

Hill (AR) McClain
Hinson McClintock
Houchin McCormick
Hudson McDowell
Huizenga McGuire
Hunt Messmer
Hurd (CO) Meuser
Issa Miller (IL)
Jack Miller (OH)
Jackson (TX) Miller (WV)
James Miller-Meeeks
Johnson (LA) Mills
Jordan Moolenaar
Joyce (OH) Moore (AL)
Joyce (PA) Moore (NC)
Kelly (MS) Moore (UT)
Kelly (PA) Moore (WV)
Kennedy (VA) Moran
Kiggans (UT) Murphy
Kiley (CA) Nehls
Kim Newhouse
Knott Nunn (IA)
Kustoff Obernolte
LaHood Onder
LaLota Owens
Langworthy Palmer
Latta Patronis
Lawler Perry
Lee (FL) Pfluger
Letlow Reschenthaler
Loudermilk Rogers (AL)
Lucas Rogers (KY)
Luna Rose
Luttrell Rouzer
Mackenzie Roy
Malliotakis Rulli
Maloy Rutherford
Mann Salazar
Massie Scalise
Mast Schmidt
McCaul Schweikert

NOES—207

Adams Evans (PA)
Aguilar Fields
Amo Figures
Ansari Fletcher
Auchincloss Foster
Balint Foushee
Barragan Frankel, Lois
Beatty Friedman
Bell Frost
Bera Garamendi
Beyer Garcia (CA)
Bishop Garcia (IL)
Bonamici Garcia (TX)
Boyle (PA) Gillen
Brown Golden (ME)
Brownley Goldman (NY)
Budzinski Gomez
Bynum Goodlander
Carbajal Gottheimer
Carson Gray
Carter (LA) Green, Al (TX)
Casar Grijalva
Case Harder (CA)
Casten Hayes
Castor (FL) Himes
Castro (TX) Horsford
Chu Houlihan
Cisneros Hoyer
Clark (MA) Hoyle (OR)
Clarke (NY) Huffman
Clever Ivey
Clyburn Jackson (IL)
Cohen Jacobs
Conaway Jeffries
Correa Johnson (GA)
Costa Johnson (TX)
Courtney Kamlager-Dove
Craig Kaptur
Crockett Keating
Crow Kelly (IL)
Cuellar Kennedy (NY)
Davids (KS) Khanna
Davis (IL) Krishnamoorthi
Davis (NC) Landsman
Dean (PA) Larsen (WA)
DeGette Larson (CT)
DeLauro Latimer
DelBene Lee (NV)
Deluzio Lee (PA)
DeSaulnier Leger Fernandez
Dexter Levin
Dingell Liccardo
Doggett Lieu
Elfrehth Lofgren
Escobar Lynch
Espallat Magaziner

Scott, Austin
Self
Sessions
Shreve
Simpson
Smith (MO)
Smith (NE)
Smith (NJ)
Smucker
Spartz
Stauber
Stefanik
Steil
Steube
Strong
Stutzman
Taylor
Tenney
Thompson (PA)
Tiffany
Timmons
Turner (OH)
Valadao
Van Drew
Van Dyne
Van Epps
Van Orden
Wagner
Walberg
Weber (TX)
Webster (FL)
Westerman
Wied
Williams (TX)
Wilson (SC)
Wittman
Womack
Yakym
Zinke

Schneider
Scholten
Schrier
Scott (VA)
Sevell
Thompson (CA)
Simon
Smith (WA)
Sorensen
Soto
Stansbury
Stanton
Stevens
Strickland
Subramanyam

Baird
Clyde
Gonzalez, V.
Jayapal

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). There are 2 minutes remaining.

□ 1431

So the resolution was agreed to.
The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. BAIRD. Mr. Speaker, earlier today my vote on Roll Call 195, was not recorded. Had I been present, I would have voted YEA on Roll Call No. 195.

NO FUNDS FOR REPEAT CHILD CARE VIOLATIONS ACT OF 2026

Mr. WALBERG. Mr. Speaker, pursuant to House Resolution 1333, I call up the bill (H.R. 7726) to amend the Child Care and Development Block Grant Act of 1990 to withhold funds from non-compliant States under such Act, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. JACK). Pursuant to House Resolution 1333, in lieu of the amendment in the nature of a substitute recommended by the Committee on Education and Workforce printed in the bill, an amendment in the nature of a substitute consisting of the text of Rules Committee Print 119-32 is adopted, and the bill, as amended, is considered read.

The text of the bill, as amended, is as follows:

H.R. 7726

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Stop Child Care Scams Act of 2026”.

SEC. 2. STRENGTHENING THE AUTHORITY TO WITHHOLD FUNDS FOR FRAUD.

Section 658I(b)(2)(B) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858g(b)(2)) is amended by striking “Secretary may” and inserting “Secretary shall”.

SEC. 3. PROGRAM INTEGRITY AND ACCOUNTABILITY.

Section 658E(c)(2) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858c(c)(2)) is amended by adding at the end the following:

“(W) PROGRAM INTEGRITY AND ACCOUNTABILITY.—The plan shall include a description of—

“(i) the State’s internal controls to ensure program integrity and accountability;
“(ii) the processes in place—
“(I) to investigate and recover fraudulent payments; and
“(II) to impose sanctions on clients or providers in response to fraud; and
“(iii) the procedures in place to document and verify eligibility.
Such description shall include how the State utilizes data within and across other State and local agencies that have oversight of child care providers that serve children who receive assistance under this subchapter.”.

SEC. 4. PREVENTING FRAUD IN THE CHILD CARE AND DEVELOPMENT BLOCK GRANT PROGRAM.

Section 658I(b) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858g(b)) is amended—

(1) by redesignating paragraph (3) as paragraph (4); and

(2) by inserting after paragraph (2) the following:

“(3) DETERMINATION OF FRAUD.—

“(A) INVESTIGATION.—The Secretary shall investigate fraud with respect to financial assistance available under this subchapter.

“(B) DEBARMENT.—In the case that the Secretary makes, or finds that there has been, a final determination of fraud against a child care provider that received financial assistance available under this subchapter, the Secretary shall permanently debar such child care provider from receiving such financial assistance.

“(C) PROVIDERS DEBARRED FROM CHILD AND ADULT CARE FOOD PROGRAM.—In the case that a child care provider has been debarred from participating in the Child and Adult Care Food Program under section 17 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1766) in accordance with subsection (d)(5)(E)(i) of such section, the Secretary shall permanently debar such child care provider from receiving financial assistance under this subchapter.

“(D) FINAL DETERMINATION OF FRAUD DEFINITION.—In this paragraph, the term ‘final determination of fraud’ means a determination reached in an administrative order or as part of a judicial decision, for which any rights to review or appeal have been exhausted or waived, that a child care provider—

“(i) knowingly submitted a false statement or documentation to obtain financial assistance available under this subchapter;

“(ii) misrepresented ownership of, enrollment at, attendance at, or services provided through a program of child care services, or the eligibility of the provider to provide such services, to obtain such financial assistance;

“(iii) to obtain such financial assistance, operated without the State licensing described in section 658E(c)(2)(F) and without receiving an exception to such licensing;

“(iv) made a knowing and improper expenditure of such financial assistance; or

“(v) engaged in any other conduct related to such financial assistance that constituted fraud under Federal or State law.”.

SEC. 5. IMPROPER PAYMENT RATE REQUIRING CORRECTIVE ACTION PLAN; CONDITIONAL INELIGIBILITY.

Section 658J of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858h) is amended—

(1) by redesignating subsection (c) as subsection (e), and

(2) by inserting after subsection (b) the following:

“(c) IMPROPER PAYMENT THRESHOLD REQUIRING CORRECTIVE ACTION PLAN.—If for a fiscal year the improper payment rate of a State is more than 5 percent of the aggregate amount of payments made to carry out this subchapter by such State for such fiscal year, then such State shall submit to the Secretary—

“(1) for review and approval a corrective action plan to reduce such rate to not more than 5 percent for each subsequent fiscal year; and

“(2) such reports as the Secretary may require to show that such State is complying with the requirements of such plan as approved by the Secretary.

“(d) **CONDITIONAL INELIGIBILITY.**—If for each of 2 consecutive fiscal years the improper payment rate of a State determined under this section is more 5 percent, then such State shall be ineligible to receive funds under this subchapter unless such State demonstrates to the satisfaction of the Secretary that such State for the next fiscal year will—

“(1) reduce such improper payment rate to not more than 5 percent for the next fiscal year; or

“(2) make significant progress to comply with the corrective action plan approved under subsection (c).”.

SEC. 6. CYCLICAL MONITORING OF STATE PERFORMANCE.

