

Department of Health and Human Services

**OFFICE OF
INSPECTOR GENERAL**

**SOME SOUTH CAROLINA CHILDCARE
CENTERS DID NOT ALWAYS COMPLY
WITH STATE HEALTH AND SAFETY
LICENSING REQUIREMENTS**

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Office of Inspector General

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EXECUTIVE SUMMARY

The State agency's monitoring did not always ensure that the four childcare providers that we reviewed in South Carolina complied with State licensing requirements related to the health and safety of children.

WHY WE DID THIS REVIEW

The Administration for Children and Families provides Federal grants through several programs, including Head Start and the Child Care and Development Fund (CCDF). In a recent report summarizing the results of 24 audits of Head Start grantees, we described multiple health and safety issues that put children at risk (report number A-01-11-02503). To determine whether similar health and safety risks exist at childcare providers that received CCDF funding, we audited four licensed childcare centers (childcare providers) in South Carolina that received CCDF funding. We conducted this audit of the South Carolina Department of Social Services (State agency) in conjunction with our review of 20 family day care homes (report number A-04-14-08031).

The objective of our audit was to determine whether the State agency's monitoring ensured that childcare providers that received CCDF funds complied with State licensing requirements related to the health and safety of children.

BACKGROUND

The CCDF, authorized by the Child Care and Development Block Grant Act and the Social Security Act § 418, assists low-income families, families receiving temporary public assistance, and families transitioning from public assistance to obtain child care so that parents may work or obtain training or education. Combined funding for the CCDF program for fiscal year 2012, including the block grant's discretionary fund and the CCDF mandatory and matching funds, was approximately \$5.2 billion nationwide.

As the lead agency, the State agency is responsible for monitoring programs and services, ensuring compliance with the rules of the program, and promulgating regulations to govern the administration of the plan. Additionally, the State agency is responsible for childcare licensing and enforcement personnel who conduct inspections to ensure that childcare providers meet basic health and safety standards. State regulations require at least two unannounced inspections of each childcare provider facility per year.

WHAT WE FOUND

Although the State agency had conducted the required monitoring at all four of the childcare providers that we reviewed, this monitoring did not always ensure that providers that received CCDF funds complied with State licensing requirements related to the health and safety of children. Specifically, all four of the childcare providers that we visited did not comply with the childcare center physical condition requirements, which had previously been cited by the State agency. Nor did the four childcare providers comply with caregiver documentation requirements

such as training and discipline statements. One provider did not comply with children's immunization record requirements. The instances of noncompliance occurred because the State agency did not conduct followup monitoring to ensure that the providers rectified previous instances of noncompliance or took proactive steps to remain compliant with all State regulations.

WHAT WE RECOMMEND

We recommend that the State agency:

- ensure that childcare providers adhere to all requirements for the health and safety of children,
- ensure that childcare providers obtain all required training and discipline statements for all employees who provide direct services to children, and
- ensure that required immunization documentation is included in the children's records.

STATE AGENCY COMMENTS

In written comments on our draft report, the State agency generally concurred with our recommendations and provided information on actions that it has taken or plans to take to address our recommendations.

OUR RESPONSE

Although the State agency generally concurred with the findings and recommendations in our draft report, it provided additional comments and support documentation in its comments. Accordingly, we have updated our findings and recommendations.

TABLE OF CONTENTS

INTRODUCTION.....	1
Why We Did This Review	1
Objective.....	1
Background	1
South Carolina Department of Social Services	2
Related Office of Inspector General Work	2
Child Care Aware of America	2
Child Care and Development Block Grant Act of 2014.....	2
How We Conducted This Review.....	3
FINDINGS	3
Childcare Providers Did Not Always Comply With Physical Conditions Requirements	4
State Requirements	4
Childcare Providers Did Not Always Comply With Physical Conditions Requirements	5
Childcare Providers Did Not Always Comply With Training Requirements	6
Childcare Providers Did Not Always Sign Discipline Statements	6
Childcare Providers Did Not Always Comply With Immunization Record Requirements	6
Causes of Noncompliance With Health and Safety Requirements.....	6
RECOMMENDATIONS	6
STATE AGENCY COMMENTS AND OFFICE OF INSPECTOR GENERAL RESPONSE...7	
State Agency Comments.....	7
Office of Inspector General Response	7
APPENDIXES	
A: Audit Scope and Methodology	8
B: Federal Regulations and State Requirements	10

C: Photographic Examples of Noncompliance With
Physical Conditions Requirements 17

D: Instances of Noncompliance at Each Childcare Center 21

E: State Agency Comments 22

INTRODUCTION

WHY WE DID THIS REVIEW

The Administration for Children and Families (ACF) provides Federal grants through several programs, including Head Start and the Child Care and Development Fund (CCDF). In a recent report summarizing the results of 24 audits of Head Start grantees,¹ we described multiple health and safety issues that put children at risk. To determine whether similar health and safety risks exist at childcare providers that received CCDF funding, we reviewed four licensed childcare centers² (childcare providers) that received CCDF funding in South Carolina. We conducted this audit of the South Carolina Department of Social Services (State agency) in conjunction with our review of 20 family day care homes (report number A-04-14-08031).

