

September 2010

HEAD START

Undercover Testing Finds Fraud and Abuse at Selected Head Start Centers



GAO

Accountability * Integrity * Reliability



Highlights of [GAO-10-1049](#), a report to congressional addressees

HEAD START

Undercover Testing Finds Fraud and Abuse at Selected Head Start Centers

Why GAO Did This Study

The Head Start program provides child development services primarily to low-income families and their children. Federal law allows up to 10 percent of families to have incomes above 130 percent of the poverty line—GAO refers to them as over-income families. Families with incomes below 130 percent of the poverty line, or that meet certain other criteria, are referred to as under-income families. Nearly 1 million children a year participate in Head Start, and the American Recovery and Reinvestment Act provided an additional \$2.1 billion.

GAO received hotline tips alleging fraud by grantees. In response, GAO investigated the allegations, conducted undercover tests to determine if other centers were committing fraud, and documented instances where potentially eligible children were put on Head Start wait lists. On May 18, 2010 GAO testified on the preliminary results of the ongoing investigation. This report reiterates the findings disclosed in GAO's May testimony, and discusses new findings related to specific fraud allegations at two Head Start grantees.

Since GAO's May testimony, HHS has taken a number of actions to address identified weaknesses, such as implementing a fraud hotline. HHS also indicated that it has moved expeditiously to begin a rule making process to strengthen the regulations on the eligibility verification process.

View [GAO-10-1049](#) or [key components](#).

For more information, contact Gregory Kutz at (202) 512-6722 or kutzg@gao.gov.

What GAO Found

GAO received allegations of fraud and abuse involving two Head Start nonprofit grantees in the Midwest and Texas. Two of the many allegations were substantiated. For example, one grantee inappropriately counted time parents spent helping children with homework as contributions to meet program funding requirements. While not fraudulent, we found that at both grantees, the average number of students who attended class was significantly lower than the number of students the grantees reported as enrolled in class.

Realizing that the alleged fraud schemes could be perpetrated at other Head Start programs, GAO attempted to register fictitious children as part of 15 undercover test scenarios at centers in six states and the District of Columbia. In 8 instances staff at these centers fraudulently misrepresented information, including disregarding part of a family's income to register over-income children into under-income slots. The undercover tests revealed that seven Head Start employees lied about applicants' employment status or misrepresented their earnings. This leaves Head Start at risk that over-income children may be enrolled while legitimate under-income children are put on wait lists. At no point during our registrations was information submitted by GAO's fictitious parents verified, leaving the program at risk that dishonest persons could falsify earnings statements and other documents in order to qualify. In seven instances centers did not manipulate information. The table provides details on two of GAO's successful enrollments. To hear selected video clips of GAO enrollments, see <http://www.gao.gov/products/GAO-10-1049>.

Fictitious Over-Income Children Successfully Enrolled in Head Start Centers by GAO

State	Test	Case details
NJ	Income exceeds poverty guidelines	<ul style="list-style-type: none"> A Head Start associate disregarded over \$23,000 worth of income in order to qualify the family as under-income. The Head Start associate said with regard to the father's income documentation, "Now you see it, now you don't."
TX	Income exceeds poverty guidelines	<ul style="list-style-type: none"> A Head Start associate disregarded over \$20,000 worth of income in order to qualify the family as under-income. With respect to the income documentation, the associate stated "we see this, but we don't see this," explaining that if both parents' incomes were counted the family would be over-income and on a wait list.

Source: GAO.

In addition, GAO found that most of the 550 Head Start centers contacted had wait lists. GAO also found that two centers where GAO enrolled fictitious children later became full and developed wait lists after the fictitious children had been withdrawn. Only 44 centers reported that they had openings. GAO interviewed families on wait lists from other centers and found that many stated that their incomes were at or below the federal poverty level. In some cases, families stated they had experienced some type of domestic violence, or were receiving some type of public assistance, which made them automatically eligible for Head Start. GAO did not attempt to verify family statements.

Contents

Letter		1
	Background	3
	Allegations of Fraud and Abuse Involving Two Head Start Grantees	5
	Undercover Tests Suggest That the Head Start Program Is Vulnerable to Fraud and Abuse	13
	Most Centers Maintain Wait Lists	18
	Corrective Action Briefing	21
Appendix I	Objectives, Scope, and Methodology	25

Tables		
	Table 1: Percentages of Students Over-Income at Grantee Center	6
	Table 2: Enrollment and Attendance for Texas Grantee in the 2009 Grant Year	11
	Table 3: Enrollment and Attendance for Midwest Grantee in the 2009 Grant Year	12
	Table 4: Head Start Enrollment Scenarios	15
	Table 5: Summary of Selected Head Start Wait List Families	20

This is a work of the U.S. government and is not subject to copyright protection in the United States. The published product may be reproduced and distributed in its entirety without further permission from GAO. However, because this work may contain copyrighted images or other material, permission from the copyright holder may be necessary if you wish to reproduce this material separately.



United States Government Accountability Office
Washington, DC 20548

September 28, 2010

Congressional Addressees

The Head Start program, overseen by the Department of Health and Human Services' (HHS) Administration for Children and Families and administered by the Office of Head Start (OHS), is one of the largest federal early childhood programs. It gives grants to local organizations to provide preschool education and other services to low-income children and their families. In fiscal year 2010, the Congress appropriated \$7.2 billion to serve approximately 900,000 children through approximately 1,600 Head Start grantees nationwide.¹ The American Recovery and Reinvestment Act of 2009 (Recovery Act) provided an additional \$2.1 billion in funding for Head Start and Early Head Start. According to OHS, Recovery Act funds are to be used for staff training, facilities upgrades, and cost-of-living increases and are intended to allow certain programs to serve an additional 61,000 children and their families.

