

The present document provides a summary of themes which have emerged from data received from DHS, in response to GOP requests for information under the auspices of the MN Data Practices Act. These data requests were sparked by reports of rampant fraud in Minnesota's Child Care Assistance Program. GOP data requests of DHS were made in the immediate aftermath of the original FOX-9 news report (May, 2018) and have continued through September of 2019. Some requested data remains outstanding.

The twelve themes that have emerged during the course of our review of the data we have already obtained, include...

- DHS officials at the highest level and Governor Mark Dayton's office were aware that fraud was systemic across Minnesota's public programs
- DHS officials have been duped into partnership with the Minnesota Minority Childcare Association (MMCA), whose members have engaged in child care fraud, obstructed anti-fraud measures, and harassed law abiding parents and providers who refuse be blackmailed and coerced into their schemes
- DHS officials have not been attentive to the size and scope of CCAP fraud, despite staggering internal estimates. These same leaders, when presented with uncomfortable data, convinced paid external consultants to reduce their own estimates.
- DHS officials were warned in 2014 that public program dollars may be leaving the US and getting into the hands of dangerous people. Evidence harvested internally, and in conjunction with the AG's office, MN DPS and MNIT, supported this theory
- DHS officials and the Governor Dayton's office knew that CCAP fraud was systemic long before the public was alerted through the media, and failed to either alert the Legislature or act sufficiently to protect taxpayer interests
- DHS officials have been inept in their failure to focus on the fraud and take common sense actions to protect taxpayer dollars
- When it comes to allegations of fraud, DHS officials' first priority is protecting their own interests
- Despite warnings of systemic fraud in public programs, DHS officials have made life quite easy for fraudsters
- Carolyn Ham exercised poor judgment in not proactively sharing internal data on CCAP fraud with the OLA and in cozying up to the Minnesota Minority Childcare Association (MMCA) – an organization comprised of members with ties to fraudulent activity – and showed more interest in managing political ramifications of fraud than making sure fraud itself was investigated
- DHS acknowledges internally that fraud is a problem among Somali day care centers
- DHS/Administration officials were aware of common fraud schemes
- Boots-on-the-ground investigators are in desperate need of help combating fraud in DHS public programs

What follows is a document by document breakdown of the supporting evidence for each of the above themes. A summary of each supporting document is provided under the heading of each theme. Complete supporting documents, as provided by DHS, are available and can be found in the Appendix corresponding to each line item.

**I. We have learned: DHS officials at the highest level and Governor Mark Dayton’s office were aware that fraud was systemic across Minnesota’s public programs.**

Summary	Data Source
<p>A. 5/14/18 (10PM) <b>text sent by then-Commissioner Emily Piper</b> (DHS) to Laura Cederberg (GOV) and a third unidentified individual includes a quote from Piper that refers to Scott Stillman’s Senate testimony and reads, <b>“he’s not just talking about daycare fraud when adding up \$. I’m sure the same claims can be made around NEMT, PCA, adult day, etc.”</b> Cederberg replies “I agree those other programs are at issue too.”</p>	<p><b>Franson-Part A</b> (Fulfills Dean’s original ask for “MN DHS communications with members of news organizations related to CCAP and potential fraud” but for an expanded time period May 16 – Dec 17, 2018) (p55-60)</p>
<p>B. Email dated 8/27/14 from Scott Stillman (DHS) to Ken Stewart (DHS) states <i>“We have been conducting search warrants for the Attorney General and the OIG. I’m seeing indicators that DHS funds such as <b>Daycare and Personal Care Attendant monies are being obtained fraudulently</b> and possibly diverted to fund entities that appear to have ties to terrorist organizations.”</i></p>	<p><b>Part (e) Responsive Data (2 of 2)</b> (Fulfills Zerwas 2/18/19 request for “Any communications referring to ‘Middle East’, ‘remittance’, ‘money transfer’, ‘hawala’, ‘AL-Shabaab’, ‘Al-Qaeda’, terrorist’, or ‘terrorism’.) (p46)</p>
<p>C. Email dated 5/19/15 from Nicholas Radke (DPS, Intelligence Analyst, HSEM) to Michelle Lakso (DHS) states, <i>“I have a possible case of a foreign national... <b>using vocational training funds illegally on top of using their work visa</b> status for reasons other than work (possible terrorism tie). I have ICE and the FBI working the terrorism and immigration side of things but as far as fraud/misusing public funds... is there someone at state DHS you would recommend take a look at this type of thing?”</i></p>	<p><b>Part (e) Responsive Data (2 of 2)</b> (Fulfills Zerwas 2/18/19 request for “Any communications referring to ‘Middle East’, ‘remittance’, ‘money transfer’, ‘hawala’, ‘AL-Shabaab’, ‘Al-Qaeda’, terrorist’, or ‘terrorism’.) (p137-138)</p>

**II. We have learned: DHS officials have been duped into partnership with the Minnesota Minority Childcare Association (MMCA), whose members have engaged in child care fraud, obstructed anti-fraud measures, and harassed law abiding parents and providers who refuse be blackmailed and coerced into their schemes.**

Summary	Data Source
<p>A. 7/25/18 transcript of an on-camera interview of Carolyn Ham with [REDACTED]. On page 5 the interviewer suggests to Ham that Isaak Geedi of <b>MMCA</b> has admitted to the interviewer that one reason for the group meeting with DHS was <b>“to discuss opposition to plans or a suggestion by DHS to lower the burden of proof threshold for taking action against day care fraud”</b>. Ham confirms the MMCA expressed opposition to the move. The interviewer also reveals, <b>“DHS judge ruled there was clear and convincing evidence that Mr. Geedi’s business had billed for child care for children that were out of the country. And that he had altered records to support evidence of that. How can you take seriously a group where the guy who helped form it, who is also the chairman of it, is sanctioned by your agency because he committed a fraud?”</b></p>	<p><b>Part 1 Data (2 of 2)</b> (Fulfills Demuth 3/4/19 request for “any and all data, including but not limited to reports, memoranda, emails, texts, or letters relating to the Minnesota Minority Child Care Association, or MMCA”.) (p195-201)</p>
<p>B. 7/24/19 DHS memo highlighting meetings with the Minnesota Minority Childcare Association states <b>Mr. Geedi was the chair of MMCA, but was ousted because [REDACTED]</b>.</p>	<p><b>Part 1 Data (2 of 2)</b> (Fulfills Demuth 3/4/19 request for “any and all data, including but not limited to reports, memoranda, emails, texts, or letters relating to the Minnesota Minority Child Care Association, or MMCA”.) (p194)</p>
<p>C. An OIG Report of Investigation details a Dec 20, 2016 meeting between Deputy Inspector Vicki Kunerth, DHS staff and a redacted provider group. At that meeting the providers requested that DHS artificially limit a parent’s choices in selecting a child care center (e.g. location restrictions) and/or prevent parents from moving their children from one center to another. The providers explained that <b>their reason for the request to limit parent choice was that such efforts would lower the amount of kickbacks they would have to pay. “We are in the business of making money. If we make \$50k a month, but pay out \$30k to mothers in kickbacks. We lose profits.”</b> When Kunerth asked the providers <b>why they don’t just stop paying the kickbacks, the spokesperson for the providers said, “All providers won’t agree to that.”</b></p>	<p><b>Responsive Data (2018.12.20 Part (a))</b> (Fulfills Franson’s original ask for all data related to “the internal review of the Minnesota Family Investment Program Child Care Assistance Program cited on the PFM Group Project Plan dated October 25, 2018.”) AND Part 1 Data (2 of 2) (p231)</p>
<p>D. An OIG Report of Investigation reports that Investigator Jay Swanson was contacted in August 2017 by DHS Licensor Mindy Peterson. Peterson reports to Swanson that <b>owners of two child care centers are being harassed by members of redacted organization, who are demanding dues of up to \$1,200/month to join their provider group. The group members stated that they are part of DHS, they “meet with the bosses and with the Governor”, and that they have the right to do whatever they have to do. The provider group advised Peterson that failure to join the association and pay dues would result in the</b></p>	<p><b>Responsive Data (2018.12.20 Part (a))</b> (Fulfills Franson’s original ask for all data related to “the internal review of the Minnesota Family Investment Program Child Care Assistance Program cited on the PFM Group Project Plan dated October 25, 2018.”) AND Part 1 Data (2 of 2) (p234)</p>

