

What investigators still haven't asked about Minnesota's fraud

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January 6, 2026

Beyond stolen funds, the scheme's design mirrors criminal networks that support trafficking, smuggling, and worse.

The national spotlight has settled on the industrial-scale fraud uncovered in Minnesota, much of it linked to networks operating within the state's Somali immigrant community. To date, coverage has focused on how operators allegedly diverted nearly \$9 billion in public funds into shell businesses that existed largely to funnel money to friends and family through no-show jobs and inflated contracts.

That story matters. But it may not be the whole story.

Fraud at this scale almost never stands alone. Where investigators uncover massive deception, additional crimes often lie beneath the surface.

Most of the businesses implicated in the scheme presented themselves as child-care centers, autism service providers, and non-emergency medical transport companies. For readers unfamiliar with immigration enforcement, the reaction is straightforward: Criminals stole money intended for society's most vulnerable.

For those who have spent decades working in immigration law and border security, a different question arises. Why build an end-to-end infrastructure of licensed service providers unless it served *additional purposes*?

Videos circulating online show many of these facilities sitting empty — unused day-cares, idle transport vans, and vacant offices. That does not prove the businesses were harmless.

In criminal investigations, fraud rarely exists in isolation. One axiom holds that following the money reveals the perpetrators. A second, less discussed rule also applies: Following the money backward often reveals additional crimes.

Illegal immigration provides a perfect example. The initial violation occurs when an alien enters unlawfully or makes false asylum claims. Additional offenses frequently follow: identity theft, illegal employment, fraudulent tax filings, and

payments to smugglers to bring in relatives. Organized crime and terrorist groups have used similar layered fraud models for decades. Illicit revenue becomes seed money for broader criminal activity.

Despite the scale of the Minnesota fraud, little public attention has focused on whether these businesses were used for more than financial theft. There appears to be no comprehensive inquiry into whether any of the entities sponsored employment-based visas, concealed smuggled minors, facilitated labor trafficking, or enabled sex trafficking.

None of those allegations has been proven. But the structure of the alleged scheme bears an uncomfortable resemblance to the network of Health and Human Services contractors through which the Biden administration lost track of thousands of unaccompanied alien children.

According to a City Journal investigation, federal counterterrorism sources confirmed that millions of dollars from the Minnesota fraud flowed back to Somalia, where funds ultimately reached al-Shabaab, the al-Qaeda-affiliated terrorist organization. The report described Minnesota taxpayers as the group's largest single funding source.

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If accurate, that finding raises a far more serious concern. Terrorist organizations do not stop at cash transfers when operational infrastructure is available. A network of licensed service providers — child-care centers, transportation companies, and health services — offers precisely the kind of cover such groups seek to move people, materials, and money discreetly inside the United States.

The full extent of al-Shabaab's involvement remains unclear. Covert operations rarely reveal themselves all at once. They are built deliberately, in stages, with long timelines. Minnesota records suggest (and the explosion in Minnesota Democrat Rep. Ihan Omar's personal wealth seems to indicate) that much of the large-scale fraud linked to Somali-run entities accelerated over the past decade. That timeline raises the possibility that the scheme was still maturing when investigators uncovered it.

If so, authorities may have disrupted a funding and logistics pipeline before all layers of criminal activity were fully deployed.

One point remains undeniable: Where there's smoke, there's fire. Fraud at this scale almost never stands alone. Where investigators uncover massive deception, additional crimes often lie beneath the surface.

Federal authorities should pursue this case to its roots. That means examining every entity, every financial flow, and every operational link — not just to recover stolen funds, but to determine what else those structures were built to conceal.

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