On May 18, 2010, we testified before the House Committee on Education and Labor on the preliminary results of our ongoing investigation into fraud and abuse in the Head Start program. As we previously reported, in August 2008, we received allegations through GAO's FraudNet hotline that a Midwest nonprofit Head Start center manipulated information so ineligible families would appear to qualify for the program and the grantee would meet enrollment numbers required as a condition of receiving Head Start funds. In October 2009, we received additional allegations that a Texas nonprofit Head Start center was also enrolling over-income or otherwise ineligible children in the program in order to meet funded enrollment numbers. Based on the significance of these claims, we (1) investigated the allegations of fraud and abuse at these two Head Start grantees, (2) conducted undercover tests to determine if other grantees were committing similar abuses, and (3) documented instances in which

¹OHS awards Head Start funds directly to local organizations, called grantees. Many Head Start grantees contract out the operation of services to delegate agencies that operate programs at the community level. Throughout this testimony, we refer to both grantees and delegates as grantees.

potentially eligible children were put on wait lists for Head Start services at other centers.²

To investigate the allegations of fraud and abuse we received through our FraudNet hotline, we interviewed informants and staff at the two Head Start grantees in Texas and the Midwest. We reviewed grant documentation and enrollment information reported to OHS by grantees. We reviewed attendance records that we obtained from the grantees. To conduct undercover testing, we created fictitious identities and bogus documents, including pay stubs and birth certificates, in order to attempt to register ineligible children at Head Start centers located in California, Maryland, New Jersey, Pennsylvania, Texas, Wisconsin and the Washington, D.C. metropolitan area. We also attempted to register two eligible families and their children to determine if centers would count these children toward reported enrollment numbers even if our children never attended the program. We chose the centers where we attempted to enroll our fictitious children for two reasons. First, unlike the approximately 500 centers we contacted that could not verify that they had any openings, these centers indicated that they had openings for new enrollees. Second, they were located either in states with a significant proportion of Head Start funding, in the same geographic area as a GAO office, or in the same geographic area as the two programs we received FraudNet allegations on. In situations in which our fictitious parents were told to bring their fictitious child to class, we monitored centers by making follow-up phone calls, to determine if centers still had openings in order to ensure that we were not occupying a space that could be used by an actual, eligible child. Subsequent to our applications, we requested, as GAO, that the centers provide us all information regarding the submitted applications and information as to whether these fictitious children ever were counted on center attendance records. In order to document situations of families waiting to enroll in Head Start, we identified centers with wait lists through calls we made to approximately 550 centers and contacted families on these wait lists. We asked applicants for information on the length of time they spent on a wait list, the family's economic situation, and whether they had been affected by being wait-listed for Head Start services. We did not attempt to verify the accuracy of the information that families provided to us. We cannot project the results of

²Wait lists were documented because potentially eligible children could have been displaced by ineligible children who were fraudulently enrolled in the program.

our investigation of allegations, undercover tests, and family interviews to the entire Head Start program.

We conducted our investigation from October 2008 through September 2010 in accordance with the standards prescribed by the Council of the Inspectors General on Integrity and Efficiency.

Background

The Head Start program was established in 1965 to deliver comprehensive educational, social, health, nutritional, and psychological services to low-income families and their children who are below the age of compulsory school attendance. These services include preschool education, family support, health screenings, and dental care. Head Start was originally aimed at 3- to 5-year-olds. A companion program, called Early Head Start, began in 1994 and focuses on making these services available to pregnant women and children from birth to 3 years of age. Head Start operates both full- and part-day programs—most only during the school year. The Migrant and Seasonal Head Start program is designed to meet the specific needs of migrant and seasonal farm worker families. OHS makes Head Start grants directly to approximately 1,600 local organizations, including community action agencies, school systems, tribal governments and associations, and for-profit and nonprofit organizations. To accomplish Head Start's goals, the Congress provided \$7.2 billion in federal funds for fiscal year 2010, as well as \$2.1 billion in Recovery Act funds.

Head Start statutes and regulations establish several primary eligibility criteria, one of which a child must generally meet in order to enroll in the program. These primary criteria include the child's family earns income below the federal poverty level; the child's family is eligible or, in the absence of child care, would potentially be eligible for, public assistance; the child is in foster care; or the child is homeless. However, Head Start programs may also fill up to 10 percent of their slots with children from families who do not meet any of the above criteria, but who "would benefit" from participation in the program.³ If a single grantee operates multiple Head Start locations, the 10 percent limit applies to the aggregate total enrollment for all combined locations run by that grantee. We refer to these children and their families as over-income. There is no cap on the

³A Head Start program operated by an Indian tribe or a program located in certain remote areas with small populations may enroll additional children who do not meet one of the primary criteria.

income level for the over-income families. If the Head Start program has implemented policies and procedures that ensure that the program is meeting the needs of children eligible under the primary criteria and prioritizes their enrollment in the program, then the program may also fill up to 35 percent of its slots with children from families with income below 130 percent of the poverty line. Programs filling slots under this provision are subject to additional reporting requirements. Children from families with incomes below 130 percent of the poverty line, and children who qualify under one of the primary eligibility criteria, are referred to as “under-income” for the purposes of this report. In addition, unless a program applies for and receives a waiver, at least 10 percent of each program’s total slots must be filled with children with disabilities who are determined to be eligible for special education and related services or early intervention services. To qualify for the Migrant and Seasonal Head Start program, families must have changed their residence within the preceding 24 months for the purpose of engaging in certain agricultural work, and the families’ incomes must come primarily from this type of work. In enrolling families in Head Start, program staff are to review documentation of income and employment to certify that each family is eligible. Head Start services are to be provided free of charge to eligible families.

OHS assigns each grantee a specific number of children and families that it is required to serve, known as the funded enrollment. Head Start statutes and regulations require grantees to maintain enrollment at 100 percent of the funded enrollment level. If a child stops attending the program, after the grantee has attempted, unsuccessfully, to get the child back in regular attendance, the grantee must reopen that spot as a vacancy and no more than 30 calendar days may elapse before the grantee fills the vacancy; otherwise, OHS considers the grantee underenrolled.⁴ To facilitate the prompt filling of vacancies, Head Start statutes and regulations require each grantee to maintain a wait list that ranks children according to its selection criteria and to select those with the greatest need for services. Grantees report enrollment numbers monthly, and those that are underenrolled for 4 consecutive months must receive technical assistance from OHS and work to develop and implement a plan to eliminate underenrollment. A grantee that continues to operate with less than 97

⁴If fewer than 60 days remain in the grantee’s program year at the time an enrollment vacancy occurs, the grantee can choose not to fill the vacancy without OHS considering it underenrolled.

percent of its funded enrollment level may have its grant amount recaptured, withheld, or reduced by OHS. According to HHS, funds for 30 grantees were reduced in 2006. A Head Start grantee may also be terminated from participation in the program for continuously failing to meet other performance, education, administrative, and financial management standards that have been established by HHS.

Allegations of Fraud and Abuse Involving Two Head Start Grantees

We investigated the allegations of fraud and abuse that we received involving Head Start nonprofit grantees in the Midwest and Texas. Based on our investigation, two of the allegations were substantiated. For example, we were able to substantiate that a Midwest grantee included in its calculation of nonfederal funding match donations that were not eligible. However, other allegations could not be confirmed based on documents we were able to obtain. In some cases it was not possible for us to verify information contained in Head Start records; therefore we cannot conclude whether allegations could be substantiated. As we found during the course of our undercover investigations, records kept by Head Start grantees could be manipulated in order to make a child appear eligible for services.

