

COMMENTARIES

## *Former legislative auditor: Is the Walz administration finally awake about fraud?*

The recent messes in state programs represent failures in the executive branch and among some legislators.

By Jim Nobles

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Assistant U.S. Attorney Joseph Thompson speaks during a press conference March 19 after a federal jury convicted Feeding Our Future founder Aimee Bock and former restaurant owner Salim Said on charges of wire fraud and bribery. (Leila Navidi/The Minnesota Star Tribune)

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Rochelle Olson's interview with Minnesota Legislative Auditor Judy Randall ("Legislative auditor: Fraud will get worse before it gets better," Oct. 5) seemed, despite its headline, to offer a ray of hope that the Walz administration is – maybe, finally – doing something about the problem of fraud in Minnesota government programs.

This is good news because, make no mistake about it, the theft of millions of tax dollars from Minnesota programs resulted not just from the actions of thieves but also from the failure of state executive officials to implement basic financial safeguards recommended in numerous audit reports for several years.

State officials, particularly in the Minnesota Department of Human Services but in other departments as well, allowed community organizations to administer important programs without first verifying that they were trustworthy. Then state officials failed to verify claims from these organizations that they were serving hundreds, even thousands, of people in their communities.

As we know from investigations and prosecutions, particularly by federal officials, a significant number of people in these organizations were not serving. They were stealing not just from taxpayers but also from families in their own communities. As a result, families – particularly Somali families – did not receive the food, child care or other state-funded services that they needed and that taxpayers had paid for. Added to this betrayal, people in these community organizations were using the stolen money to buy expensive homes, automobiles and other personal items for themselves.

Despite the federal, and some county, investigations and prosecutions, the state's negligence allowed people in these sham organizations to continue to use their simple theft scheme repeatedly in child care programs, food programs, housing

programs and others. This egregious lack of oversight by state officials has also deepened public mistrust in government.

While executive officials were obviously negligent, less obvious is the fact that some key legislators tried to minimize the fraud problem and shield the Department of Human Services and the Walz administration from criticism.

For example, when the Office of the Legislative Auditor issued a report on child care fraud, the then-chair of the House Human Services committee dismissed the report and the problem, saying, “there’s always going to be fraud,” and she refused to allow OLA to present its report to the committee. In addition, the chief House supporter of publicly funded child care subsidies criticized the OLA report for referencing prosecutions that had proven fraud in the child care program. The references were unnecessary and harmful, he said.

As like-minded House members joined in criticizing OLA for investigating allegations of fraud in human service programs, I met with Speaker Melissa Hortman. As always, she was thoughtful and supportive of OLA’s work but acknowledged that some members of her caucus were upset. They felt that OLA reports were subjecting human service programs to too much criticism, particularly programs administered by Somali community organizations.

The speaker said that as a former county prosecutor, she knew the fraud OLA was addressing was real and needed to be investigated. She did, however, acknowledge that House committee chairs had been instructed not to give OLA reports about fraud any public hearings.

Thankfully, some government officials, especially at the U.S. Attorney’s Office and the Federal Bureau of Investigation, did not seek to hide the Minnesota government fraud problem; they aggressively investigated and prosecuted. I applaud their willingness to hold people and organizations accountable for their theft of taxpayer money. Yes, they were just doing their

job, but they deserve appreciation because state officials failed to do theirs.

*Jim Nobles was Minnesota's legislative auditor for 38 years, retiring in 2021.*

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