**Section 50.1220 Improper Payments and Sanctions**

a) Child care providers whose employees are covered by a collective bargaining agreement with DHS shall refer to the relevant agreement, rather than the procedure outlined in this Section.

b) The Department has the discretion to impose sanctions upon parents or other relatives or child care providers that commit an intentional program violation or an act of fraud in an effort to obtain eligibility, benefits, or financial gain or profit from the Child Care Assistance Program to which they would otherwise not be entitled (see 45 CFR 98.68). The Department shall take into consideration the nature of the offense, whether or not an improper payment was made, the amount of the improper payment, and the length of time over which the offense occurred when determining the level of sanction to be imposed (see subsection (c)(1)).

c) The Department's Division of Early Childhood is responsible for the detection, prevention, reduction, and identification of intentional program violations or fraud by parents or other relative recipients of child care benefits and child care providers. All cases of suspected intentional program violations or fraud will be referred to the Division for investigation which may lead to the recovery of improper payments, sanctions, and/or criminal prosecution. Depending on the nature of the violation, the Division may refer cases to the Department of Healthcare and Family Services' Bureau of Investigations or the State of Illinois Office of the Executive Inspector General for additional review and potential prosecution as determined by the Office of the Attorney General.

1) The Division may impose any of the following sanctions on parents or other relatives or child care providers for a first-time offense:

A) If there is no improper payment involved, issue a warning and require a counseling/educational session on program rules and requirements.

B) Require repayment of improper child care assistance payments.

C) Require repayment of the child care assistance payment; and

i) Suspend the parent or other relatives from the program for one year; or

ii) Suspend the child care provider from new case approvals for one year.

D) Require repayment of the improper payment and terminate the parent or other relative and/or the child care provider from the Child Care Assistance Program permanently.

2) If the parent or other relative commits a second intentional program violation, the Division will require repayment of all child care assistance payments related to the violation and the parent or other relative will be permanently terminated from the Child Care Assistance Program.

3) If a child care provider commits a second intentional program violation, the Division will require repayment of all child care assistance payments related to the violation and the provider will be permanently terminated from the Child Care Assistance Program.

4) Families who are receiving TANF (and their child care providers) and have child care listed as a required activity on their Responsibility and Service Plan are exempted from suspension or termination.

(Source: Added at 47 Ill. Reg. 110, effective December 20, 2022)