



# **Child Care Fact-Finder's Desk Aid**



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# Child Care Fact-Finder's Desk Aid

## Purpose

Provide the fact-finder with procedures for reporting and conducting fact-finding for suspected fraud, waste, theft, program abuse, or violation of state or federal law or Texas Workforce Commission (TWC) policy on fraud, waste, or abuse; provide information on fraud determination and appeal rights; and provide procedures for recovering improper payments.

## Definitions

Fraud: An individual commits fraud if, to obtain or increase a benefit or other payment, either for the individual or another individual, the individual:

- (1) makes a false statement or representation, knowing it to be false; or
- (2) knowingly fails to disclose a material fact.

Waste: Any practice that a reasonably prudent person would deem careless or that would allow inefficient use of resources, items, or services. Waste includes incurring unnecessary costs because of inefficient or ineffective practices, systems, or controls.

Abuse: The intentional, wrongful, or improper use or destruction of state resources, or a seriously improper practice that does not involve prosecutable fraud. Abuse may include misapplication or misuse of public resources.

Theft: The unlawful appropriation of property with the intent to deprive the owner of that property.

Predication: The justification for opening a case.

Preponderance of the evidence standard: A standard that is met if the proposition is more likely to be true than not true; that is, an allegation is found to be “more probable than not.”

Clear and convincing evidence standard: A higher standard carrying a greater burden of persuasion than the preponderance of the evidence standard. Clear and convincing proof means that the evidence presented by a party must be highly and substantially more probable to be true than not and the fact-finder must have a firm belief or conviction in its factuality.

Beyond a reasonable doubt evidence standard: The highest used for the burden of proof in American jurisprudence and typically one that only applies in criminal proceedings. In negative terms, the standard is met if there is no plausible reason to believe otherwise. If there is a real doubt, based upon reason and common sense after careful and impartial consideration of all the evidence, or lack of evidence, in a case, then the standard has not been met.

Program Integrity Reporting Tracking System (PIRTS): A tool for Board use in reporting and tracking child care fact-finding, fraud determinations, and recoupments.

Boards have established processes and procedures to determine eligibility for child care services. See Child care Services Flowchart for reference.

Once suspected fraud is detected, please follow the steps below to complete fact-finding. See [Fact-Finding Process Flowchart](#) for reference.

## **I. Detection of an Anomaly or Complaint Received**

The anomaly is an issue detected through the following:

- Monitoring/audits
- A records review
- An Income Report
- An Early Warning Report
- Tips and leads

## **II. Assessment for Predication**

Predication meets the threshold for suspected fraud fact-finding:

1. Not reporting or falsely reporting at initial determination or redetermination the following:
  - A. Household composition or income that results in ineligibility or a higher parent share of cost; or
  - B. Work, training, or education hours resulting in ineligibility
2. Not reporting during the 12-month eligibility period:
  - A. Changes in income or household composition resulting in greater than 85 percent of the state median income (SMI);
  - B. Permanent loss of job, training, or education greater than three months; or
  - C. Improper or inaccurate reporting of attendance

## **III. Reporting**

### **A. Emergency Reporting**

Anyone who discovers or suspects a high-profile incident related to TWC operations or the programs it administers, shall immediately contact TWC's Office of Investigations (OI) at (512) 463-2393.

Example: Complaints that could potentially have media or legislative inquiries.

### **B. Nonemergency Reporting**

Boards shall require any member of the Board, Board staff, or contractor staff having knowledge of suspected fraud, waste, abuse, possible illegal expenditures, unlawful activity, violations of law

or TWC rules, policies, and procedures occurring under any grant awarded by TWC to the Board, to report such information to OI no later than five business days from the date of discovery of such act.

**Boards *must not* conduct fact-finding on fraud, waste, or abuse involving TWC, a Board, or contractor employees, unless specifically directed to do so by OI.** OI maintains full jurisdiction over TWC, Board, or contractor employee investigations.

1) Employee-related incidents:

*Employee* includes TWC, Board, Board staff, or Board subcontractor. If the incident involves TWC, Board, Board staff, or Board subcontractor, report the incidents to OI on [Incident Report Form RID-32](#) (RID-32).

Boards must submit RID-32 and any associated documentation relating to the incident by one of the following methods:

- **Mail to:**  
TWC Office of Investigations  
101 East 15th Street, Room 508  
Austin, TX 78778
- **E-mail to** [RID.OfficeofInvestigations@twc.state.tx.us](mailto:RID.OfficeofInvestigations@twc.state.tx.us)
- **Fax to** (512) 936-3280

To maintain confidentiality of any sensitive information contained in RID-32, Boards must ensure that all e-mails are encrypted.

2) Reporting nonemployee incidents of suspected program fraud:

- Boards must report suspected program fraud in PIRTS before fact-finding. To gain access to PIRTS, Boards must complete [PIRTS User Agreement \(RID-67\)](#).
- PIRTS will produce a case number for the incident.