Section 658K of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858i) is amended by adding at the end the following:

“(c) **PERIODIC MONITORING BY THE SECRETARY.**—At 3-year intervals, the Secretary shall conduct a comprehensive review of the performance of each State that receives assistance under this subchapter. Based on the results of such review, the Secretary shall designate as high risk a State that has—

“(1) a high level of unresolved or repeated adverse audit findings submitted under subsection (b);

“(2) a high level of unresolved issues under, or repeated performance failures to carry out, corrective action plans submitted by such State under section 659J(c); or

“(3) unresolved or repeat findings of non-compliance with the State plan approved under section 658E(c).

“(d) **REQUIRED ADDITIONAL MONITORING.**—If a State is designated as high risk under subsection (a), then the performance of such State shall be subject to additional monitoring, as determined by the Secretary.”.

SEC. 7. PREVENTING FRAUD IN THE CHILD AND ADULT CARE FOOD PROGRAM.

Section 17(d)(5) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1766(d)(5)) is amended—

(1) by redesignating subparagraph (E) as subparagraph (F); and

(2) by inserting after subparagraph (D) the following:

“(E) **TERMINATION DUE TO FRAUD.**—

“(i) **DEBARMENT.**—In the case that the participation of an institution or family or group day care home under the program is terminated due to a final determination of fraud, the Secretary shall permanently debar such institution or family or group day care home from participating in the program.

“(ii) **PROVIDERS DEBARRED FROM CHILD CARE AND DEVELOPMENT BLOCK GRANT PROGRAM.**—In the case that an institution or family or group day care home has been debarred from receiving financial assistance under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9857 et seq.) in accordance with section 658I(b)(3)(B) of such Act, the Secretary shall permanently debar such institution or family or group day care home from participating in the program.

“(iii) **FINAL DETERMINATION OF FRAUD DEFINITION.**—In this subparagraph, the term ‘final determination of fraud’ means a determination reached in accordance with the procedures and requirements of this section, for which any rights to review or appeal have been exhausted or waived, that an institution or family or group day care home—

“(I) knowingly submitted a false statement or documentation to obtain funds disbursed under subsection (f)(1)(A);

“(II) misrepresented ownership, enrollment, attendance, or services in connection with the operation of the program by such institution or family or group day care home, or the eligibility

of such institution or family or group day care home to operate the program, to obtain such funds;

“(III) made a knowing and improper expenditure of such funds; or

“(IV) engaged in any other conduct related to such funds that constituted fraud under Federal or State law.”.

SEC. 8. ELIMINATING AUTHORITY TO WAIVE SANCTIONS.

Section 658I(c) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858I(c)) is amended—

(1) in paragraph (1) by striking “or sanctions imposed upon a State in accordance with subsection (b)(2)”,

(2) in paragraph (2)—

(A) in subparagraph (A) by striking “sanction or”, and

(B) in subparagraph (B) by striking “sanction or”,

(3) in paragraph (3) striking “sanction or”, and

(4) in paragraph (7) by striking “sanction(s) or”.

SEC. 9. GAO STUDY AND REPORT ON PROVIDER-RELATED FRAUD.

(a) **STUDY.**—The Comptroller General of the United States shall conduct a study regarding fraud prevention measures in Federal early childhood education, child care, and child nutrition programs that shall include an analysis of—

(1) the effectiveness of procedures and measures to prevent fraud carried out by providers of services under such programs;

(2) whether the data the Federal Government receives in connection with such programs (including through audits and reporting requirements) is—

(A) sufficient to successfully identify fraud carried out under such programs; and

(B) used effectively by the Federal Government to identify potential fraud carried out under such programs; and

(3) with respect to the Child Care and Development Block Grant program established under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9857 et seq.)—

(A) the program integrity results for States that have delegated responsibilities related to program management and administration to counties, local municipalities, or other entities; and

(B) whether any corrective action plans have been implemented by States to improve program integrity results, including any measurable outcomes from implementing such a corrective action plan.

(b) **REPORT.**—Not later than 2 years after the date of enactment of this section, the Comptroller General of the United States shall submit to the Committee on Education and Workforce of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate a report containing—

(1) the results of the study conducted under subsection (a); and

(2) any regulatory or legislative recommendations to improve fraud prevention measures in Federal early childhood education, child care, and child nutrition programs.

(c) **FEDERAL EARLY CHILDHOOD EDUCATION, CHILD CARE, AND CHILD NUTRITION PROGRAMS DEFINED.**—For the purposes of this section, the term “Federal early childhood education, child care, and child nutrition programs” includes—

(1) Head Start programs (including Early Head Start programs) carried out under the Head Start Act (42 U.S.C. 9831 et seq.);

(2) the Child and Adult Care Food Program under section 17 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1766); and

(3) the Child Care and Development Block Grant program established under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9857 et seq.).

SEC. 10. FRAUDULENT PAYMENTS.

Section 658J(b) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858h(b)) is amended—

(1) in paragraph (1) by inserting “(including fraudulent payments)” after “overpayments”, and

(2) by adding at the end the following:

“(3) **REPORT.**—The State shall submit to the Secretary an annual report that identifies the dollar and percentage amount of improper payments made by the State, disaggregated as specified by the Secretary by standardized payment categories (including suspected and verified fraudulent payments, non-fraudulent overpayments, underpayments, and technically improper payments (e.g., system error payments)).”.

The SPEAKER pro tempore. The bill, as amended, shall be debatable for 1 hour equally divided and controlled by the chair and the ranking minority member of the Committee on Education and Workforce or their respective designees.

The gentleman from Michigan (Mr. WALBERG) and the gentleman from Virginia (Mr. SCOTT) each will control 30 minutes.

The Chair now recognizes the gentleman from Michigan (Mr. WALBERG).

GENERAL LEAVE

Mr. WALBERG. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on H.R. 7726.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. WALBERG. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in strong support of the Stop Child Care Scams Act to fight childcare fraud and protect taxpayer dollars.

Fraud isn't new, but what we have seen in recent years is staggering. Billions of dollars have been stolen from programs meant to help children and families. As Americans work day in and day out to put food on the table and support their families, fraudsters are lining their pockets with dollars meant to help hungry Americans and innocent children.

Let me make one thing perfectly clear. Every dollar stolen through fraud is a dollar that cannot help feed a hungry person or provide childcare for kids and families who need it.

Minnesota, sadly, has become a glaring example of this failure. Fake businesses, like the now infamous Quality Learning Center, claimed to serve children, but in reality, many of these facilities sat empty with no students and no staff.

The scale of this abuse, Mr. Speaker, is staggering. An estimated \$9 billion was lost to fraud. That is \$9 billion that could have supported real childcare services or fed families in need. Instead, weak oversight allowed criminals to get rich at the expense of children and taxpayers, and it doesn't stop there.

□ 1440

During the COVID-19 pandemic, leaders of the nonprofit group Feeding Our

Future stole more than \$250 million in Federal nutrition funds meant for hungry children. Instead, those dollars were spent lavishly on luxury cars and mansions. That is not just fraud. It is theft from the most vulnerable.

Unfortunately, this problem extends far beyond the State. Across the country, fraudsters are taking advantage of gaps in oversight while taxpayers foot the bill. That is why this legislation is so important.

In March, my committee passed the eight bills included in this package. I thank Representatives Messmer, GROTHMAN, ONDER, FOXX, WILSON, RULLI, OWENS, and MILLER for their hard work to tackle this problem.

Each of the bills is included in the Stop Child Care Scams Act, which delivers commonsense reforms to restore integrity to these programs. It strengthens auditing and data sharing and increases reporting requirements to detect and prevent fraud. Just as importantly, it kicks fraudsters out of assistance programs, ensuring bad actors can't jump between Federal assistance programs to defraud hardworking Americans.

This bill is guided by a simple principle: Taxpayer money meant for children and working families should never be lost to waste, fraud, or abuse.

Mr. Speaker, we know most childcare providers are doing the right thing, but when fraud runs rampant, it drives up costs, reduces access, and undermines trust in the system. If we want to protect access to affordable, high-quality childcare, we must first eliminate the fraud draining these programs.

Mr. Speaker, I urge my colleagues to support the Stop Child Care Scams Act to protect children, restore accountability, and ensure these programs serve those who truly need them.

Mr. Speaker, I reserve the balance of my time.

Mr. SCOTT of Virginia. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in opposition to H.R. 7726 because we know that childcare is not a luxury. It is a necessity for millions of American families. Yet, many communities struggle with skyrocketing childcare costs if they can find any childcare at all. Our economy already loses an estimated \$122 billion every year due to childcare shortages, and that is a policy failure.

The bill before us does nothing to reduce childcare costs, increase supply, or improve conditions for providers, and it doesn't even reduce fraud. Instead, it creates uncertainty and red tape for States and providers. While the supporters will be discussing the title of the bill, they are not going to be discussing the substance.

