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United States Senate
COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS
WASHINGTON, DC 20510–6300

October 16, 2026

The Honorable Orice Williams Brown
Acting Comptroller General
United States Government Accountability Office
441 G Street NW
Washington, DC 20548

Dear Acting Comptroller General Brown:

We are writing to request that the Government Accountability Office (GAO) initiate an audit of states' payment integrity actions and oversight within the Child Care and Development Fund (CCDF), with particular attention to state payment systems, administrative controls, and coordination with the U.S. Department of Health and Human Services (HHS). The CCDF program provides federal and state-funded childcare assistance to low-income families, helping them access quality childcare while they work, train, or attend educational programs. Congress has continuously supported providing this critical assistance to our hard-working constituents. However, significant challenges persist in preventing fraud and improper payments in this program. For example, for fiscal year 2025, HHS reported that CCDF had over $800 million in overpayments, representing about 4.5 percent of its payments. Further, in January 2026, HHS froze access to certain CCDF funds in California, Colorado, Illinois, Minnesota, and New York due to serious concerns about widespread fraud and misuse of taxpayer dollars. In a July 2026 GAO report on federally funded state administered programs, your agency highlighted examples of recent fraud schemes that have occurred in the CCDF program.

Challenges with CCDF's ability to maintain program integrity are longstanding. In 2010, GAO found that five states with large CCDF budgets (over $100 million each) had weak fraud prevention controls. In undercover tests, investigators attempted to circumvent selected states' fraud prevention controls and found several vulnerabilities that could be exploited for fraud and abuse. You have also reported on difficulties in overseeing and monitoring CCDF program-integrity risks. For example, in 2020, you reported that HHS did not clearly define what states should report on its program-integrity activities and the corrective actions that it plans to take to address root causes of improper payments. Although HHS has taken steps to address recommendations from prior reports, including conducting a fraud risk assessment of the program, more actions need to be taken to address payment risks at the federal, state, and local levels.

We are writing today to request GAO conduct a follow-up study on improper payments and fraud in the CCDF program. Specifically,

(1) To what extent have fraud risk assessments and efforts to prevent and detect fraud and improper payments been incorporated into the CCDF program?

(2) What are key eligibility and payment integrity risks and to what extent has the federal government and the states taken steps to address those risks? For example,

   a. To what extent has the federal government and the states taken steps to ensure that beneficiaries and providers are eligible for the CCDF program?

   b. To what extent has the federal government and the states ensured that providers are paid for the services that they provide and not just based on enrollment in childcare centers?

   c. To what extent has the federal government and states ensured that providers are not overbilling the states for children that are enrolled in more than one federal childcare program (e.g., CCDF and Early Head Start)?

(3) What, if any, additional actions need to be taken to address the payment integrity risks related to fraud posed in CCDF?

   a. What lessons learned or better practices for accurately identifying and estimating improper payments (including fraud) and improving payment integrity can be leveraged across states?

   b. How does HHS ensure that states are properly estimating their improper payments rates?

Sincerely,

Bill Cassidy, M.D.
Chairman
U.S. Senate Committee on Health,
Education, Labor, and Pensions

Tommy Tuberville
United States Senator

Jon Husted
United States Senator