#### **IV. Fact-Finding**

Conduct fact-finding in accordance with Workforce Development (WD) Letter 21-16, Change 2, Requirements for Reporting and Fact-Finding for Suspected Fraud, Waste, Theft, Program Abuse Cases, and Recovery of Improper Payments, as follows:

1. Review the information in PIRTS.
2. Review the customer's The Workforce Information System of Texas (TWIST) number and/or paper file.
3. Compare the information in PIRTS to the child care documentation.
4. Identify information resources, such as the following, to gather documentation to support or negate allegation(s):
  - TWIST
  - BlueZone (TWC Benefits Mainframe)

- Social media sites (such as Facebook and Instagram)
- Employer records
- Residential records (central appraisal districts online) and rental and lease agreements
- Birth, marriage, and divorce records (may be found online)
- Driver's license records
- Utility records
- School and attendance records
- Public databases
- TWC subpoenas (confidential records not accessible otherwise)
- Bank records
- Other

5. Interview potential witnesses who might have pertinent information, such as the following:

- Noncustodial parents
- Grandparents
- Employers
- Service or training providers
- Other family members
- Neighbors
- Teachers
- Others

6. Develop a list of questions for interviewees (Questions sets have been developed for use with the subject of the fact-finding), such as the following:

- Income and/or employment
- Household composition
- Education or training
- Improper or inaccurate CCAA attendance reporting

7. Interview witness/subject in the following order:

- All potential witnesses first
- The subject (customer and/or provider) last

*Note:* If an informant/witness requests confidentiality, **never** promise complete confidentiality/anonymity; offer only what the law allows. (See the Freedom of Information Act, 5 USC §552). Litigation discovery and open records requests are possible.

## **V. Documentation of the Findings**

For an ineligible determination, do as follows:

1. Document dates for any periods of ineligibility.
2. Document specific code for ineligibility (refer to [RID-58a](#)).
3. Determine and document improper payment amount, if any.
4. Make a fraud / no fraud determination (see [Section VI](#)).

*Note:* Avoid using legal terms such as guilty, negligent, and innocent. State the facts and avoid

opinions.

## **VI. Fraud Determination**

### **A. Fraud Elements**

Material: A material fact, one important to the outcome of the eligibility decision, was misrepresented or not disclosed. The result includes the possibility of an individual receiving something to which that individual would not otherwise be entitled. Responsibility for making the misrepresentation or nondisclosure was by the individual, or for another by the individual.

Willful: It is clear and convincing that there was an intentional misrepresentation. The individual would reasonably have known that the information submitted was incorrect, or it is clear that the individual intentionally failed to provide required information.

### **B. Fraud Components**

Using the fact-finding results, determine whether fraud was committed by answering the following questions:

- (1) Is there a misrepresentation or omission of information? Does misrepresented information impact materiality?
- (2) Is the misrepresentation or omission material?
  - Possibility of or actually receiving services when not eligible?
  - Increase parent share of cost?
- (3) Is the misrepresentation or omission willful?
  - Did the individual have knowledge?
    - Was there an admission?
    - Did the individual know or should have known?
      - First-time customer
      - Level of education
      - Previous issue and/or fraud
      - Information provided during eligibility determination or redetermination
      - Completed application with acknowledgement—true and accurate statement
      - Customer-issued eligibility letter outlining the eligibility elements, rights and responsibilities, information for choosing a child care provider, attendance information and consumer education information
      - Customer responsibilities and reporting information provided
      - Customer selected provider after receiving eligibility letter with attachments

- Efforts to seek clarification
- Reasonableness

If the Board is clearly convinced that fraud has been committed or that there was no fraud, report the fact-finding results, fraud determination results, and improper payment amount, as applicable, to TWC by entering the information into PIRTS.

## **VII. Determination Letter**

For fact-finding resulting in an adverse action (any denial or reduction in benefits or services to a party, including denying, delaying, reducing, suspending, or terminating a parent’s eligibility or a child’s enrollment or recoupment) against a customer, parent, or provider, send a determination letter. (See the sample forms provided in Section X. Forms.)

An individual has the right to appeal a determination affecting the type and level of services provided. A determination is defined as a written statement issued to a TWC customer by a Board, its designee, or TWC relating to an adverse action, or to a provider or contractor relating to denial or termination of eligibility under programs administered by TWC or Board.

A determination shall include the following:

1. A brief statement of the adverse action;
2. The mailing date of the determination;
3. An explanation of the individual’s right to an appeal;
4. The procedures for filing an appeal to the Board, including applicable time frames as required in TWC rule §823.3;
5. Notification of the individual’s right to have a hearing representative, including legal counsel; and
6. The address or fax number to which the appeal must be sent.

An adverse action is **any** denial or reduction in benefits or services to a party, including displacement from the current employment by a TWC customer.

## **VIII. Recovery of Improper Payments**

Boards shall attempt recovery of the following improper payments:

- Payment to an ineligible recipient;
- Payment for an ineligible service;
- Payment for any duplicate payment; and
- Payment for services not received.

After the debt is final (no appeal/appeals exhausted), the Board shall take the following actions:

- Send [Collection Statement \(RID-64\)](#).

- Wait 30 days. If full repayment is not made or if a repayment schedule is not in place, send a [Collection Demand Letter \(RID-65\)](#).

**Boards must notify TWC Collections of child care debt, so they can place a Warrant Hold on the debtor’s account with the Texas Comptroller of Public Accounts.**

Provide TWC Collections with the following to place a Warrant Hold:

- Name of debtor
- Social Security number (SSN) of debtor
- Amount of debt
- Date debt was incurred/determined

**Once the debt is paid in full, the Board must provide TWC Collections with the following and request to remove the Warrant Hold:**

- Name of debtor
- SSN of debtor
- Date debt was paid in full

**Bankruptcy:** When a Board learns that an individual from whom it is seeking collection of an improper payment has filed for bankruptcy, the Board must cease all collection activities immediately to avoid violation of the federal bankruptcy court’s automatic stay against collection activities against the debtor. Penalties for violation of this automatic stay are severe.

If the Board wishes to safeguard its claim to payment in the bankruptcy proceeding, the Board must first determine if the bankruptcy was filed under the Federal Bankruptcy Code as a:

- Chapter 7 bankruptcy (known as “liquidation”); or
- Chapter 13 bankruptcy (known as “wage earner”—An employed individual pays back prepetition debts with post-petition earnings pursuant to a plan).