I support efforts to reduce fraud in government programs, but this bill doesn't do that. States are already required to report error rates and undergo compliance reviews of the Child Care and Development Block Grant every 3 years. This bill would require

States to triple their reporting obligations, diverting CCDBG dollars away from families by increasing administrative costs. More reporting does not reduce fraud.

H.R. 7726 is also extremely vague. It would allow the Health and Human Services Secretary to designate States as high risk and subject them to additional monitoring without defining what additional monitoring or high risk means, and it provides no additional funding to support these new responsibilities.

Furthermore, it expands situations where the State may be in noncompliance, opening the door for this legislation to be weaponized to withhold funding from an entire State that the Trump administration wants to punish.

The bill also mandates permanent disbarment of providers found guilty of fraud regardless of mitigating circumstances, and it is unclear who gets debarred. Is it the individual who was involved, or could it be the entire franchise operating in multiple States?

In many communities, permanently removing even one provider could leave families without options for childcare. Furthermore, debarment from the childcare program requires debarment from the Child and Adult Care Food Program, so innocent families could lose access to food as well as childcare.

This legislation fails to stop fraud. Instead, it imposes needless red tape and bureaucracy on communities that are already strapped for resources. For that reason, Mr. Speaker, I oppose the bill and reserve the balance of my time.

Mr. WALBERG. Mr. Speaker, I yield 5 minutes to the gentlewoman from Illinois (Mrs. MILLER), the sponsor of the bill.

Mrs. MILLER of Illinois. Mr. Speaker, I rise today in strong support of my bill, H.R. 7726, the Stop Child Care Scams Act, which joins with the administration's efforts to rid the Federal Government of waste, fraud, and abuse.

Last month, President Trump announced serious reforms to safeguard Federal taxpayer dollars spent in the Child Care and Development Block Grant program to ensure that this program is serving the families who need it most. The Stop Child Care Scams Act builds on those actions by enforcing program integrity to ensure every State is compliant with Federal requirements.

Since 2002, the block grant has been identified as a Federal program at risk for improper payments. The Office of Management and Budget, GAO, and HHS have all consistently warned that changes are needed to protect the program from fraud and abuse. In fact, a 2020 GAO report estimated that under the block grant program, there were \$325 million in improper payments nationwide during the 2019 fiscal year.

HHS data shows that the rate of improper payments in Minnesota's Federal Child Care Assistance Program is

nearly twice the national average. In this case, the State failed to address fraud or repeated noncompliance. This is unacceptable, and there must be real consequences.

In 2024, the owner of several Chicago childcare centers was sentenced to 4 years in prison for stealing more than \$3 million of taxpayer funds. That is why I am leading H.R. 7726, the Stop Child Care Scams Act. This bill includes many reforms championed by my colleagues on the Education and Workforce Committee to make commonsense updates to the Child Care and Development Block Grant program so that Federal dollars continue to go to working families, not fraudsters.

Congressman MARK MESSMER's Child Care Payment Integrity and Fraud Accountability Act requires States to assess how many block grant payments are fraudulent.

Congressman GLENN GROTHMAN's CRACKDOWN Act lowers the improper payment threshold of grant funds from 10 to 5 percent.

Congressman BOB ONDER's Child Care Integrity Monitoring Act requires an audit of State childcare assistance programs every 3 years.

Congresswoman VIRGINIA FOXX's Safeguarding Taxpayer Dollars in Child Care Act prevents fraudulent providers from receiving future grant funds.

Congressman JOE WILSON's No Waivers for Fraud Act leaves sanctions in place for noncompliant States.

Congressman MIKE RULLI's Stop Child Care Fraud Act requires States to ensure all relevant agencies have access to necessary data and are examining it to prevent fraud.

Congressman BURGESS OWENS' Closing the Provider Fraud Gap Act requires GAO to examine the progress that has been made in protecting Federal taxpayer dollars in provider-related programs.

Lastly, my No Funds for Repeat Child Care Violations Act withholds block grant funds from noncompliant States.

Every dollar lost to fraud is a dollar that doesn't support working families. Fraud harms our families. It harms our workforce. Americans should have confidence that their Federal taxpayer dollars are being used responsibly and carefully.

Ensuring accountability for these dollars is not optional. It is sensible, responsible, and a moral choice to protect working families who contribute to our communities and help our local economies thrive.

House Republicans are taking waste, fraud, and abuse seriously, and I urge my colleagues to do the same and support this bill.

□ 1450

Mr. SCOTT of Virginia. Mr. Speaker, I include in the RECORD a letter from public health and anti-hunger organizations, a couple of dozen of them, that says in part that the provisions of H.R.

7723 which are now in this bill “would use existing Serious Deficiency process to trigger disbarment, which is problematic because it is a tool that is inconsistently applied and is often triggered by minor errors rather than fraud or misconduct.”

MAY 18, 2026.

Re H.R. 7723 and Its Impact on CACFP Participation

DEAR MEMBERS OF THE HOUSE OF REPRESENTATIVES: We, the undersigned organizations, write to oppose H.R. 7723, *Safeguarding Taxpayer Dollars in Child Care Act*, which could bar child care providers from participating in the child and Adult Care Food Program (CACFP) and the Child Care and Development Block Grant (CCDBG) for unintentional or inadvertent errors.

CACFP is a federal program that provides reimbursements for nutritious meals and snacks to eligible providers in rural, suburban, and urban areas in communities across the country, and is proven to improve children’s health, family economic stability, and child care quality. This program ensures that children in every state have access to healthy meals and snacks at participating child care centers, family child care homes, Head Start programs, afterschool programs, and emergency shelters.

H.R. 7723 seeks to bar providers from receiving federal funds if they commit fraud, but states are already administering CACFP with strong oversight systems specifically designed to detect and prevent integrity concerns. These systems are built from U.S. Department of Agriculture (USDA) guidance and technical assistance.

H.R. 7723 would use the existing Serious Deficiency (SD) process to trigger disbarment, which is problematic because it is a tool that is inconsistently applied and is often triggered by minor errors rather than fraud or misconduct.

In May 2024, USDA began the rulemaking process to update and improve the SD process, with hundreds of stakeholders urging USDA to clearly define fraud and provide more technical assistance. These identified improvements must be included in a Final Rule to ensure due process and that children and families do not lose access to quality and community-based child care due to minor or inadvertent errors.

“We are also concerned about the chilling effect this bill may have on child care providers.” Fear of losing CCDBG funding over inadvertent CACFP errors could push providers to withdraw from CACFP entirely, reducing children’s access to healthy meals at a critical time for their health and development.

We strongly support holding providers who commit fraud accountable. However, inaccurate or exaggerated claims about alleged fraud should not be the basis for jeopardizing children’s access to nutritious food and access to quality and locally-based child care. We urge you to oppose this bill.

Thank you for your consideration to ensure access to high quality and community-based child nutrition and child care. We welcome the opportunity to discuss these concerns further.

Sincerely,

National Organizations:

American Federation of State, County and Municipal Employees (AFSCME); CACFP Roundtable; Center for Law and Social Policy (CLASP); Common Threads; Food Research & Action Center (FRAC); First Focus Campaign for Children; National Association for Family Child Care; National CACFP Association; National CACFP Forum; National Farm to School Network; ZERO TO THREE.

State and Local Organizations:

Alpha & Omega Nutrition Program, Inc. (Tennessee); Child Nutrition Services (Nebraska); Children’s Hunger Alliance (Ohio); CocoKids Inc (California); Genesee County Interagency Council (New York); Giving Youth A Chance (Tennessee); Hawaii Children’s Action Network Speaks!; Indy Hunger Network (Indiana); Lucia Mar USD (California); Marathon County Child Development Agency (Wisconsin); Marshmallow Home Daycare LLC (California); Missouri State Center for Ozarks Poverty Research; Northwest Harvest (Washington); Oppenheim Consulting, LLC; San Francisco—Marin Food Bank (California); Second Harvest Food Bank of Orange County (California); Tiny Tots and Little Tykes, Inc. (Minnesota).

Mr. SCOTT of Virginia. Mr. Speaker, I also include in the RECORD a letter from AFSCME, Education Healthcare Public Services, and SEIU that says in part: “This bill would enable the administration to withdraw Federal childcare funds abruptly without cause, making childcare less affordable and reliable for working families.”

JUNE 2, 2026.

House of Representatives,
Washington, DC.

DEAR REPRESENTATIVE: On behalf of the 5 million members of the American Federation of State, County and Municipal Employees (AFSCME), American Federation of Teachers (AFT), and Service Employees International Union (SEIU), we write collectively in opposition to Stop Child Care Scams Act (H.R. 7726), which purports to address allegations of fraud in child care programs. “This bill would enable the administration to withdraw federal childcare funds abruptly without cause, making childcare less affordable and reliable for working families.” This legislation would also make it even more difficult for struggling childcare providers to keep their doors open. We urge you to vote no on H.R. 7726.

