WHAT WE DON'T CHANGE WE CHOOSE



Minnesota's $9 billion dollar warning to Wisconsin

Presented by Ann C. Tepoorten

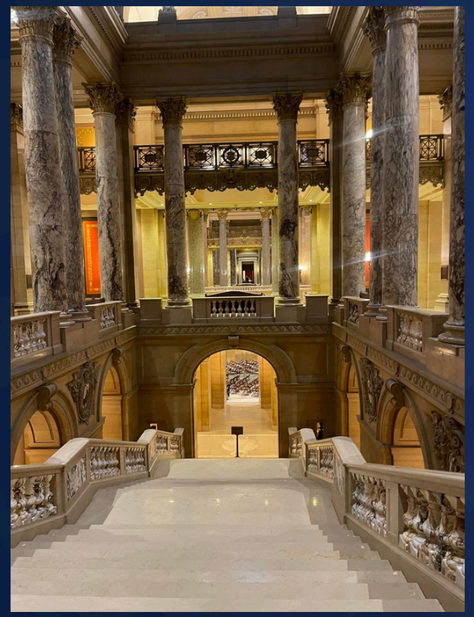
A Little Bit About Me...



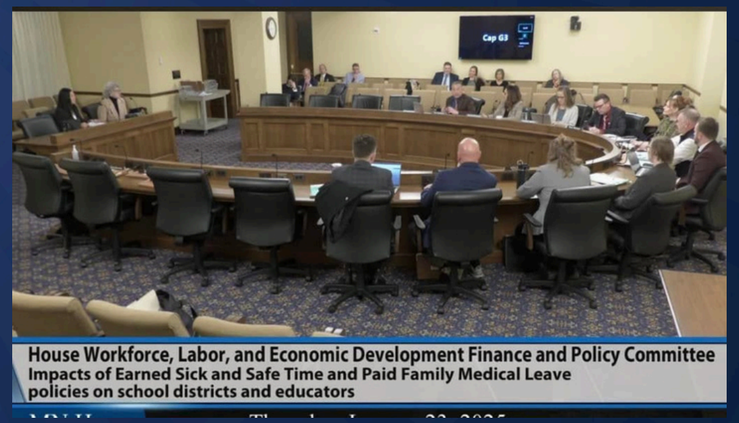


Worked for the MN House of Representatives Republican Caucus for MN State Rep Dave Baker and Rep Jeff Witte





Legislative Coordinator and Researcher





MOVED TO WISCONSIN AFTER SHOOTINGS IN MN

- Wife, mom, daughter and grandma
- Completing my MBA
- Deputy Commissioner of De Pere Housing Authority
- Care for my mom and mother in law in our home.



How bad it could have really been??

Fraudulent Child Nutrition Programs - at least $250 million. “$250 million is enough to buy about 5,000 new cars, roughly 600 average new homes, or fund thousands of middle-class salaries for an entire year. It is nearly equivalent to the annual economic output of an entire small country.”

Medicaid - since 2020 there have been 3,500 investigations totally more the $3550 million in fraudulently billed services including autism services, child care, housing stabilization, and integrated community services. That is enough to buy 55 Kwik Trips, 500 super clubs, and brand new highway construction from here to Minnesota and back.



THE FIRST CRACKS IN THE SYSTEM

BY THE NUMBERS

- JULY 2018- JUST UNDER 2000 “MEAL SITES” ACROSS MN FOR UNDERPRIVILEGED CHILDREN
- JANUARY 2019 - GOVERNOR TIM WALZ ASSUMES OFFICE
- MARCH OF 2019 - CRIMINAL INVESTIGATIONS FOR FRAUD IN CCAP ARE DISMANTLED
- MARCH OF 2020- THE MEALS ACT (ILHAN OMAR) ANY REMAINING SAFEGUARDS ARE WAIVED.
- JUNE 2022- OVER 4400 “MEAL SITES”
- AT LAST COUNT 25% OF THOSE NEW MEAL SITES WERE FRAUDULENT
- $350 MILLION AND GROWING IN ESTIMATED FRAUDULENT BILLING
- $60 MILLION HAS BEEN RECOVERED / 17% OF TOTAL LOSS
- AVERAGE PRISON SENTENCE - 3.5 YEARS

How did this happen?

