

**245E.02 INVESTIGATIONS OF FINANCIAL MISCONDUCT.**

Subdivision 1. **Investigating provider or recipient financial misconduct.** The department shall investigate alleged or suspected financial misconduct by providers and errors related to payments issued by the child care assistance program under this chapter. Recipients, employees, and staff may be investigated when the evidence shows that their conduct is related to the financial misconduct of a provider, license holder, or controlling individual.

Subd. 2. **Scope of investigations.** (a) The department may contact any person, agency, organization, or other entity that is necessary to an investigation.

(b) The department may examine or interview any individual, document, or piece of evidence that may lead to information that is relevant to child care assistance program benefits, payments, and child care provider authorizations. This includes, but is not limited to:

- (1) child care assistance program payments;
- (2) services provided by the program or related to child care assistance program recipients;
- (3) services provided to a provider;
- (4) provider financial records of any type;
- (5) daily attendance records of the children receiving services from the provider;
- (6) billings; and

(7) verification of the credentials of a license holder, controlling individual, employee, staff person, contractor, subcontractor, and entities under contract with the provider to provide services or maintain service and the provider's financial records related to those services.

Subd. 3. **Determination of investigation.** After completing its investigation, the department shall issue one of the following determinations:

- (1) no violation of child care assistance requirements occurred;
  - (2) there is insufficient evidence to show that a violation of child care assistance requirements occurred;
  - (3) a preponderance of evidence shows a violation of child care assistance program law, rule, or policy;
- or
- (4) there exists a credible allegation of fraud.

Subd. 4. **Actions or administrative sanctions.** (a) After completing the determination under subdivision 3, the department may take one or more of the actions or sanctions specified in this subdivision.

(b) The department may take the following actions:

- (1) refer the investigation to law enforcement or a county attorney for possible criminal prosecution;
- (2) refer relevant information to the department's licensing division, the child care assistance program, the Department of Education, the federal child and adult care food program, or appropriate child or adult protection agency;

(3) enter into a settlement agreement with a provider, license holder, controlling individual, or recipient;  
or

(4) refer the matter for review by a prosecutorial agency with appropriate jurisdiction for possible civil action under the Minnesota False Claims Act, chapter 15C.

(c) In addition to section 256.98, the department may impose sanctions by:

(1) pursuing administrative disqualification through hearings or waivers;

(2) establishing and seeking monetary recovery or recoupment; or

(3) issuing an order of corrective action that states the practices that are violations of child care assistance program policies, laws, or regulations, and that they must be corrected.

**History:** 2013 c 108 art 5 s 5