<p><b>association making false allegations of fraud</b> against Peterson. (see below)</p>	
<p>E. Email dated 10/26/17 from Jay Swanson to Lea Bloomquist (Hennepin County), Allison Tourdot and Peggy Cunningham (DHS) which indicates that {REDACTED}, a <b>child care center representative that has been at MMCA/DHS meetings, has requested a back account change for a center for which he is not listed as the controlling individual.</b> The request was ultimately denied after Swanson’s assertion was confirmed. Mike Backus (BCA) is notified.</p>	<p><b>Part 1 Data (1 of 2)</b> (Fulfills Demuth 3/4/19 request for “any and all data, including but not limited to reports, memoranda, emails, texts, or letters relating to the Minnesota Minority Child Care Association, or MMCA”).(p220-226)</p>
<p>F. Letter dated 12/13/17 from Yusuf Mohammed (DHS) to the MMCA which represents a response to a Mr. Mohamed Gelle’s previous request <b>“for information on controlling individuals (owners) and their contact information for Somali-owned child care Centers.</b> “The stated <i>reason</i> for the request was that MMCA was planning to hold board election meetings for its members. [Note: the use of such a list to invite unknown individuals to participate in a board election seems suspicious and the information could easily be used to target providers.] Yusuf relates that DHS does not maintain demographic information for DHS license holders, and expresses reluctance to share lists from prior community outreach meetings due to privacy concerns.</p>	<p><b>Part 1 Data (1 of 2)</b> (Fulfills Demuth 3/4/19 request for “any and all data, including but not limited to reports, memoranda, emails, texts, or letters relating to the Minnesota Minority Child Care Association, or MMCA”).(p259)</p>
<p>G. Email dated 4/13/17 from Mushtaq J Muse (a Career Counselor with Goodwill Easter Seals) to Lea Bloomquist (Hennepin County Human Services Supervisor) raises concerns about what Mushtaq believes to be a <b>nefarious association harassing one of his clients.</b> <b>“They called her [and] said she won’t be able to take her children to that center because she lives in {REDACTED}. There is no reason for her to go all the ways to {REDACTED}...I spoke with the her current child care provider he said because of the rules of the Association he won’t be able to have her to his center.</b> He said that her previous provider had reported him to the association.” The email also details that the client met with the association, who she described as a group of Somali child care owners, who <b>attempted to get her to return to the previous provider</b> who they said would apologize and be held accountable for previous behavior (described elsewhere as disrespectfulness and unprofessional management). We also learn that <b>“the previous provider had marked the client children absent at center because he realized she was attending another center.”</b> [Note: this would have allowed the previous provider to continue receiving CCAP money for the client.] Mushtaq notes in closing... <b>“client usually don’t know anything and take peoples word especially when they make it seem like it law.”</b> Bloomquist forwards this complaint to Jay Swanson (OIG) on 4/17/19. Swanson replies that <b>the association is likely MMCA,</b> among other reasons because, <b>“the association claims the problems with child care are because the mothers demand kickbacks (as opposed to the problem</b></p>	<p><b>Part 1 Data (1 of 2)</b> (Fulfills Demuth 3/4/19 request for “any and all data, including but not limited to reports, memoranda, emails, texts, or letters relating to the Minnesota Minority Child Care Association, or MMCA”). (p48-54)</p>

<p><i>being providers who pay kickbacks), and the association has indicated that this problem would be solved if mothers were restricted as to where they could get child care, and where they could work.”</i></p>	
<p>H. Email dated 4/10/17 from Mushtaq J Muse (a Career Counselor with Goodwill Easter Seals) to William Engels (Hennepin County) relays complaints of a client who had given notice to her child care provider due to disrespectfulness of the manager and unprofessional manner with which the center was being run. <b>“The new provider {REDACTED} receive a few calls from the previous provide (sic) informing him that he should kick client children from the center. Client was told by the new provider that she will have to leave the center because the child care association said she can’t be there.”</b> Engels replies later that day that <i>“perhaps there is collusion or something going on between those providers”</i>.</p>	<p><b>Part 1 Data (1 of 2)</b> (Fulfills Demuth 3/4/19 request for “any and all data, including but not limited to reports, memoranda, emails, texts, or letters relating to the Minnesota Minority Child Care Association, or MMCA”.) (p48-54)</p>
<p>I. Minutes by unknown author dated 4/27/17 titled “County/State CCAP Fraud workgroup” states MMCA “is starting to collect dues and have an office space. There is a lot we don’t know about the group.” The Hennepin delegation noted <b>“This Association is telling clients that they cannot change providers, and can only use certain providers.”</b></p>	<p><b>Part 1 Data (1 of 2)</b> (Fulfills Demuth 3/4/19 request for “any and all data, including but not limited to reports, memoranda, emails, texts, or letters relating to the Minnesota Minority Child Care Association, or MMCA”.)(p56-57)</p>
<p>J. Email dated 6/07/17 from Jay Swanson (OIG) to Mike Backus (DPS), and various leaders in DHS (including Megan J Spear) responds to a separate email in the same chain (dated 5/30) in which MMCCA spokesperson Mustafa Jumale which is heavily redacted but appears to <b>implicate 7 entities/individuals in wrongdoing</b>. Swanson relates that <b>this manner of informant is worrisome and “problematic.”</b> <i>“I have and will continue to stress that if this group does not want to submit info on fraud through the OIG online fraud reporting system as I’ve asked them repeatedly to do, that someone needs to contact me so I can arrange a private meeting with one investigator and one BCA agent. Ideally, I would like to use the same agent and the same investigator each time, so they don’t get to know any more of us than possible.”</i></p>	<p><b>Part 1 Data (1 of 2)</b> (Fulfills Demuth 3/4/19 request for “any and all data, including but not limited to reports, memoranda, emails, texts, or letters relating to the Minnesota Minority Child Care Association, or MMCA”.) (p100-103)</p>
<p>K. Meeting minutes for the "Fraud Stakeholder’s Meeting" dated 8/10/17. Attendees include, among others, Lea B (presumably Bloomquist of Hennepin County), Carolyn H (presumably Ham of OIG), Allison T (presumably Tourdot of DHS). Item 2 is titled <b>“MMCA - Provider Meeting Debrief”</b>. The document indicates <b>counties are concerned about the frequency of retro authorizations in this community</b> — <i>“why are providers willing to accept families for long</i></p>	<p><b>Part 1 Data (1 of 2)</b> (Fulfills Demuth 3/4/19 request for “any and all data, including but not limited to reports, memoranda, emails, texts, or letters relating to the Minnesota Minority Child Care Association, or MMCA”.) (p179)</p>