Texas Grantee Allegations

Over-Income Enrollments

In Texas, individuals we spoke with alleged that the grantee enrolled more than 10 percent of over-income families in order to meet enrollment requirements. An aggregate accounting of all centers operated directly by one grantee is permitted under the law for determination of the 10 percent over-income limit. This allegation was not substantiated, but we found that some of the grantees' centers enrolled more than 10 percent of over-income families. Across all grantee sites, five percent of families were registered as over-income. Based on records obtained from the grantee, it appears that 9 of the grantees' 28 centers had more than 10 percent over-income families enrolled. According to the documentation we reviewed, the percentage of over-income families in the 28 centers ranged from centers with no over-income enrollments to one center where 44 percent of the 18 families it enrolled were over-income. (See table 1.)

Table 1: Percentages of Students Over-Income at Grantee Center

	Zero percent over-income	One to 10 percent over-income	Eleven to 20 percent over-income	Greater than 20 percent over-income
Number of centers	15	4	5	4

Source: GAO analysis of grantee records.

GAO obtained specific records for all over-income children at one of the grantees Head Start centers. GAO found that over-income families at this center reported incomes ranging from a low of \$27,000 to a high of \$120,000. We did not independently verify whether the families served by this grantee were over- or under-income.

Homeless Enrollments

Individuals we spoke with also alleged that Head Start staff at this Texas grantee encouraged parents to report that they were homeless when they were not in order to qualify them for the program. Because not all of the records we reviewed contained sufficient information to determine whether a given family was homeless, we were unable to substantiate this allegation.

Under the law, a child qualifies as homeless if the child lacks a fixed, regular, and adequate nighttime residence, which includes a child sharing the housing of other persons due to loss of housing, economic hardship, or a similar reason. Records we obtained indicate that 22 percent of all children enrolled by the grantee were classified as “homeless”—a group considered at risk and categorically eligible for Head Start services regardless of income. On a classroom basis, one classroom had none of the students classified as homeless, while in another classroom 38 percent of the students were considered homeless. Our concern, based on the allegation, was that some portion of these families classified as homeless in grantee records were actually over-income families that were not, in fact, homeless, but were encouraged to report that they were in order to qualify. We also analyzed enrollment records for 22 students classified as homeless at one of the Texas grantee’s centers.⁵ We determined from records that 11 of 22 children at this site were correctly classified as homeless. According to grantee documents, of the 11 students correctly classified as homeless, 8 students lived with relatives due to financial

⁵ In May of 2010, the grantee reported that it enrolled 1587 students. Of these, 353 were classified as homeless.

hardship and 3 students lived with relatives due to a temporary change in guardianship. However, based on documentation we obtained from the grantee, we could not determine whether the other 11 children were correctly classified as homeless. Of these 11, it appears that 8 of the students would have qualified for Head Start services because they met another primary eligibility criterion. For three of the families, we were not able to determine from the files whether they would have been eligible for Head Start services under another primary eligibility criterion. By extension of certain Head Start regulations, OHS officials told us that if a child qualified for Head Start because it was determined that he or she was homeless, the child would be eligible not only in the determination year, but also in the following year, without the requirement that the child's homeless status be re-verified. We did not independently verify whether any of the 22 students were homeless.

Employee Use of Vehicles

Individuals we spoke with also alleged that numerous grantee employees were allowed to use company vehicles for personal use at the expense of the grantee, but we were not able to determine whether this allegation was true. We were able to determine that the grantee did allow its employees to drive the automobiles from their homes to Head Start centers. According to regulations and an Office of Management and Budget (OMB) circular, if the grantee allows employees to use vehicles owned by the organization, only those vehicle costs associated with performance of the Head Start grant may be submitted as allowable costs and reimbursed by Head Start. We reviewed grantee policy as it related to vehicle record keeping. We determined that grantee policy followed OMB policy and stated that travel logs must be maintained as prescribed by the appropriate supervisor. Grantee officials stated that a set amount was deducted from employee paychecks to account for this benefit to the employees. Based on a review of the grantee policy, we were not able to substantiate this allegation. However, we did not review actual usage of vehicles to determine if usage was in accordance with grantee policy or whether employees accurately reflected their personal use in the records they were required to keep.

Midwest Grantee Allegations

Double-Counting Enrollments

Individuals we spoke with alleged that Head Start staff at a Midwest Migrant and Seasonal Head Start program were inflating enrollment numbers by counting children toward both grantee and delegate enrollment numbers. We were able to substantiate that children were

enrolled in both the grantee and delegate sites; however, we were not able to determine the justification for moving the children between locations. For the Midwest Migrant and Seasonal Head Start program, we were able to confirm through documents obtained from the grantee that in 2008 more than 60 children were moved from one center to other centers with vacancies at the end of the grant period. It is not clear whether the students were physically moved to the other centers or whether they were moved only on paper. According to OHS officials we spoke with, Migrant and Seasonal Head Start grantees are only required to meet the funded enrollment targets for any month of the grant period—unlike Head Start grantees who are required to maintain funded enrollment levels throughout their program year. The grantee reported that it reached full enrollment targets for 2008. Thirty-nine children were enrolled at both grantee and delegate centers during the year. We also found that in 2004 an informant alleged that the Midwest Migrant and Seasonal Head Start program knowingly falsified reports by inflating enrollment numbers. GAO obtained a copy of an internal investigation conducted in 2005 by the organization that contracted out the operation of services to this organization to serve as a grantee which determined that 130 children were double counted during the grant year. Records indicate that this report was forwarded to OHS for their review; however, OHS officials first told GAO that they did not have record of receiving this report. Officials at OHS later told GAO that the report was forwarded to the HHS OIG for their review. In August 2010, OHS issued a Program Instruction stating that Migrant programs must ensure that they have systems in place to report an unduplicated count of children even if they move through their service area during the course of the year. It recommended that in order for Migrant and Seasonal grantees to accurately report their funded enrollment, without counting children more than once during a budget year, those grantees that do not already assign unique identifiers to enrolled children do so beginning with their fiscal year 2011 grants.

Back-Dating Invoices

An individual we spoke with alleged that the grantee had purchased supplies and materials for the Head Start centers and during this process had asked the vendor to back-date invoices in order to make the expenditure appear as though it had taken place in a previous grant year. We substantiated that the grantee requested the backdating of certain invoices. We obtained documents showing grantee employees requesting via facsimile the backdating of these invoices. We requested that the vendor of these supplies and materials provide us with information related to these purchases. The vendor declined to provide GAO with copies of these records; therefore we could not investigate the allegation further. Subsequently, we spoke with representatives of this grantee who

confirmed that program staff had requested the backdating of invoices. As a result of this finding, the grantee has implemented a new electronic system to prevent this from happening in the future. We plan to refer this information to the HHS Office of Inspector General after issuing this report.

