



Program Integrity Fundamentals

What Everyone Wants to Know
about Child Care and Development
Fund (CCDF) Program Integrity



Introductions



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Agenda

1

Current administration priorities for CCDF

2

**Discussion of CCDF program integrity,
risk management, and internal controls**

3

Program integrity in action

4

Questions, answers, and resources



Objectives

- 1 Define program integrity and explain its importance in CCDF to ensure effective stewardship of public funds
- 2 Identify federal program integrity requirements and understand areas of Lead Agency flexibility
- 3 Recognize common indicators of fraud, waste, and abuse and understand appropriate response strategies
- 4 Distinguish internal control best practices to strengthen program operations and reduce risk



Program Integrity

Session Roadmap

Integrity

Requirements

Indicators

Controls



What Is Your Experience Level with Program Integrity?





Toya Bryant

Director

Division of Oversight and Accountability
Office of Child Care



What Is Program Integrity?

Program integrity is the capacity of a program to achieve its intended purpose or mission without compromise. It ensures resources are used efficiently and reach intended recipients, while protecting systems from fraud, waste, and abuse.



Why Is Program Integrity a Priority?



Ensure responsible use of taxpayer dollars through strong oversight



Ensure financial accountability and transparency within your agency



Prevent fraud, waste, and abuse through effective internal controls



Safeguard funds to maximize benefits for eligible children and families



Outcomes of Implementing Program Integrity



Promotes timely and
accurate child care
payments



Reduces improper
payments



Eligible children and
families receive CCDF
benefits



Providers meet federal
and state CCDF
participation requirements



How Does Program Integrity Help You Achieve Your Goals for CCDF?





CCDF Federal Requirements and Expectations

Session Roadmap

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Program Governance

Program governance framework establishes the practices, processes, and procedures required to support a program. It enables and executes decision-making and maintains program oversight to ensure the program is managed appropriately and meets its operational and strategic goals.

– Project Management Institute,
The Standard for Program Management



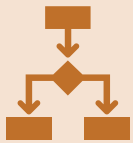
Program Governance

Program governance should clearly define:

- 1 **Who** is responsible for programmatic decisions
- 2 **How** those decisions are made
- 3 **What systems or internal controls** ensure compliance, fiscal integrity, quality, and continuous improvement



Program Governance and CCDF



A program governance framework, when well defined and implemented, provides structure and practices for effective decision-making and ensures that the program is managed appropriately.



Strong governance reinforces accountability, reduces risk, and ensures CCDF requirements are implemented consistently and effectively.



45 CFR 98.68(a) Program Integrity

Lead Agencies are required to describe in their Plan effective internal controls that are in place to ensure integrity and accountability, while maintaining continuity of services, in the CCDF program. These include:



Sound fiscal management



Train providers and staff about program requirements and integrity



Identify areas of risk



Regular evaluation of internal control activities



45 CFR 98.68(b) Program Integrity

Lead Agencies are required to describe in their Plan the processes that are in place to:



Identify fraud or other program violations



Investigate and recover fraudulent payments and to impose sanctions on clients or providers in response to fraud



45 CFR 98.68(c) Program Integrity Eligibility Requirements

Lead Agencies must describe in their Plan the procedures that are in place for documenting and verifying that children receiving assistance under this part meet eligibility criteria at the time of eligibility determination and re-determination. Additionally, a child meeting eligibility requirements at the most recent eligibility determination or re-determination is considered eligible during the period between re-determinations as described in § 98.21(a)(1).



45 CFR 98.11 Administration Under Contracts and Agreements

The Lead Agency has broad authority to administer the program through other governmental or non-governmental agencies. In addition, the Lead Agency can use other public or private local agencies to implement the program; however:

Lead Agencies



Retain overall
responsibility

Serve as the single
point of contact

Use written
agreements



Lead Agency Flexibilities

Requirement

Risk Management: Have a process to identify risk

Training: Train child care providers, Lead Agency staff, and partner agencies on program requirements and integrity



Flexibility

Agencies choose risk assessment tools, analytics, and monitoring approaches and frequency of review

Agencies decide training frequency, format, curriculum, and delivery methods



Lead Agency Flexibilities

Requirement

Evaluation: Conduct regular evaluations of internal control activities



Fraud Detection: Maintain processes to identify fraud and program violations



Flexibility

Agencies determine evaluation schedules, methodologies, and performance measures

Define fraud and intentional program violations, use of record matching, database linkages, attendance reviews, quality assurance reviews, and staff audit training

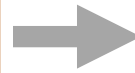
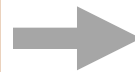


Lead Agency Flexibilities

Requirement

Fraud Investigation & Recovery: Investigate and recover fraudulent payments and impose sanctions when fraud occurs

Eligibility Verification: Document and verify child's eligibility at determination and redetermination



Flexibility

Agencies establish their own investigative procedures, recovery methods, and sanction structures within applicable law

Agencies choose verification processes and documentation methods, provided they meet federal requirements



Lead Agency Flexibilities

Requirement

Internal Controls: Describe effective internal controls in the CCDF Plan to ensure integrity, accountability, and continuity of services

Fiscal Management: Maintain sound fiscal management processes



Flexibility

Agencies design their own internal control systems and procedures

Agencies choose how to structure their fiscal management processes (system/software, org structure/staffing, etc.)