*Note:* Training for the collections process is available from the TWC Regulatory Integrity Division’s (RID) Collections and Civil Actions department at (512) 463-2884.

## **IX. Future Eligibility for Child Care**

Boards shall ensure that parents with an improper payment (as a result of fraud, child care services provided while awaiting appeal, or failure to pay the parent share of cost when the Board’s policy is to pay the provider for the parent’s failure to pay the parent share of cost) will be prohibited from future child care eligibility until improper payment is paid in full, provided that it does not result in a Choices or Supplemental Nutrition Assistance Program (SNAP) Employment and Training (E&T) participant becoming ineligible for child care.

## **X. Forms**

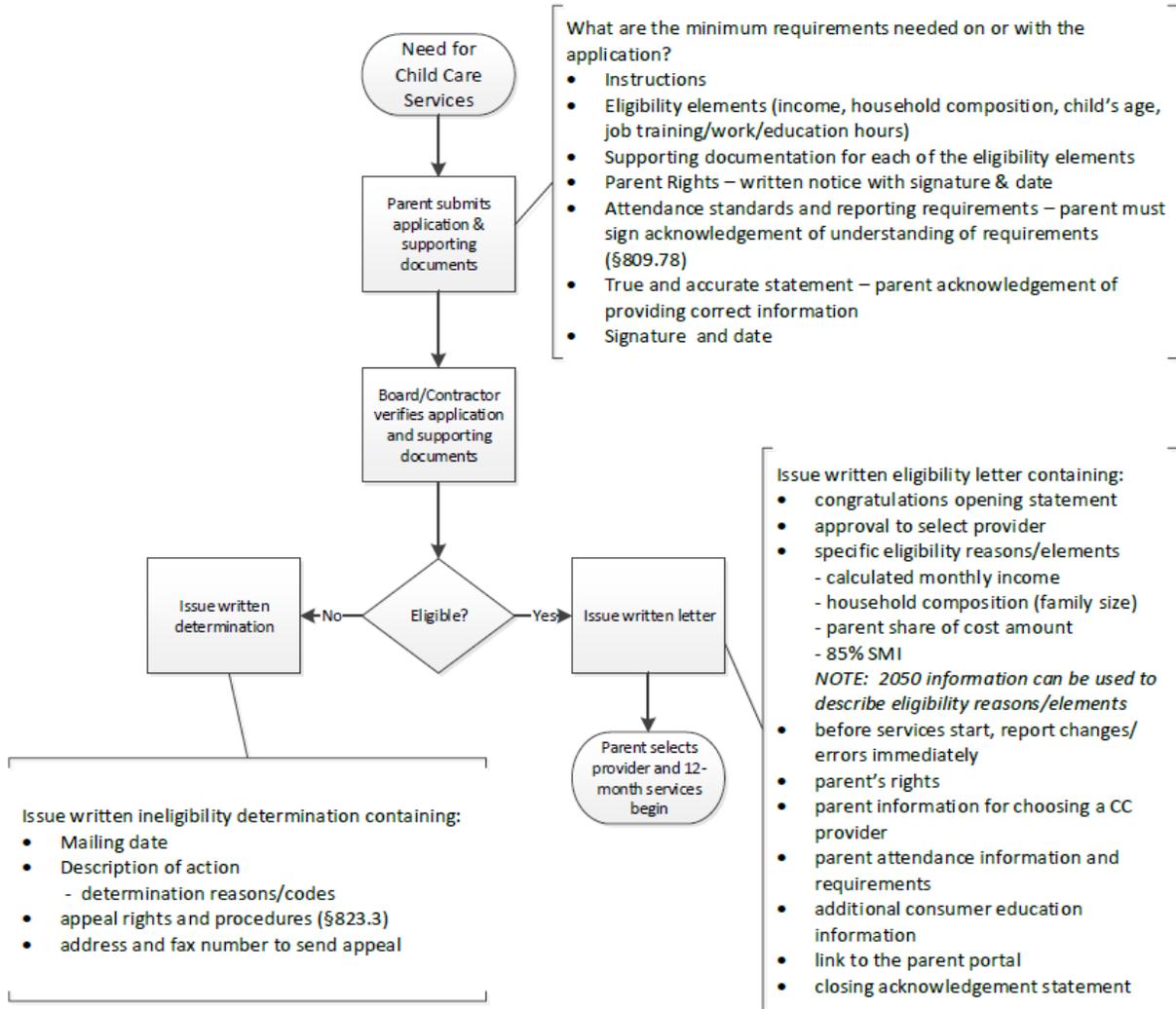
The following forms are included in this desk aid. They are also published in the [TWC Forms Library](#):

- A. [Child Care Fraud – Fact-Finding Process Flowchart](#)  
Guide for evaluating fraud elements and determining correct actions.
- B. [RID-32 Incident Report](#)  
Form required for reporting fraud, waste, program abuse, or any violation of TWC policy or state or federal law.
- C. Fact-Finding Questions Set

