

29 July 2015



MEDIA RELEASE

MSF STEPS IN TO PROTECT FINANCIAL INTERESTS OF PARENTS AND CHILDREN AT SWEETLANDS CHILDCARE CENTRES

The Ministry of Social and Family Development (MSF) has served notice of intention to revoke the status of Approved Person (AP)¹ of 11 Sweetlands childcare centres today.

2 A recent audit conducted by MSF revealed that the AP of Sweetlands centres has made unauthorised withdrawals from the Child Development Accounts (CDAs) of several children and wrongful claims for childcare subsidies from the Government. The Ministry takes a serious view of the breaches and has referred the matter to the Commercial Affairs Department of the Singapore Police Force.

3 The notice of intention was served to the two APs of Sweetlands centres - Mdm Chan Chew Shia and Mr Ho Boon Hong. Unless the APs provide satisfactory reasons why the status of AP should not be revoked within 14 days of the notice, the Ministry will proceed to revoke the AP status of Sweetlands centres. MSF will then appoint a temporary AP to manage the CDA deductions and oversee the child care subsidies, until Sweetlands centres finds a suitable replacement AP.

¹ An Approved Person is the authorised person of a Baby Bonus Approved Institution (AI) to make deduction from the Child Development Accounts (CDAs) for the payment of fees.

4 All centres will continue to operate, as there are no issues in terms of the safety or well-being of the children. MSF will monitor CDA deductions and child care subsidies claims made by Sweetlands centres closely during the notice period, and require Sweetlands' APs to work with us to ensure that all deductions from the CDA during this period are properly made.

5 We have contacted the parents whose children are enrolled in Sweetlands centres to explain the situation and provide the necessary support and assurance.

Background Information on Childcare Centre

The 11 Sweetlands Childcare Centres are licensed and run by private operators. 10 of the 11 Sweetlands centres are run by Mdm Chan Chew Shia, the remaining centre is run by Mr Ho Boon Hong, Mdm Chan's husband. Singapore Citizen children attending the centres qualify for government childcare subsidies. As the Sweetlands centres are Als under the Baby Bonus Scheme, the centres are allowed to deduct monies from the CDAs of children for the payment of childcare and related fees.

Enquiries

For enquiries on the Baby Bonus Scheme:
Email: msf_babybonus@msf.gov.sg
Website: <http://www.babybonus.msf.gov.sg/parent>

For enquiries on the Child Care Subsidy Scheme:
Email: contact@ecda.gov.sg
Website: <http://www.childcarelink.gov.sg>

Annexes:

Annex A – Information on the CDA
Annex B – Frequently Asked Questions

ISSUED BY

MINISTRY OF SOCIAL AND FAMILY DEVELOPMENT

INFORMATION ON THE CHILD DEVELOPMENT ACCOUNT (CDA)

The CDA is part of the Baby Bonus Scheme, which aims to help families lighten the financial costs of raising children.

2 The CDA encourages parents to save for their children's development and healthcare needs. Government provides dollar-for-dollar matching contribution on the parents' savings up to specified caps. Table 1 shows the matching caps. Parents can use the CDA money to pay for products/services for all their children at Approved Institutions (AIs) listed in Table 2.

Table 1: CDA Government Co-Matching Caps

Birth Order of Child	Maximum Matching Government Contribution
1 and 2	Up to \$6,000
3 and 4	Up to \$12,000
5 and above	Up to \$18,000

Table 2: CDA Payments at Approved Institutions

- Child Care Centre licensed by Early Childhood Development Agency (ECDA)
- Kindergartens registered with ECDA or Council for Private Education (CPE)
- Special education schools registered with the Ministry of Education (MOE)
- Early Intervention programmes registered with MSF
- Healthcare institutions registered with Ministry of Health (MOH)
- Pharmacies registered with the Health Sciences Authority (HSA)
- Optical shops registered with the Accounting and Corporate Regulatory Authority (ACRA)
- Assistive Technology Device providers registered with SG Enable, MOH or ACRA
- MediShield or Medisave-approved private integrated insurance plans.

FREQUENTLY ASKED QUESTIONS

1 What do parents need to do if their child is enrolled in Sweetlands centre?

We will continue to monitor the situation closely at the Sweetlands childcare centres². At the present moment, parents need not be alarmed or take any action. These centres will continue to operate and parents will continue to enjoy the childcare subsidies and use the CDA to pay for the fees. Parents may wish to check their monthly CDA bank statements to ensure the deductions are in order.

As part of supervision and monitoring of child care centres, ECDA officers will also conduct more regular visits to centres to ensure that quality and care standards are maintained.

