

Scenario 1:

At the National CACFP conference, an Administrator for TDA Food and Nutrition, Bob Branson, went to Starbucks during a break to grab a \$3 coffee. The Administrator noticed the executive director, Mary Marple, of Angels on the Playground, a Texas CE, was standing behind him in line. Mr. Branson introduced himself and chatted with Ms. Marple for several minutes. When they got to the front of the line, Mr. Branson paid for Ms. Marple's \$6 grande, non-fat, extra caramel, extra whip, vanilla latte with 12 raw sugars. As they continued to chat and consume their drinks, Ms. Marple mentioned the latest administrative review of her center. She asked Mr. Branson about an adverse action assessed against her center based on lack of milk receipts. Mr. Branson told Ms. Marple he was not aware of the specific AR she was referring to, but that he'd get some information and call her next week when he was back in the office to follow up.

Application to Fraud Triangle:

Motivation: Mr. Branson wanted to be hospitable to Ms. Marple.

Opportunity: Both Ms. Marple and Mr. Branson were attending the conference and getting coffee at the same time.

Rationalization: Mr. Branson is aware, as an administrator, that he should not be gifting food or items to CEs. However, this drink was only \$6.

Scenario 2:

Daisy Mae, on behalf of her business, No Bones About It, successfully applied to operate as a sponsor in the CACFP, including submitting, and receiving approval for, her budget. In the budget, Ms. Mae indicated that \$500 in rent would be paid monthly to Old Dogs, Unlimited for office space. She did not disclose that Ms. Mae's brother, Odie Bo, owns the office building where No Bones About It is located, and is the CEO of Old Dogs, Unlimited. However, the market rate for office space in the area where Mr. Bo's building is located is high, and comparable offices rent for \$5000. Because Mr. Bo is renting office space to Ms. Mae at a significant discount, she assumes the TDA reviewers will be pleased at any AR if this topic comes up, because Ms. Mae is saving a lot of CACFP administrative funds, which she uses to put back into the program for her sites.

Application to Fraud Triangle:

Motivation: Daisy Mae wants to get approved to operate the program as quickly and easily as she can so she can help the children in her community. She also wants to use as much of the administrative funds as possible to put back into her program. She wants to run the best program in the state. (not all motivations are nefarious!)

Opportunity: Daisy Mae's brother owns the office building and wants to support his sister's business. Daisy Mae likes renting from her brother, as it supports his business as well. TDA application reviewers likely won't know that the building is owned by Odie Bo unless Daisy Mae tells them, so they will be none the wiser.

Rationalization: Daisy Mae will save so much money in rent and can use those funds for better training for the site supervisors and better quality food for the kids in the program. TDA probably won't find out about the family tie to the building. The faster Daisy Mae gets approved, the sooner she can start helping the children of her community.

Scenario 3:

Mr. Naranja runs an unaffiliated child care center that participates in the CACFP. Ms. Roja, Mr. Naranja's sister, also runs an unaffiliated child care site and participates in the CACFP. The siblings often meet up for lunch to complete and organize their CACFP paperwork together at a local café. The siblings use the same vendors, and generally their CACFP food costs are similar, as their centers serve the same amount of children.

One day, Mr. Naranja was walking to the café with a box containing all of his center's CACFP milk receipts for January 2018 in his hands. All of a sudden, the skies opened in a great rainstorm, and Mr. Naranja, along with his box of documents, arrived at the café completely soaked. When he opened the box, he discovered that all of his records were ruined and were unreadable.

Because he could not afford to not claim for the entire month of January, Ms. Roja suggested he copy her milk receipts and said that, should he ever be reviewed for the month of January 2018, he should submit those copies. Because Mr. Naranja knew his milk purchases were within \$50 of Ms. Roja's purchases, Mr. Naranja agreed and copied his sister's receipts. Luckily, when the AR was conducted in late 2018, the test month was February 2018, and the reviewers never knew Mr. Naranja copied the receipts.

Motivation: Mr. Narana could not afford to lose a whole month's worth of claims because of damaged records. Ms. Roja wanted to help her brother.

Opportunity: The siblings were working offsite, so there were no witnesses involved in the food programs to report their fraud. Since Mr. Naranja does not have to submit his records monthly, he was able to make the claim without showing his milk records.

Rationalization: TDA may never find out about the copied receipts. Mr. Naranja did make the milk purchases, and it's better to have copied receipts than no receipts and lose money. Because the purchases were within \$50 of each other, there was no harm.