Our unions represent family childcare providers, childcare centers, programs and services, and preschool employees. Some of these programs span traditional working hours and others operate well beyond the traditional work day to accommodate parents who are healthcare workers on 12-hour shifts, service members working on bases that operate 24/7, construction workers who are onsite by 7:00 a.m., and other working parents who work outside the once traditional 9 to 5. Many providers already operate on razor-thin margins, working long hours, overseeing staff and making personal financial sacrifices, like delaying their own pay, to keep their doors open and meet payroll. Constant funding disruptions to childcare will force many providers to reduce services or close altogether. They deserve better and more timely pay rather than additional delays and uncertainty. This vital component of our workforce needs certainty and steady funding to provide the care needed for America’s working families.

Earlier this year, the Trump administration, abruptly and without justification, illegally withheld funding for more than 300,000 children in more than 44,000 childcare programs in five states funded by the Child Care and Development Block Grant (CCDBG). Another 200,000 children who do not receive childcare assistance but rely on programs that do, may have also been affected. Unions and other allies swiftly challenged these actions in court. Multiple courts ordered the administration to reverse course. Now, H.R. 7726 would amend current law to allow these politically motivated, baseless and deeply harmful funding freezes to resume.

CCDBG is a critically important program for infants and toddlers, preschoolers, school-aged children, and a crucial workforce support. Reliable, consistent childcare funding from the federal government is essential to ensure that parents can work while their children are wellcared for and gain critical skills for continued education and success. CCDBG also supports school-aged children in before and after care. Further, childcare programs, both centers and family childcare, need the assurance of stable, consistent funding so that their work can continue.

CCDBG has enjoyed bipartisan support with champions from both parties because the investments pay off and the program is run well. CCDBG is one of the most closely monitored human services programs with states required to submit detailed plans to the federal government, track eligibility, conduct regular provider inspections and report spending to the federal government. The most recent report from the Administration for Children and Families’ Office of Child Care’s National Center on Subsidy Innovation and Accountability showed that CCDBG had lower rates of improper payments than other programs. As a reminder, improper payments include errors that cannot be solely classified as fraud, such as inadvertent error.

H.R. 7726 further empowers the administration in its attempts to weaponize the distribution of congressionally appropriated funds. Instead, Congress should ensure that enacted funding is distributed lawfully and without delays due to political motivations. We urge you to oppose H.R. 7726 and focus on ways to make childcare more affordable for millions of working families.

Sincerely,

ELIZABETH S. WATSON,
*American Federation
of State, County and
Municipal Employ-
ees (AFSCME).*

KRISTOR COWAN,
*American Federation
of Teachers (AFT).*

JOHN GRAY,
*Service Employees
International Union
(SEIU).*

Mr. SCOTT of Virginia. Mr. Speaker, I yield 3 minutes to the gentlewoman from Georgia (Mrs. MCBATH.)

Mrs. MCBATH. Mr. Speaker, I thank the ranking member of the Education and Workforce Committee for yielding.

Stealing from those who need it most is especially egregious, and I can agree with my colleagues on that. But I can’t agree with allowing them to punish those that have been defrauded for a second time because that is what this bill really does. It has the same impact on people as fraud.

At the end of the day, the families who these dollars are really meant for, they are not going to get them. They are not going to get the dollars that they need. Instead, the money will have gone to thieves or to nobody at all.

The outcome is just the same. The people who have the least are always the ones who pay the price. In Psalms, since so many profess to be Christians here, the Lord says that because the poor are plundered, that because the greedy groan, He will rise. But God cannot take action on his own. He has given us free will. It is through our

hands that his vision for a just world becomes truth. Instead of rising to help the plundered, to help the poor, this only plunders them for a second time.

This is clearly more about giving the Trump administration more power to punish their political enemies than it is about preventing fraud. Instead of following the law, allowing the process to play out, this bill gives the Secretary personal discretion to investigate and punish fraud.

This President and his allies stop at nothing to punish people who disagree with them. This administration has not hesitated to not only kill people for speaking out and protesting against the government but to slander their memory after they are gone.

They will tell lies about you and your family to the entire country to justify the unjustifiable, just like they did about Renee Good and Alex Pretti.

When my son Jordan was killed in a shooting, the same man who pulled the trigger tried to justify it by lying about who my son really was. He said that there was a gun in the car when there wasn't; that Jordan was a thug, and he wasn't; that my son and his friends were doing things that they really weren't doing.

I thank God every single day that those lies never caught on, but I remember how insulting that was. I remember thinking: You took my child from me, and now you are going to lie about who he really was just to try to get away with it?

The Trump administration has proven that they cannot be trusted to do the right thing on their own—

The SPEAKER pro tempore (Mr. FULCHER). The time of the gentleman has expired.

Mr. SCOTT of Virginia. Mr. Speaker, I yield an additional 1 minute to the gentlewoman from Georgia.

Mrs. McBATH.—or even do something as basic as telling the truth.

This bill makes it easier for this administration to make unilateral decisions at a time when Americans want accountability. I encourage my colleagues to oppose this bill.

Mr. WALBERG. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin (Mr. GROTHMAN), a great member of our committee.

Mr. GROTHMAN. Mr. Speaker, I rise in support of H.R. 7726, the Stop Child Care Scams Act.

One of the provisions in this bill is the Combating Regulatory Abuse, Closing Known Deficiencies, and Overseeing Waste Nationwide Act, or the CRACK-DOWN Act, of which I am the author.

The bill is about a simple principle: Taxpayer dollars that help working families afford childcare should not be lost to waste, fraud, or abuse.

It is not surprising, by the way, the Child Care and Development Block Grant was subject to abuse. It is one of these programs that the Federal Government pays for and the State governments administer—an invitation to abuse.

In any event, the Child Care and Development Block Grant helps low-income families access childcare so parents can work, pursue training, and provide for their children. When the improper payment rates rise too high, it is a warning sign that stronger oversight is needed.

Under current law, States generally do not face corrective action requirements until improper payments exceed 10 percent. That is way too high.

The CRACKDOWN Act would lower the threshold from 10 percent to 5 percent. If the State exceeds that level, we must take corrective action to improve program integrity.

The national improper payment rate is already about 4.9 percent, and 38 States already meet the 5 percent threshold established in the bill.

Wisconsin is a State that learned this lesson the hard way. In 2010, our State faced widespread fraud in its childcare program. Wisconsin responded by strengthening background checks, creating a dedicated fraud unit, and expanding audits. Today, Wisconsin's improper payment rate is below 1 percent. So it can be done. There is no excuse for being over 1 percent, but because we are easygoing, we are going to require that it is under 5 percent.

Waiting until a State reaches 10 percent before requiring corrective action allows problems to grow before they are addressed.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. WALBERG. Mr. Speaker, I yield an additional 15 seconds to the gentleman from Wisconsin.

Mr. GROTHMAN. Mr. Speaker, waiting until a State reaches 10 percent before requiring corrective action allows problems to grow before they are addressed.

Every dollar lost to improper payments is a dollar that cannot help a working parent. It also is a dollar taken from taxpayers.

H.R. 7726 protects families, protects taxpayers, and strengthens confidence in the program. I urge my colleagues to support this bill.

Mr. SCOTT of Virginia. Mr. Speaker, I yield 2 minutes to the gentlewoman from California (Ms. CHU).

Ms. CHU. Mr. Speaker, I rise in strong opposition to H.R. 7726, the Stop Child Care Scams Act.

As families across the country struggle with the high cost of childcare, Republicans are advancing legislation that would make it easier for the Trump administration to withhold funding that helps working people afford childcare and helps providers keep their doors open.

Why? To give President Trump more authority to target States he disagrees with politically under the guise of combating fraud.

We already know exactly how this administration uses this kind of authority. Earlier this year, it implemented its nationwide Defend the Spend policy requiring States to sub-

mit a slew of new data to access childcare funding Congress already appropriated.

□ 1500

States were never required by law to provide this information.

As a result, several States have reported being unable to access funding, and the administration refuses to answer basic questions about how this policy works, who reviews the information submitted by States, and how that data is used. This lack of transparency should alarm every Member of this Chamber.

The administration claims this is necessary to combat widespread fraud in our childcare programs, but it has failed to produce any evidence whatsoever. That tells us everything we need to know. This was never about fraud. It is about President Trump's petty political vendetta against blue States.

I submitted an amendment that would have delayed implementation of H.R. 7726 until the administration finally provides transparency into its defend the spend policy, but Republicans refused to allow a vote. Until we get answers, we should not be expanding President Trump's ability to interfere with childcare funding that families depend on.