<p><i>periods of time?” They also question whether ESP’s are promoting the use of certain providers or encouraging clients to work in child care centers.</i></p>	
<p>L. Email dated 6/15/17 from Jay Swanson (OIG) to individuals in federal HHS Dept, Mike Backus (DPS), and various leaders in DHS (including Megan J Spear) details suspicious activity among child care centers. <i>“Within the last few days DHS sent an electronic payment to (REDACTED}. We have been advised that the <b>payment was kicked back by the subjects bank (don’t have account info yet) due to the centers account being frozen by OFAC (Office of Foreign Asset Control).</b> {REDACTED} it appears the <b>owner of the child care center is associated with a TALIBAN official, which is why the account was ordered frozen. DHS is considering mailing a check for that amount to the child care center (assuming they don’t receive a court order directing them to do otherwise). The amount is approx \$24,000.”</b> Spear replies to this email on the next day (6/16) noting the suspected <b>individual has 51 photos of the MMCCA grand opening posted on a redacted social media site.</b> Also on 6/16 Spear notes that a redacted individual (likely the same mentioned above) is likely connected to yet another center and has <b>visited Edmonton 11 times, Malaysia 2 times, Somalia 42 times and Kenya 33 times.</b> [Note: We have followed up with DHS sources who confirm that this information was sent over to Federal HHS OIG agents, who were unable to confirm or deny the identity of the man in question. MN <b>DHS did, in fact, mail the individual a check.</b>]</i></p>	<p><b>Part 1 Data (1 of 2)</b> (Fulfills Demuth 3/4/19 request for “any and all data, including but not limited to reports, memoranda, emails, texts, or letters relating to the Minnesota Minority Child Care Association, or MMCA”.) (p88-90)</p>
<p>M. Email dated 8/30/17 from Jay Swanson (OIG) to Mike Backus (DPS), and Terri Vandergriff(DHS) includes a redacted list of 11 child care centers believed to be owned and operated by board members of MMCCA. The list includes monthly revenues from January 2016. <b>Over 20 months two of the centers made over \$2.25MM.</b> Six others made over \$1MM.</p>	<p><b>Part 1 Data (1 of 2)</b> (Fulfills Demuth 3/4/19 request for “any and all data, including but not limited to reports, memoranda, emails, texts, or letters relating to the Minnesota Minority Child Care Association, or MMCA”.)(p192-194)</p>
<p>N. Email dated 5/10/18 from <b>Carolyn Ham</b> to other DHS Leadership suggesting <b>“we should give the Minnesota Minority Child Care Association a heads up that is likely running a story on child care fraud,</b> perhaps focused on Africa or payments sent overseas. I think it might help to build a little trust if they were not blindsided by the story.” Charles Johnson Responds saying “Given that the direction of story may be linking child care with other activities, I think we lay low.”</p>	<p><b>Part 1 Data (2 of 2)</b> (Fulfills Demuth 3/4/19 request for “any and all data, including but not limited to reports, memoranda, emails, texts, or letters relating to the Minnesota Minority Child Care Association, or MMCA”.) (p33-34)</p>
<p>O. Email dated 6/15/17 from Megan Spear (DHS) to other DHS management states “I’ve started a folder called MN Child Care Association in the “Intel” folder on the shared drive. It has all info we have on the association to date.”</p>	<p><b>Part 1 Data (2 of 2)</b> (Fulfills Demuth 3/4/19 request for “any and all data, including but not limited to reports, memoranda, emails, texts, or letters relating to the Minnesota Minority Child Care Association, or MMCA”.) (p526)</p>

<p>P. Email dated 5/19/18 from Mohamed Ahmed (DHS) to the Commissioner, with Chuck Johnson and Carolyn Ham copied, documents meetings on fraud between DHS leadership and MMCA. It states, "It should be noted that some providers did not want our work to succeed and wanted things to stay the way they were. We reported those to the OIG."</p>	<p><b>Part 1 Data (2 of 2)</b> (Fulfills Demuth 3/4/19 request for "any and all data, including but not limited to reports, memoranda, emails, texts, or letters relating to the Minnesota Minority Child Care Association, or MMCA".) (p53-54)</p>
<p>Q. Email dated 2/7/19 from Chris Zempel (DHS) states that Reggie Wagner had the thought that, "Maybe consider whether Isaiah and Kids Count and Minnesota Minority Childcare Association should be on the list for CCAP/Fraud expansion. <b>They have been very vocal with Dayton's staff around the election and I think some consideration should be given to those groups</b>, to perhaps address their fear that they will be tagged as the problem behind the proposals." Ham concurs.</p>	<p><b>Part 1 Data (2 of 2)</b> (Fulfills Demuth 3/4/19 request for "any and all data, including but not limited to reports, memoranda, emails, texts, or letters relating to the Minnesota Minority Child Care Association, or MMCA".) (p387-388)</p>
<p>R. Email dated 5/3/17 from Mustafa Jumale (who appears to be a spokesperson/pseudo lobbyist for MMCA, a former aide for Congressman Keith Ellison, and president of <a href="http://khyresolutions.com">khyresolutions.com</a> a policy and advocacy organization for the East African community) to Lauren Gilchrist (Governor's office) <b>objects to limitations on CCAP dollars for dependents of center employees and appeals for the Governor's help in blocking such legislation.</b> Jumale also states "Our centers are training ground for some of the most unemployable people in our State and we are concerned that many will not be able to find other employment." Earlier in the email string Jumalee notes that the proposed legislation will mean the loss of work for 2,000 Somali-Americans daycare workers</p>	<p><b>Part 1 Data (1 of 2)</b> (Fulfills Demuth 3/4/19 request for "any and all data, including but not limited to reports, memoranda, emails, texts, or letters relating to the Minnesota Minority Child Care Association, or MMCA".) (p58-59)</p>
<p>S. Email chain beginning 2/7/19 between Chris Zempel (DHS) and Laurie Possin, <b>cites MMCA as an appropriate stakeholder for CCAP program integrity discussions.</b></p>	<p><b>Part 1 Data (2 of 2)</b> (Fulfills Demuth 3/4/19 request for "any and all data, including but not limited to reports, memoranda, emails, texts, or letters relating to the Minnesota Minority Child Care Association, or MMCA".) (p394-396)</p>
<p>T. A CCAP Rule Revision Stakeholder Engagement roster circulated 9/25/18 lists MMCA</p>	<p><b>Part 1 Data (2 of 2)</b> (Fulfills Demuth 3/4/19 request for "any and all data, including but not limited to reports, memoranda, emails, texts, or letters relating to the Minnesota Minority Child Care Association, or MMCA".) (p292)</p>
<p>U. 5/29/18 email from Terry Gunderson (DHS) to members of the Gov's office and DHS management reveals that someone requested emails to and from Commissioner Piper, Luchelle Stevens, Jim Koppel, Carolyn Ham, Wendy Underwood, Santo Cruz, Nikki Farrago and "Redacted", "that contain "MN Minority Child Care Association" or "MMCA" in the subject line or body of the message." Effective dates are Jan 1, 2017 to the "present</p>	<p><b>Franson-Part A</b> (Fulfills Dean's original ask for "MN DHS communications with members of news organizations related to CCAP and potential fraud" but for an expanded time period May 16 – Dec 17, 2018) AND Part 1 Data (2 of 2) (p70-71)</p>
<p>V. Email dated 5/29/18 from Sarah Berg (DHS) to Amy Akbay (Chief General Counsel, DHS) alerting her that a data request from a redacted</p>	<p><b>Part 1 Data (2 of 2)</b> (Fulfills Demuth 3/4/19 request for "any and all data, including but not limited to reports, memoranda, emails,</p>