- Poor Program Design
  - The Walz Administration enacted several new Medicaid waiver services related to home healthcare, autism services, and housing stabilization services. Because these programs were developed with inadequate regulatory and compliance structures, the gates were open to fraudulent activity.
- Low Barriers to Service
  - Primarily online applications (to become a provider or recipient) and no verification of qualification or services, no capital investments, (many examples of numerous "businesses" established out of one apartment or home) and many "consultative" services that are easy to outsource and hard to verify.
- Programs that were billed based on attestation. Childcare, meal programs, autism services were billed based on what the provider reported. Records of this nature are easy to back date, and forge.

Home healthcare

Autism services

Housing stabilization

The Red Flags Were Visible

1. **42** of the 50 highest-paid CCAP centers had red flags in 2017

2. **$105 million** estimate of $105 million in CCAP fraud was later reduced by $33.4 million in the final report

3. **25%** of 1,609 HCBS licenses in Hennepin County listed an address shared with another licensee

4. **43% vs. 7%** Adult day service providers grew about 43% while recipients grew about 7% over 10 years

5. **31,529** ineligible Minnesotans were removed from benefits in March 2026 through periodic data matching

Figures from Minnesota Management and Budget, Legislative Audit, Office of Inspector General, MN Department of Human Services, and PFM Financial Advisors LLC.

The Pattern Repeated Across Programs

Up to $9 billion

in estimated fraud across 14 high-risk Medicaid waiver programs

More than $250 million

in Feeding Our Future fraud.

90%

of EIDBI reimbursements analyzed by Optum were flagged as problematic

$21 million → $104 million

HSS claims grew from $21 million in 2021 to $104 million in 2024.

Figures and characterizations attributed to the Minnesota Fraud Prevention & State Agency Oversight Committee report and cited sources.

How Feeding Our Future Happened

1. Covid-era federal waivers expanded flexibility, including off-site grab-and-go meals, broader participation, and reduced monitoring.
2. The system shifted toward self-reported rosters, meal counts, paperwork, and invoices.
3. Feeding Our Future expanded rapidly across hundreds of sites while claims grew unusually large.
4. Warnings, complaints, compliance problems, and growth signals were not matched by sufficiently aggressive oversight.

THE FRAUD MODEL: SCALE WITHOUT VERIFICATION

1. Expand eligibility and site participation.
2. Enroll sites and participants.
3. Submit meal counts and supporting records.
4. Multiply claims across sites, vendors, and related entities.
5. Divert public funds away from meals and services.

79
defendants indicted

more than
$9 Billion
alleged stolen

NOT A SINGLE GOVERNMENT OFFICIAL HAS BEEN CHARGED OR HELD LIABLE IN ANY CAPACITY

Where Oversight Failed

1

FEDERAL POLICY CONDITIONS

The MEALS Act and COVID waivers expanded flexibility and reduced traditional guardrails.

2

MINNESOTA DEPARTMENT OF EDUCATION

The OLA found inadequate oversight and said MDE could have increased scrutiny, monitoring, participation conditions, and enforcement.

3

EXECUTIVE LEADERSHIP

The Walz Administration did not use available tools aggressively enough.