Mr. WALBERG. Mr. Speaker, I yield 2 minutes to the gentleman from Utah (Mr. OWENS), the sponsor of one of the bills in this package, in fact, one of the bills that the Democrats voted with us unanimously.

Mr. OWENS. Mr. Speaker, every cent of taxpayer money should be treated as sacred. It comes directly out of the pockets of hardworking Americans. That is why no amount of fraud in Federal public assistance programs is acceptable. The Government Accountability Office, GAO, recently estimated that the Federal Government loses between \$233 billion and \$521 billion every year to fraud, based on data from 2018 through 2022.

When the government spends the American people's money, Americans should have confidence that their Federal taxpayer dollars are being used responsibly and carefully.

Recent reporting has revealed shocking degrees of waste, fraud, and abuse in Minnesota's Federal childcare assistance program. According to U.S. Department of Health and Human Services, HHS, data, the rate of improper payments in Minnesota's Federal childcare assistance program is nearly twice the national average.

In May 2025, an HHS audit of Minnesota's Federal childcare program found repeated failures to verify attendance and comply with payment requirements.

However, the problem is not limited to Minnesota. Since 2002, the Child Care and Development Block Grant, CCDBG, has been identified as a Federal program at risk for improper payments. The Office of Management and Budget and HHS have all consistently

warned that changes are needed to protect the program from waste, fraud, and abuse.

I am proud that this legislation includes my Closing the Provider Fraud Gap Act, which commissions GAO to conduct a study on existing Federal fraud prevention measures in early childhood programs and then report on recommendations to improve fraud prevention.

The Stop Child Care Scam Act is a reasonable and commonsense solution to protect Federal taxpayer dollars from being defrauded.

Mr. Speaker, I urge my colleagues to vote “yes.”

Mr. SCOTT of Virginia. Mr. Speaker, I include in the RECORD a letter from the Child Care for Every Family Network.

THE CHILD CARE FOR EVERY FAMILY,

June 1, 2026.

DEAR MEMBERS OF CONGRESS: We, the undersigned organizations, led by the Child Care for Every Family Network with the support of the National Association for the Education of Young Children, National Women’s Law Center, the Center for Law and Social Policy, and the National Association of Family Child Care, strongly urge you to reject a package of child care bills—or the “Stop Child Care Scams Act of 2026”—amending the Child Care and Development Block Grant Act (CCDBG) and the Child and Adult Care Food Program (CACFP).

These bills give the U.S. Department of Health and Human Services unprecedented authority to withhold all Child Care and Development Fund (CCDF) funding from states without cause or due process, bar child care providers for non-fraudulent activity, and burden states with costly activities that don’t improve program integrity. There is no evidence of significant or widespread fraud in the federal child care program. These bills will be detrimental to child care access as they will result in fewer families receiving child care assistance from CCDF, fewer child care providers willing to serve families with child care subsidies, and further destabilize America’s child care sector, which is already stretched too thin. The latest annual survey report from the National Association for Family Child Care reveals an unsustainable situation: 35 percent reported earning less than \$10 an hour despite 71 percent working 50 or more hours per week, and 48 percent reported working 60 or more hours per week. A recent survey of providers by the National Association for the Education of Young Children makes clear that insufficient public investment threatens parents’ ability to afford and access child care.

In short, these bills deny support to children and families while doing absolutely nothing to strengthen our child care system or help the millions of families that are struggling to find and afford the child care they need. Lawmakers must reject this effort that will destabilize our child care system and harm the families that rely on it.

The House of Representatives will soon consider legislation that ignores the real child care crisis and create a constellation of policies that exacerbate this crisis, undermining and weakening our current system and doing nothing to help the millions of families that urgently need help affording child care. We urge lawmakers to reject the “Stop Child Care Scams Act of 2026,” which includes the following bills:

H.R. 7720 Child Care Payment Integrity and Fraud Accountability Act: This bill treats all states as high-risk by annual error

rate reviews instead of every three years, despite no evidence of significant or widespread fraud in the CCDF program. These time-consuming, burdensome, and costly reviews will mean states have less funding for child care assistance, while doing nothing to reduce fraud.

H.R. 7721 Combating Regulatory Abuse, Closing Known Deficiencies, and Overseeing Waste Nationwide Act (CRACKDOWN Act): This bill would give the U.S. Department of Health and Human Services (HHS) new power to freeze 100 percent of a state’s child care funds for state administrative errors. Uses an arbitrary, low-risk threshold standard that isn’t about fraud and eliminates state due process. This doesn’t reduce fraud and would needlessly punish thousands of families who rely on federal child care assistance and destabilize a state’s child care sector.

H.R. 7723 Safeguarding Taxpayer Dollars in Child Care Act: This bill requires HHS and USDA to penalize providers unfairly, including permanently barring child care providers from receiving federal child care funds and participation in the Child and Adult Care Food Program (CACFP). This puts providers who haven’t committed fraud at risk of losing their business and could make them less willing to serve families with CCDF subsidies. This could have a chilling effect on providers serving families with subsidies, making it harder for these families to find the care they need. It also means that more child care programs could close altogether and more families—including those who don’t use subsidies—will have a harder time finding and affording child care.

Regarding CACFP, the bill would further undermine the existing and deeply flawed Serious Deficiency (SD) process to trigger disbarment from the entire program. CACFP ensures that the participating child care centers, family child care homes, Head Start programs, afterschool programs, and emergency shelters serve healthy meals and snacks. States currently administer CACFP with strong oversight systems created by USDA, designed to detect and prevent integrity concerns. SD is inconsistently applied and often triggered by minor errors—not fraud or misconduct—and should not result in termination from either CACFP or CCDF.

H.R. 7726 No Funds for Repeat Child Care Violations Act: This bill would require HHS to permanently bar child care providers from receiving federal funds for non-fraudulent actions, such as incomplete paperwork, like missing signatures. This puts providers who haven’t committed fraud at risk of losing their business if they serve families paying with CCDF subsidies. It could have a chilling effect on providers serving families with subsidies, making it harder for those families to find the care they need. It also means that more child care programs could close altogether, and more families including those who don’t pay with subsidies—will have a harder time finding and affording child care.

H.R. 7724 No Waivers for Fraud Act: This bill would eliminate HHS’s ability to waive a sanction it has placed on a state. This flexibility is rarely, if ever, used but would be important to preserve for instances of capricious sanctioning of states without proof of fraud and more generally for unforeseen situations in which the Secretary and state agree that withdrawing a sanction is appropriate.

We urge lawmakers to vote NO on any package that includes these bills and instead focus on the real child care crisis facing our country.

Signed,

National Organizations
Child Care for Every Family Network

Center for Law and Social Policy
National Association for Family Child Care
National Women’s Law Center
MomsRising
National Association for the Education of Young Children (NAEYC)
All Our Kin
American Federation of State, County and Municipal Employees (AFSCME)
Americans for Democratic Action (ADA)
AP-OD
Care in Action
Caring Across Generations
Catholic Charities
Children’s Defense Fund
Children’s Funding Project
Children’s HealthWatch
Coalition on Human Needs Congregation of Our Lady of Charity of the Good Shepherd, U.S. Region
Division for Early Childhood of the Council for Exceptional Children (DEC)
Early Learning Policy Group
Equal Rights Advocates
Family Centered Treatment Foundation
Family Values @ Work
First Focus Campaign for Children
Food Research & Action Center (FRAC)
Head Start Child & Family Development Centers, Inc.
Home Grown
Indigenous Visioning
Institute for Women’s Policy Research
Integrated Community Solutions, Inc
Justice + Joy National Collaborative
League of United Latin American Citizens (LULAC)
LEGAL VOICE
Local Initiatives Support Corporation (LISC)
National Advocacy Center of the Sisters of the Good Shepherd
National Association of Counsel for Children
National Association of Social Workers (NASW)
National Black Child Development Institute
National Child Care Association
National Domestic Workers Alliance
National Indian Child Care Association
National Organization for Women
National Respite Coalition
National Women’s Political Caucus
People Power United
Poder Latinx
Public Advocacy for Kids (PAK)
Public Citizen
ResourceFull Consulting
Service Employees International Union (SEIU)
TOOTRiS
UMOS
Voices for Progress
Vote Mama Lobby
ZERO TO THREE

State and Local Organizations

ALABAMA

Alabama Institute for Social Justice

ALASKA

Alaska Children’s Trust
Southeast Childhood Collective
All Alaska Pediatric Partnership (A2P2)

ARIZONA

Children’s Action Alliance
Southwest Human Development

ARKANSAS

Arkansas Advocates for Children and Families

CALIFORNIA

California Association for the Education of Young Children (CAEYC)
California Child Care Resource & Referral Network

Black Californians Unite for Early Care and Education
Child Care Law Center
Early Edge California
The Children's Partnership
CAPMC
California Commission on the Status of Women & Girls
Black Californians United for Early Care and Education
Parent Voices CA
Bay Area Professional Family Child Care Network
CommUnify
Options for Learning
Modoc County Office of Education/Early Head Start

COLORADO

Colorado Association for the Education of Young Children (COAEYC)
The Colorado Children's Campaign

CONNECTICUT

Connecticut Voices for Children

DELAWARE

Delaware Association for the Education of Young Children

DISTRICT OF COLUMBIA

DC Action
DCAEYC
SPACES in Action
DC Fiscal Policy Institute

FLORIDA

Florida National Organization for Women
Florida Head Start Association

GEORGIA

Georgia Statewide Afterschool Network
Voices for Georgia's Children
Helping Mamas
Black Child Development Institute (BCDI)—Atlanta
Georgia Child Care Association
Tri-County Family Connection
Easter Seals North Georgia, Inc.