OBJECTIVE

Our objective was to determine whether the State agency's monitoring ensured that childcare providers that received CCDF funds complied with State licensing requirements related to the health and safety of children.

BACKGROUND

Authorized by the Child Care and Development Block Grant (CCDBG) Act (42 U.S.C. § 9858 et seq.) and section 418 of the Social Security Act (42 U.S.C. § 618), the CCDF assists low-income families, families receiving temporary public assistance, and families transitioning from public assistance to obtain child care so that parents may work or obtain training or education. Combined funding for the CCDF program for fiscal year 2012, including the block grant's discretionary fund and the CCDF mandatory and matching funds, was approximately \$5.2 billion nationwide.

The CCDBG Act and implementing Federal regulations require the State to maintain a plan that indicates that the State has requirements in State or local law to protect the health and safety of children, and the plan must certify that procedures are in effect to ensure that childcare providers comply with these requirements (42 U.S.C. §§ 9858c(c)(2)(F) and (G) and 45 CFR §§ 98.15(b)(5) and (6)).

Federal regulations (45 CFR § 98.10) require States to designate a lead agency to administer the CCDF program.

Federal regulations also state that, in retaining overall responsibility for the administration of the program, the lead agency must ensure that the program complies with the approved plan and all Federal requirements and must monitor programs and services (45 CFR §§ 98.11(b)(4) and (6)).

¹ *Review of 24 Head Start Grantees' Compliance With Health and Safety Requirements* (A-01-11-02503, issued December 13, 2011).

² A "childcare center" is any facility that regularly receives 13 or more children for childcare (SC Code of Law, section 63-13-20(3)).

South Carolina Department of Social Services

The State agency is the lead agency and is responsible for monitoring programs and services, ensuring compliance with the rules of the program, and promulgating regulations to govern the administration of the plan (*Child Care and Development Fund Plan for South Carolina*). Additionally, the State agency is responsible for childcare licensing and enforcement personnel who conduct inspections to ensure that childcare providers meet basic health and safety standards. The State plan also requires at least two unannounced inspections of each childcare facility per year and one routine announced inspection every 2 years.

Related Office of Inspector General Work

The Office of Inspector General, Office of Evaluation and Inspections (OEI), issued an Early Alert Memorandum Report on July 11, 2013, to ACF entitled *License-Exempt Child Care Providers in the Child Care and Development Fund Program* (OEI-07-10-00231). OEI concluded that States exempt many types of childcare providers from licensing, but these providers are still required to adhere to Federal health and safety requirements to be eligible for CCDF payments.

Child Care Aware of America

Child Care Aware of America (CCAA) (formerly the National Association of Child Care Resource & Referral Agencies) published a 2013 update, *We Can Do Better*, which reviewed and ranked State childcare center regulations and oversight.³ CCAA stated that effective monitoring policies are important for child safety and center accountability for compliance with State licensing requirements. CCAA added that making inspection reports public is an important form of consumer education because parents cannot make informed selections among childcare settings unless they have access to compliance information. Otherwise, they may assume that a State license is a seal of approval. CCAA also suggested that with the important role effective monitoring plays in promoting child safety and program compliance with licensing, the number of programs that each licensing inspector monitors needs to be reduced, not increased. CCAA recommended that States reduce the caseload for licensing inspectors to a ratio of 1:50 (1 inspector to 50 cases).

Child Care and Development Block Grant Act of 2014

On November 19, 2014, the CCDBG Act of 2014⁴ reauthorized the CCDF program and improved childcare health, safety, and quality requirements. The law includes a requirement that States' lead agencies perform an initial onsite monitoring visit and at least one annual

³ CCAA works with more than 600 State and local childcare resource and referral agencies nationwide. CCAA leads projects that increase the quality and availability of child care, offers comprehensive training to childcare professionals, undertakes research, and advocates childcare policies that positively impact the lives of children and families.

⁴ P.L. No. 113-186 (Nov. 19, 2014).

unannounced onsite visit of providers that have received CCDF subsidies. It also requires training and professional development of the childcare workforce to meet the needs of the children and improve the quality and stability of the workforce. Specifically, the law requires lead agencies to establish ongoing provider training. It also requires that a childcare provider submit criminal background checks every 5 years for all childcare staff.