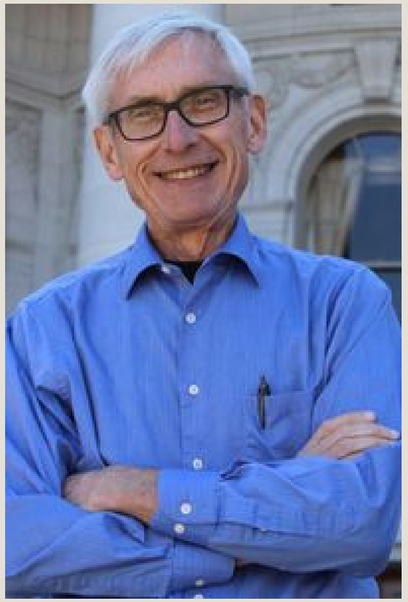
4

ATTORNEY GENERAL'S OFFICE

Conflicting public and private descriptions of its involvement and the use of civil recovery tools.

Could Wisconsin be just as vulnerable to Fraud, Waste, and Abuse?







FRAUD ALERT

LET'S COMPARE-SHALL WE?





MILK COWS, NOT TAXPAYERS



FEATURE	MINNESOTA (HENNEPIN CO.)	WISCONSIN
OVERALL RISK	HIGH RISK	MODERATE RISK
WHO IS WATCHING?	**Counties** Harder for the state to track fake billing across 87 different counties.	**State & Insurance Companies** Private companies have a financial incentive to stop bad billing.
FEDERAL AUDITS	**Extremely High Scrutiny** The feds paused millions in funding because 60%+ of audited providers failed basic rules.	**Low to Moderate Scrutiny** Normal state monitoring. No major federal interventions.
MAIN PROBLEM AREAS	**Fake Agencies** Small companies billing for fake housing or home care services that never happened.	**Timesheet Padding.** Independent workers trying to add fake hours
THE FIX	**Major Overhauls** Blocked new providers from joining and passed strict laws for massive fraud.	**Electronic Clock-ins** Using automated tracking to verify that workers are actually at the house.

Questions Wisconsin Should Answer Now

- [x] Are providers verified through documentation and unannounced site visits, not testimony alone?
- [x] Does provider growth match actual demand?
- [x] Are billing, attendance, and eligibility records electronically verified?
- [x] Can agencies detect connected owners and providers operating across multiple programs?
- [x] Are whistleblower reports logged, investigated, and protected from retaliation?
- [x] Are payment holds and audits triggered quickly by major anomalies?

What Wisconsin Can Do Now



1

Require Full Ownership Disclosure

Know who really owns, controls and benefits.

Disclose owners, managers, related companies, family interests, landlordships, key subcontractors AND related non-profits.

Make this a condition of receiving state funds (grants, contracts, Medicaid).

2

Enable Cross-Program Provider Matching

Intergovernmental Authority (Wis. Stat. § 20.901 & § 66.0301): State agencies have broad inherent authority to contract with one another to execute this. DCF and DHS already cross-share data for specific programs under Wis. Stat. § 49.197 and § 49.845. The agencies could draft a broader multi-agency agreement encompassing DPI, the Department of Revenue, and the Department of Financial Institutions to routinely exchange provider entity registries, address databases, and officer rosters for program integrity reviews.

3

Strengthen Provider Enrollment & Prepayment Checks

Stop fraud before money is paid.

Require site visits, documentation and verification for high-risk programs before substantial payments begin.

Don't rely solely on provider self-attestation.

4

Use Electronic Verification Where Feasible

Verify that services actually happened.

Require electronic attendance and service verification for child care, NEMT, adult service, and other high-risk programs.

Leverage existing technology and expand where possible.

5

Automate Fraud-Risk Triggers

Set up alerts for unusual growth, high billing, multiple providers at one address, duplicate recipients, or owners in multiple programs.

Trigger human review — not automatic accusations of fraud.

6

Get legislative eyes on rapid cost increases.

Require automatic program-integrity reviews and legislative notification when spending providers or perrecipient costs exceed set thresholds (e.g., 50%+ growth).

This doesn't stop benefits — it triggers scrutiny and oversight.

