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“The Largest Funder of Al-Shabaab Is the Minnesota Taxpayer”

How some of the state’s welfare funds ended up in the hands of a terror group

/ [Eye on the News](#) / Politics and Law

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Minnesota is drowning in fraud. Billions in taxpayer dollars have been stolen during the administration of Governor Tim Walz alone. Democratic state officials, overseeing one of the most generous welfare regimes in the country, are asleep at the switch. And the media, duty-bound by progressive pieties, refuse to connect the dots.

In many cases, the fraud has allegedly been perpetrated by members of Minnesota’s sizeable Somali community. Federal counterterrorism sources confirm that millions of dollars in stolen funds have been sent back to Somalia, where they ultimately landed in the hands of the terror group Al-Shabaab. As one confidential source put it: “The largest funder of Al-Shabaab is the Minnesota taxpayer.”

Our investigation shows what happens when a tribal mindset meets a bleeding-heart bureaucracy, when imported clan loyalties collide with a political class too timid to offend, and when accusations of racism are cynically deployed to shield criminal behavior. The predictable result is graft, with taxpayers left to foot the bill.

If you were to design a welfare program to facilitate fraud, it would probably look a lot like Minnesota’s Medicaid Housing Stabilization Services program. The HSS program, the [first of its kind](#) in the country, was launched with a noble goal: to help seniors, addicts, the disabled, and the mentally ill secure housing. It was designed with “low barriers to entry” and “minimal requirements for reimbursement.” Nonetheless, before the program went live in 2020, officials pegged its annual estimated price tag at \$2.6 million.

Costs quickly spiraled out of control. In 2021, the program paid out more than \$21 million in claims. In the following years, annual costs shot up to \$42 million, then \$74 million, then \$104 million. During the first six months of 2025, payouts totaled \$61 million.

On August 1, Minnesota’s Department of Human Services [moved](#) to scrap the HSS program, noting that payment to 77 housing-stabilization providers had been terminated this year due to “credible allegations of fraud.” Joe Thompson, then the Acting U.S. Attorney for the District of Minnesota, went even further, [stating](#) that the “vast majority” of the HSS program was fraudulent.

On September 18, Thompson [announced](#) criminal indictments for HSS fraud against Moktar Hassan Aden, Mustafa Dayib Ali, Khalid Ahmed Dayib, Abdifitah Mohamud Mohamed, Christopher Adesoji Falade, Emmanuel Oluwademilade Falade, Asad Ahmed Adow, and Anwar Ahmed Adow—six of whom, according a

U.S. Attorney's Office spokesperson, are members of Minnesota's Somali community. Thompson made clear that this is just the first round of charges for HSS fraud that his office will be prosecuting.

"Most of these cases, unlike a lot of Medicare fraud and Medicaid fraud cases nationally, aren't just overbilling," Thompson said at a press conference announcing the indictments. "These are often just purely fictitious companies solely created to defraud the system, and that's unique in the extent to which we have that here in Minnesota."

Thompson said many firms enrolled in the program "operated out of dilapidated storefronts or rundown office buildings." The perpetrators often targeted people recently released from rehab, signing them up for Medicaid services they had no intention of providing. He noted many owners of companies engaged in HSS fraud had "other companies through which they billed other Medicaid programs, such as the EIDBI autism program, the . . . Adult Rehabilitative Mental Health Services program, the . . . Integrated Community Support program, the Community Access for Disability Inclusion . . . program, PCA services, and other Medicaid-waivered services."

"What we see are schemes stacked upon schemes, draining resources meant for those in need. It feels never ending," Thompson said. "I have spent my career as a fraud prosecutor and the depth of the fraud in Minnesota takes my breath away."

On September 18, the same day that the HSS fraud charges were announced, the U.S. Attorney's Office [reported](#) that a man named Abdullahe Nur Jesow had become the 56th defendant to plead guilty in the \$250 million [Feeding Our Future fraud scheme](#).

Founded in 2016, Feeding Our Future was a small Minnesota nonprofit that sponsored daycares and after-school programs to enroll in the Federal Child Nutrition Program. The organizations that Feeding Our Future sponsored were primarily owned and operated by members of Minnesota's Somali community, according to two former state officials with connections to law enforcement.

In 2019, Feeding Our Future received \$3.4 million in federal funding disbursed by the state. In the months after the Covid-19 pandemic began, however, the nonprofit [rapidly increased](#) its number of sponsored sites. Using fake meal counts, doctored attendance records, and fabricated invoices, the perpetrators of the fraud ring claimed to be serving thousands of meals a day, seven days a week, to underprivileged children. In 2021, Feeding Our Future received nearly \$200 million in funding.