HOW WE CONDUCTED THIS REVIEW

Of the 818 childcare providers that received CCDF funding in South Carolina as of December 1, 2013, we selected 4 providers for our review. We selected these providers by considering certain risk factors, including previous State health and safety findings and the number of children being served by the provider. We conducted unannounced site visits in Richland and Greenville Counties from January 20 through January 31, 2014.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix A contains details of our audit scope and methodology, Appendix B contains details of the Federal regulations and State licensing health and safety requirements that pertain to providers, and Appendix C contains photographic examples of noncompliance with physical conditions requirements.

FINDINGS

Although the State agency had conducted the required monitoring at all four of the childcare providers that we reviewed, this monitoring did not always ensure that providers that received CCDF funds complied with State licensing requirements related to the health and safety of children. Specifically, all four of the childcare providers that we visited did not comply with the childcare center physical conditions requirements, which had previously been cited by the State agency. Nor did the four childcare providers comply with caregiver documentation requirements such as training and discipline statements. One provider did not comply with children's immunization record requirements. The instances of noncompliance at all four childcare providers occurred because the State agency had not conducted followup monitoring to ensure that childcare providers rectified previous instances of noncompliance or took proactive steps to remain compliant with all State regulations.

Appendix D contains a table that displays the instances of noncompliance at each childcare provider we reviewed.

CHILDCARE PROVIDERS DID NOT ALWAYS COMPLY WITH PHYSICAL CONDITIONS REQUIREMENTS

State Requirements

Prospective childcare providers must obtain a license from the State agency to operate a childcare center by completing, signing, and submitting applications (SC Code of Law, sections 63-13-410 and 420).⁵ When they sign the applications, they attest that they have not been convicted of certain listed crimes. In addition, prospective childcare providers acknowledge that they may not begin to operate a childcare facility until the State agency has issued a license to that facility. In the signed and submitted application, prospective childcare providers attest that they will comply with the regulations applicable to childcare facilities, including, but not limited to, staff/child ratios, supervising children, physical conditions requirements, and obtaining current criminal history records for all facility staff before their employment.

State licensing requirements related to the physical conditions of childcare centers include the following:

- Electrical outlets in all areas accessible to children must be securely covered with childproof covers or safety plugs when not in use (114-507 A(11)(c)).
- Feeding chairs must have a T-shaped safety strap that prevents the child from slipping or climbing out of the chair. The safety strap must be used at all times when the child is in the chair (114-509 A(4)(b)).
- Cribs must be installed so that there is at least 3 feet of space on two sides of the crib (114-509 A(5)(c)).
- Floors, walls, ceilings, windows, doors, and other surfaces must be free of hazards such as peeling paint, broken or loose parts, loose or torn flooring or carpeting, pinch and crush points, sharp edges, splinters, exposed bolts, and openings that could cause head or limb entrapment (114-507 A(5)(d)).
- Cushioning material must extend at least 6 feet beyond the equipment and swings (114-507 C(9)).
- Outdoor walkways must be free from debris, leaves, ice, snow, and obstruction (114-507 B(3)).
- Floor and wall surfaces in the toilet area must have smooth, washable surfaces (114-507 A(12)(g)).

⁵ Certain childcare facilities are exempt from licensing requirements (e.g., non-Federal or State funded centers operated by a local church congregation, summer resident camps, and facilities for persons with certain intellectual disabilities) (114-500 B(3)). However, none of the facilities in our sample were exempt from the licensing requirements.

- The outdoor space must be free from hazards and litter (114-507 B(2)).
- Furniture, toys, and recreational equipment must be clean and free from hazards such as broken or loose parts, rust or peeling paint, pinch or crush points, unstable bases, sharp edges, exposed bolts, and openings that could cause head or limb entrapment (114-507 C(1)).
- Liquid or granular soap and disposable towels must be provided at each bathroom sink (114-507 A(12)(i)).
- Poisons or harmful agents must be kept locked, stored in the original containers, labeled, and inaccessible to children (114-507 E(1)(a)).
- Cups and bottles shall be labeled with the child's name and used only by that child (114-509 A(3)(a)).

Appendix B contains all relevant State licensing requirements that we relied on in our review.

Childcare Providers Did Not Always Comply With Physical Conditions Requirements

The State agency had previously cited for health and safety violations all four of the childcare providers we visited;⁶ nevertheless, our inspections discovered that all four still had one or more instances of noncompliance with the requirements to protect children from potentially hazardous conditions. Specifically, we found 64 instances of noncompliance with State licensing requirements related to physical conditions. Examples of noncompliance included:

- Electrical outlets (Appendix C, photograph 1) and power strips were not covered.
- Feeding chairs did not have straps (Appendix C, photograph 2).
- Cribs were too close together (Appendix C, photograph 2).
- Play areas were not clean, were in bad repair (Appendix C, photograph 3), had items that could be trip and fall hazards (Appendix C, photograph 4), and had no cushioning material around swings.
- Ceilings were water stained, a ceiling liner was damaged (Appendix C, photograph 5), and overhead lights were out.
- Children's bathrooms did not have liquid soap, toilet paper, or disposable paper towels; furthermore, there were holes in the bathroom walls, exposed metal brackets on the walls, and scraps of paper on the floors (Appendix C, photograph 6).
- Cleaning products were in unlabeled generic bottles (Appendix C, photograph 7).