HAWAII

PATCH
Hawai'i Children's Action Network Speaks!

IDAHO

Idaho Head Start Association

ILLINOIS

COFI-POWER-PAC IL
Illinois Head Start Association
SEIU Healthcare Illinois Indiana Missouri Kansas

Indivisible Chicago Northwest

INDIANA

Indiana Head Start Association

IOWA

Iowa Association for the Education of Young Children

KANSAS

Futures First

KENTUCKY

Prichard Committee for Academic Excellence

LOUISIANA

For Providers By Providers (4PXP)
Child Care Association of Louisiana

MAINE

Maine People's Alliance
Maine Immigrants' Rights Coalition
Maine Association for the Education of Young Children (MaineAEYC)
Family Child Care Association of Maine

MARYLAND

Maryland Family Network
Latino Child Care Association of Maryland, Inc.

MASSACHUSETTS

Massachusetts Head Start Association

Community Labor United Inc.
Strategies for Children
Neighborhood Villages

MICHIGAN

Michigan League for Public Policy
Michigan AEYC

MINNESOTA

All Nations Rise
Gender Justice
Chamber of Mothers Minnesota Chapter
Metropolitan Interfaith Council on Affordable Housing (MICAH)

MISSISSIPPI

Mississippi Low Income Child Care Initiative

MISSOURI

WEPOWER
Missouri Association for the Education of Young Children
Rhizome: Early Childhood Strategy & Policy Solutions
Missouri Head Start Association
Empower Missouri
Region VII Head Start Association
Douglass Community Services

MONTANA

Montana Advocates for Children
Healthy Mothers, Healthy Babies—The Montana Coalition
Montana Association for the Education of Young Children
Zero to Five Montana
Montana Budget & Policy Center

NEBRASKA

IBBG
Nebraska Association for the Education of Young Children, Inc.

NEVADA

Children's Advocacy Alliance

NEW HAMPSHIRE

Kids First Consulting

NEW JERSEY

NJ Communities United
New Jersey Citizen Action
Advocates for Children of New Jersey
Laundry Workers Center
NJ Association for the Education of Young Children
New Jersey Institute for Social Justice
CWA Local 1037

NEW MEXICO

OLÉ Education Fund
New Mexico Early Childhood Association

NEW YORK

Alliance for Quality Education
The Children's Agenda
NY Association for the Education of Young Children
Diverse Mosaic Community Center
Children's Defense Fund—New York
Citizen Action of New York
Early Care & Learning Council
Western New York Child Care Action Team

NORTH CAROLINA

Education Justice Alliance

NORTH DAKOTA

North Dakota KIDS COUNT

OHIO

Ohio Association for the Education of Young Children
Southwest Ohio Association for the Education of Young Children
Ohio Organizing Collaborative
Chosen Kids
Columbus Early Learning Centers
Early Care and Learning, Inc.

OKLAHOMA

Oklahoma Association for the Education of Young Children
Oklahoma Child Care Association

OREGON

For All Families
Children's Institute

PENNSYLVANIA

Pennsylvania Head Start Association
Children First (PA)
Pennsylvania Association for the Education of Young Children
Pennsylvania Partnerships for Children
Pennsylvania Child Care Association
New Voices for Reproductive Justice
First Up

RHODE ISLAND

RI Association for the Education of Young Children
Rhode Island KIDS COUNT

SOUTH CAROLINA

South Carolina Program for Infant/Toddler Care
Institute for Child Success

SOUTH DAKOTA

South Dakota KIDS COUNT

TENNESSEE

Nashville Area Association for the Education of Young Children

TEXAS

CHILDREN AT RISK
Texans Care for Children
Children's Defense Fund—Texas
Austin/Travis County Success by 6

UTAH

Utah Association for the Education of Young Children
Voices for Utah Children
Utah Private Child Care Association

VERMONT

Vermont Early Childhood Advocacy Alliance
Building Bright Futures, Vermont's Early Childhood State Advisory Council
Vermont Association for the Education of Young Children

VIRGINIA

Virginia Head Start Association
Virginia Organizing

WASHINGTON

Children's Campaign Fund
Washington State Association of Head Start and ECEAP
Akin

WEST VIRGINIA

West Virginia Head Start Association, Inc.

WISCONSIN

Wisconsin Coalition Against Sexual Assault
Wisconsin Head Start Association
Wisconsin Early Childhood Association

WYOMING

Wyoming Community Foundation

Mr. SCOTT of Virginia. The letter says in part: "These bills give the U.S. Department of Health and Human Services unprecedented authority to withhold all Child Care and Development Fund (CCDF) funding from States without cause or due process, bar child care providers for non-fraudulent activity, and burden States with costly activities that don't improve program integrity."

Mr. Speaker, I reserve the balance of my time.

Mr. WALBERG. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. RULLI), who is the sponsor of another one of the bills in the package that my Democrat colleagues voted for unanimously with us.

Mr. RULLI. Mr. Speaker, I thank Chairman WALBERG for yielding.

Mr. Speaker, I am proud to stand in support of H.R. 7726, the Stop Child Care Scams Act of 2026. I am honored to see my bill added into this package today.

We are here talking about common-sense legislation to just stop fraud. The Government Accountability Office estimates that the Federal Government loses between \$200 billion and \$500 billion every year to fraud.

This bill makes sure fraudsters are stopped by adding commonsense requirements like agency coordination and data sharing to monitor fraud, explaining the processes used to investigate and recover improper payments, and highlighting the procedures used to impose sanctions when fraud is actually found.

Mr. Speaker, I urge my colleagues today to support this bill, strengthen integrity, and safeguard taxpayer dollars in the childcare block grant program.

Mr. SCOTT of Virginia. Mr. Speaker, I yield 3 minutes to the gentleman from Virginia (Mr. SUBRAMANYAM).

Mr. SUBRAMANYAM. Mr. Speaker, I thank the ranking member for yielding.

H.R. 7726 is supposedly intended to address fraud in childcare programs, but all it actually does is give the administration more power to withhold childcare funding as political retribution.

This is happening particularly at a time when the cost of childcare is skyrocketing. I am so glad we are talking about fraud because this is an administration that has embraced waste, fraud, and abuse.

This is a President who tried to steal taxpayer money by suing his own government and then set up a \$1.8 billion slush fund for his friends and allies, and his family has made billions from pay-to-play business deals all around the world.

That is not all, because he has used his pardon power to pardon fraudsters left and right, including white-collar criminals convicted of money laundering; corrupt politicians who stole millions in public funds and even trafficked drugs; and even insurrectionists, including one who was later charged with child sex abuse and molestation.

These pardons have wiped out over \$1.5 billion in compensation owed to actual crime victims. The administration has made sure there is no one left to investigate this fraud because the Department of Justice office in charge of investigating corruption used to have 40 attorneys in it, and now it has 2.

That is why, at the appropriate time, I will offer a motion to recommit this bill back to committee.

If the House rules had permitted, I would have offered the motion with an important amendment to this bill. My amendment would prevent the bill from taking effect until the Department of Justice provides a list of all

the individuals pardoned by the President of the United States who were convicted for committing fraud.

Mr. Speaker, I ask unanimous consent to insert the text of my amendment into the RECORD immediately prior to the vote on the motion to recommit.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. SUBRAMANYAM. I hope my colleagues on both sides of the aisle will show their commitment to actually addressing fraud by joining me in voting for the motion to recommit.

The SPEAKER pro tempore. Members are reminded to refrain from engaging in personalities toward the President.

Mr. WALBERG. Mr. Speaker, now I will get back on the germane issues that we are dealing with with this legislation and not rabid statements without foundation.

Mr. Speaker, I yield 2 minutes to the gentleman from Missouri (Mr. ONDER), who is a great member of our committee.

Mr. ONDER. Mr. Speaker, I thank Chairman WALBERG for yielding.