In reality, the money was being used to fund lavish lifestyles, purchase luxury vehicles, and buy real estate in the United States, Turkey, and Kenya. In [2020](#), Minnesota officials raised concerns about the nonprofit's rapid expansion. In response, the group [filed a lawsuit](#) alleging racial discrimination related to outstanding site applications, noting that Feeding Our Future "caters to . . . foreign nationals."

"That's the standard operating playbook for that cohort: when in doubt, claim racism, claim bias," says David Gaither, a former Minnesota state senator and a nonprofit leader. "Even if the facts don't point to that, it allows for many folks in the middle, or on the center-Left, to stay silent."

Gaither believes the mainstream media, alongside Minnesota's Democratic establishment, have long turned a blind eye to fraud within the Somali community. This, in turn, allowed the problem to metastasize. "The media does not want to put a light on this," Gaither said. "And if you're a politician, it's a significant disadvantage for you to alienate the Somali community. If you don't win the Somali community, you can't win Minneapolis. And if you don't win Minneapolis, you can't win the state. End of story."

The fraudsters have leveraged their growing political influence to cultivate close ties with Minnesota's elected officials. Several individuals involved in the Feeding Our Future scheme [donated](#) to, or [appeared publicly with](#), Ilhan Omar, the Somali-born congresswoman from Minneapolis. Omar's deputy district director, Ali Isse, [advocated](#) on behalf of Feeding Our Future. Omar Fateh, a former state senator who recently ran for Minneapolis mayor, [lobbied](#) Governor Tim Walz in support of the program. And one of the accused, Abdi Nur Salah, served as a senior aide to Minneapolis mayor Jacob Frey.

Just days later, on September 24, U.S. Attorney Joseph Thompson [announced](#) his office's first indictment in yet another fraud case. This time, the scheme involved federally funded autism services for children.

The accused is a woman named Asha Farhan Hassan, a member of Minnesota's Somali community, who has also been charged in the Feeding Our Future scam. She's alleged to have played a role in a \$14 million fraud scheme perpetrated against Minnesota's Early Intensive Developmental and Behavioral Intervention program.

Hassan and her co-conspirators "approached parents in the Somali community" and recruited their children into autism therapy services. It didn't matter, prosecutors suggested, if a child did not have an autism diagnosis: Hassan would facilitate a fraudulent one.

In a press release announcing the indictment, the U.S. Attorney's Office made clear that the alleged autism fraud scheme extended to a wide network of people. "To drive up enrollment, Hassan and her partners paid monthly cash kickback payments to the parents of children who enrolled," the release reads. "These kickback payments ranged from approximately \$300 to \$1500 per month, per child. The amount of these payments was contingent on the services DHS authorized a child to receive—the higher the authorization amount, the higher the kickback. Often, parents threatened to leave . . . and take their children to other autism centers if they did not get paid higher kickbacks."

Much like with the HSS program, autism claims to Medicaid in Minnesota have [skyrocketed](#) in recent years—from \$3 million in 2018 to \$54 million in 2019, \$77 million in 2020, \$183 million in 2021, \$279 million in 2022, and \$399 million in 2023. Meantime, the number of autism providers in the state [spiked](#) from 41 to 328 over the same period, with [many in the Somali community](#) establishing their own autism treatment centers, citing the need for "[culturally appropriate programming](#)." By the time the fraud scheme was exposed, one in 16 Somali four-year-olds in the state had reportedly been [diagnosed with autism](#)—a rate more than triple the state average.

"This is not an isolated scheme," Thompson, the U.S. attorney, [said](#) in a press release. "From Feeding Our Future to Housing Stabilization Services and now Autism Services, these massive fraud schemes form a web that has stolen billions of dollars in taxpayer money. Each case we bring exposes another strand of this network."

What Thompson arguably hinted at, but left unsaid, should be obvious: this “network” of “fraud schemes,” which “form a web” that has stolen “billions of dollars in taxpayer money,” involved many members of Minnesota’s Somali community. The Feeding Our Future, HSS, and autism-services cases are far from the only examples. At least 28 fraud scandals have surfaced since Walz was elected governor in 2019. Most of the large-scale fraud rings, according to two former FBI officials who spoke with *City Journal*, have been perpetrated by members of the Somali community.