<p>source has been received, requesting to review emails to and from DHS leadership which mention MMCA.</p>	<p>texts, or letters relating to the Minnesota Minority Child Care Association, or MMCA".) (p77)</p>
<p>W. Email dated 5/29/18 from Carolyn Ham to Helen Trandem and Eric Cool (DHS) asking that a search of Ham's sent and received email be done for references to MMCCA. This is in response to a memo sent by Terry Gunderson (DHS) that a data request from a redacted source has been received, requesting to review emails to and from DHS leadership which mention MMCA.</p>	<p><b>Part 1 Data (2 of 2)</b> (Fulfills Demuth 3/4/19 request for "any and all data, including but not limited to reports, memoranda, emails, texts, or letters relating to the Minnesota Minority Child Care Association, or MMCA".) (p72)</p>
<p>X. Email dated 6/28/18 from Carolyn Ham to Sarah Berg regarding a response to a data request inquiring about meetings with MMCA. In the exchange we learn of an <b>Oct 2, 2017 meeting with Ham and Isaak Geedi (MMCA)</b>. In response to Berg's probing for information about additional meetings Ham notes, "Nothing in our calendars but <b>I am virtually certain that I had additional meetings with MMCA</b> in the last year."</p>	<p><b>Part 1 Data (2 of 2)</b> (Fulfills Demuth 3/4/19 request for "any and all data, including but not limited to reports, memoranda, emails, texts, or letters relating to the Minnesota Minority Child Care Association, or MMCA".) (p121-124)</p>
<p>Y. Email dated 7/6/2018 from Sarah Berg (DHS) to Emily Piper proposes the following response to the data request regarding meetings with Isaak Geedi of MMCA: We know that several employees of DHS have met with the Minority Childcare Association in the past, and those meetings could have included Mr. Geedi, but <b>our records don't show who from MCCA attended those meetings</b>. When people at DHS have met with the MCCA, our staff have indicated that these meetings have been to provide information about changes in child care laws and rules and to discuss our mutual interest in eliminating child care fraud and not to seek input from the board on DHS policies." Piper approves.</p>	<p><b>Part 1 Data (2 of 2)</b> (Fulfills Demuth 3/4/19 request for "any and all data, including but not limited to reports, memoranda, emails, texts, or letters relating to the Minnesota Minority Child Care Association, or MMCA".) (p134-137)</p>
<p>Z. Email dated 2/1/17 from a REDACTED individual who appears from the signature to be Isaak Geedi (listed elsewhere as for Chairman of MMCA at the time) to Yusuf A Mohamed and Mary K Pederson (both of DHS), <b>details attendees at an upcoming DHS/MMCA meeting</b>. Included are: Isaak Geedi, Busaad Kheyre, Ikran Mohamed, Fartun Ahmed, Fahima Mahamud, Abdiraxman Gelle, and Mohamed Gelle. [This email <b>contradicts DHS's official statement that they did not know whom from MMCA attended meetings</b> with DHS]</p>	<p><b>Part 1 Data (1 of 2)</b> (Fulfills Demuth 3/4/19 request for "any and all data, including but not limited to reports, memoranda, emails, texts, or letters relating to the Minnesota Minority Child Care Association, or MMCA".)(p7)</p>
<p>AA. Email dated 5/23/17 from Mustafa Jumale (MMCA spokesperson) to Jim Koppel (DHS) <b>provides names and contacts of MMCA members who will be at an upcoming DHS/MMCA meeting</b>: Isaak Geedi, Farhan Yusuf, Osman Abdi, Saynab Hashi, and Ikram Mohamed. An email in the same string from a day earlier Jumale lists for Koppel five (5) centers (all redacted) that "after many meetings with our members we believe...are committing fraud." [This email <b>contradicts DHS's official statement that they did not know whom from MMCA attended meetings</b> with DHS]</p>	<p><b>Part 1 Data (1 of 2)</b> (Fulfills Demuth 3/4/19 request for "any and all data, including but not limited to reports, memoranda, emails, texts, or letters relating to the Minnesota Minority Child Care Association, or MMCA".) (p82-83)</p>

<p>BB. Email dated 7/18/17 from Mustafa Jumale (MMCA spokesperson) to Allison Tourdot (DHS) <b>provides names and contacts of MMCA members who will be at an upcoming DHS/MMCA meeting:</b> himself, Saynab Hashi, Isaak Geed, Ikram Mohamed, Osman Mohamed.” [This email <b>contradicts DHS’s official statement that they did not know whom from MMCA attended meetings</b> with DHS]</p>	<p><b>Part 1 Data (1 of 2)</b> (Fulfills Demuth 3/4/19 request for “any and all data, including but not limited to reports, memoranda, emails, texts, or letters relating to the Minnesota Minority Child Care Association, or MMCA”.) (p131-134)</p>
<p>CC. Email exchange dated 7/16/18 between Carolyn Ham and Sarah Berg finalizes a public statement from <b>Carolyn Ham: As inspector general, I have met with the Minnesota Minority Childcare Association board several times.</b> I have no memory or record of meeting alone with Mr. Geedi in his capacity as chairman of the MMCA board. This is in response to an Email dated 7/16/18 from a redacted source to Katie Bauer (DHS) that inquires, “<b>Mr. Geedi says he met with Carolyn Ham on at least 3 occasions.</b> Is that an accurate accounting?”</p>	<p><b>Part 1 Data (2 of 2)</b> (Fulfills Demuth 3/4/19 request for “any and all data, including but not limited to reports, memoranda, emails, texts, or letters relating to the Minnesota Minority Child Care Association, or MMCA”.) (p156-157)</p>
<p>DD. Email dated 7/17/18 from Ham to DHS and OIG management asks “Would Saturday, August 25th in the afternoon work for people for our continuing meeting with MMCA?”</p>	<p><b>Part 1 Data (2 of 2)</b> (Fulfills Demuth 3/4/19 request for “any and all data, including but not limited to reports, memoranda, emails, texts, or letters relating to the Minnesota Minority Child Care Association, or MMCA”.) (p160)</p>
<p>EE. Emails dated 8/15/18 between Carolyn Ham and Regina Wagner confirm planned meetings with MMCA. It indicates Isaiah would also be in attendance.</p>	<p><b>Part 1 Data (2 of 2)</b> (Fulfills Demuth 3/4/19 request for “any and all data, including but not limited to reports, memoranda, emails, texts, or letters relating to the Minnesota Minority Child Care Association, or MMCA”.) (p267-270)</p>
<p>FF. Email dated 4/27/18 from Jim Koppel (DHS) to Amira Adawe (GOV) confirming Koppel sat in on an MMCA board meeting.</p>	<p><b>Part 1 Data (2 of 2)</b> (Fulfills Demuth 3/4/19 request for “any and all data, including but not limited to reports, memoranda, emails, texts, or letters relating to the Minnesota Minority Child Care Association, or MMCA”.) (p32)</p>
<p>GG. Email dated 6/28/18 confirms two meetings of Laurie Possin (DHS) with MMCA. No details are provided. “Jim, Cindi, Laurie, and Allison” Tourdot are listed as attendees)</p>	<p><b>Part 1 Data (2 of 2)</b> (Fulfills Demuth 3/4/19 request for “any and all data, including but not limited to reports, memoranda, emails, texts, or letters relating to the Minnesota Minority Child Care Association, or MMCA”.) (p111)</p>
<p>HH. Email dated 9/21/17 from Isaak (<a href="mailto:igeeedi@gmail.com">igeeedi@gmail.com</a>) to Stephanie Ostwald (EA to Assistant Commissioner James Koppel) <b>inquiring whether or not Isaak is allowed to bring his lawyer with him to a meeting between DHS and providers.</b> Ostwald states the lawyer cannot come.</p>	<p><b>Part 1 Data (1 of 2)</b> (Fulfills Demuth 3/4/19 request for “any and all data, including but not limited to reports, memoranda, emails, texts, or letters relating to the Minnesota Minority Child Care</p>