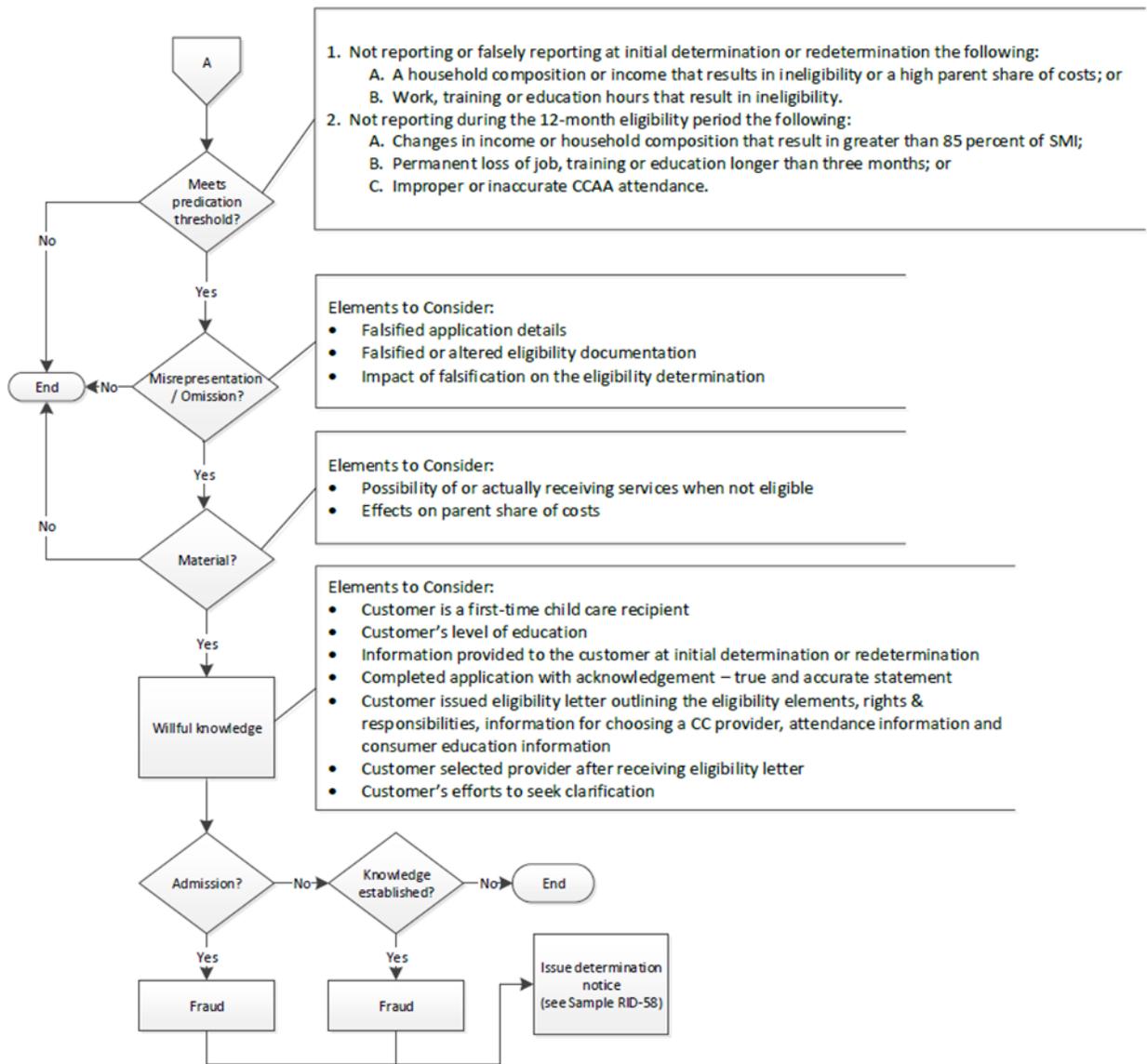
The following are examples of information required to make a proper determination:

- 1. [Income and/or Employment](#)
  - 2. [Household Composition](#)
  - 3. [Education and Training](#)
  - 4. [Improper or Inaccurate CCAA Attendance](#)
- D. [RID-58/58a Notification of Child Care Services Ineligibility Determination](#)  
Sample written determination letter and reason codes for adverse actions taken requiring appeal rights
  - E. [RID-62 Repayment Schedule](#)  
Sample debtor schedule provides options for repayment of improper payments.
  - F. [RID-64 Collection Statement](#)  
Sample debt collection letter
  - G. [RID-65 Collection Demand Letter](#)  
Sample debt demand collection letter
  - H. [RID-66 Improper Payment—Collections Calculations Chart](#)  
Sample debt repayment schedule

# Child Care Services Flowchart



## Child Care—Fraud Fact-Finding Process Flowchart



*Texas Workforce Commission  
Office of Investigations*

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**Incident Report (RID-32)    SAMPLE**

Date submitted:

Submitted by:

Title:

Phone number:

Board contractor:

1. Has the incident been reported to other agencies or responsible officials?

Yes. If so, which agencies or officials? \_\_\_\_\_

No

2. Did the agencies or officials open an investigation on the matter?

Yes. Case Number \_\_\_\_\_

No

**Complaint Resources**

3. Who was the primary source/complainant of the information?

Anonymous    Self    Other (name, title, and employer) \_\_\_\_\_

4. Has the source/complainant requested or does the source/complainant expect anonymity?

Yes    No    Unknown    N/A

5. How was the information obtained/conveyed?

Child Care (CC) Income Report    CC Work and Training Report     
Unemployment insurance (UI) Early Warning Report

Records Review/Redetermination    Letter (attach copy)    Phone Call    E-mail

Interview    Observation    Other \_\_\_\_\_

6. Identify any other individual/witness who may have information pertaining to the incident:

Name \_\_\_\_\_ Phone \_\_\_\_\_

Name \_\_\_\_\_ Phone \_\_\_\_\_

7. When did the incident-related events occur?

From \_\_\_\_\_ To \_\_\_\_\_

8. What program(s) are involved in the incident?

- Child Care Services
- Unemployment Insurance
- Vocational Rehabilitation
- Other \_\_\_\_\_