⁶ The State agency subsequently followed up on the violations that we identified during our visits by reinspecting all four childcare providers.

- Bottles and toddler cups were not labeled (Appendix C, photograph 8).

CHILDCARE PROVIDERS DID NOT ALWAYS COMPLY WITH TRAINING REQUIREMENTS

Childcare providers must comply with a requirement that all staff, with the exception of emergency person(s) and volunteer(s), providing direct care to the children must participate in at least 15 hours of training annually, and the director must participate in at least 20 hours of training annually (114-503 K(5)(c) and (b)). We identified 19 instances in which employee and director records at the 4 childcare providers did not comply with State training requirements.

CHILDCARE PROVIDERS DID NOT ALWAYS SIGN DISCIPLINE STATEMENTS

Caregivers/teachers must sign a facility agreement to implement the discipline and behavior management policy with a statement that specifies no corporal punishment must be used, except when authorized in writing by the parent/guardian (114-506 B(2)). We identified five instances in which employee and director records at two childcare providers did not have a signed discipline statement.

CHILDCARE PROVIDERS DID NOT ALWAYS COMPLY WITH IMMUNIZATION RECORD REQUIREMENTS

The State requires child records to include certain items, such as a health record that includes a signed statement of the child's health prior to admission to the group childcare home on the appropriate Department of Social Services (DSS) form and a current South Carolina Certificate of Immunization (114-503 G(6)(a) and (b)).

We identified three instances in which child records did not comply with State child record requirements because they did not have current South Carolina Certificates of Immunization.

CAUSES OF NONCOMPLIANCE WITH HEALTH AND SAFETY REQUIREMENTS

We discussed our findings with State officials and determined that the instances of noncompliance occurred because the State agency did not conduct followup monitoring to ensure that the providers rectified previous instances of noncompliance or took proactive steps to remain compliant with all State regulations. Given the State's limited resources, additional focus on problem providers could maximize monitoring impact.

RECOMMENDATIONS

We recommend that the State agency:

- ensure that childcare providers adhere to all requirements for the health and safety of children,

- ensure that childcare providers obtain all required training and discipline statements for all employees who provide direct services to children, and
- ensure that required immunization documentation is included in the children's records.

STATE AGENCY COMMENTS AND OFFICE OF INSPECTOR GENERAL RESPONSE

STATE AGENCY COMMENTS

In written comments on our draft report, the State agency generally concurred with our recommendations and provided information on actions that it has taken or plans to take to address our recommendations. Specifically, the State agency:

- concurred with our first recommendation to ensure that childcare providers adhere to all requirements for the health and safety of children, but it noted that the centers reviewed in this audit received multiple visits (10 to 18 visits per facility) from the State's monitoring agencies, which exceeded the minimum requirements in 2014; and
- concurred with two additional recommendations that it ensure childcare providers obtain all required training and discipline statements for all employees who provide direct services to children, and that required immunization documentation is included in the children's records.

While generally concurring with our draft report recommendations, the State agency indicated that it should not be held responsible for how a childcare facility manages a case file on any given day. In addition, the State agency did not concur with one of our findings and provided support documentation sufficient for us to remove it from this final report.

The State agency's comments, with the exception of personally identifiable information, are included as Appendix E.

OFFICE OF INSPECTOR GENERAL RESPONSE

After consideration of the State agency's comments on our draft report and additional support documentation provided, we adjusted the instances of noncompliance shown in Appendix D and modified our recommendations accordingly. We disagree with the agency's comment that it cannot be responsible for how a childcare facility manages a case file on any given day. We maintain that our recommendation is consistent with South Carolina State Code of Regulations requirements at 114-503 (G)(6)(a) and (b), which provide that case files must be maintained and specify the contents of such case files.

APPENDIX A: AUDIT SCOPE AND METHODOLOGY

SCOPE

Of the 818 childcare providers that received CCDF funding as of December 1, 2013, we selected 4 providers for our review. We selected these providers by considering certain risk factors, including previous State health and safety findings and the number of children being served by the provider.

We reviewed the childcare providers' records and facilities through unannounced visits, as of January 2014, in Richland and Greenville Counties. To gain an understanding of the State agency's operations as they relate to childcare providers, we limited our review to the State agency's internal controls as they related to our objective.