Mr. Speaker, I rise in strong support of H.R. 7726, the Stop Child Care Scams Act. This package will punish bad actors who steal taxpayer dollars from low-income families who need childcare resources the most.

While fraud and theft may be a time-honored tradition in Somalia, defrauding American taxpayers has consequences. When Nick Shirley blew the lid on the pervasive childcare fraud in Minnesota's Somali community, the infamous Quality Learning Center was forced to shut down. The Somali mastermind of the Feeding Our Future scheme was charged with wire fraud and conspiracy to defraud the United States, and Governor Tim Walz was forced to drop his reelection bid.

House Republicans are restoring integrity to the Child Care and Development Block Grant program which serves about 10 percent of all children in the childcare system. Any waste, fraud, and abuse is an attack on working families and must be rooted out. This legislation will greatly improve oversight of Federal childcare program expenditures and hold fraudsters accountable.

I appreciate the chairman including legislation I introduced, the Child Care Integrity Monitoring Act, in this bill. My bill will restore public trust in the childcare system by codifying HHS' 3-year audit cycle of expenditures, which the Department has been required to do since 2007.

My bill also gives HHS the power to designate States as high risk if they fail their audit, neglect to carry out a corrective action plan, or become non-compliant with their own State plan.

House Republicans will never stop fighting waste, fraud, and abuse because we will not tolerate benefits

being stolen from working families. By ensuring that Federal childcare dollars are spent wisely, the Stop Child Care Scams Act of 2026 will improve the quality of life for countless working moms and dads and their children.

Mr. Speaker, I encourage all Members to support this legislation.

Mr. SCOTT of Virginia. Mr. Speaker, I include in the RECORD a link to an article printed in the MinnPost, the headline of which says: "Here's what's really happening with childcare fraud in Minnesota. Evidence is nowhere near the epidemic levels a viral YouTube video would suggest—but it hasn't stopped a crackdown on child care funding. Here's the fact check." https://www.minnpost.com/state-government/2026/01/heres-whats-really-happening-with-child-care-fraud-in-minnesota-explained/?gad_source=1&gad_campaignid=9109082086.

Mr. Speaker, I reserve the balance of my time.

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Mr. WALBERG. Mr. Speaker, I yield 2 minutes to the gentleman from Indiana (Mr. MESSMER), a sponsor of one of the bills in this package and a great member of the committee.

Mr. MESSMER. Mr. Speaker, I rise today in strong support of the Stop Child Care Scams Act, which provides a commonsense path toward preventing the rampant waste, fraud, and abuse in our Federal childcare support programs.

Every year, nearly 2 million children receive State and Federal Child Care and Development Block Grant subsidies totaling over \$8 billion. These childcare assistance programs allow lower income parents to stay in the workforce so they can create their own economic independence and contribute to the economic development in their communities.

Under the current program requirements, States are supposed to submit a report detailing any errors that are discovered in the administration of the CCDBG grant fund distributions.

Mistakes are not unusual given the changing nature of childcare, but because there is no penalty, the reporting of fraudulent payments is often ignored.

That is why I am pleased that my Child Care Payment Integrity and Fraud Accountability Act is included in today's bill. It requires that States clearly account for any improper payments that have been made so that Americans can see exactly how their money is being spent and leaders can manage what improvements are needed to best safeguard taxpayer dollars.

Preventing fraud and protecting our citizens' hard-earned money is one of the most important things we should be doing in Congress. Americans deserve an end to the waste, fraud, and abuse poisoning our country. I urge my colleagues to support this bill.

Mr. SCOTT of Virginia. Mr. Speaker, I include in the RECORD a letter from

Child Care Aware of America that says, in part, “several provisions in the bill would duplicate existing requirements, create unclear mandates, and ultimately undermine families’ access to childcare” and that the bill “would impose new sanctions, restrict flexibility, and potentially reduce childcare funding to States.”

CHILDCARE AWARE OF AMERICA,

June 2, 2026.

DEAR REPRESENTATIVE: We write to share concerns about the Stop Child Care Scams Act of 2026 (H.R. 7726) that previously advanced out of the House Education and Workforce Committee as a package of eight bills. Child Care Aware of America (CCAoA) supports swift and thorough action when credible allegations of fraud arise. But any effort to strengthen current safeguards should do so without causing economic harm to families, communities, or the child care system. Unfortunately, several provisions in the bill would duplicate existing requirements, create unclear mandates, and ultimately undermine families’ access to child care. At a time when child care prices remain extremely high for families, additional administration burden and cost may cause providers to reduce enrollment, withdraw from subsidy programs, or close altogether, further straining access for families who need care. We urge you to vote no on the Stop Child Care Scams Act of 2026 (H.R. 7726).

There are already robust program integrity processes in place within the Child Care and Development Block Grant (CCDBG), with clearly defined roles for both federal and state agencies. Federal law and regulation require states to conduct eligibility verification, establish monitoring and enforcement procedures, review payments, investigate suspected fraud, and implement corrective action plans where needed. States must submit detailed plans outlining program integrity strategies, and they are subject to federal oversight. In addition, states already report extensive data on payment accuracy and program integrity. Under federal regulation, states must report the error rate, the percentage of cases with an improper payment, the percentage of improper payments, the average amount of improper payment, and the estimated annual amount of improper payments (45 CFR 98.100(b)). States are also required to outline procedures to investigate and recover fraudulent payments, which are different than improper payments or errors, and to impose sanctions on clients or providers in response to fraud. The U.S. Department of Health and Human Services has clear oversight authority, including reviewing state compliance, requiring corrective actions, and imposing penalties when necessary.

The Stop Child Care Scams Act of 2026 (H.R. 7726) would impose new sanctions, restrict flexibility, and potentially reduce child care funding to states. While accountability is important, reducing funding limits states’ ability to operate the child care subsidy systems that millions of families rely on. These resources support access to child care, workforce stability, and the state administrative capacity needed to maintain strong program oversight. Excessive sanctions and rigid penalties may discourage child care providers from participating in the subsidy system, or related programs such as the Child and Adult Care Food Program (CACFP). The result could be a smaller supply of child care for families.

The bill’s administrative requirements would also be costly to implement. Expanded reporting, monitoring, technology upgrades,

and compliance obligations require significant staff time and system changes. Because these expenses are typically covered by Child Care and Development Fund (CCDF) dollars, increased administrative costs leave fewer resources available for direct services. As a result, states may need to serve fewer children, adjust reimbursement rates for child care providers, or scale back quality initiatives. Increased compliance risk and reduced flexibility may further accelerate program closures, making it harder for families to access care.

Our concerns apply to several of the sections of the Stop Child Care Scams Act of 2026. Section 5, Improper Payment Rate Requiring Corrective Action Plan; Conditional Ineligibility, and Section 10, Fraudulent Payments, focus on reducing improper payments without making a necessary distinction between administrative errors and intentional fraud. That conflation requires states to adopt overly restrictive payment practices that destabilize child care provider operations, particularly for small businesses operating on thin margins. Section 10, Fraudulent Payments, would add new reporting and compliance requirements that increase administrative costs and divert funds from direct services for families and children. Section 6, Cyclical Monitoring of State Performance, duplicates existing federal monitoring and review requirements. Section 2, Strengthening the Authority to Withhold Funds for Fraud, imposes funding penalties that ultimately reduce resources available to serve families. Similarly, Section 4, Preventing Fraud in the Child Care and Development Block Grant Program, would limit flexibility that states currently use to manage complex program operations, potentially reducing child care supply.

CCAoA supports thoughtful, targeted efforts to strengthen program integrity and prevent fraud. However, these efforts should build on existing systems, preserve clarity in federal and state roles, distinguish administrative errors and improper payments from fraud, and most importantly not punish children and families by destabilizing or defunding the child care system. As a result, we urge the Representative to oppose the Stop Child Care Scams Act of 2026 (H.R. 7726). We welcome the opportunity to work with you on balanced solutions that ensure families maintain access to safe, affordable child care.

Sincerely,

SUSAN GALE PERRY,
Chief Executive Officer,
Child Care Aware of America.

Mr. SCOTT of Virginia. Mr. Speaker, I reserve the balance of my time.

Mr. WALBERG. Mr. Speaker, I yield 1½ minutes to the gentleman from Utah (Mr. KENNEDY).

Mr. KENNEDY of Utah. Mr. Speaker, I rise today in strong support of H.R. 7726, the Stop Child Care Scams Act of 2026.

Before I came to Congress, I spent my career as a physician in Utah caring for working families. In medicine, you learn to diagnose the root cause of an illness. If a treatment isn’t working, you don’t double down on a failing protocol. You do the obvious. You should change the treatment.

Unfortunately, Washington has a habit of ignoring the symptoms of our own broken system. While our Federal childcare programs serve a useful purpose, they are being systematically ruined by rampant fraud. We must be clear about who truly suffers when we allow this corruption to go unchecked.