**Incident Information**

9. What is the *estimated* property value or amount of money involved?

- Monetary Amount \$\_\_\_\_\_
- Property Description \_\_\_\_\_ Estimated Value \$\_\_\_\_\_

10. Are documents/records available that might prove/disprove the allegations?

- No  Yes, describe: \_\_\_\_\_

If yes, are copies of the relevant documents/records attached?  Yes  No

If no, where are the documents/records located? \_\_\_\_\_

11. What level of official(s) or employee(s) might be **allegedly involved**?

- None  Board Employee  Board Executive Staff  Contractor Employee
- TWC Employee  Appointed Official  Elected Official  Other \_\_\_\_\_

12. Name of Participant \_\_\_\_\_

Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Telephone Number: \_\_\_\_\_ Cell Number: \_\_\_\_\_

Other Identifiers: Social Security number (SSN): \_\_\_\_\_ Date of Birth (DOB) \_\_\_\_\_

The Workforce Information System of Texas (TWIST) Number: \_\_\_\_\_

13. Name of Another Participant \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

Telephone Number: \_\_\_\_\_ Cell Number: \_\_\_\_\_

Other Identifiers: SSN \_\_\_\_\_ DOB \_\_\_\_\_ TWIST Number \_\_\_\_\_

14. Briefly summarize the incident (attach original complaint document, as applicable; attach other and/or additional pages, if needed):

\_\_\_\_\_

## Incident Report Instructions

### Purpose

To report suspected fraud, waste, program abuse, or any violation of Texas Workforce Commission (TWC) policy or state or federal law.

### Procedure

Answer all numbered questions on RID-32 as completely as possible and attach any relevant documents and physical evidence.

### When to Prepare

To preserve the integrity of available information, the preparer must complete RID-32 immediately upon becoming aware of reportable circumstances.

### Transmittal

Use the information below to mail, e-mail, or fax RID-32 to TWC's Office of Investigations (OI). To maintain confidentiality of the sensitive information contained in RID-32, *all sensitive information contained in the e-mail and/or attachments must be encrypted or password protected*. The assigned OI investigator will work with the Board/contractor point of contact to establish password protocol. **Submit RID-32 no later than five working days from the date of discovery.**

#### U.S. Mail:

TWC Office of Investigations  
101 East 15th Street, Room 508  
Austin, Texas 78778

**Email:** [RID.OfficeofInvestigations@twc.state.tx.us](mailto:RID.OfficeofInvestigations@twc.state.tx.us)

**Fax:** (512) 936-3280

### Form Retention

OI retains RID-32 received in the state office according to the prescribed records retention policy. OI will send an e-mail to the reporting party when RID-32 is received and provide the sender with the assigned case number. The reporting party shall retain a copy of RID-32 for three years or until it no longer holds any actionable value, whichever is longer.

### Detailed Instructions

*Question 14* – Please include a brief incident summary. Include a clear and concise description of the allegation(s). Attaching case notes or correspondence and noting “see attached” is NOT an acceptable incident summary.

## Fact-Finder Questions Set

### Income and/or Employment

Fact-finding must be conducted in all cases. Gather all relevant documents to support your findings.

For allegations involving income and employment, please see the following questions sets:

#### A. Income That May Result in Ineligibility or Higher Parent Share of Cost

1. What is the customer's occupation?
2. What is the name, address, and phone number of the customer's employer?
3. What is the customer's rate of pay?
4. What is the customer's work schedule (days, hours per day)?
5. Did the customer provide proof of income (check stubs, direct deposit vouchers)? If the customer is paid in cash, did the customer provide a cash receipt?
6. Is the customer related to the employer? If so, please state the relationship.
7. Why was this income not reported at the time of certification?

#### B. Customer's Employment

1. What is the name, address, and telephone number of the customer's current employer?
2. When did the customer start work with this employer?
3. What is the customer's number of weekly work hours and rate of pay?
4. Does the customer have proof of his or her income/work hours for this employer?
5. Does the customer have a **second** employer? If yes, repeat questions 1–4.
6. Does the customer have a **third** employer? If yes, repeat questions 1–4. (Continue this line of questioning to include all (such as part-time, seasonal, and temporary) jobs held by the customer.)
7. If the customer is no longer working, what is the date that the customer last worked?

#### C. Spouse's Employment

1. What is the spouse's name?
2. What is the spouse's Social Security number?
3. What is the spouse's date of birth?
4. What is the spouse's contact information?
5. When is the best time to reach the spouse?
6. Does the spouse work? If yes, where does the spouse work? If no, what is the date that the spouse last worked?
7. What is the address and phone number of the spouse's current employer?
8. What is the spouse's rate of pay (monthly/weekly/hourly)?
9. How many hours a week does the spouse work for that employer?
10. Does the customer have proof of the spouse's hours and/or rate of pay?
11. Does the spouse have a **second** employer? If yes, repeat questions 6–11.
12. Does the spouse have a **third** employer? If yes, repeat questions 6–11. Continue this line of questioning to include all jobs held by the spouse (such as part-time, seasonal, and temporary).
13. Does the customer have proof of the spouse's work hours and/or income (for each job)?

**D. Questions for Spouse's Employer**

1. Did the spouse submit an application for employment?
2. What is the spouse's payroll history from the date of the marriage to the last date of child care services?
3. Has the spouse updated his or her W-4 to include marriage?
4. Did the spouse change/update insurance/beneficiary coverage?