METHODOLOGY

To accomplish our objective, we:

- reviewed applicable Federal laws, State statutes, and requirements for licensing childcare providers, and the most recent South Carolina CCDF State plan approved by ACF;
- interviewed the CCDF program manager to determine how South Carolina monitored its childcare providers;
- obtained a letter from the State agency to give to the providers in our review that explained our audit;
- developed a health and safety checklist as a guide for conducting site visits;
- reviewed previous State health and safety inspection findings to select which childcare providers to review;
- conducted unannounced site visits at four childcare providers to determine whether children were exposed to potentially hazardous conditions;
- interviewed childcare provider staff to obtain a listing of center employees whose salaries were funded by CCDF (and who had direct access to children) to determine whether all required criminal history and child abuse registry checks were conducted;
- inspected the staff records to determine whether they contained required training documentation, signed discipline statements, and other mandated items;⁷
- reviewed children's records to determine whether all requirements were met; and

⁷ Other mandated items include such things as health statements, high school diplomas, and tax and employment eligibility forms.

- discussed the results of our review with each of the four childcare providers, as well as with State agency officials.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

APPENDIX B: FEDERAL REGULATIONS AND STATE REQUIREMENTS

FEDERAL REGULATIONS

One of the goals of CCDF is to assist States in implementing the health, safety, licensing, and registration standards established in State regulations (45 CFR § 98.1(a)(5)).

Federal regulations (45 CFR § 98.10) require States to designate a lead agency to administer the CCDF program.

The lead agency must retain overall responsibility for the administration of the program. In doing so, the lead agency must ensure that the program complies with the approved plan and all Federal requirements and must monitor programs and services (45 CFR §§ 98.11(a)(1), (b)(4), and (6)).

The lead agency must certify that there are in effect within the State (or other area served by the lead agency), under State or local (or tribal) law, requirements designed to protect the health and safety of children that are applicable to childcare providers that provide services for which assistance is made available under the CCDF (45 CFR § 98.15(b)(5)).

SOUTH CAROLINA CODE OF LAW

The following requirements are applicable to this review's identification of instances of noncompliance:

SECTION 63-13-20. Definitions.

For the purpose of this chapter:

(3) "Childcare center" means any facility which regularly receives thirteen or more children for childcare.

(4) "Childcare facilities" means a facility which provides care, supervision, or guidance for a minor child who is not related by blood, marriage, or adoption to the owner or operator of the facility whether or not the facility is operated for profit and whether or not the facility makes a charge for services offered by it. This definition includes, but is not limited to, day nurseries, nursery schools, childcare centers, group childcare homes, and family childcare homes.

SECTION 63-13-30. Caregiver requirements.

(A) A caregiver who begins employment in a licensed or approved childcare center in South Carolina after June 30, 1994, must have at least a high school diploma or General Educational Development (GED) and at least six months' experience as a caregiver in a licensed or approved childcare facility. If a caregiver does not meet the experience requirements, the caregiver must be

directly supervised for six months by a staff person with at least one year experience as a caregiver in a licensed or approved childcare facility.

SECTION 63-13-40. Background checks for employment.

(A) No childcare center, group childcare home, family childcare home, or church or religious childcare center may employ a person or engage the services of a caregiver who is required to register under the sex offender registry act.

(D)(1) To be employed by or to provide caregiver services at a childcare facility licensed, registered, or approved under this subarticle, a person first must undergo a state fingerprint-based background check to be conducted by the State Law Enforcement Division (SLED) to determine any state criminal history, a fingerprint-based background check to be conducted by the Federal Bureau of Investigation to determine any other criminal history, and a Central Registry check to be conducted by the department to determine any abuse or neglect perpetrated by the person upon a child.

SECTION 63-13-80. Investigations and inspections.

(A) In exercising the powers of licensing, approving, renewing, revoking, or making provisional licenses and approvals, the department must investigate and inspect licensees and approved operators and applicants for a license or an approval. The authorized representative of the department may visit a childcare center or group childcare home anytime during the hours of operation for purposes of investigations and inspections. In conducting investigations and inspections, the department may call on political subdivisions and governmental agencies for appropriate assistance within their authorized fields. The inspection of the health and fire safety of childcare centers and group childcare homes must be completed upon the request of the department by the appropriate agencies (i.e., Department of Health and Environmental Control, the Office of the State Fire Marshal, or local authorities). Inspection reports completed by state agencies and local authorities must be furnished to the department and become a part of its determination of conformity for licensing and approval. After careful consideration of the reports and consultation where necessary, the department must assume responsibility for the final determination of licensing, approving, renewing, revoking, or making provisional licenses and approvals.

(B) Before issuing a license or approval the department must conduct an investigation of the applicant and the proposed plan of care for children and for operating a childcare center or a group childcare home. If the results of the investigation satisfy the department that the provisions of this chapter and the applicable regulations promulgated by the department are satisfied, a license or approval must be issued.

SECTION 63-13-410. Licensure required for private centers and group homes.

No person, corporation, partnership, voluntary association, or other organization may operate a private childcare center or group childcare home unless licensed to do so by the department.