Let's Share Examples!



Program Integrity Practices

- 1 Establish a strong control environment
- 2 Conduct risk assessments
- 3 Design preventive and detective controls
- 4 Use data and information effectively
- 5 Monitor and continuously improve
- 6 Document risk and control decisions

*Source: 2025 GAO Greenbook



Strategies for Identifying and Investigating Fraud

Session Roadmap

Integrity

Requirements

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Effective Strategies to Identify Fraud

Fraud Identification



Clearly defining fraud and/or intentional program violations



Data integration and analytics to identify potential risk



Review of attendance and billing records



Use established resources such as the CCDF Fraud Toolkit



Quality control and quality assurance reviews



Red Flag Reports



Strategies for Investigating Fraud

Fraud Investigations



Review of provider billing



Fraud desk guides



Case reviews



On-site visits



Collaboration with other
subsidy programs and law
enforcement



Surveillance/public
reporting



Examples of Fraudulent Activities

Family/Parent Fraud



Falsifying income information
to qualify for subsidies



Using false documents
(pay stubs, employer letters,
school enrollment records)



Failing to report
employment loss **or**
training/education
participation that
affects eligibility



Examples of Fraudulent Activities

Family/Parent Fraud



Claiming a child resides in the household when the child does not



Allowing another person to use a subsidy authorization for an ineligible child



Receiving CCDF benefits in more than one state/jurisdiction at the same time



Misrepresenting household size or family composition



Examples of Fraudulent Activities

Child Care Provider Fraud



Billing for unauthorized days or hours, or for children who are not enrolled in the program



Colluding with parents to falsely document attendance or eligibility



Submitting duplicate claims for the same service period



Charging unauthorized fees while also receiving CCDF reimbursement for the same services



Misrepresenting, licensing status, or enrollment information



Examples of Fraudulent Activities

Agency or Administrative Staff



Manipulating eligibility determinations for friends or relatives



Falsifying monitoring or inspection records



Altering records to authorize improper payments



Accepting bribes or kickbacks from providers



Misusing CCDF funds for unauthorized purposes



Sanctions Due to Fraudulent Activity

Types of sanctions:



Sanction periods
for ineligibility for
the program



Economic sanctions such
as recoupment or fines



Sanctions Due to Fraudulent Activity

Examples of sanction periods for families/providers are:

**6
months**

Six months for the first violation

**12
months**

Twelve months for the second violation

∞

Permanently for the third violation



Let's Discuss

**What innovative practices
does your state implement
to identify fraud?**





Risk Management and Internal Controls

Session Roadmap

Integrity

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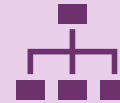


Program Integrity Risk Areas

Key program areas that present potential integrity risks:



Family eligibility determination and redetermination



Administrative and fiscal operations



Provider enrollment and payment processes



Fraud, Waste, and Abuse



Fraud: is attempting to obtain something of value through willful misrepresentation



Abuse: is behaving improperly or unreasonably, or misusing one's position or authority



Waste: is squandering money or resources, even if not explicitly illegal



Why Do the Distinctions Matter?



Why the Distinctions Matter



Fraud may lead to:

- Investigations
- Recovery actions
- Disqualification
- Civil penalties
- Criminal referral and prosecution



Waste calls for:

- Stronger internal controls
- Process improvements
- Management oversight



Abuse may result in:

- Corrective action
- Sanctions
- Monitoring
- Compliance reviews



Preventing and Detecting Fraud, Waste, and Abuse



Prevention focuses on reducing opportunities for improper activities **before** they occur.

Ex: Verify income, employment, education, and residency before approving benefits.



Detection activities identify suspicious activity **during** or **after** program operations.

Ex: Review payment patterns for anomalies or duplicate payments.



What Are Internal Controls and How Do They Work?

Internal control is a process effected by an entity's oversight body, management, and other personnel designed to provide reasonable assurance that the objectives of an entity will be achieved.



Running operations efficiently and effectively



Reporting reliable information about its operations



Complying with applicable laws and regulations

*Source: 2025 GAO Greenbook



Strengthening Internal Control Framework

Examples:



Policies and procedures



Documentation standards



Segregation of duties



Frequent evaluation of
risk areas



Approval and review
processes



Quality Assurance and Evaluations of Internal Controls

Quality assurance examples may include but are not limited to:



Random case reviews for documentation supporting eligibility decisions



Provider file reviews for program compliance



Targeted reviews of high-risk cases



Attendance and billing verification



Payment accuracy reviews



Assessment of timeliness and completeness of case actions



Question:

Which internal control practices do you think have the greatest impact on preventing fraud, waste, and/or abuse in your program?