**E. Higher Parent Share of Costs**

1. Why didn't the customer report all of his or her reportable sources of income?
2. What is the customer's occupation?
3. What is the name, address, and phone number of the customer's employer?
4. What is the customer's rate of pay?
5. What is the customer's work schedule (days, hours per day)?
6. Did the customer provide proof of income (check stubs, direct deposit vouchers)? If the customer is paid in cash, did the customer provide a cash receipt?
7. Is the customer related to the employer? If so, please state the relationship.

## **Fact-Finder Questions Set**

### **Household Composition**

Fact-finding must be conducted in all cases. Gather all relevant documents to support your findings.

The following requirements are needed to substantiate the common law marriage doctrine:

- Must have agreed to be married
- Must have held themselves as husband and wife
- Must have lived together in Texas as husband and wife

For allegations involving household composition, please see the following questions sets:

#### **Questions for the Customer**

1. Has there been a change in your household composition since the date of your last certification?
2. Was the address of the second Child Care Attendance Automation (CCAA) cardholder sent to you (the noncustodial parent or NCP) at your address?
3. How many of your parents are living?
4. How many dependents do you have?
5. What are the names of your household members?
6. If the customer states that he or she is married, request the following:
  - Date of marriage
  - Marriage license
  - Name of spouse
  - Spouse's date of birth
  - Spouse's Social Security number
  - Spouse's employment status, if spouse is employed
  - Name and location of spouse's employer, if spouse is employed
  - The best time to reach the spouse
  - The reason that the customer did not report the marriage and/or all of his or her incomes
7. If the customer says that he or she is not married, do as follows:
  - Ask the following:
    - Does the noncustodial parent (NCP) of the child who is receiving services live in your home?
    - What is the address of the NCP?
    - What is the contact information for the NCP? (Request this whether or not the spouse is living in the home.)
  - Present the following evidence of the marriage to the customer:
    - Marriage license

- Valid driver's license showing the NCP's address
  - Texas Integrated Eligibility Redesign System (TIERS) records for the NCP
  - TWIST records for the NCP
  - WorkInTexas.com records for the NCP
  - Voter registration for the NCP
  - Unemployment insurance claims or address history
  - Facebook pictures (for period in question)
8. If the customer states that he or she is not married, present the marriage license or documentation of common law marriage to inform the customer of the spouse's name, date of marriage, and county of marriage, and ask the customer the following questions:
- Are you the individual represented on the marriage license?
  - What is your spouse's date of birth?
  - What is your spouse's Social Security number?
  - Is your spouse employed?
  - If your spouse is employed, what is the name and location of your spouse's employer?
  - What is your spouse's income?
  - How many hours a week does your spouse work?
  - Why did you not report the marriage?
  - What is your spouse's contact information?
  - When is the best time to reach your spouse?
9. Contact the unreported spouse, and ask the following questions:
- What is your relationship to the customer?
  - What is the date of your marriage?
  - What is your home address?
  - How long have you lived there?
  - Who do you work for? (Provide your employer's name, address, and phone number.)
  - How long have you worked for your current employer?
  - How much do you make? What is your income?
  - How many hours a week do you work?
  - Do your children attend day care?
  - What day care center do they attend?
  - Are you aware that your children are receiving state-subsidized child care services?
  - Do you have possession of a CCAA swipe card?
  - Who pays for your children's day care?

## **Fact-Finder Questions Set**

### **Education and Training**

Fact-finding must be conducted in all cases. Gather all relevant documents to support your findings.

For allegations involving education and training please see the following questions sets.

#### **A. Questions for the Customer**

1. What training or educational institution are you attending?
2. What date did you begin your training?
3. What is your schedule? Provide specific days and hours.
4. What course(s) are you enrolled in?
5. How are your studies progressing? Are you passing or failing?
6. When did you last attend a training session or class?
7. Did you graduate?

#### **B. Questions and Requests for the Training Provider**

1. Please provide the student's school records
2. What is the student's schedule?
3. When did the student enroll?
4. What is the date that the student last attended?
5. What is the student's progress? Is the student passing or failing?
6. Is the student successful or unsuccessful?

## **Fact-Finder Questions Set**

### **Improper or Inaccurate Attendance**

Fact-finding must be conducted in all cases. Gather all relevant documents to support your findings.

For allegations involving attendance in the Child Care Attendance Automation (CCAA) service, attendance please see the following questions sets:

#### **A. Questions for the Customer**

1. Did you read and sign the parent agreement to report child care attendance form?
2. Do you have a CCAA swipe card with you? (Verify the card.)
3. Do you have a secondary cardholder for that card? Please provide the secondary cardholder's name and date of birth.
4. How do you use the CCAA card?
5. Who has the personal identification number (PIN) for the CCAA card?
6. Are there days that the CCAA card was not swiped?
7. At which facilities have you used your CCAA card?
8. Have you given authority for someone else to use your CCAA card?
9. Have your children been absent from care? If so, on what dates?

#### **B. Questions for the Provider**

1. Did you receive written notice from the Board about your responsibilities?
2. What is the process for using a CCAA card at your facility?
3. How is attendance counted?
4. Do you have a swipe card machine? Where is it located? Do you have more than one swipe card machine? Is the machine functioning? Has it been out of service before? If so, on what dates?
5. Do parents swipe in and out each day?
6. If a parent forgets to swipe the CCAA card, what action does the provider take?
7. Have you or other staff swiped a CCAA card on behalf of a parent or secondary cardholder?
8. Has a parent left his or her CCAA card at the facility? If so, what is the process for returning the card?

Official Letterhead  
(Board/Contractor)

**SAMPLE Notification of Child Care Services Ineligibility Determination  
(RID-58)**

**Date Mailed: [DATE]**

[Parent Name] PIRTS Case Number: [insert number]

[Parent Address] TWIST ID Number: [insert number]

[City] [State] [Zip]

Effective [DATE], 15 days from the mailing date of this notification, your child care assistance will be [denied, delayed, reduced, suspended, or terminated]. Your child care facility will also be notified that payment assistance is ending.