SECTION 63-13-420. Licensure requirements.

(A) Application for license must be made on forms supplied by the department and in the manner it prescribes.

(B) Before issuing a license the department must conduct an investigation of the applicant and the proposed plan of care for children and for operating a private childcare center or group childcare home. If the results of the investigation verify that the provisions of this chapter and the applicable regulations promulgated by the department are satisfied, a license must be issued. The applicant must cooperate with the investigation and related inspections by providing access to the physical plant, records, excluding financial records, and staff. Failure to comply with the regulations promulgated by the department within the time period specified in this chapter, if adequate notification of deficiencies has been made, is a ground for denial of application. The investigation and inspections may involve consideration of any facts, conditions, or circumstances relevant to the operation of the childcare center or group childcare home, including references and other information about the character and quality of the personnel.

South Carolina Code of Regulation

114-503. Management, Administration, and Staffing

G. Child records ...

(6) A health record shall be maintained in the center for each child enrolled, and it shall include all of the following information:

(a) A signed statement of the child's health prior to admission to the childcare center on the appropriate DSS form.

(b) A current South Carolina certificate of Immunization;

H. Staff records shall include the following: ...

(3) Three letters of reference for the center director; ...

(4) Criminal history background check forms for the director, staff, emergency person(s), and volunteer(s)

K. Staffing

(1) Child abuse checks

(a) The director or staff shall not have been determined to have committed an act of child abuse or neglect or have been convicted of any crime listed in Chapter 3 of Title 16, ...

(b) A check of the South Carolina Central Registry of Child Abuse and Neglect shall be requested by the director(s) on each staff person, except for volunteers in accordance with the following timelines

(4) Caregivers/Teachers

(a)(i) Be at least 18 years of age;

(5) Professional development

(b) The director shall participate in at least twenty clock hours of training annually. At least five clock hours shall be related to program administration and at least five clock hours shall be in child growth and development, early childhood education and/or health and safety excluding first aid and CPR training. The remaining hours shall come from the following areas: Curriculum Activities, Nutrition, Guidance, or Professional Development and must include blood-borne pathogens training as required by OSHA.

(c) All staff, with the exception of emergency person(s) and volunteer(s), providing direct care to the children shall participate in at least fifteen clock hours annually. At least five clock hours shall be in child growth and development and at least five clock hours shall be in curriculum activities for children excluding first aid and CPR training. The remaining hours shall come from the following areas: Guidance, Health, Safety, Nutrition, or Professional Development and must include blood-borne pathogens training as required by OSHA.

114-506. Program

B. Discipline and behavior management

(2) All teacher/caregivers shall sign a facility agreement to implement the discipline and behavior management policy, with a statement that specifies no corporal punishment shall be used except when authorized in writing by the parent(s)/guardian(s); corporal punishment shall not exceed guidelines established in Section 20-7-490(c)(1)(a) through (e) of the Code of Laws of South Carolina, 1976 amended.

114-507. Physical Site

A. Indoor space and conditions

(5) Environmental hazards

(d) Floors, walls, ceilings, windows, doors and other surfaces shall be free from hazards such as peeling paint, broken or loose parts, loose or torn flooring or carpeting, pinch and crush points, sharp edges, splinters, exposed bolts and openings that could cause head or limb entrapment.

(6) Water Supply

(d) Safe drinking water shall be available to children at all times and there shall be no use of common drinking cups.

(8) Sanitation

(a) Clean and sanitary conditions shall be maintained indoors and outdoors, including indoor and outdoor recreational equipment and furnishings.

(d) Trash in diapering areas shall be kept in closed, hands-free operated, plastic lined receptacles in good repair.

(f) Trash in children's restrooms, classrooms, and eating areas shall be kept in plastic lined receptacles.

(11) Electrical sources ...

(c) Electrical outlets shall be securely covered with childproof covers or safety plugs when not in use in all areas accessible to children.

(12) Bathrooms ...

(f) Privacy shall be provided for toilets used by preschool and school age children.

(g) Floor and wall surfaces in the toilet area shall have smooth, washable surfaces. Carpeting is not permitted in the toilet area

(i) Liquid or granular soap and disposable towels shall be provided at each sink.

B. Outdoor space ...

(2) The outdoor space shall be free from hazards and litter.

(3) Outdoor walkways shall be free from debris, leaves, ice, snow, and obstruction.

(4) Children shall be restricted from unsafe areas and conditions such as traffic, parking areas, ditches, and steep slopes by a fence or natural barrier that is at least four feet high.

C. Furniture, toys, and recreational equipment shall:

(1) Be clean and free from hazards such as broken or loose parts, rust or peeling paint, pinch or crush points, unstable bases, sharp edges, exposed bolts, and openings that could cause head or limb entrapment; ...

