEL accordingly.

Failure to Respond. Failure to respond to ELC's the Coalition's collection request will result in the remaining balance being due immediately. If it is determined that no further repayments will be received from the client and/or provider, at the discretion of the ELC's CEO, ELC may pursue legal action to recover the remaining balance due or pursue prosecution for fraud.

### **How to Report Fraud--Public Reporting**

Any member of the public that wishes to report suspected fraud can download a fillable PDF copy of ELC's Fraud Reporting Form from its website at <https://elcbigbend.org/contact/report-fraud/>. The form must be downloaded and saved to the reporter's own computer before it can be submitted as an attachment and emailed to [fraud@elcbigbend.org](mailto:fraud@elcbigbend.org).

Likewise, if an employee, contractor, childcare service provider, parent, or other SR or VKP recipient has done something fraudulent, such as falsifying records, committing fraud, or wasting or mismanaging the State's resources, equipment, or money, please contact the Internal Fraud Review Committee at [fraud@elcbigbend.org](mailto:fraud@elcbigbend.org) or the FRS Fraud Administrator at 850-385-0504. The Florida Department of Education's Office of the Inspector General can be reached at 850-717-8605 or [oigfraudprevention@del.fldoe.org](mailto:oigfraudprevention@del.fldoe.org). [See *Appendix B* for other ways to contact ELC's Internal Fraud Review Committee.]

**APPENDIX A1: FY 2024/25 ANTI-FRAUD PLAN FY 2024-2025 APPROVAL CHECKLIST**

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DOE OIG EARLY LEARNING FRAUD PREVENTION UNIT  
4-PAGE FORM UNDER SEPARATE COVER

## APPENDIX B1: FY 2024/25 INTERNAL FRAUD REVIEW TEAM ROSTER

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Lauri Wildgoose, Chief Compliance Officer  
Kara Palmer-Smith, Chief Operations Officer  
Felicia Milton, Chief Financial Officer  
Arnold McKay, Chief Program Officer  
Alicia Love, Operations Support Specialist  
Vicki Mezich, Family Services Specialist  
Mary Floyd, Early Care & Education Specialist  
Angalena Brown Ebere, Provider Relations  
Robyn Rhymes, Compliance Analyst

### ***ELC FRAUD ADMIN***

FRS Coalition Administrator: Lauri Wildgoose  
FRS Coalition User: Robyn Rhymes

#### Contact Information

[Email: fraud@elcbigbend.org](mailto:fraud@elcbigbend.org)  
Office Phone: 850-385-0504  
Mail: Early Learning Coalition of the Big Bend  
Attn: Internal Fraud Review Committee  
2639 N Monroe Street, Building C-300  
Tallahassee, FL 32303

External Fraud Reporting Forms can be downloaded from  
<https://elcbigbend.org/contact/report-fraud/>.

## APPENDIX C1: PRE-APPEAL PROCESS WITH ELC STAFF

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Should ELC's Internal Fraud Review Committee determine that a recipient has committed fraud in their pursuit and receipt of SR and/or VPK benefits, the following notification process will ensue:

