441—170.7(237A) Provider fraud.

170.7(1) *Fraud.* The department will consider a child care provider to have committed fraud when an intentional program violation results in:

a. The department of inspections, appeals, and licensing finds in an administrative or judicial proceeding a provider to have obtained child care assistance payment(s) for which the provider was not eligible in an amount in excess of $1,000; or

b. The provider has agreed to entry of a civil judgment or judgment by confession that includes a conclusion of law that the provider has obtained child care assistance payment in an amount in excess of $1,000 for which the provider was not eligible.

170.7(2) *Potential provider sanctions.* Potential sanctions are set forth in Iowa Code section 237A.29.

170.7(3) *Factors considered in determining level of sanction.* The department will consider factors in determining the sanction(s) to be imposed according to Iowa Code section 237A.29(2)*"c."*

170.7(4) *Mitigating factors.* If the sanction determined according to subrule 170.7(2) is suspension from or ineligibility for receipt of child care assistance payment, the department will determine whether it is appropriate to reduce the level of a sanction for the particular case, considering:

a. Prior provision of provider education.

b. Provider willingness to obey program rules.

c. A lesser sanction will be sufficient to resolve the violation.

[**ARC 0773D**, IAB 11/25/26, effective 1/1/27]