Head Start’s Contagion of Fraud and Abuse

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Research demonstrates that Head Start has little or no long-term academic value for children, and has systemic problems with fraud and child safety.

Progressive proposals to expand Head Start would add more children to a program fraught with disorder.

Washington should sunset Head Start, but in the meantime, all federal child care spending should follow a child to a provider of choice.

Children were “slapped, pushed, shoved, yelled at, thrown to the floor.” Teachers left pre-kindergarten-age children (ages three to five) unattended. A Head Start employee hit one little girl so hard that she “hit her head on a piece of furniture and [bruised] her lip.” Research has demonstrated that federal Head Start centers, which provide preschool care to children from low-income families, have little or no long-term academic value for children. This Backgrounder adds to the evidence that Head Start has failed to achieve its objectives and should be sunset, not expanded, by demonstrating a pervasive culture of noncompliance with health and safety codes, resulting in child abuse and other health risks, throughout the program. Federal research has also uncovered widespread fiscal mismanagement.

Created during President Lyndon Johnson’s War on Poverty in 1965, Head Start centers are federally
funded child care centers and preschools for children from low-income families. President Johnson’s Administration created Head Start to offer emotional and intellectual services to disadvantaged children in an effort to end cycles of poverty and prepare students for K–12 schooling. Organizations apply for Head Start spending grants, which awardees use to operate centers. Today, federal taxpayers spend $9 billion annually on these centers, approximately $9,800 per student, yet the academic achievement gap between students from low-income families and their more affluent peers in America’s K–12 schools is unchanged since the program’s creation. After more than 50 years and $240 billion in federal taxpayer spending with no “clear pattern” of lasting impacts on participating students, Head Start has failed to achieve its objectives.

Current progressive proposals to extend the school day to include more federally funded child care and increase federal spending for universal preschool programs would expand this error-prone and sometimes dangerous program. In February 2019, Senator Elizabeth Warren (D–MA) proposed “a network of government-funded care centers based partly on the existing Head Start network.” More recently, Mayor of South Bend, Indiana, and presidential aspirant Pete Buttigieg said he supports strengthening and building on Head Start, which he calls a “successful public program.” In 2019, dozens of Members of Congress signed letters in support of increasing Head Start spending. Others, such as the National Head Start Association, regularly advocate more spending on the program and the addition of new services to Head Start centers.

Reams of research explain the importance of caring for a child during his or her early years, which raises questions about proposals to expand the flawed Head Start program. “Behavioral research confirms that the early years are foundational for a full range of human competencies and are a period of heightened sensitivity to the effects of both positive and negative experiences,” write early childhood researchers for the National Academy of Sciences. A study from the National Bureau of Economic Research (NBER) explains that “it is more productive to invest in disadvantaged children early in life than to remediate disadvantage later in life.”

For these reasons, parents and policymakers should strive to provide young children with nurturing experiences and high-quality instruction at home or in center-based care. Harvard’s Center on the Developing Child states that “poor-quality interactions in early childhood program settings can undermine children’s ability to establish secure expectations about whether and how their needs will be met” and that “[adverse] fetal and early childhood experiences can lead to physical and chemical disruptions in the brain that can last a lifetime.”
As the findings in this Backgrounder will demonstrate, the research on the importance of providing young children with quality care indicate that proposals to expand the Head Start system are misguided. Before addressing Head Start’s record of safety lapses and financial fraud, a review of the research on Head Start participants’ academic outcomes is in order to emphasize that even recent studies using widely accepted data do not find that children experience lasting positive effects.

**The Impact of Head Start on Academic Well-Being**

Research has documented that Head Start participation does not result in long-term, consistent academic or socio-emotional gains for students. The U.S. Department of Health and Human Services (HHS) conducted a landmark, longitudinal study of program effectiveness and found that by the end of third grade, there was not a “clear pattern” of positive or negative impacts on children and any “early effects” in terms of language and literacy outcomes “rapidly dissipated in elementary school.”

Even after other researchers identified problems with HHS’s use of data in the agency’s studies and replicated the analyses, they still did not find lasting positive effects for Head Start participants compared to their peers in all other settings. The authors of a 2016 National Bureau of Economic Research and, ultimately, *Quarterly Journal of Economics (QJE)* study that revised the HHS data said that this new analysis leads to “imprecise estimates of the effect of Head Start participation beyond the first year of the experiment,” which, they contend, means that the HHS study’s results are not conclusive. Yet the same *QJE* report found positive effects in student cognitive skills only in the “short run” among students “who would have otherwise been cared for at home,” a notable limitation. Head Start students did not experience positive outcomes compared to children attending other preschools.