In-Kind Donations

An individual we spoke with alleged that the grantee was including in its in-kind calculation donations that were not eligible to be considered as part of the grantee's in-kind match, and we found this was true for a minority of the donations. As a part of the grant requirement, most Head Start grantees are required to match federal dollars with at least 20 percent in nonfederal contributions. These contributions can be cash donations or in-kind noncash donations including donated goods and services directly benefiting the grant program and specifically identifiable to it. We reviewed in-kind donations recorded by the Midwest Migrant and Seasonal Head Start program in the 2009-2010 program year to determine whether these donations were allowable under applicable statutes and regulations. We found that of the 157 in-kind donations the grantee provided records for, 52, or \$4,743 of the \$96,123 in-kind donations were not allowable. For 40 of the 52 unallowable donations, the Head Start grantee incorrectly recorded the time spent by parents to complete Head Start take-home activities with their children as in-kind donations. For 12 of the 52 unallowable donations, the time spent by parents at Head Start orientation and trainings was also recorded as in-kind donation. Under applicable regulations and Head Start guidance, these activities are not allowable as parents or children primarily benefit from these activities, not the Head Start program. The other 105 of the 157 in-kind donations, or \$91,380 of the \$96,123, in-kind donations, were allowable under Head Start statutes and regulations. These related to donations such as reduced rent and training cost reductions. We did not independently verify whether the grantee received any of these donations or whether their values were correctly calculated.

Grantee Internal Investigation

In September 2010, representatives from this grantee met with GAO to discuss actions that the grantee has taken since the start of GAO's investigation. These representatives told us that as a result of GAO's investigation, they conducted their own internal investigation into a variety of matters. As a result, representatives told us that they took appropriate personnel actions against 5 employees. Representatives expressed frustration that current regulations prevent them from taking action to terminate employees without the consent of the grantee's Policy Council—and organization made up for parents of currently enrolled children and community members.

Overreporting Enrollment at Both the Texas and Midwest Grantees

In addition, we spoke with individuals who alleged that both the Texas and Midwest grantees continued to report that children were enrolled even after the grantee had received information that the children would no longer be participating in Head Start services. We compared enrollment information from OHS that the grantees reported as part of the Program Information Report (PIR) required annually with information obtained from daily attendance records we obtained directly from grantees.⁶ Based on our review of this information, we determined that for both grantees, average attendance at Head Start grantee centers was considerably lower than the reported enrollment at the centers.

For the 5 months we analyzed, the Texas grantee was funded to provide services to 1,324 Head Start students. During this time, the Texas grantee reported to OHS that it enrolled a low of 1,201 students in August 2009 to a high of 1,312 students in December of 2009—from 91 to 99 percent of the funded enrollment, respectively. We found that attendance in 2009 was consistently less than reported enrollment. Average attendance per month ranged from 79 percent to 85 percent of reported enrollment for that month. For example, in November, the grantee was funded to enroll 1,324 students; it reported that it enrolled 1,308 students, while an average of 1,107 students attended class. We also found that attendance on a single day ranged from 64 percent to 91 percent of reported enrollment for that month. (See table 2.)

⁶PIRs include “actual enrollment,” defined as children who are not only enrolled but for whom at least one-time services have been provided.

Table 2: Enrollment and Attendance for Texas Grantee in the 2009 Grant Year

Month	Funded enrollment	Reported enrollment	Average daily attendance	Average daily attendance as a percentage of reported enrollment	Attendance on highest day of attendance	Attendance on lowest day of attendance
August	1,324	1,201	945	79	1,027	826
September	1,324	1,307	1,074	82	1,123	951
October	1,324	1,309	1,108	85	1,187	906
November	1,324	1,308	1,107	85	1,159	988
December	1,324	1,312	1,090	83	1,153	838

Source: Information obtained from the Texas Head Start nonprofit grantee.

Notes: Early Head Start classes were excluded from the analysis. The average daily attendance was calculated by summing the total number of students who attended class during the month, divided by the number of class days during the month. The highest day of attendance was calculated as the day with the highest number of students who attended class during the month. The lowest day of attendance was calculated as the day with the lowest number of students who attended class during the month. For Texas, these calculations excluded weekends, holidays, and days when more than one-third of classes were not in session. This grantee was funded to serve 24 children in home-based care, services that would not be counted in the grantees attendance records.

For the Midwest Migrant and Seasonal Head Start grantee, we also compared funded enrollment, reported enrollment, and classroom attendance. In the 5 months we reviewed, reported enrollment ranged from a low of 41 percent of funded enrollment in June 2009, to a high of 100 percent in October 2009. According to OHS officials we spoke with, Migrant and Seasonal Head Start grantees are only required to meet the funded enrollment targets for any month of the grant period—unlike Head Start grantees who are required to maintain funded enrollment levels throughout their program year. We reviewed attendance records and found that attendance was significantly less than reported enrollment. Average attendance per month ranged from 22 percent to 69 percent of reported enrollment. For example, in October 2009 an average of 57 students attended class, which was 22 percent of the reported enrollment of 256 students. In August 2009 an average of 170 students attended class, which was 69 percent of the reported enrollment of 247 students. We also found that attendance on a single day ranged from 3 percent to 94 percent of reported enrollment. (See table 3.)

Table 3: Enrollment and Attendance for Midwest Grantee in the 2009 Grant Year

Month	Funded enrollment	Reported enrollment	Average daily attendance	Average daily attendance as a percentage of reported enrollment	Attendance on highest day of attendance	Attendance on lowest day of attendance
June	255	104	51	49	98	6
July	255	203	129	63	158	100
August	255	247	170	69	188	117
September	255	256	142	55	166	118
October	255	256	57	22	113	8

Source: Information obtained from the Midwest Head Start nonprofit grantee administrators.

Notes: Early Head Start classes were excluded from the analysis. The average daily attendance was calculated by summing the total number of students who attended class during the month, divided by the number of days during the month. Highest day of attendance was calculated as the day with the highest number of students who attended class during the month. Lowest day of attendance was calculated as the day with the lowest number of students who attended class during the month. For the Midwest, these calculations excluded weekends and holidays. Attendees of Migrant and Seasonal Head Start programs are children of laborers whose schedule and location often changes depending on unpredictable factors such as agricultural needs. As a result, attendance by any particular child is likely to be more inconsistent than for children in other programs. In addition, in June and in October, at the start and end of the growing season, respectively, not all centers were open each day.

