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The Trump Administration Says It's Cracking Down On Fraud. It Gave A Red State A Pass.

Mississippi caught a break on an embezzlement scandal that funneled money to Brett Favre and others.

By Arthur Delaney

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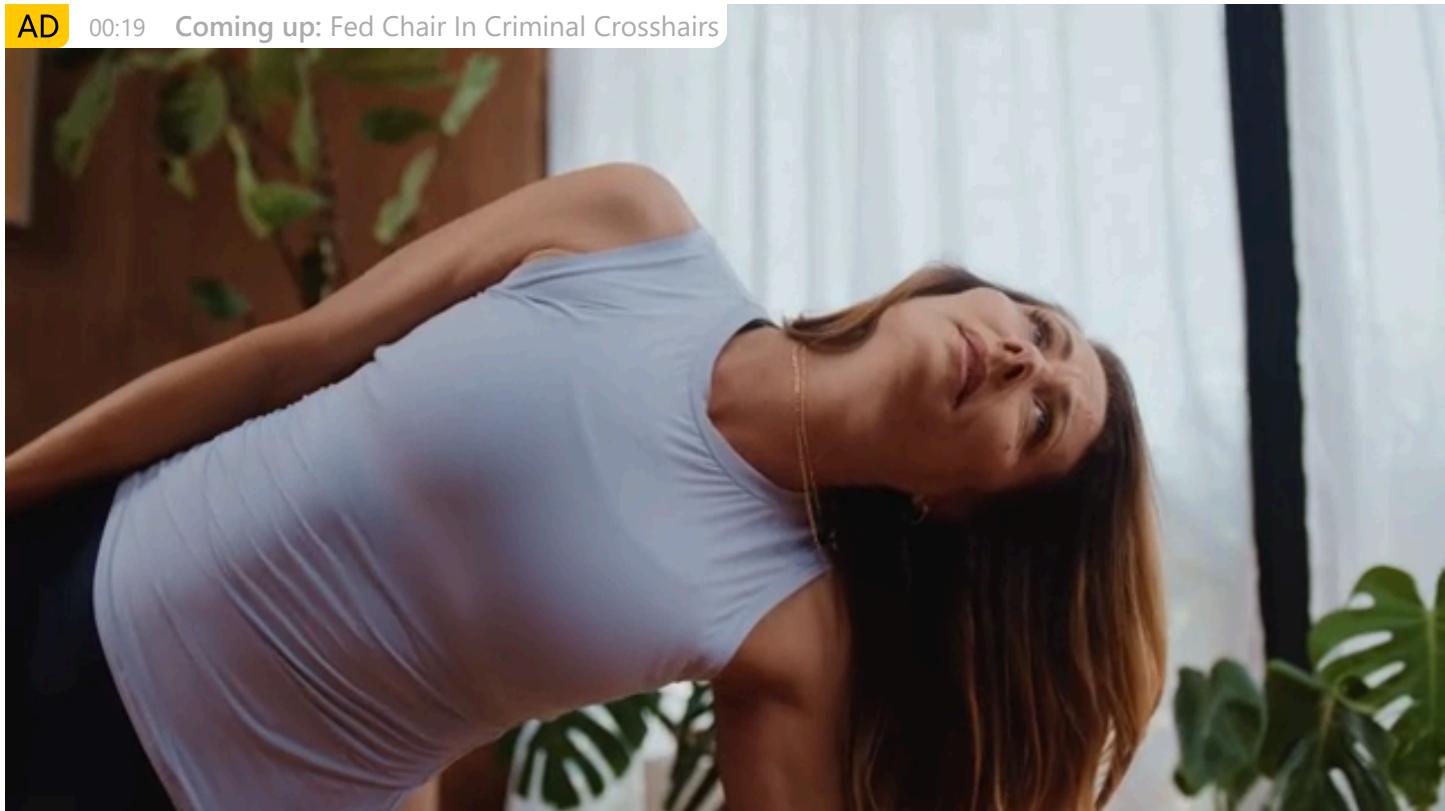
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00:19 Coming up: Fed Chair In Criminal Crosshairs



WASHINGTON – President Donald Trump's administration has tried to shut down federal welfare spending in Democratic states over fraud cases in Minneapolis, [proclaiming](#) it the government's duty "to protect taxpayer dollars and ensure these programs serve the families they were created to help."

But the same administration let Republican-led Mississippi off the hook last year for one of the biggest welfare fraud scandals of all time.

Shortly before President Joe Biden left office, the Department of Health and Human Services' Administration for Children and Families levied a \$100 million penalty against Mississippi for allowing fraudsters to embezzle funds from the federal Temporary Assistance for Needy Families program. The penalty reflected the estimated size of the fraud.

But the Trump administration reversed the decision in April after the Mississippi Department of Human Services said it uncovered records that could validate some of its allegedly improper spending, rescinding the penalty, and telling the state it would “issue a new penalty letter at the appropriate time.” Eight months later, no new letter has been sent.

In a statement on Monday, a spokesperson for HHS told HuffPost the ACF is “evaluating options to follow up with Mississippi.”

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The deliberative back-and-forth between Mississippi and the federal government stands in stark contrast to the preemptive funding cutoff the Trump administration [announced last week for several Democratic-led states](#). It calls into question whether the administration's professed desire to stamp out fraud has more to do with politics than good governance.

In response to the fraud scandal in Minnesota — which includes dozens of well-documented and prosecuted criminal cases in addition to unproven allegations by a right-wing YouTuber — HHS announced a wholesale cutoff of funding under the Temporary Assistance for Needy Families program, as well as two other federal programs that help with child care. And not just in Minnesota, but also in the blue states of California, Colorado, Illinois and New York.

“There’s certainly a disparate effect here, in terms of these five blue states and that one particular red state,” Nick Gwyn, an expert on federal-state welfare programs with the liberal Center on Budget and Policy Priorities, told HuffPost.

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On Friday, a federal judge [put a temporary hold](#) on the funding freeze. Child care providers have [told HuffPost](#) the freeze could force them to lay off staff and turn children away.

The Mississippi TANF scandal drew national attention because one of the recipients of the improper payments was former NFL star Brett Favre, who was not charged with a crime and has maintained he had no idea it wasn't OK for him to receive the money.

The broad outlines of the Mississippi and Minnesota cases are similar. The way TANF and many other federal social service programs work is that states get funds from the federal government, then issue grants to nonprofits that provide the actual services, such as nutrition and child care, to low-income families. Lawmakers promoted the grant scheme as an alternative to giving money directly to poor people.

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In Mississippi and Minnesota, nonprofits took money without providing services. Six people were charged with crimes in Mississippi and the state filed civil complaints against others for mishandling funds.

During [congressional testimony in 2024](#), Favre complained that the scandal wrecked his reputation even though he'd done nothing wrong and gave back the money he'd improperly received.

"I have learned that nobody was or is watching how TANF funds are spent," he said. "States have too much flexibility in how they spend this money."

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