**Section I - Findings**

- Initial Eligibility Determination
- Eligibility Redetermination
- Fraud Fact-Finding Investigation

You are not eligible for child care assistance for the following reason(s):

[insert determination reason code]

[insert determination reason code]

[insert determination reason code]

**Section II - Improper Payments**

[insert the reason code for improper payment]

**Section III – Fraud**

[insert the reason code for the appropriate fraud findings determination]

**Parent Appeal Rights**

You have the right to appeal this written notice, pursuant to TWC Chapter 823 Integrated Complaints, Hearings, and Appeals rules.

Your appeal must be **in writing**. It must be filed no later than **14 days** from the date this notification was mailed in order to preserve your appeal rights. You may have representation during the appeals process.

If your child was in protective services, you may **not** appeal pursuant to Chapter 823; instead, follow the procedures established by the Texas Department of Family and Protective Services.

If you fail to file a timely appeal, this notice becomes final.

### **Continuity of Child Care Services During Appeal**

If your child is enrolled in child care, a Board will ensure that child care services continue during the appeal process until a hearing decision is reached (pursuant to §809.75).

You may need to repay the cost of providing services during the appeal process, if the appeal decision is rendered against you.

### **First-Level Appeal—Informal Complaint Resolution**

The first-level appeal will be a local review through an informal complaint resolution. If you wish to request an appeal, submit your written appeal (with a detailed explanation of your reasons for appealing) within **14 days** from the mailing date of this notice.

Send your written appeal by mail to [Contractor Name] [address, city, state, zip] or by fax to [area code and phone number].

### **Second-Level Appeal—Board Appeal**

If you disagree with the first-level appeal decision, you may appeal to the Board. If you wish to request an appeal, submit your written appeal with a detailed explanation of your reasons for appealing) within **14 days** from the mailing date of the first-level appeal determination.

Send your written appeal by mail to [Board Name] [address, city, state, zip] or by fax to [area code and phone number].

### **For More Information on Appeals**

Read more about child care appeals at [Appeals - Program Overview](#).

### **Recoupment of Improper Payments**

Pursuant to Section §809.117, Boards will attempt to recover all improper payments.

You will have to repay improper payments for child care under the following circumstances:

- Instances involving fraud
- Instances in which you received child care services while awaiting an appeal and the determination is affirmed by the hearing officer
- Instances in which the parent fails to pay the parent share of cost and the Board's policy is to pay the provider for the parent's failure to pay the parent share of cost

## Child Care Services

### SAMPLE Determination Reason Codes (RID-58a)

#### PARENTS (PA)

##### Section I—Findings and Conclusions (100)

- PA100  
It has been determined that the parent failed to submit eligibility documentation.
- PA110  
It has been determined that the child is not under 13 years of age.
- PA111  
It has been determined that the child with a disability is not under 19 years of age.
- PA112  
It has been determined that the child is not a U.S. citizen.
- PA113  
It has been determined that the family is not within the Board's local workforce development area.
- PA114  
It has been determined that the family income is greater than 85 percent of the SMI.
- PA115  
It has been determined that the parent is not on military deployment.
- PA116  
It has been determined that the family income on military deployment is greater than 85 percent of the SMI.
- PA117  
It has been determined that the family assets are greater than \$1,000,000.
- PA118  
It has been determined that the family is not homeless.
- PA120  
It has been determined that the parent is not working.
- PA121  
It has been determined that the parent is not working the minimum number of hours.
- PA122

It has been determined that the parent is not attending job training.

- PA123

It has been determined that the parent is not attending the minimum job training hours.

- PA124

It has been determined that the parent is not attending an educational program.

- PA125

It has been determined that the parent is not fulfilling the minimum educational program hours.

## **Section II - Improper Payment Codes (200)**

- PA200

You were ineligible from [DATE] to [DATE], and you received benefits that you were not entitled to, thus establishing an improper payment totaling [\$AMOUNT].

- PA210

You were ineligible from [DATE] to [DATE], but your ineligibility did not result in an improper payment.

## **Section III - Fraud / No Fraud Reason Codes (300)**

It has been determined that the denial, delay, reduction, suspension, or termination of your child care services was based on the following fraudulent activity or activities.

- PA300

Not reporting or falsely reporting initial determination or redetermination a household composition or income that resulted in ineligibility.

- PA301

Not reporting or falsely reporting during initial determination or redetermination a household composition or an income that resulted in a higher parent share of cost.

- PA302

Not reporting or falsely reporting a work status during initial determination or redetermination, with the result being ineligibility.

- PA303

Not reporting or falsely reporting a training status during initial determination or redetermination, with the result being ineligibility.

- PA304

Not reporting or falsely reporting education hours during initial determination or redetermination, with the result being ineligibility.

- PA310

Not reporting during the 12-month eligibility period changes in income or household composition, with the result being an income of greater than 85 percent of the SMI.

- PA311

Not reporting during the 12-month eligibility period the permanent loss of a job, training, or education for greater than three months.

- PA312

Not reporting during the 12-month eligibility period improper or inaccurate recording of attendance in the Child Care Attendance Automation (CCAA) system.

- PA320

It has been determined that the denial, delay, reduction, suspension, or termination of your child care services was NOT based on a fraudulent activity.