(6) Outdoor recreational equipment shall be made of durable, non-rusting, non-poisonous materials, and shall be sturdy;

(7) Stationary outdoor equipment shall be firmly anchored and shall not be placed on a concrete or asphalt surface. Cushioning material such as mats, wood chips or sand shall be used under climbers, slides, swings, and large pieces of equipment;

(8) Swings shall be located to minimize accidents and shall have soft and flexible seats;

(9) Cushioning material shall extend at least six (6) feet beyond the equipment and swings;

(10) Slides shall have secure guards along both sides of the ladder and placed in a shaded area;

(11) Outdoor metal equipment shall be located in shaded areas or otherwise protected from the sun; ...

(14) Sand in a sand box shall be securely covered when not in use and, if outdoors, constructed to provide for drainage; ...

E. Environmental hazards

(1) Poisons or harmful agents

(a) Poisons or harmful agents shall be kept locked, stored in the original containers, labeled and inaccessible to children

(d) Poisonous plants are not permitted.

114-509. Infant and Toddler Care, Care for Mildly Ill Children, and Night Care

A. Infant and toddler care

(3) Feeding, eating, and drinking

(a) Cups and bottles shall be labeled with the child’s name and used only by that child.

(4) Feeding chairs

(a) Feeding chairs shall have a stable base.

(b) Feeding chairs shall have a T-shaped safety strap that prevents the child from slipping or climbing out of the chair. The safety strap shall be used at all times the child is in the chair.

(5) Sleeping

(c) Cribs shall be spaced so that there is at least three feet of space on two sides of the crib. Cribs shall not be placed next to each other so that one child may reach into the other child’s crib.

South Carolina State Plan

South Carolina State Plan, section 3.1.3, “Enforcement of Licensing Requirements” ...

a) Does your State/Territory include announced and/or unannounced visits in its policies as a way to effectively enforce the licensing requirements?

If “Yes” please refer to the chart below and check all that apply.

CCDF Categories of Care	Frequency of Routine Announced Visits	Frequency of Routine Unannounced Visits
Center-Based Child Care	Once Every Two Years	More than Once a Year

**APPENDIX C: PHOTOGRAPHIC EXAMPLES OF NONCOMPLIANCE
WITH PHYSICAL CONDITIONS REQUIREMENTS**



Photograph 1: An electrical outlet was not covered and was accessible to children.



Photograph 2: There were no safety straps on the feeding chairs, and the cribs were not 3 feet apart.



Photograph 3: A tree had fallen over the fence and become a hazard.



Photograph 4: Rugs and other items in an area accessible to children were trip and fall hazards.



Photograph 5: A gym ceiling liner was damaged.



Photograph 6: Metal brackets in the children's bathroom exposed children to injury.



Photograph 7: A bottle of cleaning fluid was unmarked and unlabeled.



Photograph 8: Toddler cups were not labeled.

**APPENDIX D: INSTANCES OF NONCOMPLIANCE
AT EACH CHILDCARE CENTER**

Center #	Date of Last State Inspection	Potentially Hazardous Conditions	Staff Documentation	Criminal History and Child Abuse Registry Checks	Children's Records	Total
1	1/23/2014	13	3	0	0	16
2	10/11/2013	17	5	0	0	22
3	10/21/2013	20	13	0	0	33
4	10/30/2013	14	3	0	3	20
Total		64	24	0	3	91

APPENDIX E: STATE AGENCY COMMENTS

CCDF is administered in South Carolina by the Division of Early Care and Education in the South Carolina Department of Social Services (SC DSS). The Division includes five programs that interface with child care providers. These include: Child Care Licensing (CCL), ABC Quality Rating and Improvement System (ABC Quality), SC Voucher (CCDF subsidy program), the Child and Adult Care Food Program (CACFP), and the Center for Child Care Career Development (CCCCD). CCL and ABC Quality monitor CCDF providers. All providers must be enrolled in ABC Quality to serve families using CCDF vouchers. All ABC Quality providers must be legally operating and comply with the Quality Rating and Improvement System (QRIS) standards for the appropriate quality level, as well as, the state child care regulation requirements for the type of care provided. The Division seeks to avoid duplication in monitoring between CCL and ABC Quality except for key determinants of health and safety pertinent to CCDF quality mandates.

SC DSS concurs with the recommendation to:

- **Ensure, through additional follow-up inspections beyond the two unannounced visit minimum per year and the biennial routine announced visit, that child care providers adhere to all requirements for the health and safety of children.**

The following charts on each audited center show, chronologically, the visits made by CCL and ABC Quality combined. Both CCL and ABC Quality followed their established policies for reviews, complaints and corrective action, within their limits of authority and the Agency appeal process. The audited centers received multiple visits (10-18 visits per facility) from CCL and ABC Quality, which far exceeds the minimum required in 2014 and meets the intent of the OIG recommendation.