1. An advanced written notice of ELC's intent to suspend or terminate benefits will be provided to the recipient. This will clearly advise them of the allegations; the basis of the allegations; the intended action (whether suspension, termination, or continued services during appeal determination process); and the dates any actions are to be imposed.
2. Recipients with a valid at-risk referral may not have their services suspended or terminated. These matters will be addressed on a case-by-case basis.
3. The written notice will be sent at least fourteen (14) calendar days before the intended action by certified mail (return receipt requested) and email. The written notice should be translated into the recipient's native language if the ELC's other communications with the recipient have been translated as such per F.S. 6M-9.400 (4)(a).
4. The advance written notice will further:
  - a. Inform the recipient in **bold print** that they have ten (10) calendar days to file a written appeal to ELC. This should describe the nature of the error and contain any documentation which supports the recipient's claim.
  - b. Provide notification of the potential for repayment of improper benefits if the conclusion of the appeal results in the fact that fraud did take place, including any benefits received after the receipt of the written advance notice.
  - c. Advise recipient of his or her right to request a copy of their client file.
  - d. If applicable, advise recipient of the amount of overpayment to be recovered.
  - e. Clearly state the length of the suspension of benefits or date of termination of benefits, and (if applicable) that the length of time will be proportionate to the alleged offense committed.
5. ELC will ensure that the suspensions or terminations issued are consistent with those issued to other recipients who allegedly committed comparable offenses. ELC may also consider prior offenses as appropriate.
6. A recipient who fails to file a timely appeal to ELC the Coalition waives their right of appeal.
7. If the recipient believes that the conclusion of fraud was made in error, the recipient should first seek to resolve the matter by contacting ELC and providing the necessary documentation to review the matter. When the appeal process is sought, ELC's Chief Executive Officer (CEO) will not be involved in the initial pre-appeal activities.
8. Once the intentions of recipient are known, the CEO or their designee must respond to the recipient in writing within thirty (30) days of receiving the appeal request. This writing will be the CEO's decision as to whether the suspension or termination will be upheld or modified in some way [F.S., 6M-9.400 (4)(e)].

Recipients who believe that this pre-appeal process did not resolve the issue may file a formal written appeal for review by the Chief Executive Officer as outlined in Appendix C2 below.

## APPENDIX C2: APPEAL PROCESS WITH CEO OR BOARD DESIGNEE

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Below is the appeal process with the Chief Executive Officer (CEO) or designated person by ELC's Board of Directors:

1. Submit a written appeal to the CEO or other staff person as designated by ELC's Board.
2. The appeal must fully describe the nature of the error the recipient believes has been made and contain any documentation which supports the recipient's claim.
3. The appeal shall be postmarked or emailed to ELC before the date of the intended action. The recipient who fails to file a timely appeal waives the right of appeal.
4. If the recipient files a timely appeal, he/she will not have services suspended or terminated until receiving a written decision by the CEO or designee or the original date of the intended action, whichever is later.
5. **Recipients and Providers who fail to file a timely appeal waive their right to appeal.**

Recipients who wish to appeal the decision of the CEO or designee may request further review by an appeals committee as outlined in Appendix C3 below.

## APPENDIX C3: APPEAL PROCESS WITH ELC'S BOARD

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The request for further review by an appeals committee must be submitted to ELC in writing within ten (10) calendar days of the CEO's or designee's written response to the recipient's formal written appeal to the process outlined in Appendix C2 above.

1. The Chair of ELC's Board will select an appeals committee, including a chair of the appeals committee.
2. The appeals committee will convene within forty-five (45) calendar days of receipt of the recipient's request for an appeal.
3. The recipient will be given an opportunity to defend their position in an orderly proceeding of the appeals committee.
4. When the meeting of the appeals committee is scheduled, the recipient will be informed of the date, place, and time of the proceeding; that it is a public meeting; and that any information presented may be used by other state agencies.
5. The recipient will be provided with up to thirty (30) minutes to present their position and any information they wish the appeals committee to consider.
6. ELC staff, excluding the CEO or other executive staff designated by ELC's Board, shall be available to provide any information requested by the appeals committee.
7. The appeals committee will consider all statements, review all documents, and may request any additional evidence or information from the parties if an appeals committee member believes it is necessary and relevant to the decision making. The required determination letter will be tolled for the length of time given to provide the additional information.
8. The appeals committee shall select or appoint a member of the coalition, excluding the CEO or other executive staff person designated by ELC's Board, to memorialize the events of the appeals committee proceeding and the final determination including the basis for the decision.
9. The appeals committee will provide a written report to the recipient, including the final determination and the basis for the decision.
10. The appellant will be notified in writing within ten (10) days of the date of the meeting of the appeals committee's determination.