



## State Licensed Child Care Provider Fraud October 1, 2009

Prior to 2007, the state contract with the county for child care administration did NOT include reviewing fraud for state licensed providers. Up until then, the Program Integrity funds could just be used for checking fraud from individual clients (parents).

In 2007, the county asked for permission to add 5 staff to review state licensed providers because county workers were concerned about possible fraud. The state granted the county's request (link to state letter: <http://tinyurl.com/yakv27p>).

Early in 2008, the state made a presentation to the Child Care Stake holders group. In the PowerPoint presentation (link to presentation: <http://tinyurl.com/ycddfill>), the state said that they faced an \$18 million deficit and that one of the options was to cut the county contracts.

Fearing that the state might cut up to 10% of the contract by the end of the state fiscal year (June 30), the county did not hire additional staff with the \$800,000 left of the \$8 million contract. The county did not want to hire and then layoff staff after the statements by state officials.

The state shifted 59 Economic Support Staff (ESS) from the county to the state, while at the same time indicating the county needed to do more. The ESS employees are the ones who help enter data about these issues.

So far this year, the county has hired several former detectives and special agents to help review STATE LICENSED PROVIDERS. We met with the DA several weeks ago to see if the county can provide more help to his office.

To my knowledge, no one from the state raised a concern to my office or to the county's Director of Health and Human Services about the use of these funds or the need to spend more. In fact, they gave the county warnings in the past NOT to spend all of it because of the state deficit.

Bottom-line: the troubles are at STATE licensed providers and only the state division can pull the license. The county is ready and eager to assist the state but efforts to shift blame are nothing more than grand political theater that ignores the facts.

Scott Walker  
Milwaukee County Executive