## SAMPLE Repayment Schedule (RID-62)

Statement Date: \_\_\_\_\_

Case Name or Vendor Name: \_\_\_\_\_

Case Number or Vendor Number:  
\_\_\_\_\_

Mailing Address: \_\_\_\_\_

City, State, ZIP: \_\_\_\_\_

Recoupment Number: \_\_\_\_\_ Recoupment Reason: [refer to RID-58a]

Recoupment Period: MM/DD/YYYY–MM/DD/YYYY Original Recoupment Balance:  
\$ \_\_\_\_\_

### Instructions

---

**Step 1:** Choose Option 1 or Option 2 by signing your name next to the option you have chosen and entering a dollar amount.

**Step 2:** Return this form **with your first payment** within **30 days** of the statement date printed on this form.

Workforce Solutions Offices accept **only** money orders or cashier's checks. Workforce Solutions Offices do **not** accept cash, credit cards, or personal checks. When making a payment, please make your money order or cashier's check **payable to Workforce Solutions**.

#### **Option 1**

**I agree to make a full payment of \$\_\_\_\_\_. My payment (money order or cashier's check) is enclosed.**

X \_\_\_\_\_

Payee's signature

\_\_\_\_\_ Date

#### **Option 2**

**I would like to make a payment schedule. My first payment is enclosed. I will make the payment of \$\_\_\_\_\_ in (check one box)**

3 monthly payments: 2 equal monthly payments of \$\_\_\_\_\_ and a final payment of \$\_\_\_\_\_

6 monthly payments: 5 equal monthly payments of \$\_\_\_\_\_ and a final payment of \$\_\_\_\_\_

9 monthly payments: 8 equal monthly payments of \$\_\_\_\_\_ and a final payment of \$\_\_\_\_\_

\$ \_\_\_\_\_

12 monthly payments: 11 equal monthly payments of \$ \_\_\_\_\_ and a final payment of \$ \_\_\_\_\_

My scheduled payment is due on the \_\_\_\_\_ day of each month, until the improper payment is paid in full.

X \_\_\_\_\_

Payee's signature

\_\_\_\_\_

Date

**SAMPLE Collection Statement (RID-64)**

[Date]

Vendor Number or Case Number: \_\_\_\_\_

Vendor Name: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City, State, ZIP: \_\_\_\_\_

**Improper Payment (Collection Statement) – 1st Notice**

This is to notify you of the amount due for the following reason(s):

[Refer to RID-58a codes. Indicate the reason for the improper payment reason by entering the applicable code and a clearly written explanation.]

The cost of child care financial aid paid from [mm/dd/yy] to [mm/dd/yy] equals \$\_\_\_\_\_.

The above amount is due to Workforce Solutions **within 30 days** from the date of this notice. Workforce Solutions Offices accept **only** money orders or cashier’s checks. Workforce Solutions Offices do **not** accept cash, credit cards, or personal checks. When making a payment, please make your money order or cashier’s check **payable to** Workforce Solutions.

Please complete the repayment schedule on page 2 of this letter and return it to Workforce Solutions by 30 days from the date printed on this notice.

If you have questions about this notice, please contact [name of accounts payable specialist] at [enter contact phone number].

Your failure to pay may result in the following consequences:

- You may be **ineligible** for child care until the improper payment is paid in full. **Exception:** SNAP E&T and Choices participants (parents)
- TWC may withhold future payments (providers)

\_\_\_\_\_  
Workforce Solutions Accounts Payable Specialist

\_\_\_\_\_  
Date

## SAMPLE Collection Demand Letter (RID-65)

[Date]

Vendor Number or Case Number: \_\_\_\_\_

Vendor Name: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City, State, ZIP: \_\_\_\_\_

### Improper Payment (Collection Demand) – Final Notice

This is an Improper Payment Collection Statement to notify you of the amount due for the following reason(s):

[Refer to RID-58a codes. Indicate the reason for the improper payment reason by entering the applicable code and a clearly written explanation.]

The cost of child care financial aid paid from [mm/dd/yy] to [mm/dd/yy] equals \$\_\_\_\_\_.

The above amount is due to Workforce Solutions. Workforce Solutions Offices accept **only** money orders or cashier's checks. Workforce Solutions Offices do **not** accept cash, credit cards, or personal checks. When making a payment, please make your money order or cashier's check **payable to** Workforce Solutions.

Please complete the repayment schedule on page 2 of this letter and return it to Workforce Solutions.

If you have questions about this notice, please contact [name of accounts payable specialist] at [enter contact phone number].

Your failure to pay may result in the following consequences:

- You may be **ineligible** for child care until the improper payment is paid in full.  
**Exceptions:** SNAP E&T and Choices participants (parents)
- TWC may withhold future payments (providers)

\_\_\_\_\_  
Workforce Solutions Accounts Payable Specialist

\_\_\_\_\_  
Date

## **SAMPLE Improper Payment—Collections Calculation Chart (RID-66)**

<b><u>Total Debt</u></b>	<b><u>Payment per Month</u></b>
UNDER \$100	\$30 per month
\$100–\$300	\$50 per month
\$300–\$600	\$60 per month
\$600–\$800	\$70 per month
\$800–\$1,000	\$80 per month
\$1,000–\$1,500	\$100 per month
\$1,500–\$2,000	\$120 per month
\$2,000–\$3,000	\$130 per month
\$3,000–\$4,000	\$140 per month
\$4,000–\$5,000	\$150 per month
\$5,000–\$6,000	\$200 per month
\$6,000–\$7,000	\$250 per month
\$7,000–\$8,000	\$300 per month
\$8,000–\$9,000	\$350 per month
\$9,000–\$10,000	\$400 per month
\$10,000–\$11,000	\$450 per month
\$11,000–\$12,000	\$500 per month