



Highlights

Highlights of [GAO-19-519](#), a report to the Republican Leader, Committee on Education and Labor, House of Representatives

Why GAO Did This Study

The Head Start program, overseen by OHS, seeks to promote school readiness by supporting comprehensive development of low-income children. In fiscal year 2019, Congress appropriated over \$10 billion for programs under the Head Start Act, to serve approximately 1 million children through about 1,600 Head Start grantees and their centers nationwide. This report discusses (1) what vulnerabilities GAO's covert tests identified in selected Head Start grantees' controls for program eligibility screening; (2) the extent to which OHS provides timely monitoring of grantees; and (3) what control vulnerabilities exist in OHS's methods for ensuring grantees provide services for all children and pregnant women they are funded to serve. GAO conducted 15 nongeneralizable covert tests at Head Start centers in metropolitan areas. GAO selected only centers that were underenrolled to be sure we did not displace any actual, eligible children. GAO also reviewed OHS timeliness goals and data for the period October 2015 through March 2018, and used attendance data to verify enrollment data reported for early 2018 for a nongeneralizable sample of nine grantees.

What GAO Recommends

GAO makes six recommendations, including that OHS perform a fraud risk assessment, develop a system to evaluate the effectiveness of its new workflows, and communicate guidance on when a student's slot should be considered vacant due to absenteeism. OHS concurred with four recommendations, but did not concur with two. GAO believes the recommendations remain valid.

View [GAO-19-519](#). For more information, contact Seto J. Bagdoyan at (202) 512-6722 or bagdoyans@gao.gov

Head Start

Action Needed to Enhance Program Oversight and Mitigate Significant Fraud and Improper Payment Risks

What GAO Found

GAO's 15 covert tests at a nongeneralizable selection of Head Start grantee centers found vulnerabilities in centers' controls for eligibility screening and detecting potential fraud. Posing as fictitious families, GAO attempted to enroll children at selected Head Start centers in metropolitan areas (e.g., Los Angeles and Boston). For each test, GAO provided incomplete or potentially disqualifying information during the enrollment process, such as pay stubs that exceeded income requirements.

- In 7 of 15 covert tests, the Head Start centers correctly determined GAO's fictitious families were not eligible.
- In another 3 of 15 covert tests, GAO identified control vulnerabilities, as Head Start center staff encouraged GAO's fictitious families to attend without following all eligibility-verification requirements.
- In the remaining 5 of 15 covert tests, GAO found potential fraud. In 3 cases, documents GAO later retrieved from the Head Start centers showed that GAO's applications had been doctored to exclude income information GAO provided, which would have shown the fictitious family to be over-income. In 2 cases, Head Start center staff dismissed eligibility documentation GAO's fictitious family offered during the enrollment interview.

The Office of Head Start (OHS), within the Department of Health and Human Services, has not conducted a comprehensive fraud risk assessment of the Head Start program in accordance with leading practices. Such an assessment could help OHS better identify and address the fraud risk vulnerabilities GAO identified.

OHS has not always provided timely monitoring of grantees, leading to delays in ensuring grantee deficiencies are resolved. In the period GAO examined, OHS did not consistently meet each of its three timeliness goals for (1) notifying grantees of deficiencies identified during its monitoring reviews, (2) confirming grantee deficiencies were resolved, and (3) issuing a final follow-up report to the grantee. In October 2018, OHS implemented new guidance (called "workflows") that documents its process for notifying, following up, and issuing final reports on deficiencies identified by its monitoring reviews. However, OHS has not established a means to measure performance or evaluate the results of its new workflows to determine their effectiveness.

Vulnerabilities exist for ensuring grantees provide services to all children and pregnant women they are funded to serve. For example, OHS officials said grantees have the discretion to allow children with extended absences—sometimes of a month or more, according to GAO's analysis—to remain counted as enrolled. OHS officials told GAO that a child's slot should be considered vacant after 30 days of consecutive absences, but OHS has not provided that guidance to grantees. Without communicating such guidance to grantees, OHS may not be able to ensure slots that should be considered vacant are made available to children in need. Further, OHS risks paying grantees for services not actually delivered.