United States Senate

COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS

WASHINGTON, DC 20510–6300

March 16, 2026

VIA ELECTRONIC TRANSMISSION

Governor Kathy Hochul
NYS State Capitol Building
Albany, NY 12224

Dear Governor Hochul:

State-administered assistance programs have faced increased scrutiny by federal investigators in recent days due to allegations of widespread fraud and misuse of federal funds.[1] These programs are intended to support vulnerable children and working families in accordance with federal and state statutory and regulatory requirements. In January, I led the Senate Republican Conference in demanding accountability from Governor Tim Walz of Minnesota after reports raised significant concerns about the adequacy of the state's oversight, verification, and compliance systems for safeguarding taxpayer dollars in state-administered child care assistance programs.[2]

As Chairman of the Senate Committee on Health, Education, Labor, and Pensions (HELP), I am continuing to investigate allegations of fraud and misuse in state-administered child care assistance programs. To this end, I am concerned by the most recent data from the Department of Health and Human Services (HHS) indicating that New York's child care assistance programs have reported improper payment rates of 17.73 percent in FY 2024, which is among the highest in the country.[3] Error rates of this magnitude raise significant concerns about both fraud prevention and access to child care for the families these programs are intended to serve and highlight the need for strengthened program monitoring, improved internal controls, and greater transparency in how these programs are administered.

Ensuring the integrity of child care assistance programs is critical not only for protecting taxpayer dollars, but also for maintaining public confidence in programs designed to support children and families. To support the Committee's ongoing investigation, please respond to the following questions, on a question-by-question basis, no later than **March 30, 2026**:

1) Please explain New York's improper payment rates of 17.73 percent in FY 2024.

[1] Press Release, Dep't of Health and Hum. Servs., HHS Freezes Child Care and Family Assistance Grants in Five States for Fraud Concerns (Jan. 6, 2026), https://www.hhs.gov/press-room/hhs-freezes-child-care-family-assistance-grants-five-states-fraud-concerns.html.
[2] Letter from Bill Cassidy, Chairman, Senate Comm. on Health, Educ., Labor and Pensions, and U.S. Republican Senators, to Tim Walz, Governor of the State of Minnesota (Jan. 8, 2026), https://www.help.senate.gov/imo/media/doc/2026-01-08_letter_to_minnesota_governor_walz_signed_finalpdf.pdf.
[3] Dep't of Health and Hum. Servs., National CCDF Improper Payment Rates by State (FY 2025) (on file with Committee).

a. Please provide New York's improper payment rates from FY 2016 – FY 2025.

2) Please list all sources of federal funding for state-administered child care assistance programs, including the Child Care and Development Block Grant (CCDBG), COVID-19 pandemic relief funds, Head Start or Early Head Start funding, Temporary Assistance for Needy Families (TANF), Social Services Block Grant (SSBG), and any other sources of federal taxpayer dollars.

3) Please detail measures enacted by the state of New York to address fraud, waste, and abuse in state-administered child care assistance programs since 2016.

   a. Please detail additional measures adopted by the state to address ongoing fraud, waste, and abuse in state-administered child care assistance programs.

4) Please provide the types and frequencies of state-led on-site monitoring, inspections, and investigative visits of licensed, registered, and state exempt child care providers that have receive child care subsidies since 2016.

5) Please detail any additional verification requirements the state has adopted or plans to implement in the near term to support proof of legitimate use of federal child care payments.

6) How many audits of state-administered child care assistance programs has the state of New York conducted since January 1, 2016, and what evidence of improper payments and fraud has been uncovered?

   a. Please detail specific examples of improper payments and fraudulent billing, including but not limited to billing for children who did not exist or were not present; falsifying attendance records and/or names; enrolling ineligible children to increase reimbursement; overbilling for services not provided; and using fake business structures to draw down additional public funds.

7) Please describe any additional reforms New York has evaluated for potential implementation to prevent fraud in the state's federally funded welfare programs, including but not limited to individual registration requirements, use of biometric technologies, removing providers from programs, etc.

8) Please provide detailed documentation for all providers receiving federal child care funds from the state of New York since January 1, 2020, including attendance records, licenses, inspection and monitoring reports, complaints, and investigations.

Sincerely,

Bill Cassidy, M.D.

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