2 How do parents check whether the centre has been deducting the correct amount from their child's CDA?

All centres are required to provide a receipt to parents with details on the full amount of fees charged and the corresponding line items of the subsidies received, discounts applicable, financial assistance (if applicable) and the net fee payable. Parents can verify the payment against the monthly bank statement to ensure that the correct amount is deducted from the CDA.

3 How do parents obtain the CDA bank statement?

The Bank will provide you with a monthly bank statement giving details of your CDA transactions, balance and interest earned. You may wish to keep the monthly bank statements for ease of reference (e.g. verify that transactions are valid and amounts are deducted correctly). Alternatively, you may also check on the CDA through internet

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- a. Sweetlands Childcare Yishun 458 Pte Ltd
 - b. Sweetlands Childcare Clementi 607 Pte Ltd
 - c. Sweetlands Childcare Farrer Rd 6 Pte Ltd
 - d. Sweetlands Childcare JE 316 Pte Ltd
 - e. Sweetlands Childcare JW 484 Pte Ltd
 - f. Sweetlands Childcare Punggol 612 Pte Ltd
 - g. Sweetlands Childcare Woodlands 608 Pte Ltd
 - h. Sweetlands Childcare Woodlands 643 Pte Ltd
 - i. Sweetlands Childcare Woodlands 886C Pte Ltd
 - j. Sweetlands Childcare Woodlands @ACE the Place Pte Ltd
 - k. Sweetlands Childcare Woodlands 896B Pte Ltd

banking or phone banking if you had applied for these. If you do not have the bank statement, you may wish to contact the Bank.

4 How would the Ministry help affected parents should the status of AP of the 11 Sweetlands centres be revoked?

MSF will appoint a temporary AP (a Ministry's staff) to manage CDA deductions until Sweetlands centres find suitable replacement APs, which are approved by the Ministry.

5 Can the Sweetlands Centres continue to take in children?

The Sweetlands Centres will continue its operation as a child care centre. ECDA will monitor the centres closely and take action as and when necessary.

6 Should the Ministry close Sweetlands centres given the breaches of Child Development Co-savings Regulations?

There are no issues with the Sweetlands centres in respect of safety and well-being of the children. Hence, the centres can continue to operate.

The Child Care Centres Act and Regulations empowers ECDA to revoke or suspend the centre's licence if the centre director's character and fitness is in question. ECDA will be taking such actions if any of the centre's directors is convicted of an offence that makes the centre's directors unfit to operate a child care centre.

7 Since the Sweetlands centres have breached the regulations, why are the centres allowed to continue to make CDA deductions?

The Ministry has served notice of intention to revoke the status of AP of Sweetlands centres. The law requires that the AP be given notice and an opportunity to explain why his status as AP should not be revoked. Unless the AP provides satisfactory reasons, the Ministry will revoke the status of AP within 14 days of the notice.

8 How does the Ministry ensure that the CDA deductions and child care subsidies claims are made properly during the notice period?

The Ministry will monitor CDA deductions and child care subsidies claims made by Sweetlands centres closely during the notice period and require the AP to work with us to ensure that all deductions from the CDA during this period are properly made.

9 If parents want to withdraw their child from Sweetlands centres, how is ECDA helping?

Should there be a revocation of the status of AP of Sweetlands centres, it will be due to the unauthorised deductions being made from children's CDA. There are no issues with the centres in respect of safety and well-being of the children and they can continue to stay in the centre. Children can still continue to use their CDAs in the Sweetlands centres. However, if parents would like to withdraw their children from the centre, they may access the Child Care Link website and use the Registration Management System to search for available vacancies and register their interest in centres near their residence. The website address is as follows:

https://www.childcarelink.gov.sg/ccls/home/CCLS_HomeParentsWLRReg.jsp

10 What are the current safeguards against such unauthorised withdrawals?

The Ministry conducts regular audits on AIs to ensure that CDA monies deducted are authorised by parents and for approved uses. In addition, the Ministry also monitors CDA deductions and verify irregularities in deductions made by the AIs. Parents can also check their monthly CDA bank statement to verify CDA deductions. If they detect any irregularity in the CDA deductions, they can seek clarification with the AI concerned or raise the matter to MSF. We will look into their feedback.

11 Would there be other cases of unauthorised CDA withdrawals at other AIs?

From the audits conducted on AIs, we have not found any unauthorised CDA deductions other than those of the Sweetlands Childcare Centres. We have also not received any feedback of unauthorised CDA withdrawal from parents in other centres.

12 Will MSF be checking to see whether such abuse have also taken place in other childcare centres?

There are regular audits and measures such as checking directly with parents to ensure proper administration of CDA and childcare subsidies.

13 What is the punishment for AIs who have breached the Regulations?

Any person convicted of the breach of Child Development Co-savings Regulations may face a fine not exceeding \$20,000.