Fraudsters who exploit these programs are stealing directly from the children and families who rely on these resources. This is a moral failure that should transcend party lines. Securing our Federal programs against fraud is Congress’ job, and it shouldn’t take committed citizens like Utah’s own Nick Shirley to uncover these problems.

As the sponsor of the Stop Child Care Funding Fraud Act, I am glad to see similar policies reflected in this bill.

Mr. Speaker, today, we can protect the taxpayer, excise the rot of corruption, and make certain that every Federal dollar intended for America’s children actually reaches them. Rooting out waste, fraud, and abuse should be every Member’s priority for these people in this Chamber, and I urge my colleagues to support this bill.

Mr. SCOTT of Virginia. Mr. Speaker, I reserve the balance of my time.

Mr. WALBERG. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota (Mr. STAUBER).

Mr. STAUBER. Mr. Speaker, I rise today in support of H.R. 7726, the Stop Child Care Scams Act.

This legislation is about something every American should agree on: Childcare assistance should go to children and families who need help, not to criminals and fraudsters who exploit the system for personal gain.

A GAO report found that \$325 million in improper childcare payments were made in a single year, enough to fund the childcare programs of nearly one-third of the States in this country. That is money that should have been helping working families, not lost to waste, fraud, and abuse.

In my home State of Minnesota, taxpayers have watched massive fraud schemes unfold in childcare programs under the failed leadership of Governor Tim Walz. Thanks to State officials’ repeated failure to provide the oversight necessary to protect programs intended to serve vulnerable children and families, Minnesota taxpayers were scammed out of hundreds of millions, if not billions, of dollars. These failures undermined public trust and diverted resources away from those who truly needed them.

That is why I introduced the Stop Fraud by SOMALIA Act. My bill was designed to strengthen accountability, protect taxpayer dollars, and ensure that bad actors can no longer exploit childcare programs at taxpayer expense.

I am pleased to see that several provisions for my legislation are included in H.R. 7726. This bill permanently bars fraudulent childcare providers from receiving Federal funds, strengthens Federal oversight and enforcement, and cracks down on providers who falsify records, submit false information, or misuse taxpayer dollars.

Every dollar lost to fraud is a dollar that cannot be used to help a working parent afford childcare or support a child who depends on these services.

We have a responsibility to ensure these programs operate with integrity and accountability.

Mr. Speaker, I urge my colleagues to support H.R. 7726 and help restore trust in these important programs.

Mr. SCOTT of Virginia. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, millions of families rely on safe, stable childcare in their communities. Unfortunately, the cost of childcare often rivals the cost of housing. Many communities lack adequate childcare altogether.

H.R. 7726 fails to meaningfully improve America's broken childcare system, but it does add unnecessary bureaucratic burdens to States and providers, many of whom are already struggling.

Fraud must be addressed, but in substance, not by discussing the merits of the title of the bill. Smart accountability means strong enforcement paired with practical flexibility. Requiring extra reports and punishing States and providers for minor, inadvertent mistakes does not protect children and doesn't even reduce fraud. It does put programs that families depend on at risk and allows the Trump administration to weaponize this legislation by withholding funding from States that didn't vote for him.

I oppose H.R. 7726, which fails to reduce fraud and prioritizes inflexible mandates over the real-world needs of working families.

Mr. Speaker, I yield back the balance of my time.

Mr. WALBERG. Mr. Speaker, I yield myself the balance of my time.

We have the responsibility to ensure taxpayer dollars are used to help Americans, not fraudsters and scammers. Mr. Speaker, if you noticed today, we heard testimony from members of this committee and off this committee, including a Member we just heard from Minnesota, the State with a significant problem that alerted us to the fraud, waste, and abuse that was going on, not simply States or Members that are going to be so-called targeted by the President.

These are Members who understand what went on and how taxpayer funds were being abused through fraud.

For too long, criminals have exploited Federal programs, stealing billions while children and families lose access to critical support. That must end.

The Stop Child Care Scams Act strengthens oversight, closes loopholes, and prevents bad actors from continuing their schemes across multiple programs.

These are straightforward, long-overdue reforms that will make a real difference. Every dollar lost to fraud is a dollar taken from someone who truly needs help.

Mr. Speaker, I urge my colleagues to support the Stop Child Care Scams Act.

Mr. Speaker, I yield back the balance of my time.

Ms. BONAMICI. Mr. Speaker, I rise today in opposition to H.R. 7726, which will have detrimental effects on child care in the United States. Fraud at any level is unacceptable, especially if it takes valuable child care away from families. But the Child Care and Development Fund already includes strong safeguards to help the program fulfill its core mission of caring for the Nation's youngest learners while supporting working families. Although this bill may be aimed at "addressing fraud," in reality it will leave many families without the child care assistance they need. The Child Care and Development Fund supports 1.4 million children each month. This bill, which adds onerous oversight requirements and is overly punitive for states that fail to meet requirements, will undermine the ability for the program to do what it is supposed to do—help low-income families afford child care. Any disruptions in the system—including freezing payments across all states—have real and immediate consequences. Child care is essential infrastructure that millions of American families need, and we should treat it as such. I strongly urge my colleagues, to oppose this legislation.

□ 1520

The SPEAKER pro tempore. All time for debate has expired. Pursuant to House Resolution 1333, the previous question is ordered on the bill, as amended.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT

Mr. SUBRAMANYAM. Mr. Speaker, I have a motion to recommit at the desk.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. Subramanyam moves to recommit the bill (H.R. 7726) to the Committee on Education and Workforce.

The material previously referred to by Mr. SUBRAMANYAM is as follows:

Mr. Subramanyam moves to recommit the bill (H.R. 7726) to the Committee on Education and Workforce with the following amendment:

At the end of the bill, add the following:

SEC. 11. EFFECTIVE DATE.

This Act, and the amendments made by this Act, shall not take effect until the Attorney General posts publicly on the website of the Department of Justice, and submits to the Congress, an individualized list of all pardons granted by the President since January 20, 2025, for a crime involving fraud. Such list shall include the following information with respect to each listed pardon:

- (1) The kind of fraud committed by the person who committed such crime and the population impacted by such fraud.
- (2) The dollar amount and economic effect of such fraud.
- (3) The specific Federal program defrauded (if any) by such person.

The SPEAKER pro tempore. Pursuant to clause 2(b) of rule XIX, the previous question is ordered on the motion to recommit.

The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the yeas appeared to have it.

Mr. SUBRAMANYAM. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this question will be postponed.

PREVENTING WASTE, FRAUD, AND ABUSE IN TANF ACT

Mr. SMITH of Missouri. Mr. Speaker, pursuant to House Resolution 1333, I call up the bill (H.R. 8872) to amend part A of title IV of the Social Security Act to target funds to low-income families, strengthen program integrity guardrails for State expenditure of funds, require measurement of improper payments, and establish goals for eliminating fraud and improper payments under the program of block grants to States for temporary assistance for needy families, and for other purposes, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to House Resolution 1333, the amendment in the nature of a substitute recommended by the Committee on Ways and Means, printed in the bill, is adopted and the bill, as amended, is considered read.

The text of the bill, as amended, is as follows:

H.R. 8872

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Preventing Waste, Fraud, and Abuse in TANF Act".

SEC. 2. STRENGTHENING PROGRAM INTEGRITY THROUGH IMPROPER PAYMENTS REVIEW.

(a) *IN GENERAL.*—Section 404 of the Social Security Act (42 U.S.C. 604) is amended by adding at the end the following:

"(1) APPLICABILITY OF PAYMENT INTEGRITY LAW.—The Payment Integrity Information Act of 2019 shall apply to a State with respect to the State program funded under this part in the same manner in which such Act applies to a Federal agency."

(b) *REPORT TO CONGRESS.*—Within 1 year after the date of the enactment of this Act, the Secretary of Health and Human Services shall submit to the Congress a written report that contains a plan to reduce or eliminate improper payments made by States under part A of title IV of the Social Security Act within 10 years.

SEC. 3. TARGETING FUNDS TO FAMILIES IN NEED.

Section 404 of the Social Security Act (42 U.S.C. 604) is further amended by adding at the end the following:

"(m) ESTABLISHING A THRESHOLD FOR FAMILIES IN NEED.—A State to which a grant is made under section 403(a)(1) shall use the grant only to provide assistance or services to a family whose income is less than twice the poverty guidelines updated periodically in the Federal Register under section 673(2) of the Omnibus Budget Reconciliation Act of 1981 (42 U.S.C. 9902(2))."

SEC. 4. DEADLINES FOR THE OBLIGATION AND EXPENDITURE OF FUNDS.

Section 404(e) of the Social Security Act (42 U.S.C. 604(e)) is amended to read as follows: