Summary of Policy Considerations and Agency Recommendations

The Legislature may consider the following policy changes:

- Require that OKDHS refer all cases that meet the statutory definition of fraud to the district attorney.
- Establish whistleblower laws that define protected activities and adverse actions against an employee.
- Add the Office of the Auditor and Inspector as a recipient of whistleblower complaints.

The Oklahoma Department of Human Services should:

- Adopt a clear position on the pursuit of fraud over administrative penalties.
- Submit all substantiated fraud cases to a District Attorney or Assistant United States Attorney first for potential criminal prosecution, with OKDHS pursuing recovery through administrative processes only if the case is declined.
- Institute new training and procedures to incorporate fraud identification into monitoring visits by licensing workers to child care providers.
- Require that any system alerts generated due to income discrepancies be forwarded to the agency's investigative unit for review before being cleared from the system and require Adult and Family Services workers to process G1DX errors within 30 days.
- Transfer the staff from the Benefits Integrity Recovery Section to the Office of Inspector General (OIG), as the unit determines overpayment amounts and leads collection efforts.
- Dedicate more personnel to the OIG's investigative branch, potentially reclassifying the current three program auditors under the Quality Audit Unit as additional law enforcement agents that could be available to conduct investigations.
- Adopt policies to reject any documentation that is blurred or unreadable and require verification of all documentation as a standard practice. Incorporate these policies into annual employee training.
- Ensure completeness of the applications for the child care subsidy by ensuring that information collected during the application for other benefits is transferred to the child care application.
- Use the agency's recently acquired access to a credit reporting service to verify income on a monthly basis, and also request a waiver from the federal government to reassess eligibility as needed.
- Expand its user agreement to include language prohibiting manipulation of the new app's ability to confirm physical attendance.
- Require OKDHS conduct an address verification of the responsible parent(s) or guardian(s) of the child through:
    - Entering into a memorandum of understanding with Service Oklahoma to use the State's driver's license database for address verification.
    - Coordinating with OKDHS' Child Support Services Division to confirm the last known address of the absent parent.
- Require that all referrals entered into the Office of the Inspector General's database include documentation of all attempts to assess the strength of the allegations.
- Periodically have OKDHS OIG test the strength of the agency's fraud detection by submitting fraudulent documents for OKDHS workers to process.

- In accordance with Administrative Rules and the State Plan, require child care providers attest to whether client copayments have been paid.
- Consider administrative action against clients that fail to remit copayments to providers.
- For providers whose actions are found to have intentionally resulted in overpayment of the Child Care Assistance Funds, reduce the provider's quality rating status and corresponding reimbursement rate by one level.