	Association, or MMCA".)(p207)
II. Email dated 9/11/18 from Laurie Possin (DHS) to DHS management, subject line Saturday's meeting with MMCA states "Allison is prepping a few talking point for me in reference to how providers can navigate the 25 emp. child law – otherwise we are staying high level for this upcoming meeting." Earlier in the string, <b>Ham notes that the Political landscape will be an agenda item.</b> (p274)	<b>Part 1 Data (2 of 2)</b> (Fulfills Demuth 3/4/19 request for "any and all data, including but not limited to reports, memoranda, emails, texts, or letters relating to the Minnesota Minority Child Care Association, or MMCA".) (p274)
JJ. Email dated 10/18/17 from Mustafa Jumale (MMCA spokesperson) to Jim Koppel (DHS) indicating "MMCA leaders want to check in with you on our ongoing work with you. And talk about the upcoming grant you will be offering. And we want to update you on some meetings we have had with Carolyn and Hennepin County."	<b>Part 1 Data (1 of 2)</b> (Fulfills Demuth 3/4/19 request for "any and all data, including but not limited to reports, memoranda, emails, texts, or letters relating to the Minnesota Minority Child Care Association, or MMCA".)(p218)
KK. Email dated 11/30/16 Mary K Pederson (DHS) to herself (and presumably her private distribution list) <b>details the first meeting (on 11/29/16) with 5 Somali providers who were creating the MMCA. They proposed instituting a cap to limit switching day cares. "You have to stay for a certain amount of time, or there has to be a reason why you are switching areas."</b> MMCA also "proposed putting in some type of <b>zoning requirements</b> — you can use providers close to your work, or your home, but not some type of random one..."	<b>Part 1 Data (1 of 2)</b> (Fulfills Demuth 3/4/19 request for "any and all data, including but not limited to reports, memoranda, emails, texts, or letters relating to the Minnesota Minority Child Care Association, or MMCA".)(p1)
LL. Email dated 2/1/17 from a REDACTED individual who appears to be a spokesperson for MMCA (Isaak) to Yusuf A Mohamed and Mary K Pederson (both of DHS), details provider concerns. "The biggest problem in the industry is the client 'parent' moving around providers and corrupting the system". The email laments that " <b>providers have little or no control over their clients. A client can leave a provider "with or without a reason anytime and hold providers hostage."</b> The email also asks that DHS " <b>increase absent days from 25 to 100 days per year."</b>	<b>Part 1 Data (1 of 2)</b> (Fulfills Demuth 3/4/19 request for "any and all data, including but not limited to reports, memoranda, emails, texts, or letters relating to the Minnesota Minority Child Care Association, or MMCA".) (p3)
MM. Email dated 2/2/17 from a REDACTED individual who appears from the signature to be Isaak Geedi (listed elsewhere as for Chairman of MMCA at the time) to Yusuf A Mohamed and Mary K Pederson (both of DHS), includes an attachment titled "MMCA DHS MEETINH — Child Care Provider v2.docx", which is a proposal to change CCAP program policy. "MMCA wants to propose a changes (sic) to CCAP recipient "parents" that are changing provider without a reason therefore; moving around and changing providers are\could corrupt the system. Currently, <b>providers have little or no control of these clients...the client "i.e. parent" often leave provider if they don't get what they want "e.g. leaving early, coming late, calling sick and picking up kids</b>	<b>Part 1 Data (1 of 2)</b> (Fulfills Demuth 3/4/19 request for "any and all data, including but not limited to reports, memoranda, emails, texts, or letters relating to the Minnesota Minority Child Care Association, or MMCA".)(p8-10)

<p><i>late, etc...MMCA wants to introduce parents to stay one year a provider of their choice."</i></p>	
<p>NN. Email dated 6/18/17 from Mustafa Jumale (MMCA spokesperson) to Jim Koppel (DHS) states <b>"many of our members have expressed concern about the 50% rule and we are appreciative of your efforts to seek an extension for us."</b> [Note: the proposed 50% rule was meant to limit the number of center employees who had dependents receiving CCAP benefits.]</p>	<p><b>Part 1 Data (1 of 2)</b> (Fulfills Demuth 3/4/19 request for "any and all data, including but not limited to reports, memoranda, emails, texts, or letters relating to the Minnesota Minority Child Care Association, or MMCA".)(p180)</p>
<p>OO. Email dated 9/20/17 from <b>Carolyn Ham (OIG) to from Mustafa Jumale (MMCA spokesperson) asks for the latter's reaction to a proposal to reduce the burden of proof necessary to disqualify a child care provider committing fraud</b> from clear and convincing evidence to a preponderance of the evidence. Mustafa replies that MMCA leaders have concerns.</p>	<p><b>Part 1 Data (1 of 2)</b> (Fulfills Demuth 3/4/19 request for "any and all data, including but not limited to reports, memoranda, emails, texts, or letters relating to the Minnesota Minority Child Care Association, or MMCA".) (p214-215)</p>
<p>PP. Email exchange dated 1/8/18 between Chuck Johnson (Deputy Commissioner, DHS) and Amy Dellwo (DHS) in which <b>Johnson expresses surprise that the CCAP preponderance of evidence initiative was not included in an official list of legislative/policy proposals.</b> Johnson adds he does not have "strong feelings". Dellwo subsequently notes the proposal appears to be "more controversial than (sic) originally anticipated... <b>MMCA will push back on this one."</b></p>	<p><b>Part 1 Data (1 of 2)</b> (Fulfills Demuth 3/4/19 request for "any and all data, including but not limited to reports, memoranda, emails, texts, or letters relating to the Minnesota Minority Child Care Association, or MMCA".)(p262-264)</p>

**III. We have learned: DHS officials have not been attentive to the size and scope of CCAP fraud, despite staggering internal estimates. These same leaders, when presented with uncomfortable data, convinced paid external consultants to reduce their own estimates.**