As we have previously reported,⁷ the number of children and families served by Head Start is an essential measure of the program’s impact. Yet OHS lacks assurance that grantees actually serve the numbers of children they report having enrolled and for which they are receiving funds. Under the current definition of enrollment in Head Start regulations, grantees could reasonably report full enrollment without providing services to the number of children they were funded to serve. Reporting figures to the Congress and the American public that do not represent children and families to whom services have been provided fails to provide a transparent measure of the important work undertaken by these programs.⁸ In addition, without monitoring information on services actually provided, OHS could miss opportunities to assist grantees that are experiencing significant difficulties in their ability to serve the children they have enrolled. Calculating attendance, which fluctuates, may be

⁷GAO, *Recovery Act: States’ and Localities’ Uses of Funds and Actions Needed to Address Implementation Challenges and Bolster Accountability*, GAO-10-604 (Washington, D.C.: May 26, 2010).

⁸However, as part of the PIR, grantees are required to report annually on the number of children who dropped out and on the number of children who were in class for less than 45 days.

challenging, but OHS already offers guidance on calculating average daily attendance on its Web site. Moreover, in 2008 an advisory committee to the Secretary of Health and Human Services specifically recommended that attendance be considered along with other factors in determining whether OHS should renew an individual grant or make the grant available for competition among organizations. This recommendation has not been implemented; HHS officials indicated that regulations governing the redesignation system are under preparation.⁹ We recently recommended, with respect to Head Start services being provided under the Recovery Act, that OHS should collect data on the extent to which children and pregnant women actually receive services from Head Start and Early Head Start grantees. In response to this recommendation, OHS expressed confidence that enrollment is a valid indicator of service delivery. However, agency officials acknowledge that enrollment figures are only accurate if programs are monitored closely on how they report these figures. OHS officials told GAO that in Fiscal Year 2010 they began monitoring enrollment figures in relation to attendance during on-site reviews. Given our review of these two grantees' attendance records and related findings, we remain concerned that enrollment, particularly as defined for monthly reporting purposes, could overstate actual service delivery.

Undercover Tests Suggest That the Head Start Program Is Vulnerable to Fraud and Abuse

Our undercover tests determined that some of the types of eligibility and enrollment fraud schemes allegedly perpetrated by the two grantees are likely occurring at other Head Start locations around the country. Posing as fictitious families, we attempted to register children at Head Start centers in California, Maryland, New Jersey, Pennsylvania, Texas, Wisconsin, and the Washington, D.C., metropolitan area. Our 15 tests mainly involved families that were not eligible for Head Start services. For 13 of these tests our fictitious families were over-income or had disqualifying characteristics. For 2 additional tests, our fictitious families did not have any disqualifying characteristics and were under-income. These 2 tests were designed to determine whether a Head Start center would count our fictitious children toward enrollment numbers even if our

⁹Department of Health and Human Services, Secretary's Advisory Committee on Re-designation of Head Start Grantees, *A System of Designation Renewal of Head Start Grantees* (Washington, D.C., December 2008). The committee provided the Secretary of Health and Human Services guidance on developing the system for redesignating grantees, which is required by the Improving Head Start for School Readiness Act of 2007, Pub. L. No. 110-134, § 7, 121 Stat. 1378 (codified at 42 U.S.C. § 9836(c)(2)).

children never attended the program. For all 15 tests, we contacted each center in advance and were instructed in all cases to bring certain documents necessary for enrollment, which included income documentation.

In 8 out of 13 eligibility tests, our families were told they were eligible for the program and instructed to attend class. In all 8 of these cases, Head Start employees actively encouraged our fictitious families to misrepresent their eligibility for the program. In at least 4 cases, documents we later retrieved from these centers show that our applications were doctored to exclude income information for which we provided documentation, which would have shown the family to be over-income. Employees at seven centers knowingly disregarded part of our families' income to help make over-income families and their children appear to actually be under-income. This would have had the effect of filling slots reserved for under-income children with over-income children. At two centers, staff indicated on application forms that one parent was unemployed, even though we provided documentation of the parents' income. A Head Start employee at one center even assured us that no one would verify that the income information submitted was accurate. For the 2 tests in which our family did not have disqualifying characteristics, we were accepted into the program once and not accepted once because of a lack of openings. In the test in which our eligible child was accepted into the program, the scenario was designed to test how long the center would keep a child who never attended the program on enrollment records before counting the spot as a vacancy and attempting to fill it with another child. Because of our concerns about occupying a slot for an actual child, we were forced to contact the center and voluntarily withdraw our fictitious child before sufficient time elapsed that would have allowed us to make a determination regarding how long the center would have kept our child on enrollment records. We monitored the centers where each of our fictitious children had been accepted and when a center told us that there were fewer than three vacancies, we subsequently called and withdrew our fictitious child. Head Start centers may keep a child on enrollment records for as long as 30 days even if the child has not attended class. All of our fictitious children were withdrawn from the program before the 30-day period had elapsed. However, the enrollment of our family that appeared eligible for the program as well as our other successful tests highlight the ease with which unscrupulous parents could fabricate documentation designed to make it appear as though their children were under-income or otherwise eligible for the program. Our fictitious pay stubs and W-2s were made using information found on the Internet, commercially available word processing software, and a printer and took only a few minutes to

create. At no point during our registrations was any of the information contained in fictitious documentation submitted by our parents verified, which indicates that the program is vulnerable to beneficiary fraud in addition to grantee fraud.

Table 4 provides details on our approved applications, followed by our unsuccessful applications. We withdrew our fictitious families from the programs as soon as we documented that there were fewer than three openings at a center. To view selected video clips of these undercover enrollments, go to <http://www.gao.gov/products/gao-10-1049/>.

Table 4: Head Start Enrollment Scenarios

Case	State	Undercover scenario	Case details
Information manipulated			
1	California	Outside of service area	<ul style="list-style-type: none"> A Head Start associate encouraged parent to provide falsified information about the family’s address in order to make the family eligible for services by the center.
2	New Jersey	Income exceeded poverty guidelines	<ul style="list-style-type: none"> A Head Start associate disregarded over \$23,000 worth of income in order to qualify the family of three (mother, father, and child) as under-income. The Head Start associate said with regard to the father’s income documents, “Now you see it, now you don’t” after handing back one of two pay stubs provided. The Head Start associate explained that there were over 30 vacancies at the center.
3	Pennsylvania	Income exceeded poverty guidelines	<ul style="list-style-type: none"> A Head Start associate disregarded over \$23,000 worth of income in order to qualify the family of three (mother, father, and child) as under-income. In addition, we told the Head Start associate that the mother also received some cash income from a part-time job. The associate replied “that’s your business.”
4	Texas	Income exceeded poverty guidelines	<ul style="list-style-type: none"> A Head Start associate disregarded over \$20,000 worth of income in order to qualify the family of three (mother, father, and child) as under-income. With respect to the disregarded income, the associate stated “we see this, but we don’t see this,” explaining that if both parents’ incomes were counted the family would be on a long wait list for over-income families. Our bogus applicant was assured that the government would never come back to verify the income.