July 21, 2026

Emily Stafford
CCDF Program Manager
Office of Childhood





- Key challenges to maintaining program integrity
- Evaluating program integrity with ASSIST
- Outcomes of the evaluation
- Pros of receiving Technical Assistance (TA)

Missouri's Key Challenges

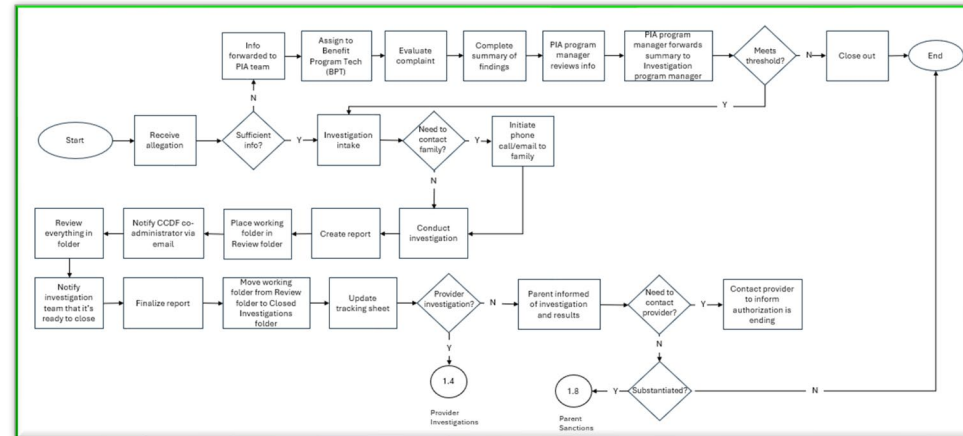
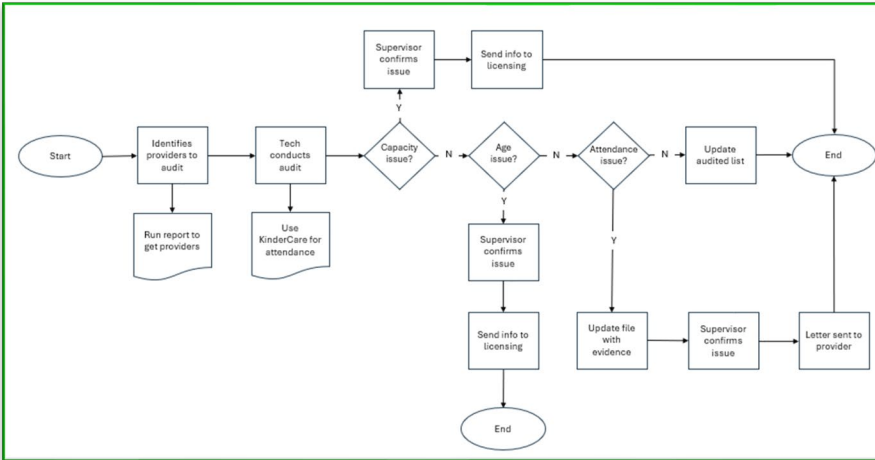


- New Office of Childhood
- Leadership changes and staff turnover
- New system – Child Care Data System (CCDS)



- Process mapping
- Fraud toolkit
- State examples & TA resources

Process Mapping





Fraud Risk Assessment Tool

QUESTION	ANSWER	RISK	RECOMMENDATION
Does your agency offer provider training on fraud deterrence? (for example, billing, invoicing, risk of prosecution, etc.)	NO	High	Provider training that covers key areas prone to fraudulent activities, as well as highlighting fraud prosecution realities, can be a great deterrent to engaging in fraud. We recommend developing a provider training curriculum addressing the risks of fraudulent activities. Consider requesting technical assistance to help identify best practices in this area.
Does the CCDF eligibility system assign unique client identifiers to all members of the eligible family unit and to unlicensed providers?	YES	Low	Excellent! This is an effective way of identifying individuals within the CCDF eligibility system. It reduces the potential for duplicate program participation and establishes a unique identifier for providers that do not have a license number.

Outcomes of the Evaluation



- Increased internal control activities
- Defined staff roles
- Action plan of next steps



- No judgement!
- Endless resources
- Talk through ideas with Subject Matter Experts

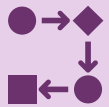


Questions?

- Emily Stafford
- Office of Childhood
- Emily.Stafford@dese.mo.gov
- 573.751.8093



Technical Assistance Options Available



Process mapping



Individualized TA



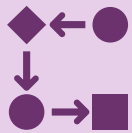
Peer learning sessions



Error rate TA



Takeaway Actions



Identify one program integrity process to review



Write down one program integrity question to take back to your team



Choose one TA option to explore



Identify one risk area you may want to review after STAM



Resources



CCDF Program
Integrity Landing Page

<https://childcareta.acf.hhs.gov/ccdf-program-integrity-and-accountability>

For a copy of our Fraud Toolkit, reach out to your regional office.

2026 State and Territory CCDF
Administrators Meeting
STAM July 21-23
Hyatt Regency Reston
in Reston, Virginia



ADMINISTRATION FOR
CHILDREN & FAMILIES
Office of Child Care
An Office of the Administration for Children & Families

