

Congress of the United States

House of Representatives

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

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January 23, 2026

Ms. Judy Randall
Legislative Auditor
Minnesota Office of the Legislative Auditor
658 Cedar Street
St. Paul, MN 55155

Dear Legislative Auditor Randall:

The Committee on Oversight and Government Reform is investigating reports of widespread fraud in Minnesota's social services programs.¹ This includes allegations that Governor Tim Walz, Attorney General Keith Ellison, and the Democrat-controlled administration allowed potentially billions of taxpayer dollars to be stolen.² The Committee requests a staff-level briefing, as well as all underlying documents and communications related to any review the Minnesota Office of the Legislative Auditor (OLA) conducted regarding the Minnesota Department of Human Services (DHS) and allegations of fraud in the State of Minnesota.

On January 6, 2026, OLA released a report entitled "Department of Human Services: Behavioral Health Administration Grants," on its performance audit of the Department of Human Services' (DHS) Behavioral Health Administration (BHA) from July 1, 2022, to December 31, 2024.³ OLA concluded that BHA, "did not comply with most requirements ... and did not have adequate internal controls over grant funds."⁴ The specific findings included numerous alarming failures. For example, the report highlighted one grantee who received \$672,647 from BHA for one month's work, but could not provide any documentation or proof that any work was actually completed.⁵ Furthermore, the BHA grant manager who approved this payment left the agency only days after approving the grant to take a job with the recipient.⁶

¹ See Letter from James Comer, Chairman, H. Comm. on Oversight & Gov't Reform, to Governor Tim Walz, State of Minnesota (Dec. 3, 2025); Letter from James Comer, Chairman, H. Comm. on Oversight & Gov't Reform, to Attorney General Keith Ellison, State of Minnesota (Dec. 3, 2025).

² Ernesto Londoño, *How Fraud Swamped Minnesota's Social Services System on Tim Walz's Watch*, THE N.Y. TIMES (updated Nov. 30, 2025).

³ See MINNESOTA OFFICE OF THE LEGISLATIVE AUDITOR FINANCIAL AUDIT DIVISION, DEPARTMENT OF HUMAN SERVICES: BEHAVIORAL HEALTH ADMINISTRATION GRANTS PERFORMANCE AUDIT (Jan. 6, 2026) [hereinafter "Behavioral Health Administration Grants Performance"]. BHA oversees adult mental health, children's mental health, and alcohol and drug abuse services.

⁴ *Id.* at 3.

⁵ *Id.* at 25.

⁶ *Id.*

The Honorable Judy Randall

January 23, 2026

Page 2 of 3

OLA's finding that BHA altered documents is also alarming. Your office identified a "number of documents that the Behavioral Health Administration either backdated or created after [the] audit happened."⁷ Accordingly, OLA determined that it could not "fully rely on this documentation"⁸ because generally accepted government auditing standards require "sufficient, appropriate evidence"⁹ that does not carry "an unacceptably high risk" it could lead auditors to reach incorrect or improper conclusions.¹⁰ Following the publication of the report, you testified in front of the Legislative Audit Commission that, "in the 27-plus years I've been with the OLA, I've never seen this before."¹¹ You also characterized this as a "systemic effort," and that you previously had "suspicions [of this] periodically, but we've never been able to prove it."¹²

This is not the first OLA report examining fraud detection mechanisms in Minnesota.¹³ In March 2019, OLA released a report assessing allegations of widespread fraud in the State's Child Care Assistance Program (CCAP), including an ongoing concern that CCAP fraud dollars were ending up in the pockets of terrorist groups abroad.¹⁴ In June 2024, OLA released a report¹⁵ on the Minnesota Department of Education (MDE) and Feeding Our Future, a non-profit group disbanded in 2022 after investigators revealed the group had stolen funds from the U.S. Department of Agriculture's Federal Child Nutrition Program (FCNP)¹⁶ and Child and Adult Care Food Program (CACFP).¹⁷ This report found that the MDE, "failed to act on warning signs known to the department prior to the onset of the COVID-19 pandemic and prior to the start of the alleged fraud."¹⁸ It also found that a threat of litigation and negative press from providers engaged in these fraud schemes "affected how state officials used their regulatory power."¹⁹ To date, 78 individuals have been charged and 57 convicted related to the Feeding Our Future fraud scheme.²⁰

⁷ *Id.* at cover letter.