A study published in the *Annals of Applied Statistics* found that in terms of “receptive vocabulary,” Head Start students showed short-term gains compared to children in home-based care. This study focused on positive outcomes that lasted into first grade and found that “the fade out in treatment effects over time is gradual”—though positive outcomes still dissipated. These researchers did not review other measurable outcomes from the HHS study, such as other cognitive abilities and social-emotional outcomes, another limitation.

These reports provide additional context for the HHS findings, but researchers were only able to find short-term positive outcomes in certain cognitive functions for Head Start participants compared to children in non-center-based care.
The purported advantages of center-based care compared to home-based care are beyond the scope of this Backgrounder, though research of a large-scale, publicly funded program in Quebec found negative outcomes among children in center-based care programs.19 Studies of similar child care programs in Sweden also found negative outcomes.20 The design and empirical methods of social science research are important in determining the accuracy and applicability of the findings. There are limitations to the results in these studies, just as with the QJE and Applied Statistics research reviewed above. For example, one should be careful when applying findings from other countries to the U.S., and should acknowledge that empirical methods that use random selection of study participants (employed in the Head Start studies) are the most effective way to reduce bias in the results.

Some observers have criticized private center-based care, with a New Republic writer saying in 2013 that “the overall quality is wildly uneven and barely monitored, and at the lower end, it’s Dickensian.”21 Brookings Institution experts Isabel Sawhill and Ron Haskins wrote in 2003 that researchers have found Head Start centers’ quality to also be “uneven,” while other state-based programs are “of uncertain quality.”22 This leaves the pro-center-based child care position somewhat conflicted: While the Head Start research cited above from the QJE and Applied Statistics finds positive outcomes for children in center-based care (Head Start) compared to children in home-based care, the quality of options inside and outside the system is “uneven.” While the New Republic’s answer is for more taxpayer spending and universal child care, the studies from Sweden, Quebec, and the U.S. Head Start program raise questions about the efficacy of large, center-based, publicly funded child care.

What do all of these findings mean for parents and policymakers? Head Start is, at best, beneficial only in the short term for participating students in a select few academic measures compared to children in home-based child care arrangements, and, at worst, has no lasting positive benefits for children in elementary school nor any clear behavioral benefits, but a combination of positive and negative behavioral outcomes.

Head Start’s inability to prepare low-income students to succeed in K–12 schools is not the program’s only failure. This Backgrounder adds a review of the administrative and child-safety-related findings demonstrating significant weaknesses in Head Start operations in addition to the academic outcomes from Head Start research.
Safety Violations and Child Abuse

In 2009 and 2010, the U.S. Department of Health and Human Services Office of Inspector General (OIG) reviewed 24 Head Start grantees (organizations that maintained one or more physical locations) across California, Colorado, Connecticut, Washington, DC, Georgia, New York, Texas, and Wisconsin, and found significant lapses in safety practices. The OIG’s report covered more than 175 Head Start locations, finding that none complied fully with Federal Head Start or State requirements to protect children from unsafe materials and equipment, and 21 of 24 grantees did not comply fully with Federal Head Start or State requirements to conduct criminal records checks, conduct recurring background checks, document criminal records checks, conduct checks of child care exclusion lists, or conduct checks of child abuse and neglect registries.

One photograph included in the appendices showed an open, unlocked door that allows anyone access to the Head Start building, while another photo showed a machete and sharp yard equipment left on a stairway that the children used to reach the playground. Because of the investigation, three grantees returned nearly $8 million in federal spending for Head Start costs while the remainder agreed to fix their delinquencies. The HHS’s broad sample of centers suggests that similar problems may exist in other areas—and local media proved this true.

**Connecticut.** A Head Start grantee in Hartford relinquished its Head Start grant after a federal investigation into reports of abuse. Local media filed a Freedom of Information Act request and learned that federal investigators found examples, such as one in which an “assistant teacher forcefully held a child down on a cot, roughly turned him over, covered his face with a blanket and grabbed his ankle during rest time.” In another case, a Head Start employee pulled a child by the hair, dragged the child across the room, and poked the child in the head.

**Illinois.** Last year in East St. Louis, Illinois, two Head Start employees were accused of punishing students by forcing them to take off all of their clothes and locking them in a closet. The employees facing the charges had been teaching at the center for at least three years.

