

Congress of the United States

Washington, DC 20515

May 8, 2025

Governor Tim Walz
130 State Capitol
75 Rev Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155

Cc: Senate Majority Leader Erin P. Murphy, Speaker of the House Lisa Demuth, Senate Minority Leader Mark T. Johnson, Speaker Emerita, DFL Leader Melissa Hortman

Dear Governor Walz and Legislative Leaders:

We write today regarding our urgent and growing concern related to widespread fraud, waste, and abuse within public programs administered by the State of Minnesota, many of which involve federal funding and oversight. These repeated failures not only undermine public trust but also burden American taxpayers at a time when fiscal responsibility is more critical than ever.

The headlines covering fraud in Minnesota government never seem to stop – leading now former U.S. Attorney Andy Luger to say, “Minnesota has a fraud problem.”

In June 2024, the Office of the Legislative Auditor (OLA) published their findings that the Minnesota Department of Education (MDE) provided inadequate oversight over the Feeding Our Future fraud scheme where \$250 million in taxpayer dollars meant to feed hungry children during the COVID-19 pandemic was diverted to purchase luxury homes, vehicles, and other goods. This fraud occurred under your administration, and the auditor’s report is a stark indictment of how the lack of sufficient state safeguards created an environment ripe for abuse.¹ The convictions and guilty pleas are important measures of justice, but the OLA’s report makes clear that the scale of fraud never should have happened.

Unfortunately, the Feeding Our Future scandal is just the tip of the iceberg. Medicaid fraud has been reported in numerous programs, including autism treatment. In December 2024, the Federal Bureau of Investigation (FBI) raided two autism treatment centers in Minneapolis and St. Cloud as part of an investigation into Medicaid fraud. This investigation, which has ties to defendants

¹ <https://www.auditor.leg.state.mn.us/sreview/pdf/2024-mdefof.pdf>

in the Feeding Our Future case, suggests a disturbing trend of systemic misuse of state and federal funds across multiple sectors.² Just this month, reporting on Minnesota's Housing Stabilization Services (HSS) program, funded by Medicaid, found potential fraudulent billing, predatory enrollment practices, and inadequate administrative guardrails.³

This pattern is not new. In June 2024, five individuals were charged with stealing more than \$10 million from Medicaid programs for phony and exaggerated claims related to medical transportation and home care services.⁴ Minnesota's state Medicaid program has repeatedly been in the news for fraud against taxpayers. Medicaid is supposed to be a program that helps those most in need, but in Minnesota, it has become a target for fraudsters.

In March 2019, the OLA confirmed that more than \$6 million in Child Care Assistance Program (CCAP) funding has been stolen from taxpayers annually.⁵ What was most disturbing is the OLA found the management of CCAP is so poorly run that they couldn't even quantify how extensive the fraud was. These are not isolated incidents, they represent a culture of mismanagement and a lack of accountability in the Walz administration.

Adding to these concerns, in November 2024, the Minnesota Department of Human Services (DHS) announced that eligibility for MinnesotaCare would be expanded to include illegal immigrants.⁶ MinnesotaCare is funded through both state taxes and the federal Basic Health Care Program. While the expansion of MinnesotaCare to illegal immigrants is financed by only state dollars, opening enrollment to individuals who are in the country illegally, especially at a time when the state faces a nearly \$6 billion budget shortfall, reflects a striking disregard for fiscal responsibility and the rule of law.⁷ It also compounds the challenges created by the Biden Administration's open border policies, which have placed additional strain on state and federal resources.

Minnesota has now become a national case study in failed program oversight and misused public funds. As Members of Congress, we are working diligently to restore fiscal order at the federal level, but that effort requires strong partners in state governments – partners who are equally committed to rooting out fraud, waste, and abuse, and ensuring taxpayer dollars are respected.

² <https://www.fox9.com/news/fbi-raids-autism-treatment-centers-minneapolis-st-cloud-fraud-case>

³ <https://www.kare11.com/article/news/investigations/kare-11-investigates-fake-meetings-phantom-services-alleged-as-minnesotas-housing-stabilization-services-program-booms/89-10fd29e5-ee95-41c8-80f1-a49207db3580>

⁴ <https://www.startribune.com/charges-link-five-minnesotans-to-phony-medicaid-billing-lavish-spending/600374654>

⁵ <https://www.auditor.leg.state.mn.us/sreview/ccap.pdf>

⁶ <https://www.dhs.state.mn.us/main/groups/publications/documents/pub/mndhs-068276.pdf>

⁷ <https://www.cbsnews.com/minnesota/news/gov-tim-walz-revised-budget-2026-2027/>

As elected officials called to be good stewards of taxpayer dollars, it is our duty to ensure we are leaving our backyard better for future generations rather than allowing today's decisions to saddle our children and grandchildren with unsustainable debt and broken systems. Fiscal discipline, program integrity, and public trust must be restored – starting now. We stand ready to work with you in good faith but must also demand accountability. The American people deserve nothing less.

Sincerely,



Brad Finstad
Member of Congress



Tom Emmer
Member of Congress



Pete Stauber
Member of Congress



Michelle Fischbach
Member of Congress