Case	State	Undercover scenario	Case details
5	Texas	Income exceeded poverty and agricultural guidelines	<ul style="list-style-type: none"> A Head Start associate disregarded \$11,700 in nonagricultural work in order to qualify the family of three (mother, father, and child) for Migrant and Seasonal Head Start services. A requirement of Migrant and Seasonal Head Start programs is that the families' incomes must be derived primarily from certain agricultural work. Including the disregarded salary would have also put the family over 130 percent of the poverty guideline.
6	Wisconsin	Income exceeded poverty guidelines	<ul style="list-style-type: none"> A Head Start associate disregarded over \$23,000 worth of income in order to qualify the family of three (legal guardians—grandmother, and grandfather, and child) as under-income. The Head Start associate said that she chose to report only the grandmother's income because it was lower than the grandfather's income.
7	Wisconsin	Income exceeded poverty guidelines	<ul style="list-style-type: none"> A Head Start associate disregarded over \$23,000 worth of income in order to qualify the family of three (legal guardians—grandmother, and grandfather, and child) as under-income. The Head Start associate said that she chose to count only one guardian's income so the family would qualify.
8	Washington, D.C.	Income exceeded poverty guidelines	<ul style="list-style-type: none"> A Head Start associate disregarded \$9,600 worth of cash income in order to enroll the family of three (mother, father, and child) as under-income. After we reported the family's cash income, the Head Start associate said "We don't need any extra; we need to keep you low." The Head Start associate explained that if nine more children were not enrolled by the end of the week, she might have to make staff cuts.
Not approved or no evidence of manipulation			
9	Washington, D.C.	None—fictitious children were eligible	<ul style="list-style-type: none"> The fictitious family of three (father and two children) met program and income requirements and was approved with bogus documents. The test was also designed to see whether the Head Start center would count our fictitious children who never attended the program toward enrollment figures. The Head Start center left the fictitious children on the enrollment records for a month. We voluntarily withdrew our fictitious children from the center because of concerns about occupying slots for actual children. Because of this withdrawal, we were unable to determine how long the center would have kept our children on enrollment records.

Case	State	Undercover scenario	Case details
10	California	None—fictitious children were eligible	<ul style="list-style-type: none"> The fictitious family of three (mother, father, and child) met program and income requirements. The test was designed to see whether the Head Start center would count our fictitious children toward enrollment figures. The application was accepted by in-take staff at the Head Start center, but the main program office never called the family to complete enrollment procedures.
11	California	Income exceeded poverty guidelines and residence outside service area	<ul style="list-style-type: none"> The income for the family of three (mother, father, and child) was \$50,000—more than double what poverty guidelines allow. A Head Start associate denied our application because our address showed that we lived outside the center’s service area.
12	California	Income exceeded poverty guidelines	<ul style="list-style-type: none"> The income for the family of three (mother, father, and child) was \$12,000 more than allowed for the family to be considered income eligible. A Head Start associate denied this application because the family was over-income.
13	Maryland	Child already enrolled in another Head Start center	<ul style="list-style-type: none"> The fictitious single mother of one stated that she wanted to enroll the child in this Head Start center certain days of the week and another nearby center on other days of the week—a violation of the program’s requirement that children be continuously enrolled. The Head Start associate denied the application because we claimed that the child was already enrolled in another Head Start center.
14	Texas	Income exceeded poverty guidelines	<ul style="list-style-type: none"> The income for the family of two (mother and child) was \$2,000 more than allowed for the family to be considered income eligible. We submitted initial paperwork, but were told that our application could not be processed further because we did not provide a full 12 months of pay stubs.
15	Washington, D.C.	Income exceeded poverty guidelines	<ul style="list-style-type: none"> The income for the family of three (mother, father, and child) was \$75,000—more than triple what poverty guidelines allow. We submitted a prescreening application indicating that the family was over-income and were never contacted by Head Start employees to continue the enrollment process.

Source: GAO summary of undercover tests.

We also identified a key vulnerability during our investigation that could allow over-income children to be enrolled in other Head Start centers: income documentation for enrollees is not required to be maintained by grantees. Under Head Start regulations, Head Start center employees must sign a statement attesting that the applicant child is eligible and identifying which income documents they examined, such as W-2s or pay stubs; however, they do not have to maintain copies of them. We discovered that

the lack of documentation made it virtually impossible to determine whether families enrolled in Head Start programs had provided accurate information to Head Start centers. As a result of our testimony at the May 18, 2010 hearing, OHS issued guidance that suggested that grantees use a standardized form to collect eligibility information, and that grantees maintain copies of the eligibility documents that were reviewed. However, given that Head Start employees in several of our undercover tests reviewed family income documentation, and then chose only to record part of the income on Head Start forms, we remain concerned that ineligible children could receive services for which they are not eligible.

Most Centers Maintain Wait Lists

We are concerned that eligible children at other centers do not receive services for which they are in need, given the vulnerabilities to fraud and abuse we found through our undercover tests. At 2 of the 8 centers where we enrolled fictitious children that were not eligible for the program, we were later told, after withdrawing our children from the program, that the center was at full enrollment and was not accepting more children at that time. During the course of our work, we contacted approximately 550 Head Start centers to determine whether they had space for our fictitious children. We found that the majority of the centers stated that they had no open slots for enrollment but maintained wait lists per program requirements. We found that only 44 centers stated that they had any openings. We interviewed 21 families on wait lists and found that the majority stated that their income was at or below the federal poverty level. In some cases, families had experienced some type of domestic violence or were receiving some other type of public assistance, a group targeted specifically for assistance by Head Start program guidelines. We did not attempt to verify this information.

Head Start Center Wait Lists Were Substantial

The length of these wait lists varied considerably; however, several of the centers we contacted had lengthy wait lists. For example, one grantee we contacted in Texas, which serves approximately 4,260 children in 36 centers, had over 1,150 children on its wait list. Another Head Start grantee told us that it averages around 500 children on its wait list. A representative from one Pennsylvania Head Start center we contacted stated that there were around 120 applicants on the center's wait list. Furthermore, a review of media sources reveals that Head Start centers around the country face similar challenges meeting their communities' demand for services. We queried a news media search engine and found numerous reports of lengthy waiting lists to enroll in Head Start programs in many parts of the country. For example, according to one Florida

newspaper, the state of Florida has 8,000 students on wait lists for Head Start programs. A newspaper in Indiana, reported that a program in Indiana that serves 380 students has 170 students on the wait list. It is important to note that we found a range of openings in the centers we called. While several grantees reported that they had lengthy wait lists, other grantees were eager to accept our fictitious, over-income children to fill their rolls. The center in New Jersey that accepted our fictitious over-income family told us that it had more than 30 openings. Another center in California, which did not accept our application, told us that it had 40 part-day openings. We did not validate the actual number of students on waitlists in these centers.

