

**AMENDMENT IN THE NATURE OF A SUBSTITUTE  
TO H.R. 7677  
OFFERED BY MR. OWENS OF UTAH**

Strike all after the enacting clause and insert the following:

**1 SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Closing the Provider  
3 Fraud Gap Act of 2026”.

**4 SEC. 2. GAO STUDY AND REPORT ON PROVIDER-RELATED  
5 FRAUD.**

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

11 (1) the effectiveness of procedures and meas-  
12 ures to prevent fraud carried out by providers of  
13 services under such programs;

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

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

1 (B) used effectively by the Federal Govern-  
2 ment to identify potential fraud carried out  
3 under such programs; and

4 (3) with respect to the Child Care and Develop-  
5 ment Block Grant program established under the  
6 Child Care and Development Block Grant Act of  
7 1990 (42 U.S.C. 9857 et seq.)—

8 (A) the program integrity results for  
9 States that have delegated responsibilities re-  
10 lated to program management and administra-  
11 tion to counties, local municipalities, or other  
12 entities; and

13 (B) whether any corrective action plans  
14 have been implemented by States to improve  
15 program integrity results, including any meas-  
16 urable outcomes from implementing such a cor-  
17 rective action plan.

18 (b) REPORT.—Not later than 2 years after the date  
19 of enactment of this section, the Comptroller General of  
20 the United States shall submit to the Committee on Edu-  
21 cation and Workforce of the House of Representatives and  
22 the Committee on Health, Education, Labor, and Pen-  
23 sions of the Senate a report containing—

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

1           (2) any regulatory or legislative recommenda-  
2           tions to improve fraud prevention measures in Fed-  
3           eral early childhood education, child care, and child  
4           nutrition programs.

5           (c) FEDERAL EARLY CHILDHOOD EDUCATION,  
6 CHILD CARE, AND CHILD NUTRITION PROGRAMS DE-  
7 FINED.—For the purposes of this section, the term “Fed-  
8 eral early childhood education, child care, and child nutri-  
9 tion programs” includes—

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

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

16           (3) the Child Care and Development Block  
17           Grant program established under the Child Care and  
18           Development Block Grant Act of 1990 (42 U.S.C.  
19           9857 et seq.).

