



Media Release

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DHS Statement on Indictments Related to the Summer Food Service Program

**Note: We will have press availability at 3 p.m. at the main DHS office, second floor, director's office. Please call or email Amy Webb if you plan to attend.*

More than a year ago, the Department of Human Services (DHS) notified federal officials that it had identified a summer food provider by the name of Jacqueline Mills of Helena-West Helena as having possibly fraudulently billed the program. Since then, DHS has been working with and providing information to investigators from the Internal Revenue Service, the U.S. Department of Agriculture, the FBI and other agencies pursuing organizations that may have submitted falsified Summer Food Service Program billing records to DHS and any individuals who may have helped in those unlawful activities. (This program is overseen by the DHS Division of Child Care and Early Childhood Education's (DCCECE) Special Nutrition Unit.)

This morning, DHS was notified by the U.S. Attorney's office that Mills was arrested on charges of Conspiracy to Commit Wire Fraud, Wire Fraud, Paying a Bribe to an Agent of the State Agency Receiving Federal Funds. Former Special Nutrition Unit employee, Gladys King, and current DCCECE employee, Tonique Hatton, also were arrested. Both are charged with Conspiracy to Commit Wire Fraud and Receipt of a Bribe by an Agent of the State Agency Receiving Federal Funds.

King served as a Special Nutrition Unit program coordinator from May 2009 to December 2013, when she left voluntarily. Hatton, who was hired in June 2001, most recently worked as a program eligibility specialist in the DCCECE Family Support Unit, which determines eligibility for child care assistance. DHS has started the process to terminate her.

DHS also has begun the process of placing Mills on the list of providers who are excluded from doing business with DHS until there is a resolution in her case. She was not paid for questionable costs associated with her summer food sites in 2013 and was denied a request to be a provider in 2014.

"It's extremely disappointing to learn that people were reportedly cheating a program that feeds hungry children, especially in a state that has one of the highest rates of childhood hunger in the country," said DHS Director John Selig. "We appreciate all the work to help us root out the bad actors so other providers can continue to ensure kids have adequate food when they aren't in school."

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Selig said it was particularly disheartening to learn that current and former employees are alleged to be involved. With any growing program, he said people may look for ways to take advantage of its success. However, Selig said it is DHS's responsibility to do as much as possible to prevent, detect and pursue program fraud, and he thanked employees who raised concerns about Mills.

As a result of the fraudulent activity uncovered, additional steps have been taken to strengthen the oversight capacity of the Special Nutrition Unit. The unit:

- Added five fraud investigators and three senior auditors
- Requested and received additional assistance from USDA to assist monitoring and sponsor review.
- Put in place new state policies for the Summer Food Service Program aimed at improving training and program management.
- Dedicated staff to oversee and assist sponsors with complying with state and federal procurement rules.
- Further segregated job duties to ensure that the employee approving billing is not also the one responsible for monitoring the program.
- Engaged the auditors with the DHS Office of Quality Assurance to help provide further case review as needed.

In addition to unit changes, Selig ordered DHS Office of Quality Assurance senior auditors to review the unit to identify any other weaknesses and additional ways to strengthen it. That review is ongoing.

DCCECE Director Tonya Williams said her staff is still working with federal authorities investigating fraudulent activity in the summer food program.

“We want to do everything we can to shore up the integrity of this important program because it has provided meals to children who may otherwise have gone hungry,” Williams said. “The misdeeds of a few should not take away from the strides the state has made toward reducing childhood hunger.”

Note: An indictment is only an allegation of wrongdoing. The defendants are presumed innocent unless and until proven guilty beyond a reasonable doubt.

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Arkansas Summer Food Service Program and At-Risk Afterschool Program Fact Sheet

According to U.S. Department of Agriculture (USDA), 21.2 percent of households in Arkansas experience some level of food insecurity in 2013, making it one of the most food insecure states in the country. The federal government uses a variety of programs to help address food insecurity and hunger nationwide. Among them are the Summer Food Service Program and the At-Risk Afterschool Program.

Summer Food Service Program is 100 percent federally-funded program designed to address childhood hunger. It reimburses approved food providers for meals served to children in low-income areas across the state. Schools, churches, civic centers, local and state government facilities, daycares, nonprofits and summer camps can apply to be providers.

At-Risk Afterschool Program is 100 percent federally-funded program that reimburses approved food providers for meals served to children in low-income areas across the state. The meals include a snack and dinner and are coupled with educational programming. Schools, churches, civic centers, local and state government facilities, daycares and nonprofits can apply to be providers.

2014

Summer ...

Number of providers in Arkansas: 225

Number of meals provided: 3.875 million

Federal program expenditure: \$10.9 million

At-Risk ...

Number of providers in Arkansas: program ongoing

Number of meals provided: program ongoing

Federal program expenditure: program ongoing

2013

Summer ...

Number of providers in Arkansas: 195

Number of meals provided: 3.722 million

Federal program expenditures: \$10.3 million

At-Risk ...

Number of providers in Arkansas: 149

Number of meals provided: 8.237 million

Federal program expenditure: \$19.1 million

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2012

Summer ...

Number of providers in Arkansas: 187

Number of meals provided: 2.115 million

Federal program expenditures: \$5.9

At-Risk ...

Number of providers in Arkansas: 115

Number of meals provided: 3.076 million

Federal program expenditure: \$7.6 million

2011

Summer ...

Number of providers in Arkansas: 138

Number of meals provided: 1.643 million

Federal program expenditures: \$4.8 million

At-Risk ...

Number of providers in Arkansas: 54

Number of meals provided: 971,311

Federal program expenditure: \$2.9 million