Eligible Applicants Cannot Be Admitted Because of Lack of Space

We contacted 21 families who at the time of interview were on wait lists for Head Start programs. We received a list of 1,600 wait list applicants from a Head Start grantee in Texas—of these, we attempted to call the 30 families who were at the top of the waitlist and we were able to speak to 11 families. We also received a wait list of 30 applicants for services in Pennsylvania—we attempted to speak to all 30 families and of these we were able to speak to 10 families. We asked applicants for information on the length of time they spent on the wait list, on the family's economic situation, and whether they had been affected by being waitlisted for Head Start services. Several of the applicants we spoke with described circumstances that made them especially strong candidates for Head Start, including receiving other types of public assistance, such as Medicaid or Supplemental Nutrition Assistance, or having histories of domestic abuse. Additionally, several applicants reported that family members were unable to accept work opportunities as a result of not being able to enroll children in Head Start, or experienced additional financial strain because they had to pay child care costs. Many applicants also cited concerns that their children would not be adequately prepared for school. Given the relative ease with which GAO employees posing as fictitious parents were able to qualify for Head Start services, it is possible that some over-income or otherwise ineligible children are currently enrolled in Head Start programs while low-income children are put on wait lists and do not receive necessary services. For example, when a center manipulates information to make it appear that an over-income family is a low-income family this possibly takes up a Head Start slot set aside for a low-income family. Although OHS does not currently collect information that would allow it to determine what percent of Head Start centers have a wait list, the majority of centers we called reported that they had a wait list. We did not attempt to verify the applicants' statements.

Table 5: Summary of Selected Head Start Wait List Families

Case	State	Months wait-listed	Case details ^a
1	Pennsylvania	4 months	<ul style="list-style-type: none"> The mother, a single parent of three children, is unemployed. The family has experienced domestic violence and is in an abuse protection program. The family is enrolled in several public assistance programs, including receiving Supplemental Nutrition Assistance Program (SNAP) benefits. The mother stated that enrolling the child in Head Start would allow her to look for work and help her child prepare for kindergarten.
2	Pennsylvania	6 months	<ul style="list-style-type: none"> The mother, a single parent of three children, earns \$150 to \$200 per week—less than half of what poverty guidelines allow. The family is enrolled in several public assistance programs, including Medicaid and SNAP benefits. The mother was told that her son was waitlisted because of a lack of government funding. The child’s grandmother cannot work because she must care for the child.
3	Pennsylvania	1 month	<ul style="list-style-type: none"> The mother, a single parent of three children, is unemployed. The mother has experienced domestic violence and the family receives SNAP benefits. The mother received a letter from the Head Start center stating that her child was eligible, but had been put on the wait list because the center had no openings for funding reasons. The mother cannot work because she is taking care of her child.
4	Texas	2 months	<ul style="list-style-type: none"> The mother, a single parent caring for two children, earns \$1,025 per month—\$6,000 a year below the poverty level. The mother works nights, and sleeps only a few hours a day as a result of not having child care for her son during the day.
5	Texas	3 months	<ul style="list-style-type: none"> The family of four lives on \$290 per week—\$7,000 per year below the poverty level. The family is enrolled in Medicaid. The mother cannot work because she must take care of the child.
6	Pennsylvania	2 months	<ul style="list-style-type: none"> The single mother is unemployed, but her aunt provides for the family, giving them \$150 every 2 weeks. The family does not receive any type of public assistance. The mother is concerned about the child’s education as a result of not attending Head Start.
7	Texas	1 month	<ul style="list-style-type: none"> The mother, a single parent of two children, is unemployed and receives \$500 per month in child support. The family is on two public assistance programs: Women Infants and Children (WIC) and Medicaid. The family has experienced domestic violence. The mother has offers for work but cannot accept them because she must care for the child.

Case	State	Months wait-listed	Case details ^a
8	Texas	2 months	<ul style="list-style-type: none"> The mother, a single parent of four children, made \$1,000 per month, almost \$14,000 a year below the poverty line. Since applying for Head Start services, she has become unemployed. The family is on two public assistance programs: Medicaid and SNAP benefits. The family has faced domestic violence, but the Head Start center did not ask the parent whether they had. When the mother was working, she had to pay over \$300 a month to hire a babysitter to take care of her child.
9	Pennsylvania	2 months	<ul style="list-style-type: none"> Both parents are unemployed, and the family lives with a brother who currently provides for them. The mother feels that the child is missing out on an education as a result of not attending Head Start.
10	Pennsylvania	7 months	<ul style="list-style-type: none"> The family of three is \$8,000 a year under the poverty guidelines earning \$200 a week. The family is on several public assistance programs, including WIC, Medicaid and SNAP benefits. The applicant is concerned that his child will not be able to speak English when he starts school.

Source: GAO summary of what families told GAO about their situation and concerns.

^aStatements made by parents were not verified by GAO.

Corrective Action Briefing

On April 20 and April 23, 2010, we briefed OHS and HHS officials on the results of our undercover testing. Officials indicated that HHS would work quickly to address the weaknesses we identified. We suggested a number of potential actions the agency should consider to minimize Head Start fraud and abuse, including the following:

- Creating an OHS program management fraud hotline for individuals to report fraud, waste, and abuse. These tips could be investigated by the program, the HHS Inspector General, or both.
- Establishing more stringent income verification requirements, documentation requirements, or both by Head Start employees responsible for certifying family eligibility, such as maintaining income documentation provided by the applicant (e.g., pay stubs or W-2s).
- Conducting undercover tests, such as the ones we describe in our report, as a management oversight function.

In response HHS took a number of actions to strengthen program integrity in general and the eligibility process specifically, including the following:

- Issuance of a Program Instruction (PI) which stated that Head Start employees who examine the documents and make a determination of eligibility must sign a statement attesting to their review of the specific documents and the determination that the child is eligible to participate based on family income. The PI also encourages programs to maintain copies of the eligibility documents with the eligibility verification form in the child's official record.
- Implementation of a Web hotline for the purpose of reporting fraud and fiscal mismanagement.
- Review and analysis of the existing Head Start monitoring system to ensure that (1) the verification of income eligibility is clearly understood and fully implemented; (2) Head Start grantees are providing regular training to employees who verify income; (3) Head Start grantees have active waiting lists that, based on the Head Start grantees' selection criteria as mandated in the 2007 Head Start Act, include income-eligible children as well as categorically eligible children, such as families receiving public assistance and homeless children and families; and (4) Head Start grantees are taking a closer look at their recruitment efforts and the need for the reallocation of slots.