Summary	Data Source
A. Email dated 5/13/18 from Laura Cederberg (Governor Dayton’s office) to her colleagues in the Gov’s office and <b>Chuck Johnson (DHS)</b> , includes the text from the Fox9 online story about child care fraud. In the story Johnson is quoted as saying <b>“We believe that there’s a scope of fraud out there that we really need to get our arms around”</b> .	<b>DeanPart B - 1</b> (Fulfills Dean’s original ask for “Communications with the Governor’s office regarding CCAP fraud”)(p31-36)
B. Email dated 5/14/18 at 1700 hrs from <b>Chuck Johnson</b> to Ham indicates he <b>does not know how many “in queue” investigation targets</b> “that we have not yet begun investigating”.	<b>04 – Dean – Part E-3</b> (Fulfills Dean’s original ask for “Any communications referring to “Scott Stillman,” “al shabab,” “terrorists,” or “terrorism”)
C. Email dated 5/15/18 from Chuck Johnson (DHS) to co-workers (Wendy Underwood, Carolyn Ham, Amy Dellwo) states that “All of the data Stillman recovered from phones and computers was turned over to our investigators (Jay Swanson’s unit).” He goes on to state the <b>volume of fraud data is high</b> and that there’s “prioritizing and picking and choosing going on”.	<b>04 – Dean – Part E-3</b> (Fulfills Dean’s original ask for “Any communications referring to “Scott Stillman,” “al shabab,” “terrorists,” or “terrorism”)
D. 5/25/18 email from Terry Gunderson (DHS) to members of the Gov’s office and DHS management reveals that there are 1,763 active child care center licenses and 8,257 active family child care licenses in MN.	<b>Franson-Part A</b> (Fulfills Dean’s original ask for “MN DHS communications with members of news organizations related to CCAP and potential fraud” but for an expanded time period May 16 – Dec 17, 2018) (p38)
E. An attachment indicates someone has requested to know the average amount paid to providers in the CCAP program. Among Licensed Centers (915 of them) <b>the average amount paid to providers is \$235,415 annually</b> (2017 numbers).	<b>DeanPart A</b> (Fulfills Dean’s original ask for “MN DHS communications with members of news organizations related to CCAP and potential fraud”)
F. Email dated 11/13/17 from Orr to Senator Ralph indicates <b>56 centers are receiving over \$1MM in CCAP payments annually</b> . Another 300 take in between \$100k and \$1MM.	<b>01 – Dean – Part D</b> (Fulfills Dean’s original ask for “Any information sent to members of the Minnesota House or Senate related to CCAP”)(p9-10)
G. Data table provided by Mr. Swanson provides surveillance data for both open and closed fraud investigations. It includes fraud rates based on surveillance of each facility. These rates range from <b>9.3% to 58.7% false billing</b> . Based on these surveillance samples and total CCAP payments made to each child care center over time, total fraud is extrapolated for each center. Total fraud ranges from \$222k to \$5.1M per facility. <b>A grand total of \$17.9M in fraud is estimated</b> to have taken place among the 15 listed centers. (see below)	<b>Responsive Data (2018.12.20 Part (a))</b> (Fulfills Franson’s original ask for all data related to “the internal review of the Minnesota Family Investment Program Child Care Assistance Program cited on the PFM Group Project Plan dated October 25, 2018.”)

<p>H. Data table prepared by Mr. Swanson backs up his “internal review” allegation that the CCAP payment system (MEC2) is so cumbersome that counties are unable to effectively turn off payments to providers even after providers have proven to be fraudulent. The data tables include data from 10 unnamed redacted centers, presumed to be the subject of ongoing investigations. The data provides evidence of <b>\$776k in funds paid to providers AFTER they have been proven to be fraudulent and counties had been alerted to that fact.</b> (see below)</p>	<p><b>Responsive Data (2018.12.20 Part (a))</b> (Fulfills Franson’s original ask for all data related to “the internal review of the Minnesota Family Investment Program Child Care Assistance Program cited on the PFM Group Project Plan dated October 25, 2018.”)</p>
<p>I. Email dated 4/29/15 from Jay Swanson to Sue Maslow (MNIT); Vicki Kunerth (DHS) is CC’d. The email is heavily redacted but seems to indicate that data (perhaps account numbers and IP addresses) is being sought on a <b>suspicious provider billing CCAP for over \$1M in both 2014 and 2015.</b> “To make matters worse, we have seen evidence that <b>very quickly after DHS funds are electronically deposited in the account of the child care center owner, that they are quickly wired to other accounts in the Middle East.</b> We have reason to believe those funds are a means of financing for one or more terrorist organizations.” This email eventually got into the hands of Jerry Kerber who on 5/1/19 wrote Swanson, “Let’s talk”.</p>	<p><b>Part (e) Responsive Data (2 of 2)</b> (Fulfills Zerwas 2/18/19 request for “Any communications referring to ‘Middle East’, ‘remittance’, ‘money transfer’, ‘hawala’, ‘AL-Shabaab’, ‘Al-Qaeda’, terrorist’, or ‘terrorism’.”)(p107-109)</p>
<p>J. Memo dated 9/26/18 from Dean Kaplan, Caroline Sylvan and Randall Bauer (PFM) to Carolyn Ham, Gary Johnson (Stillman’s boss, Director, Internal Audits, DHS), Chris Greenman (DHS) provides the first indication that <b>PFM will allow DHS to “vet” their findings.</b></p>	<p><b>05 – Franson 12-17-2018</b> (Fulfills Franson original ask for data relating to communications with employees of PFM Group) (p117-118)</p>
<p>K. A comparison of the original draft of the PFM report on CCAP and the final draft - produced after input was offered by DHS officials - reveals some striking differences. It appears that after DHS was allowed to review the revised draft, <b>DHS convinced PFM to downplay the amount of money going to fraudulent providers.</b> When comparing the revised draft of the PFM Report (12/8/18) to the final version of the report (1/14/19), PFM - without explanation - has <b>reduced by \$33.4M</b> the total amount of CCAP funding “over the past five years” to centers that have closed as a result of or during an investigation, to a total of \$71.6M (\$105M listed in draft p4 - \$33.4M reduction = \$71.6M listed in final version p6). It follows that the <b>proportion of program funding spent on fraudulent centers is also reduced,</b> without explanation, in the final report when compared to the revised draft (<b>7% vs 10%</b>).</p>	<p><b>Responsive Data (2018.12.17 Part (1))</b> (Fulfills Franson’s 12/17 ask for all data related to “PFM Group Consulting, Inc.’s Work on Behalf of DHS.”) (p1734-1748)</p>
<p>L. From the first draft to the revised draft additions are made which read as follows: “Even for centers that were convicted of fraud, the project team did not receive information on specific dollar amounts related to overbilling (because even in the instance of fraud, there is some amount of the child care</p>	<p><b>Responsive Data (2018.12.17 Part (1))</b> (Fulfills Franson’s 12/17 ask for all data related to “PFM Group Consulting, Inc.’s Work on Behalf of DHS.”) (p1734-1748)</p>