⁸ *Id.*

⁹ U.S. GOVERNMENT ACCOUNTABILITY OFFICE, GAO-21-368G, GOVERNMENT AUDITING STANDARDS: 2018 REVISION TECHNICAL UPDATE APRIL 2021 (SUPERSEDES GAO-18-568G) (Apr. 2021), at 185.

¹⁰ *Id.* at 186.

¹¹ *Presentation of the key findings and recommendations of the performance audit, Department of Human Services: Behavioral Health Administration Grants: A Hearing before the Minnesota State Legislative Audit Commission* (Jan. 6, 2026) (Statement of Judy Randall, Minnesota Legislative Auditor).

¹² *Id.*

¹³ See STATE OF MINNESOTA, OFF. OF THE LEGISLATIVE AUDITOR, CHILDCARE ASSISTANCE PROGRAM: ASSESSMENT OF FRAUD ALLEGATIONS (Mar. 2019) [hereinafter "Childcare Assistance Program Assessment"]; STATE OF MINNESOTA, OFF. OF THE LEGISLATIVE AUDITOR, MINNESOTA DEPARTMENT OF EDUCATION: OVERSIGHT OF FEEDING OUR FUTURE (June 2024) [hereinafter "Oversight of Feeding Our Future"].

¹⁴ See STATE OF MINNESOTA, OFF. OF THE LEGISLATIVE AUDITOR, CHILDCARE ASSISTANCE PROGRAM: ASSESSMENT OF FRAUD ALLEGATIONS (Mar. 2019).

¹⁵ See Oversight of Feeding Our Future, *supra* n. 14.

¹⁶ 42 U.S.C. § 1771 *et seq.*

¹⁷ 42 U.S.C. § 1766.

¹⁸ Oversight of Feeding Our Future, *supra* n. 14 at cover letter.

¹⁹ Ernesto Londoño, *How Fraud Swamped Minnesota's Social Services System on Tim Walz's Watch*, THE N.Y. TIMES (updated Nov. 30, 2025); see STATE OF MINNESOTA, OFF. OF THE LEGISLATIVE AUDITOR, MINNESOTA DEPARTMENT OF EDUCATION: OVERSIGHT OF FEEDING OUR FUTURE (June 2024).

²⁰ Press Release, United States Department of Justice, United States Attorney's Office, District of Minnesota, 78th Defendant Charged in Feeding Our Future Fraud Scheme (Nov. 24, 2025); Press Release, United States Department of Justice, United States Attorney's Office, District of Minnesota, 56th Defendant Pleads Guilty in Feeding Our Future Fraud Scheme (Sept. 18, 2025).

The Honorable Judy Randall

January 23, 2026

Page 3 of 3

To assist the Committee's oversight of this matter, we request a staff-level briefing on OLA's investigations of DHS and allegations of fraud in Minnesota, with particular emphasis on the OLA reports listed below, as well as all underlying documentation, to include, but not limited to: communications with audited entities, audit documentation, interview transcripts, and preliminary reports, as soon as possible but no later than February 6, 2026:

1. Child Care Assistance Program: Assessment of Fraud Allegations, Special Review, dated March 13, 2019;²¹
2. Minnesota Department of Education: Oversight of Feeding Our Future, Special Review, dated June 2024;²² and
3. Department of Human Services: Behavioral Health Administration Grants, Performance Audit, dated January 2026.²³

The Committee on Oversight and Government Reform is the principal oversight committee of the U.S. House of Representatives and has broad authority to investigate "any matter" at "any time" under House Rule X. To schedule the briefing, arrange for delivery of documents, or to ask any related follow-up questions, please contact the Committee on Oversight and Government Reform Majority staff at (202) 225-5074. Thank you for your attention to this important matter.

Sincerely,



James Comer
Chairman
Committee on Oversight and Government Reform

cc: The Honorable Robert Garcia, Ranking Member
Committee on Oversight and Government Reform

²¹ Childcare Assistance Program Assessment, *supra* n. 14.

²² Oversight of Feeding Our Future, *supra* n. 14.

²³ Behavioral Health Administration Grants Performance, *supra* n. 3.