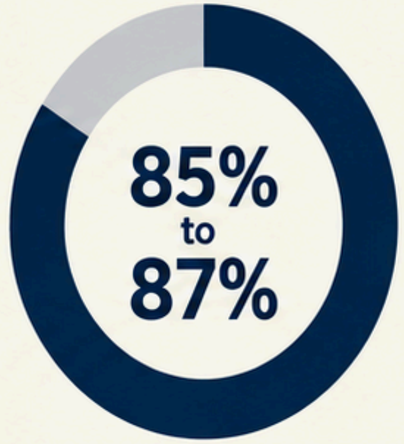
And the reality
MN doesn't want to talk about...

Abdi, Hoda Ali
Abdi, Ibrahim Bashir
Abdi, Khadra
Abdisalam, Shakur Abdinur
Abshir, Abdinasir Mahamed
Abshir, Asad Mohamed
Abukar, Ayan Farah
Adan, Khadar
Aden, Moktar Hassan
Adow, Anwar Ahmed
Adow, Asad Ahmed
Ahmed, Hadith Yusuf
Ali, Abdul Abubakar
Ali, Ladan
Ali, Lul Bashir
Ali, Mulata
Ali, Mustafa Dayib
Ali, Yusuf Bashir
Alishire, Liban Yasin
Allen, Cynthia
Awad, Anab
Awale, Abdulkadir
Bock, Aimee
Daar, Hibo Salah
Dayib, Khalid Ahmed
Dayib, Mustafa
Dool, Abdirashid Bixi
Eidleh, Abdikerm Abdellahi
Falade, Christopher Adesoji
Falade, Emmanuel Oluwademilade
Farah, Abdirazix Shafii
Farah, Abdulkarim Shafii
Farah, Hussein Mohamed
Farah, Said Sharif (a/k/a "Jama")
Ghedi, Ahmed Abdullahi
Hashi, Sade
Hassan, Asha Farhan
Hassan, Filsan Mumin
Hassan, Qamar
Hassan, Shamso Ahmed
Healey, Charles Wayne
Hodgein, Abduljabar (Ikram Mohamed group)
Hussein, Abduljabar (Oromia Feeds)
Hussein, Aisha Hassan
Ibrahim, Abdulbasit
Ibrahim, Mahad
Ismail, Mohamed Jama
Issa, Sharmarke
Jama, Asha
Jama, Ayan
Jama, Kawsar
Jama, Mustafa
Jama, Sharmake
Jama, Zamzam
Jesow, Abdullabhe Nur
Kadar, Ahmed Othman
Kadiye, Abdikadir
Kediye, Gandi Abdi (a/k/a Gandi Yusuf Mohamed)
Langley, Candice
Larsen-Guthmiller, Katherin Suzan
Mahamud, Abdikadir Ainashe (a/k/a "AK")
Mahamud, Fahima
Marekegn, Hanna
Meadows, Sharmaine
Merdassa, Bekam
Mertens, Jilaine Ann
Mohamed, Abdifftah Mohamud
Mohamed, Ikram Yusuf
Mohamed, Suleman Yusuf
Mohamud, Awjewanab
Noor, Mohamed Muse (a/k/a Deeq Darajo)
Nur, Abdimalid Mohamed
Nur, Fahad
Nur, Hayat
Nur, Sahra
Omar, Hamdi Hussein
Omar, Muhammad Abdulqadir
Omar-Hashim, Ahmed Sharif (a/k/a Salah Donyale)
Omarxeyd, Mohamed Abdirashid
Osman, Sahra Sharif
Ross, Sharon
Said, Guhaad Hashi
Said, Salim
Salah, Abdi Nur
Salah, Abdulkadir
Salad, Haji
Thomas, Ambhata
Thomas, Cynthia
Tronn, Bleuensnia
Yussff, Mekhrar
Hussein, Hahamed
Hussuf, Abdinajib
Yussuf, Abdinajib Hassan

MN ranks #1 in the Country for Somalian population. Followed by: Ohio Washington Texas California

85% to 87%

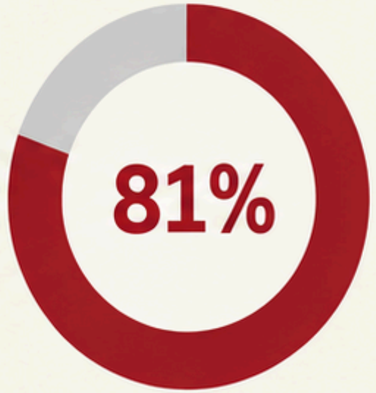
Roughly of defendants in these specific federal cases have Somali names.