**Kentucky.** Federal officials accused Jefferson County Public Schools (JCPS), Kentucky’s largest school district, of a “systemic failure of management” over its Head Start operations. In an HHS report released in October 2017, the agency cited JCPS Head Start centers for 23 incidents
of “physical abuse, humiliation and neglect.” In addition to citing problems with general oversight, the agency made staggering allegations: One Head Start teacher tipped a child’s cot over to wake the child up from a nap. Another employee physically held a child down and force-fed the child.

Remarkably, in June 2018—eight months after the HHS report was released—JCPS had not corrected the systematic problems that the federal agency had identified the previous October. The district agreed to give up its federal Head Start funding, though observers speculated that federal officials were preparing to close the district’s centers regardless of the district’s decision.

**Louisiana.** An anonymous source reported child abuse at Head Start centers in Louisiana, and HHS confirmed the incidents. However the center’s administrative staff did not report the abuse when it happened, which violates federal law. Local officials learned of the reports nearly one year after the events took place, including one incident in which a four-year-old was forced to clean up her own urine and another where a Head Start center employee hit a child.

**Maryland.** Prince George’s County, Maryland, forfeited $6.4 million in Head Start funds after a string of incidents, including mistreatment of students and accusations that administrators tried to hide evidence of a scandal. The county’s Head Start program began to unravel in December 2015 after a teacher made a three-year-old stand in front of his classmates after wetting himself. The teacher then sent “mocking texts” and photos to the child’s mother. District officials moved the teacher to a new Head Start location and did not fire the employee. Less than a year later, administrators placed the teacher on leave after more reports of misconduct involving that teacher.

After parents and media complained that the Prince George’s County school district board did not have a public record of discussing the incident, parents reported more accusations of mistreatment and neglect. In one case, a five-year-old left the Head Start center alone during the day and walked home.

The district no longer operates the Head Start centers within its borders, and private, nonprofit child care operators are using federal Head Start grants to operate centers independently. Yet the harm to the children involved in these incidents has already been done, with the potential for lasting consequences in the lives of these children according to the research on child development cited above. (“[E]arly childhood experiences can lead to physical and chemical disruptions in the brain that can last a lifetime.”)
New York. In 2015, five years after the OIG report that included a review of Head Start centers in New York, the New York Post obtained another HHS report about Head Start negligence, this time in New York City. The agency did not release the report to the public, but the Post relayed that 189 centers were called “unsafe,” with the prevalence of “rats, roaches, and mold.” At one center, teachers told three-year-olds and four-year-olds to fight each other. At another location, a teacher hit a child with a belt, though the teacher was not fired according to the Post. Parents complained that their children came home with bruises at another Head Start center listed in the report.

Oregon. In 2019, an Oregon mother of a child with special needs filed a lawsuit against a local Head Start center after a bus driver left her child on the bus, still buckled into a car seat, after finishing his route. The bus driver forgot to deliver the child to the correct stop, then left the child on the bus while the district transportation office performed repairs. According to The Oregonian, it is “unclear if the driver faced any discipline.”

When considered separately, each of these incidents and reports appears to be an isolated case of administrative mismanagement or child abuse. However, when reports such as these surface repeatedly across the country in the same federally funded system, these problems indicate a pattern of low-quality care and systemic administrative failings throughout Head Start.

Financial Fraud

Head Start centers also do not properly steward taxpayer dollars. Across the U.S., centers are plagued by poor bookkeeping and even outright fraud. Like the instances of child abuse and neglect, these financial conundrums are indicative of a larger and pervasive problem in the program.

In 2019, the Government Accountability Office (GAO) released a report on covertly tested Head Start Centers nationwide. The agency investigated centers by submitting various applications from fictitious families. The report’s findings exposed multiple cases of potential fraud. More than half of the tested Head Start centers failed to identify ineligible families. Concurrently, the GAO determined that a quarter of the tested centers encouraged families to attend Head Start without “following all eligibility-verification requirements.”

The GAO also identified instances of potential enrollment fraud at one-third of the Head Start centers in the study. At three centers, the GAO later retrieved submitted applications and found that they had been altered at the Head Start centers “to exclude income information we provided, which would have shown the family to be over-income” (such as changes to the applicant’s tax forms and forged signatures).
At two other locations, the GAO discovered that Head Start staff “dismissed eligibility documentation...offered during the enrollment period.” This would have allowed ineligible families to enroll in the federal program. For example, one Head Start employee directed an undercover GAO agent to only submit one of her W-2s, “actions which made...the applicant erroneously appear to be below the federal poverty line,” the report noted.

These covert tests found potential fraud at various Head Start locations where Head Start staff failed to follow the proper procedures to review applicant eligibility or, in some cases, staff knowingly encouraged ineligible applicants to misreport their incomes.