Kayesh Magan, a Somali-American who had worked as a fraud investigator at the Minnesota Attorney General’s Office and declined an interview request, [identified the problem](#) last year: “We must grapple with something that is uncomfortable and true: Nearly all of the defendants in the cases I’ve listed are from my community. The Somali community.”

Perhaps the most surprising aspect of the Somalia fraud story is the scale, with total costs running into the billions of taxpayer dollars. That raises the question: What happened to all that money?

The Somali fraud rings have sent huge sums in remittances, or money transfers, from Minnesota to Somalia. According to [reports](#), an estimated 40 percent of households in Somalia get remittances from abroad. In 2023 alone, the Somali diaspora sent back [\\$1.7 billion](#)—more than the Somali government’s budget for that year.

Our investigation reveals, for the first time, that some of this money has been directed to an even more troubling destination: the al-Qaida-linked Islamic terror group Al-Shabaab. According to multiple law-enforcement sources, Minnesota’s Somali community has sent untold millions through a network of “hawalas,” informal clan-based money-traders, that have wound up in the coffers of Al-Shabaab.

According to Glenn Kerns, a retired Seattle Police Department detective who spent 14 years on a federal Joint Terrorism Task Force (JTTF), the Somalis ran a sophisticated money network, spanning from Seattle to Minneapolis, and were routing significant amounts of cash on commercial flights from the Seattle airport to the hawala networks in Somalia. One of these networks, Kerns discovered, sent \$20 million abroad in a single year. “The amount of money was staggering,” Kerns said.

Kerns’s investigation eventually expanded to Minnesota, where he realized the same thing was happening. “I worked on it for five years,” Kerns said. “We had sources going into the hawalas to send money. I went down to [Minnesota] and pulled all of their records and, well shit, all these Somalis sending out money are on DHS benefits. How does that make sense? We had good sources tell us: this is welfare fraud.”

Kerns then investigated the hawalas in Somalia that were receiving the money transfers. He determined, primarily through human sources, that significant funds were being sent from America to Al-Shabaab networks in Somalia. Whether the money was intended for Al-Shabaab or not, Kerns said, they were taking a cut.

A second former official, who worked on the Minneapolis JTTF, confirms the story’s general structure. This former official, who requested to remain anonymous, worked on two terrorism cases that intersected with Minnesota’s Somali community and has studied the flow of funds from Minnesota to Somalia.

“Every scrap of economic activity, in the Twin Cities, in America, throughout Western Europe, anywhere Somalis are concentrated, every cent that is sent back to Somalia benefits Al-Shabaab in some way,” the former official said. “For every dollar that is transferred from the Twin Cities back to Somalia, Al-Shabaab is . . . taking a cut of it.”

A third source, who spoke on condition of anonymity, described the close links between the Somali-American community in Minnesota and Islamic terror groups abroad. Ten years ago, the source was recruited as an “independent contractor” for a three-letter agency investigation into the “Minnesota men” who had joined, or attempted to join, ISIS. That year, a Homeland Security task force report found that Minnesota led the nation in the number of Americans who had joined, or attempted to join, ISIS. Of the 58 Americans who had done so, nearly half came from Minnesota.

[Scott Johnson](#), who has covered these and [related stories](#) for years, attended several of those men’s trials, [reporting on them](#) for *City Journal*. He noted that the Minnesota men “gave the outward appearance of American assimilation”—including being “sophisticated users of social-welfare benefits.”

The relationship is ongoing. “This is a third-rail conversation, but the largest funder of Al-Shabaab is the Minnesota taxpayer,” the third source said. “There is an issue here that is real, and if there is ever an event that is traceable back to these funds, or to people from this area, then this situation will take on a whole new set of optics.”

Welfare fraud is likely to become a major issue in Minnesota’s 2026 elections. Governor Tim Walz, now seeking a third term, has presided over a litany of scandals and faces Republican Kristin Robbins, who has made fraud prevention central to her campaign.

Gaither, the former state senator, said “political blowback is brewing” in the state and that, as more information emerges from ongoing investigations, “it’s a real rough place to be if you’re the current administration.” He added that if you talk to law-enforcement officials and others close to the probes, “they will tell you off the record that we aren’t even close to being halfway there” in understanding the true scale of the fraud.

The first step to solving a problem is acknowledging it. By extension, that means recognizing the problem’s true source. So far, Minnesota’s governing class and its media establishment have failed to take that basic step. Minnesotans will have to confront the uncomfortable but unavoidable reality: members of the Somali community have played a central role in the massive fraud now engulfing the North Star State.

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