Wisconsin ranks #13 with 1.5-2% of the Country's population. Highest populations are in Milwaukee County, with smaller established communities in Green Bay, and Barron County

81%

of Somali immigrant headed households utilize at least one major welfare or means tested public assistance program, such as Medicaid, SNAP/food stamps, or cash assistance.



Hennepin County Metro Surge Relief: Anatomy of an Intercepted Fraud Scheme

1. The Program & The Threat

Fund:
$2M Small Business Recovery Fund (March 2026)

Target:
Local shops impacted by Operation Metro Surge

Scale:
~300 total applications filed

Red Flags:
>200 flagged as fraudulent (~67%)

2. Fraud Tactics Detected

AI-Generated Claims:
Identical boilerplate text across unrelated files

Identity Theft:
Real business names hijacked with scammer contact info

Ghost Entities:
Addresses flagged as fake during physical site visits

Expense Padding:
Duplicate check numbers & fabricated receipts

3. Controls, Impact & Next Steps

Financial Defense:
$0 lost to fraudsters

Distribution:
$500K paid to 82 verified merchants

Pivoting:
Remaining $1.5M redirected to low-risk consulting

Action:
Case referred to Sheriff's Office for criminal probe

What’s Next...The Double-Dipping Trap

Wisconsin Senate Bill 1064

January 1, 2026

Launch of the Minnesota Paid Leave program

Identity theft

Flagged schemes in Minnesota have primarily centered on identity theft

Falsified medical certification forms

Flagged schemes in Minnesota have primarily centered on falsified medical certification forms

Misrepresenting active employment status

Flagged schemes in Minnesota have primarily centered on misrepresenting active employment status

Verification / data-sharing checkpoint

Because the Department of Employment and Economic Development (DEED) oversees both the state's UI system and the Paid Leave division, their systems share data on claims and employer wage records to stop simultaneous double-dipping before payouts occur.*

DEED | **UI system** | **Paid Leave** | **Claims** | **Employer wage records**

*Anecdotal cases have found this to be inaccurate.

The program was initially funded by the 2023-2025 budget surplus, but after just 8 months the program has exhausted its funds.

WHAT WISCONSIN NEEDS TO DO IN THE LEGISLATURE

CLOSING RECOMMENDATIONS & CALL TO ACTION

1. CREATE AN INDEPENDENT EXECUTIVE-BRANCH OFFICE OF INSPECTOR GENERAL
2. WISCONCON NON-PROFIT GRANT ACCOUNTABILITY LEGISLATION
3. DETAILED AND SPECIFIC PROTECTIONS FOR WHISTLEBLOWERS
4. LAWMAKERS CAN ENACT A STATUTE STATING THAT 100% OF STATE-ADMINISTERED GRANT PROGRAMS MUST BE COMPETITIVE
5. LEGISLATORS NEED TO DEMAND STRICTER VETTING OF NPI PROVIDER REGISTRATION
6. CREATE STOP-PAYMENT TRIGGERS WHEN PROGRAM SPENDING GROWS SHARPLY BEYOND PROJECTIONS

GOOD INTENTIONS NEED STRONG CONTROLS.

Thank you!



wipatriotstoolbox.com/fvc-welcome

foxvalleyinitiative@gmail.com

tiktok.com/@foxvalleyconservatives

facebook.com/FoxValleyConservatives



Additional Resources:

https://minnesotafraudtracker.com/

https://cis.org/

https://oversight.house.gov/report/

https://www.house.mn.gov/committees/home/94025