The GAO’s findings are not a new discovery. In 2005, the U.S. Senate Subcommittee on Education and Early Childhood Development held a hearing to review a GAO report that uncovered financial improprieties in Head Start centers. Senator Lamar Alexander (R–TN) opened the hearing by saying, “Between January 2003 and the first months of this year, there were numerous accounts from communities across the country of serious financial abuses or irregularities by individuals or entities entrusted with Head Start dollars.” More than three of four centers that the GAO reviewed were “out of compliance with at least one financial management standard,” and more than half were out of compliance with six or more of these standards.

According to testimony at the hearing, these “standards” included basic processes of reporting on the “financial status” of grantees. Nearly a decade ago, GAO investigators reported similar occurrences of fraud in Head Start centers in six states and Washington, DC. In more than half of the “undercover tests, employees lied on federal forms about the applicant’s family income and other information to gain approval for the ineligible children.” For instance, “[A] New Jersey Head Start center disregarded $23,000 worth of income to qualify a too-affluent, fictitious family the undercover agents were seeking to register.”

The Washington Times also noted other abuses, which included “[admitting] a family who lived outside the Head Start service area, ignoring proof of employment, and admitting extraordinarily high numbers of ‘homeless’ children.”

The reports from 2005, 2010, and 2019 demonstrate that Head Start centers suffer from a deep-seeded problem of employee malfeasance to enroll ineligible children. Gregory Kutz, the GAO’s managing director for investigations, noted that reasons for the fraud were not always clear but could be due in part to a misalignment of incentives. Before a House Education Committee hearing in 2010, he remarked, “In some cases, it appeared that the management of the nonprofit agencies receiving Head Start money were pressuring employees to lie on the applications to make sure the agencies met enrollment targets.”
Financial Theft

Financial fraud and negligence at Head Start centers, however, extend beyond enrolling ineligible children. In fact, during the past two decades, the OIG encountered other examples of mismanagement and fraudulent behavior.

One of the most flagrant instances occurred at a Blackfeet Tribe’s Head Start center where three employees falsely logged 5,850 hours of overtime labor within a 15-month period, stealing $174,000 from the program. Even after meeting with government authorities for an on-site review, the three Blackfeet employees agreed to continue claiming overtime payments. As the U.S. Department of Justice noted:

Head Start workers told investigators they never saw Blackfeet Head Start personnel working late nights or on weekends. The program’s board chairman was unaware of the overtime claims and was unaware of any needs that would have justified the overtime claims by the defendants. Because of insufficient funds, he also had to identify necessary budget cuts.53

Although officials convicted the Head Start personnel responsible for the fraud, their theft forced the program to make budget cuts, preventing the program from purchasing books, teaching materials, and nutritional programs. Such brazen fraud is an affront to taxpayers and low-income children.

Dubious Bookkeeping

Over the years, the OIG found various instances of problematic and suspicious bookkeeping from Head Start providers. During audits, the OIG reported occurrences where organizations claimed numerous unallowable expenses ranging from bad debts to non–Head Start costs.

For example, in 2013, the Council on Rural Service Programs claimed more than a million dollars in unallowable Head Start expenses. These expenditures included “classroom rental payments that were improperly allocated to the Head Start program or did not benefit [it],” and nearly $66,000 in department store gift cards as holiday gifts to employees.54

At the same time, the same organization claimed more than $944,000 in unallowable lease payments. Federal regulations limit the amount of federal dollars used in contracts where one party is significantly under the control of the other.
In Texas, the OIG discovered that the Head Start grantee Neighborhood Centers, Inc., mismanaged more than $287,000 in Head Start funds. For instance, $102,000 in federal funds were transferred to non–Head Start entities. The centers used this spending to pay for textbooks, computers, and printing for non–Head Start students at charter schools instead of children enrolled in Head Start.55

In the early 2000s, OIG investigators found that the Karing for Children is our Main Concern (KCMC) Child Development Corporation in Kansas City, Missouri, mismanaged Head Start funds for various administrative costs. The executive director’s compensation package, for instance, totaled $831,188, which HHS disallowed after the investigation, cutting it in half, since most of the package consisted of bonuses.56

The same organization also used $91,443 in Head Start funds to pay for bad debts, personal use of organization-furnished vehicles, inter-fund transfers and donations to other organizations, and fines and penalties for late charges. In sum, the OIG recommended that KCMC refund $953,245 in taxpayer monies.57

