

I. CHAPTER OVERVIEW

Both the State and the local purchasing agencies (LPA) have a responsibility to assure proper administration of state and federal funds that pay for child care services for children and to take steps to prevent and deter [fraudulent misrepresentation](#). This responsibility depends on the efficiency, thoroughness, and integrity of the processes by which initial and continuing eligibility is determined and payments for child care services are issued by the LPA. A recipient or a child care provider may receive services or payments for which she is not eligible due to several factors. These factors are described in this Chapter. The steps to correct an underpayment/overpayment depend upon the nature of the error and are described later in this Chapter.

II. FRAUD

A. Fraudulent Misrepresentation

Fraudulent misrepresentation constitutes an intentional program violation of the Subsidized Child Care (SCC) Program and can result in a criminal conviction and loss of services or payments as described in this section.

1. Definition of Fraud

Chapter 110 of the General Statutes, Section 110-107, defines child care subsidy as the “use of public funds to pay for day care services for children” and person as an “individual, association, consortium, corporation, political body, partnership, or other group, entity, or organization.” The law also states that a provider or recipient of child care subsidies, or someone claiming to be a provider or recipient of child care subsidies, commits the offense of fraudulent misrepresentation when the following occurs:

A person makes a false statement or representation regarding a material fact, or fails to disclose a material fact that results in obtaining, attempting to obtain, or continuing to receive child care subsidy funds for himself or herself or for another person.

The person who has intentionally committed fraud and has received child care subsidy funds of one thousand dollars (\$1,000) or less, can be convicted of a Class I misdemeanor. When the receipt of subsidy funds totals more than one thousand dollars (\$1,000), a conviction of a Class I felony may occur. Any person convicted of fraudulent misrepresentation will be permanently ineligible to participate in the Subsidized Child Care Program. In addition to criminal convictions, the LPA must impose sanctions on recipients and providers who received child care subsidy funds for which they were ineligible. These sanctions are described in [Section II. C.](#)