HHS officials also indicated that the agency has moved expeditiously to begin a rule making process to strengthen the regulations on the eligibility verification process.

On September 14, 2010, we briefed OHS and HHS officials on the results of our investigation of the Texas and Midwest grantees.

We are sending copies of this report to the Secretary of Health and Human Services and other interested parties. The report will also be available at no charge on the GAO Web site at <http://www.gao.gov>. If you or your staff

have any questions about this report, please contact me at (202) 512-6722 or kutzg@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report.

A handwritten signature in black ink that reads "Gregory D. Kutz". The signature is written in a cursive style with a large, stylized initial "G".

Gregory Kutz
Managing Director
Forensic Audits and Special Investigations

List of Addressees

The Honorable Mitch McConnell
Republican Leader
United States Senate

The Honorable Joseph I. Lieberman
Chairman
The Honorable Susan M. Collins
Ranking Member
Committee on Homeland Security and Government Affairs
United States Senate

The Honorable Charles E. Grassley
Ranking Member
Committee on Finance
United States Senate

The Honorable Michael B. Enzi
Ranking Member
Committee on Health, Education, Labor, and Pensions
United States Senate

The Honorable George Miller
Chairman
Committee on Education and Labor
House of Representatives

The Honorable Edolphus Towns
Chairman
The Honorable Darrell E. Issa
Ranking Member
Committee on Oversight and Government Reform
House of Representatives

Appendix I: Objectives, Scope, and Methodology

Our objectives were to (1) investigate the allegations of fraud and abuse at these two Head Start grantees, (2) conduct undercover tests to determine if other grantees were committing similar abuses, and (3) document instances in which potentially eligible children were put on wait lists for Head Start services at other centers.

To investigate the allegations of fraud and abuse we received through our FraudNet hotline, we interviewed informants and the two Head Start grantees in the Midwest and Texas. We reviewed grant documentation and enrollment information reported to the Office of Head Start (OHS) by grantees. We requested documentation from the grantees, including attendance records, student files, and policy memorandums. We compared attendance records to reported enrollment at the Head Start nonprofit grantees in the Midwest and Texas. For each grantee, we analyzed daily attendance records spanning 5 months of the 2009-2010 program year to calculate average daily attendance and the highest and lowest attendance on a single day. To evaluate homelessness determinations, we reviewed information contained in family files against regulatory requirements. To test in-kind donations recorded by the Midwest Migrant and Seasonal Head Start program in the 2009-2010 program year, we compared grantee records to requirements set out in Head Start statutes and regulations.

To conduct undercover testing, we created fictitious identities and bogus documents, including pay stubs and birth certificates, in order to attempt to register over-income or otherwise potentially ineligible families and their children at 13 Head Start centers located in California, Maryland, New Jersey, Pennsylvania, Texas, Wisconsin and the Washington, D.C., metropolitan area. One of these centers was visited 3 times; we conducted a total of 15 tests at the centers we tested. We also attempted to register two eligible families and their children to determine if centers would count these children toward reported enrollment numbers. We chose these centers for two reasons. First, unlike about 500 centers we contacted that could not confirm they had any openings, these centers indicated that they had openings for new enrollees. We chose to focus on only centers with openings to be sure we did not displace any actual, eligible children. Second, they were located either in states with a significant proportion of Head Start funding, in the same geographic area as a GAO office, or in the same geographic area as the two programs accused of committing fraud. We created 15 fictitious scenarios and used fabricated documentation during our in-person applications. Our over-income scenarios involved family incomes ranging from approximately \$20,000 to approximately \$75,000. The scenarios were designed to determine if other Head Start centers were engaging in actions similar to those that were the basis of the

allegations we received about centers in the Midwest and Texas. We used publicly available hardware, software, and materials to fabricate our supporting documentation. In situations in which our fictitious parents were told to bring their fictitious child to class, we monitored centers by making follow-up phone calls, to determine if centers still had openings in order to ensure that we were not occupying a space that could be used by an actual, eligible child. Subsequent to our applications, we requested, as GAO, that the centers provide us all information regarding the submitted applications and information as to whether these fictitious children ever were counted on center attendance records.

In order to document situations of families waiting to enroll in Head Start, we identified centers with wait lists through calls we made to approximately 550 centers and contacted families on these wait lists. We asked applicants for information on the length of time they spent on a wait list, the family's economic situation, and whether they had been affected by being waitlisted for Head Start services. We did not attempt to verify the accuracy of the information that families provided to us. We cannot project the results of our investigation of allegations, undercover tests, and family interviews to the entire Head Start program. We conducted our investigation from October 2008 through September 2010 in accordance with the standards prescribed by the Council of the Inspectors General on Integrity and Efficiency.

GAO's Mission

The Government Accountability Office, the audit, evaluation, and investigative arm of Congress, exists to support Congress in meeting its constitutional responsibilities and to help improve the performance and accountability of the federal government for the American people. GAO examines the use of public funds; evaluates federal programs and policies; and provides analyses, recommendations, and other assistance to help Congress make informed oversight, policy, and funding decisions. GAO's commitment to good government is reflected in its core values of accountability, integrity, and reliability.

Obtaining Copies of GAO Reports and Testimony

The fastest and easiest way to obtain copies of GAO documents at no cost is through GAO's Web site (www.gao.gov). Each weekday afternoon, GAO posts on its Web site newly released reports, testimony, and correspondence. To have GAO e-mail you a list of newly posted products, go to www.gao.gov and select "E-mail Updates."

Order by Phone

The price of each GAO publication reflects GAO's actual cost of production and distribution and depends on the number of pages in the publication and whether the publication is printed in color or black and white. Pricing and ordering information is posted on GAO's Web site, <http://www.gao.gov/ordering.htm>.

Place orders by calling (202) 512-6000, toll free (866) 801-7077, or TDD (202) 512-2537.

Orders may be paid for using American Express, Discover Card, MasterCard, Visa, check, or money order. Call for additional information.

To Report Fraud, Waste, and Abuse in Federal Programs

Contact:

Web site: www.gao.gov/fraudnet/fraudnet.htm

E-mail: fraudnet@gao.gov

Automated answering system: (800) 424-5454 or (202) 512-7470

Congressional Relations

Ralph Dawn, Managing Director, dawnr@gao.gov, (202) 512-4400
U.S. Government Accountability Office, 441 G Street NW, Room 7125
Washington, DC 20548

Public Affairs

Chuck Young, Managing Director, youngc1@gao.gov, (202) 512-4800
U.S. Government Accountability Office, 441 G Street NW, Room 7149
Washington, DC 20548