<p><i>charges that could be considered justified). Given this key data limitation, in order to develop a “highest dollar estimate” of the level of CCAP fraud determined so far, the analysis assumed that all CCAP funds received by those centers over the course of their operations (back to 2013) would be considered fraudulent. This methodology aligns with the approach in some other states, such as Kansas, where if any level of CCAP fraud is proven, the entire amount of CCAP funding that the center has received can be prosecuted as fraud. With this assumption, the total amount of CCAP funding over the past five years to centers that have closed as a result of or during an investigation totals approximately \$105M. Total CCAP funding over that same time period was just under \$1.1B. Under this set of assumptions, funding to the fraudulent centers represented approximately 10% of CCAP funds.”</i></p>	
<p>M. Email dated 4/19/17 [a year before the Fox9 report] from Scott Stillman to Gary Johnson (Stillman’s boss, Director, Internal Audits, DHS), contains a link to stories from KSTP (file not found), MPR and US attorney’s office. Stillman says, “lots more links out there – <b>15 million in fraud was the estimate.</b>” The MPR story details 3 of the 6 conviction cases the OIG often touts. It is important to remember this happened when the office was under the direction of IG Jerry Kerber. The US attorneys link is regarding the Fozia Ali case</p>	<p><b>02 – Dean – Part E-1</b> (Fulfills Dean’s original ask for “Any communications referring to “Scott Stillman,” “al shabab,” “terrorists,” or “terrorism”)(p168)</p>
<p>N. Email dated 4/19/17 from Scott Stillman to Michael West (DHS) contains a link to a srib story on fraud committed at the Salama Child Care Center, sometimes known as the Fozia Ali case (director of the center). Though <b>Salama was licensed to provide care for just 60 children at any time, the facility had nearly four times that many — 229 children — enrolled in the state-funded Child Care Assistance Program (CCAP),</b></p>	<p><b>04 – Dean – Part E-3</b> (Fulfills Dean’s original ask for “Any communications referring to “Scott Stillman,” “al shabab,” “terrorists,” or “terrorism”)</p>
<p>O. Email dated 5/16/18 with unknown participants indicates that “based upon a 2016 market rate survey... 29 percent of center rates were fully covered by CCAP maximums.”</p>	<p><b>DeanPart A</b> (Fulfills Dean’s original ask for “MN DHS communications with members of news organizations related to CCAP and potential fraud”)</p>
<p>P. Email dated 5/14/18 with unknown participants indicates that someone in DHS communications believes “\$100MM is not a credible number for CCAP fraud. We’re concerned about fraud and aggressively pursuing it, but it’s not at that level. Funding for CCAP in 2017 was \$248.2MM. <b>Most centers involved in the fraud cases completed to date have billed CCAP for \$1MM or more annually.</b>”</p>	<p><b>DeanPart A</b> (Fulfills Dean’s original ask for “MN DHS communications with members of news organizations related to CCAP and potential fraud”)</p>
<p>Q. 5/17/18 email from Katie Bauer (DHS) to members of the Gov’s office and DHS management reveals that <b>28% of payments made by CCAP “were made on behalf of children whose parents speak Somali”.</b></p>	<p><b>Franson-Part A</b> (Fulfills Dean’s original ask for “MN DHS communications with members of news organizations related to CCAP and potential fraud” but for an expanded time period May 16 – Dec 17, 2018) (p48)</p>

<p>R. Email dated 5/16/18 with unknown participants indicates that <b>only one center that has been closed for fraud has been in Greater MN.</b></p>	<p><b>DeanPart A</b> (<i>Fulfills Dean's original ask for "MN DHS communications with members of news organizations related to CCAP and potential fraud"</i>)</p>
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**IV. We have learned: DHS officials were warned in 2014 that public program dollars may be leaving the US and getting into the hands of dangerous people. Evidence harvested internally, and in conjunction with the AG's office, MN DPS and MNIT, supported this theory.**

Summary	Data Source
<p>A. A memo to Representative Franson which states <b>“In 2014, DHS learned that money had been wired from some day care providers that receive CCAP funds to banks in the Middle East.”</b></p>	<p>DeanPart C (Fulfills Dean's original ask for "When DHS First Became Aware of the Issue")</p>
<p>B. The same memo also states that they were informed at a US HHS – sponsored conference that <b>“it was possible that a portion of all the money – regardless of its source – that was sent or brought to some African, Middle Eastern, and Southwest Asian countries was being diverted to terrorist organizations.”</b></p>	<p>DeanPart C (Fulfills Dean's original ask for "When DHS First Became Aware of the Issue")</p>
<p>C. Email dated 8/27/14 from Scott Stillman (DHS) to Ken Stewart (DHS) states <b>“We have been conducting search warrants for the Attorney General and the OIG. I'm seeing indicators that DHS funds such as <i>Daycare and Personal Care Attendant monies are being obtained fraudulently and possibly diverted to fund entities that appear to have ties to terrorist organizations.</i>”</b></p>	<p>Part (e) Responsive Data (2 of 2) (Fulfills Zerwas 2/18/19 request for "Any communications referring to 'Middle East', 'remittance', 'money transfer', 'hawala', 'AL-Shabaab', 'Al-Qaeda', terrorist', or 'terrorism'.)(p46)</p>
<p>D. Email dated 4/29/15 from Jay Swanson to Sue Maslow (MNIT); Vicki Kunerth (DHS) is CC'd. The email is heavily redacted but seems to indicate that data (perhaps account numbers and IP addresses) is being sought on a <b>suspicious provider billing CCAP for over \$1M in both 2014 and 2015.</b> <b>“To make matters worse, we have seen evidence that very quickly after DHS funds are electronically deposited in the account of the child care center owner that they are quickly wired to other accounts in the Middle East. We have reason to believe those funds are a means of financing for one or more terrorist organizations.”</b> This email eventually got into the hands of Jerry Kerber who on 5/1/19 wrote Swanson, <b>“Let's talk”.</b> [Note: Waiting on follow up info on additional evidence.]</p>	<p>Part (e) Responsive Data (2 of 2) (Fulfills Zerwas 2/18/19 request for "Any communications referring to 'Middle East', 'remittance', 'money transfer', 'hawala', 'AL-Shabaab', 'Al-Qaeda', terrorist', or 'terrorism'.)(p107-109)</p>
<p>E. Email dated 5/19/15 from Nicholas Radke (DPS, Intelligence Analyst, HSEM) to Michelle Lakso (DHS) states, <b>“I have a possible case of a foreign national... using vocational training funds illegally on top of using their work visa status for reasons other than work (possible terrorism tie). I have ICE and the FBI working the terrorism and immigration side of things but as far as fraud/misusing public funds... is there someone at state DHS you would recommend take a look at this type of thing?”</b></p>	<p>Part (e) Responsive Data (2 of 2) (Fulfills Zerwas 2/18/19 request for "Any communications referring to 'Middle East', 'remittance', 'money transfer', 'hawala', 'AL-Shabaab', 'Al-Qaeda', terrorist', or 'terrorism'.)(p137-138)</p>

<p>F. Lasko subsequently forwards the email to Jerry Kerber (OIG) who forwards it to Vicki Kunerth (Deputy, OIG) and Jay Swanson (OIG manager, recipient fraud). Swanson replies to all on 5/20/15 and requests any and all information related to the case. Radke replies the same day that, <i>“The two people below are doing the same thing. They come to the US, get enrolled in the {REDACTED} paid for by State funds, then leave the country. The problem is, they leave the country (sometimes for years at a time) and return to pressure the {REDACTED} to get the money paid to them. When they return to the US, they are often radicalized and very anti-American. We have ICE and the FBI looking at them from a Terrorism/ISIS/Recruiting standpoint, but {REDACTED} believes there is fraud occurring.”</i> Two blocks of info, presumably names and contact info for the “two” individuals Radke refers to are redacted.</p>	<p><b>Part (e) Responsive Data (2 of 2)</b>  <i>(Fulfills Zerwas 2/18/19 request for “Any communications referring to ‘Middle East’, ‘remittance’, ‘money transfer’, ‘hawala’, ‘AL-Shabaab’, ‘Al-Qaeda’, terrorist’, or ‘terrorism’.)</i></p>
<p>G. A publication from the MN Fusion Center (a section of the Minnesota Bureau of Criminal Apprehension (BCA) which is meant to coordinate the information-sharing functions between federal, state, local and tribal law enforcement agencies).</p> <ul style="list-style-type: none"> <li>o Details the story of Ohio-based <b>Ahmed Mahamud, who was arrested in June 2011 for raising \$1,500 from Somalis in MN</b> under the pretense it would be used for a local mosque/orphans in Somalia. Instead the <b>money was used to pay for Minnesota-based men to travel overseas to join al-Shabaab.</b></li> </ul>	<p><b>03 – Dean – Part E-2</b> <i>(Fulfills Dean’s original ask for “Any communications referring to “Scott Stillman,” “al shabab,” “terrorists,” or “terrorism”)(p3-4)</i></p>
<p>H. Email dated 5/13/18 from Laura Cederberg (Governor Dayton’s office) to her colleagues in the Gov’s office and Chuck Johnson (DHS), includes the text from the Fox9 online story about child care fraud. In the story, Craig Lisher of the FBI, speaking on the Fozia Ali case, is quoted as saying, <b>“We are aware that some of the funds went overseas”</b>.</p>	<p><b>DeanPart B - 1</b> <i>(Fulfills Dean’s original ask for “Communications with the Governor’s office regarding CCAP fraud”)(p31-36)</i></p>

