

WORKFORCE DEVELOPMENT DIVISION
Workforce Policy and Service Delivery Branch
Technical Assistance Bulletin 258

Keyword: Child Care; TWIST

Subject: Child Care Fraud Detection Report Tools—*Update*

Date: February 15, 2013

This Technical Assistance (TA) Bulletin provides Local Workforce Development Boards (Boards) with information on child care fraud detection reports. The Texas Workforce Commission (TWC) provides these reports through TWC's Subrecipient Monitoring (SRM) department or The Workforce Information System of Texas (TWIST) to assist Boards with detection of potential fraud.

This TA Bulletin updates TA Bulletin 235 and incorporates information on the new Child Care and Unemployment Insurance Early Warning Report.

SUBRECIPIENT MONITORING REPORTS

Child Care and Unemployment Insurance Early Warning Report

Purpose and Discussion

The Child Care and Unemployment Insurance Early Warning Report is a tool to assist Boards in the oversight of Child Care and Development Fund (CCDF) funds. TWC's SRM department sends this report to Boards twice a month, normally on the first and third Wednesday of each month. The report seeks to identify and assess customers who are potentially ineligible for child care services because they filed an unemployment insurance (UI) claim advising TWC they are not working. The objective is to prevent child care overpayments by identifying customers before their four-week job search period expires. A customer identified in the report is not necessarily ineligible for services. Potential child care eligibility issues are resolved by verifying the customers' employment/training status using current local procedures. This also provides an opportunity for child care contractors to verify that customers have reported their UI benefits income for child care eligibility.

Methodology

The Child Care and Unemployment Insurance Early Warning Report identifies active child care customers whose eligibility is based on their employment but who have recently filed for UI benefits and reported to TWC that they are unemployed or have had a reduction in work hours. The report considers only exact Social Security number (SSN) matches.

The Child Care and Unemployment Insurance Early Warning Report includes customers with reason for care code *1-Employment* or *3-Employment and Training/Education* on the *Child Care Program Detail, Family* tab, with one of the following TWIST eligibility characteristic codes:

- *10-Low Income;*
- *2-TANF Applicant;* or
- *3-Transitional.*

Child Care Income Report

Purpose and Discussion

The Child Care Income Report is a tool to assist Boards in the oversight of CCDF funds. TWC's SRM department sends this report to Boards quarterly. The report seeks to identify and assess customers who are potentially ineligible due to parental/custodial changes or underreporting of income. A customer identified in the report is not necessarily ineligible for services; the issue of eligibility can be established only after a thorough review of the customer's case file and can involve contacting the customer for further information.

Methodology

The Child Care Income Report excludes from consideration those customers funded through Child Protective Services, foster care, or the Workforce Investment Act (WIA) dislocated worker program—funding sources that are not subject to the federal income eligibility limits. The methodology for generating the report is to compare all currently available income sources for the parent/custodian of a child care recipient to the 85 percent state median income (SMI) level, using the known family size identified in TWIST. Currently available income sources for generating the report include UI wage records, UI benefit payments, and Temporary Assistance for Needy Families (TANF) payments.

Note: The Child Care Income Report is prepared using the federal 85 percent SMI limitation for the known family size. Individual Boards can establish their own income limitations, which can be more restrictive than the federal limits for receiving subsidized child care.

If the SSN and both instances of customer surname match exactly, a record continues through the report process. If a record does not have a 100 percent match on SSN and surname, but SSN and at least 75 percent of the characters in the surnames match, it is considered a match and continues through the remaining process. (Previously, if the surnames did not match exactly, the record was excluded from the report.)

Relative Care Income Report

Purpose and Discussion

The Relative Care Income Report is a tool to assist Boards in the oversight of CCDF funds. TWC's SRM department sends this report to Boards quarterly. The goal of the report is to identify and assess self-arranged providers most at risk for receiving child care payments but

not actually providing care due to other employment. The report attempts to address one of the risks associated with self-arranged providers; however, being listed on the report does not by itself indicate any impropriety.

Methodology

Relative providers providing full-time care during the quarter tested are matched by tax identification number to taxable wages. Providers that receive more than \$4,000 in taxable wages and more than \$750 in child care payments during the quarter tested are listed on the report. The parameters of the methodology do not represent official rules on allowable income or billable care but rather establish a baseline to identify relative providers that pose the most risk.

Child Care Work and Training Report

Purpose and Discussion

The Child Care Work and Training Report is a tool to assist Boards in the oversight of CCDF funds. TWC's SRM department sends this report to Boards quarterly. The report seeks to identify and assess customers who are potentially ineligible due to not meeting the At-Risk child care work and training requirement set forth in TWC Child Care Services rule §809.50. A customer identified on the report is not necessarily ineligible for services. The issue of eligibility can be established only after a thorough review of the customer's case file and may involve contacting the customer for further information.

Methodology

The Child Care Work and Training Report includes customers funded under At-Risk Care, and TANF Applicant Care. The methodology for generating the report is to include customers with less than \$500 in reported UI wages and UI benefits who are receiving more than \$2,000 in child care in a given quarter.

If the SSN and both instances of customer surname match exactly, a record continues through the report process. If a record does not have a 100 percent match on the SSN and surname, but the SSN and at least 75 percent of the characters in the surnames match, it is considered a match and continues through the remaining process. (Previously, if the surnames did not match exactly, then that record was excluded from the report.)

TWIST WEB REPORTS

Child Care Cases with the Same SSN/Child Care Clients with the Same SSN Reports

Purpose and Discussion

The Child Care Cases with the Same SSN Report lists parent/guardian duplicated SSNs that have a payment in more than one local workforce development area (workforce area) in the same service month.

The Child Care Clients with the Same SSN Report lists children's duplicated SSNs that have a payment in more than one workforce area in the same service month.

Additional information regarding these reports is available in TA Bulletin 200, issued February 12, 2009, and entitled "TWIST Child Care Reports Showing Duplicate Social Security Numbers" (<http://www.twc.state.tx.us/boards/tabull/ta200.pdf>).

Child Care Cases with Repayment Plan Report

Purpose and Discussion

To ensure that a parent repays a delinquent account and continues to comply with a Board's repayment plan after moving to another workforce area, recent enhancements to the Child Care Service Delivery application allow Boards to identify parents with delinquent child care accounts and parents who are on a repayment plan. This information is located in TWIST *Web Reports*, so that Boards can run or download the Child Care Cases with Repayment Plan Report to determine if an applicant for child care services or a parent with a child currently enrolled in child care services has a delinquent child care account or is on a repayment plan with another Board.

The purpose and use of the Child Care Cases with Repayment Plan Report is similar to that of the Child Care Cases with the Same SSN and Child Care Clients with the Same SSN Reports. Repayment reports allow Boards to identify individuals who seek child care services but are in default with another Board.

Methodology

The Child Care Cases with Repayment Plan Report identifies parents with a delinquent child care account and parents on a repayment plan as they have been entered into TWIST.

To determine whether an applicant is on an active repayment plan with another Board, check or download this report during the child care services application process.

Direct inquiries regarding this TA Bulletin to wfpolicy.clarifications@twc.state.tx.us.

RESCISSIONS:

TA Bulletin 235