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October 2, 2019

The Honorable Robert C. "Bobby" Scott
Chairman
House Committee on Education and Labor
2176 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Scott:

Today, the Government Accountability Office (GAO) released a report entitled, *Head Start: Action Needed to Enhance Program Oversight and Mitigate Significant Fraud and Improper Payment Risks* (GAO-19-519). Given the House Committee on Education and Labor's jurisdiction of this program and the Committee's important oversight responsibilities, I request you hold a hearing to examine the report's findings of potential fraud within Head Start.

In September 2010 the GAO completed a report on Head Start that included undercover tests of Head Start grantees.¹ As the GAO notes in this latest report, the 2010 report found that staff at Head Start centers intentionally disregarded disqualifying income and other Head Start centers reported more students in daily attendance than were actually enrolled in the center.² The Department of Health and Human Services (HHS) said they would make changes to their oversight efforts to address these issues. The report released today followed up on GAO's 2010 findings to determine whether the new monitoring efforts implemented by HHS were working or whether any improvements to HHS' oversight efforts are needed.

¹ GAO, *Head Start: Undercover Testing Finds Fraud and Abuse at Selected Head Start Centers*, GAO-10-1049, September 2010.

² GAO, *Head Start: Action Needed to Enhance Program Oversight and Mitigate Significant Fraud and Improper Payment Risks*, GAO-19-519, September, 2019.

Unfortunately, it appears significant fraud risks remain in the Head Start program. Out of 15 randomly selected Head Start centers, three centers had control vulnerabilities and five centers had indicators of potential fraud. The concerning actions included fabricating income information, doctoring applications to exclude income information, and dismissing income information that would have made the individual ineligible. The GAO notes that the 2019 report findings are similar to what they found in 2010. However, the 2019 report findings may be cause for greater concern given that in 2010 GAO found potential fraud at Head Start centers it selected based on hotline tips, but in the 2019 report GAO found potential fraud at a random selection of Head Start centers.

The Office of Head Start (OHS), which runs the Head Start program at HHS, said they had not conducted covert tests as a part of their monitoring despite that being one of the recommendations in the 2010 report. The agency noted they did not have the expertise to do such tests, but also said they had not done so "because they believed grantees may react to such testing by taking an overly strict approach in reviewing eligibility that could jeopardize program access for families in legitimate need." However, given the results of this recent report, OHS did acknowledge they may need to look into additional risk-based monitoring of the program.

In addition to the potential fraud found in the covert testing, GAO found control vulnerabilities and improper payment risks when they reviewed case files of other Head Start grantees. While the reviewed grantees had properly documented how children qualified, there was at least one instance with each grantee where a file did not include documentation to support enrollment of the child. Further, one of the reviewed files also had an indication of potential fraud.

The 2019 GAO report also suggests that concerns about attendance and enrollment data raised in its 2010 report persists. For example, GAO found that HHS does not consistently use attendance records to verify that grantees are serving all children they are funded to serve. Without doing so, HHS may be unaware of empty slots that are not accessible for families in need and may leave the program vulnerable to fraud and improper payments to grantees for services not actually delivered to families.

Finally, the 2019 GAO report found that OHS's monitoring reviews of grantees does not always follow up on deficiencies identified in a timely manner. In the 2019 report GAO says, "... OHS may allow unresolved deficiencies to linger and pose significant risks to children in the Head Start program." GAO goes on to note that in two monitoring reviews the GAO reviewed, OHS identified instances of child abuse, but that OHS did not follow up in a timely manner to ensure the deficiencies were resolved. In the intervening time, according to the monitoring reports, additional instances of child abuse were reported.

Mr. Chairman, I urge this Committee to hold a hearing to examine these real cases of potential fraud and stand ready to work with you to reform these broken programs. High quality early childhood education plays an important role in the health and success of our nation's children. As policymakers we have a responsibility to ensure programs like Head Start are working efficiently and effectively. It's not just taxpayer dollars that are on the line, it's students' futures.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in blue ink that reads "Virginia Foxx". The signature is written in a cursive, flowing style.

Virginia Foxx
Ranking Member