

## Integrity Risk Signals

There are 28 integrity risk signals across 6 risk signal categories.

Wonderschool Oversight is based on an Integrity Risk Scoring framework that uses data analysis to identify patterns that may indicate fraudulent activity or inaccurate attendance billing. Each provider receives a score from 0–100 based on individual signal intensities, aggregated by category weights. The score represents relative risk, not proof of wrongdoing.

Each risk signal has a relative measure of high, medium, or low risk:

- **High:** strong indicators requiring immediate review
- **Medium:** patterns that warrant further investigation
- **Low:** minor anomalies to monitor over time

### Risk Category 1: Daily Attendance Signals

Billed Attendance Exceeds Recorded Attendance	Billed days or hours exceed what is documented in attendance records, indicating potential overbilling.	High Risk
Incomplete Daily Attendance Records	Attendance records are missing check-in or check-out times, reducing accountability for care delivery.	Medium Risk
Attendance Outside Allowed Operating Times	Attendance is recorded outside licensed operating hours, on closure days, or during holidays.	High Risk
Improbably Consistent Daily Attendance Patterns	Daily attendance hours show unnaturally low variance or repeated identical values, suggesting templated entries.	Medium Risk
Provider-Controlled Attendance Capture	Provider staff frequently perform check-ins/outs instead of parents, reducing independent verification.	Medium Risk
Provider Edits Increasing Attendance Duration	Provider frequently edits attendance records with a pattern of increasing reported hours.	High Risk

### Risk Category 2: Aggregate Attendance Signals

Perfect or Near-Perfect Utilization	Children consistently use 100% or near-100% of authorized care hours, which is statistically improbable.	High Risk
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Uniform Attendance Across Children	Multiple children show identical or nearly identical attendance totals, suggesting copy/paste entries.	Medium Risk
Low Variance Over Time	Provider shows minimal month-to-month variation in aggregate attendance, lacking natural fluctuation.	Low Risk
Billing Always Equals Maximum Authorized	Provider consistently bills at the exact maximum authorized amount for each child.	High Risk
Unexplained Step Changes	Large sudden changes in attendance volume without corresponding enrollment or calendar explanations.	Medium Risk
Aggregate Attendance Implies Full Capacity	Total attendance patterns suggest the provider operates at full licensed capacity continuously.	High Risk

### **Risk Category 3: Billing Anomalies**

Excessive Billing Corrections	Provider submits an unusually high number of billing corrections, especially those that increase amounts.	High Risk
Round Number Billing	Provider consistently claims round numbers, suggesting estimation rather than actual time tracking.	Low Risk
Billing Spikes	Sudden increase in billing amount without corresponding changes in enrollment or capacity.	High Risk
Chronic Maximum Billing	Provider consistently bills at maximum allowable units across many children over extended periods.	High Risk

### **Risk Category 4: Capacity & Ratios**

Over Capacity Utilization	Billed attendance days or daily counts exceed the provider's licensed capacity.	High Risk
Theoretical Maximum Exceeded	Provider reports utilization rates that exceed what is theoretically possible given capacity and hours.	High Risk
Age-Band Capacity Violations	Attendance within specific age bands exceeds the capacity limits set for those age groups.	Medium Risk
Staffing Ratio Violations	Implied staff-to-child ratios fall below minimum	High Risk

	requirements based on attendance patterns.	
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### **Risk Category 5: Provider Behavior**

New Provider Risk Profile	Newly licensed or participating provider exhibits multiple risk indicators during early months of operation.	Medium Risk
Provider Violation History	Provider has a documented history of compliance issues, audit findings, or substantiated complaints.	High Risk
Ownership Change + Billing Shift	Significant changes in billing patterns occur following ownership or management changes.	Medium Risk
Persistent Outlier Behavior	Provider is a statistical outlier across multiple signal categories over extended periods.	High Risk

### **Risk Category 6: Network & Relationships**

Family Provider Relationships	Provider has undisclosed relationships with enrolled families, such as shared addresses or contact information.	High Risk
Multi-Provider Family Billing	Same family or child receives subsidy billing from multiple providers simultaneously.	High Risk
Shared Ownership / Staffing	Multiple providers share common ownership, staff, or administrative resources with coordinated patterns.	HighRisk
Coordinated Provider Clusters	Groups of providers exhibit synchronized billing patterns or shared attributes suggesting coordination.	High Risk