In 2017, the OIG audited the Pine Bluff Jefferson County (located in Pine Bluff, Arkansas) Economic Opportunities Commission’s use of Head Start funds, and found more than $729,000 in unallowable expenses. Pine Bluff mismanaged Head Start funds, failing to obtain competitive bids or perform the cost analyses required by the federal government. Head Start operators used federal resources to pay for the salary costs of five non–Head Start employees, volunteer hours, and for items that did not benefit Head Start. In particular, the OIG report commented on Pine Bluff’s shopping spree in the last month of programming:

Four electronic whiteboards purchased at a total cost of $35,405 sat idle in a closet in their original boxes almost 1 year after being purchased. Given that the purchase was made on May 7, 2015, at the end of a program year, the purchase could be seen as an effort to stockpile supplies and obligate funds before the end of the grant period, well before these items could be useful.58

In this instance, Pine Bluff spent Head Start funds on needless expenses to deplete funding before the end of programming, again in an effort to “obligate funds before the end of the grant period, well before these items could be useful.”

Government officials have discovered gross mismanagement of federal dollars and, in some cases, outright fraud at Head Start centers. Like the various instances of child abuse and unsafe facilities noted previously, these
repeated and nationwide examples of financial fraud are indicative of broad administrative failures in the federal program.

Policy Recommendations

As long as the federal government continues to award Head Start grants, Washington should review grantees’ performance rigorously and continue to revoke grant awards when repeated problems occur.

Some have suggested that Washington could reconfigure Head Start grants as scholarships that the federal government would then award to individual participants for use at child care centers or preschools of a parent’s choice—similar to K–12 private school vouchers available through state education spending formulas in places such as Milwaukee, Wisconsin, and in Ohio. The Child Care Development Block Grant (CCDBG) program, a federal grant program that combines with state child care and preschool spending to provide assistance to low-income families for preschool costs, provides families with options similar to K–12 vouchers. If Washington continues to fund child care and preschool services, federal policymakers should allow families to choose how and where their children are cared for and educated. Lawmakers should revise Head Start spending to give parents the opportunity to select high-quality child care and preschool providers, similar to the operation of CCDBG.

However, federal and state policymakers should be aware of the pitfalls of such proposals. Even a Head Start program converted from a grantee-based system to a set of individual scholarship accounts is still a federal program that has failed for more than 50 years to achieve its objective: to meet the emotional and intellectual needs of students from low-income families and prepare them for a K–12 education. Currently, the HHS awards Head Start funds to grantees—such as child care organizations—in conjunction with regional offices located in states. CCDBG spending, however, takes the form of grants to states. If Head Start spending were converted to a set of grants directly to states, that could further embed this troubled and demonstrably ineffective program in state budgets. This could make the task of sunsetting Head Start and returning resources to parents and families to make choices in their child’s best interests more difficult.

As explained above, the level of center-based care is “of uncertain quality,” even among child care operations connected to CCDBG spending. If Washington reconfigured Head Start to offer parents more options—similar to CCDBG—such a reform would not solve the “uncertain quality” issues,
but such a change could give parents the chance to find care elsewhere for their children when an existing provider fails to offer excellent services.

Again, if Head Start spending is to continue, taxpayer resources should follow a child to the parent’s provider of choice. Meanwhile, lawmakers should prepare to sunset the program and return spending to families and taxpayers.

Conclusion

When taken together, the incidents of child abuse and financial fraud at Head Start centers demonstrate a pervasive culture of poor operations and unsafe environments for small children. It would be disturbing enough to review a single GAO report that found safety violations endangering children across several states, yet evidence shows that such violations are happening around the country. Available evidence suggests that mismanagement across the Head Start program has been a long-standing problem. Commenting on some of the recent incidents, acting Director of the Office of Head Start Ann Linehan said the violations “make one sick to one’s stomach.”

The recent GAO report on financial fraud within Head Start centers only amplifies the need to give parents of preschool children more options. As long as the federal government funds programs like Head Start, lawmakers should allow parents to choose how and where their children are cared for. Head Start centers have failed to prepare children for school, have demonstrated financial fraud, and pose a risk to children when centers ignore safety rules and basic standards of care. Parents and children deserve better.

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Endnotes


3. Ibid.


25. Ibid., Appendix, p. 5.


34. Ibid.

35. Ibid.


37. Harvard University Center on the Developing Child, “8 Things to Remember About Child Development.”


39. Ibid.

40. Ibid.

41. Ibid.


43. Ibid.

44. Ibid.

45. Ibid.

47. Ibid., p. 27.
50. Ibid.
52. Dillon, “Inspectors Find Fraud at Centers for Children.”
57. Ibid.