Unannounced follow-up visits to all of these facilities were continued until the deficiencies were corrected, according to the regulations. All deficiencies were corrected. Furthermore, CCL makes unannounced visits for facility complaints made by the community or any state entity concerning health and safety issues. If regulatory deficiencies are cited, CCL will conduct follow up visits until those deficiencies, and any subsequent deficiencies, are corrected. Facilities with continuing serious deficiencies (for example, 2-3 successive citations) are placed on a Corrective Action Plan. The Corrective Action Plan is used to establish a plan for the facility so they can make corrections and be in compliance with all State regulations.

In addition to CCL, ABC Quality monitors all providers eligible to serve children receiving CCDF assistance. ABC Quality conducts an initial announced visit for enrollment in ABC Quality and then conducts annual unannounced on-site reviews for centers, family/group homes, and legally exempt providers, according to the provider's quality level in the Quality Rating and Improvement System. Providers failing to meet the established passing scores are given the opportunity to make corrections and receive another review on a revisit. Continued failure to meet the established passing scores results in termination from the ABC Quality system and discontinuing CCDF payments. Failure to meet mandatory standards can result in a Corrective Action Plan, and continued failure results in termination from the ABC Quality system and discontinuing CCDF payments. ABC Quality also conducts visits based on complaints relevant to the standards.

CCL and ABC Quality work together to assist the provider in resolving any deficiencies that may be cited during a review. For example, if during an ABC Quality review a provider is cited for improper staff: child ratio, the monitor would refer the violation to the regional CCL office and they would conduct a visit to

ensure that the provider was using correct staff: child ratios. ABC Quality would then accept that the deficiency was resolved based on the investigation and correction approved by CCL. Since all providers in ABC Quality must maintain a history of compliance with CCL regulations, we have a designated staff person who catalogs all CCL deficiencies issued to providers and initiates any adverse action as necessary based on policy. Additionally, Licensing, ABC Quality and CACFP meet quarterly to receive provider status updates.

Therefore, SC respectfully asserts that we already meet and exceed this OIG recommendation.

SC DSS concurs with the recommendation to:

- **Ensure that child care providers obtain all required child abuse registry reports, training and discipline statements for all employees who provide direct services to children.**

CCL conducts the central registry report on caregivers when notified of new employees. Also, during the routine unannounced inspection visit, the staff files of all employees hired since the last CCL visit are reviewed, including registry reports, training, and discipline statements. The staff files are also checked at the announced licensing renewal visit, which is every 2 years. The agency provided proof to the OIG that registry reports had been conducted on all caregivers employed at the facilities. Is the OIG taking the position that it is citing these as an issue because proof was not contained in the actual paper file at the center? We would point out that the agency cannot be responsible for how a child care facility manages a case file on any given day; we had ensured that all checks were performed and that the caregivers were cleared to work.

Therefore, SC respectfully asserts that we are in compliance with this requirement and OIG recommendation.

SC DSS concurs with the recommendation to:

- **Ensure that child care providers conduct all required criminal history checks in accordance with Federal and State requirements.**

The database for the Office of Investigations is linked to the CCL system. CCL reviews the criminal background check on caregivers when they are completed in the system to ensure and verify that staff are in compliance with criminal background checks according to statutes and regulations. Providers are responsible for getting the fingerprints completed on any new staff hired at their facility. CCL checks the files of all new employees at centers during the application process visit, during the announced biennial renewal visits, and also during any routine unannounced inspection visits.

The agency provided proof to the OIG that criminal history checks had been conducted on all caregivers employed at the facilities. Is the OIG taking the position that it is citing these as an issue because proof was not contained in the actual paper file at the center? We would point out that the agency cannot be responsible for how a child care facility manages a case file on any given day; we had ensured that all checks were performed and that the caregivers were cleared to work.

Therefore, SC respectfully asserts that we are in compliance with this requirement and the OIG recommendation.

SC DSS concurs with the recommendation to:

- **Ensure that required immunization documentation is included in the children’s records.**

Currently, immunization records are reviewed by 3 different staffs at 2 different agencies. CCL reviews the child’s file at the announced application visit for new providers, or at the renewal visit for existing providers. ABC Quality staff review a sample of the records for children enrolled during the annual review process. In addition, state law requires that nursing staff from the South Carolina Department of Health and Environmental Control (DHEC) verify immunization records at child care facilities. Clearly, the immunizations had been verified, likely more than once, yet the provider did not have the documentation in the paper file at the facility during the OIG visit. We would reiterate that the agency cannot be held responsible for how a child care facility manages a case file on any given day.

Therefore, SC respectfully asserts that we meet this requirement and OIG recommendation.

Description of Interactions with Audited Providers

(Refer to the Table below for descriptions of the types of monitoring visits conducted by DECE staff)

Office of Inspector General Note—The deleted text has been redacted because it is personally identifiable information.