**V. We have learned: DHS officials and the Governor Dayton’s office knew that CCAP fraud was systemic long before the public was alerted through the media, and failed to either alert the Legislature or act sufficiently to protect taxpayer interests.**

Summary	Data Source
<p>A. A memo to Representative Franson which states <b>“In 2014, DHS learned that money had been wired from some day care providers that receive CCAP funds to banks in the Middle East.”</b></p>	<p>DeanPart C (Fulfills Dean’s original ask for “When DHS First Became Aware of the Issue”)</p>
<p>B. The same memo also states that they were informed at a US HHS –sponsored conference that <b>“it was possible that a portion of all the money – regardless of its source – that was sent or brought to some African, Middle Eastern, and Southwest Asian countries was being diverted to terrorist organizations.”</b></p>	<p>DeanPart C (Fulfills Dean’s original ask for “When DHS First Became Aware of the Issue”)</p>
<p>C. Email dated 5/1/15 from <b>Jon Eichten (MNIT) to Lauren Gilchrist (GOV office)</b> that includes in the body an email dated 4/29/15 from Jay Swanson to Sue Maslow (MNIT). <b>Eichten has highlighted the portions of Swanson’s email related to terrorism. Eichten further relays that MNIT is assisting DHS with fraud investigations</b> by “reviewing logs and implementing monitoring tools ASAP, as this provider is expected to log-in again within the next week and they want to identify the IP address and location of the login.” [Note: Recall that after the original Fox 9 story broke that at a press briefing –see item G below - the governor told Fox 9 his office was not told about the warnings. This email seems to validate what sources told Fox 9 Investigators at the time: “people within the governor's office were told about the concerns a couple of years ago.”].</p>	<p><b>Part (e) Responsive Data (2 of 2)</b> (Fulfills Zerwas 2/18/19 request for “Any communications referring to ‘Middle East’, ‘remittance’, ‘money transfer’, ‘hawala’, ‘AL-Shabaab’, ‘Al-Qaeda’, terrorist’, or ‘terrorism’.”)(p110-112)</p>
<p>D. An OIG Report of Investigation details a Dec 20, 2016 meeting between Deputy Inspector Vicki Kunerth, DHS staff and a redacted provider group. At that meeting the providers requested that DHS artificially limit a parent’s choices in selecting a child care center (e.g. location restrictions) and/or prevent parents from moving their children from one center to another. The providers explained that <b>their reason for the request to limit parent choice was that such efforts would lower the amount of kickbacks they would have to pay.</b> <i>“We are in the business of making money. If we make \$50k a month, but pay out \$30k to mothers in kickbacks. We lose profits.”</i> When Kunerth asked the providers why they don’t just stop paying the kickbacks, the spokesperson for the providers said, <i>“All providers won’t agree to that.”</i> (see below)</p>	<p><b>Responsive Data (2018.12.20 Part (a))</b> (Fulfills Franson’s original ask for all data related to “the internal review of the Minnesota Family Investment Program Child Care Assistance Program cited on the PFM Group Project Plan dated October 25, 2018.”) AND Part 1 Data (2 of 2) - (p231)</p>

<p>E. Email dated 5/13/17 [<i>a year before the Fox9 report</i>] from Scott Stillman to Gary Johnson (Stillman’s boss, Director, Internal Audits, DHS), in response to a request that Stillman investigate whether a state employee was online during work hours. Stillman responds by saying, “My concern is priorities. We are working on and <b>currently overwhelmed with significant fraud cases involving organized crime defrauding 100s of millions annually in taxpayer monies</b> primarily obtained from DHS coffers. Significant amounts of these defrauded tax dollars are being sent overseas to countries and organizations connected to entities known to fund terrorism.”</p>	<p><b>04 – Dean – Part E-3</b> (<i>Fulfills Dean’s original ask for “Any communications referring to “Scott Stillman,” “al shabab,” “terrorists,” or “terrorism”</i>)</p>
<p>F. Email dated 2/20/18 from Terry Gunderson (Communications, DHS) to members of the Governor’s office and DHS leadership (including Ham, Downing, Chuck Johnson, Jim Koppel) indicates that <b>Johnson was to be interviewed for a story on child care fraud on 2/23/18</b> (subsequent emails indicate this tape was accidentally destroyed by the interviewer’s organization during equipment upgrade). The email also indicates DHS provided answers to some additional interviewer questions in writing before the interview. [<b>The Governor’s office and DHS had a nearly 3 month lead that this story was going to be breaking.</b> The legislature was not notified.]</p>	<p><b>DeanPart B - 1</b> (<i>Fulfills Dean’s original ask for “Communications with the Governor’s office regarding CCAP fraud”</i>) (p11)</p>
<p>G. Email dated 5/14/18 from Richard Doenfeld (Governor’s Office) to the Governor’s Communication listserv contains the <b>transcript of the Governor’s 5/14 remarks</b> on child care fraud. He states, “<i>I appreciate the report. It’s brought very important visibility to <b>something we’ve been aware of</b> and working against, but there’s a lot more that needs to be done.</i>”</p>	<p><b>DeanPart B - 2</b> (<i>Fulfills Dean’s original ask for “Communications with the Governor’s office regarding CCAP fraud”</i>) (5-6)</p>

**VI. We have learned: DHS officials have been inept in their failure to focus on the fraud and take common sense actions to protect taxpayer dollars.**

Summary	Data Source
<p>A. Email dated 5/14/18 at 1700 hrs from Chuck Johnson to Ham indicates <b>he does not know the amount “in queue” investigation targets</b> “that we have not yet begun investigating”. He expresses concern not with the queue itself, but messaging regarding the queue.</p>	<p><b>04 – Dean – Part E-3</b> (Fulfills Dean’s original ask for “Any communications referring to “Scott Stillman,” “al shabab,” “terrorists,” or “terrorism”)</p>
<p>B. <i>Email dated 8/3/18 from Jay Swanson to Michael Polston (DHS) indicates the <b>MEC2 system “lacks the capability for DHS to stop all payments to a provider once fraud is determined.”</b> Counties “have no switch that they can use to stop payments...in order to close the registrations, a time consuming process must be initiated and completed” Swanson notes that after even after fraudulent centers have been identified, they can submit billing for care allegedly provided before the date of the registration being closed. <b>The loss to CCAP due to system weakness in MEC2 is “\$776k over the last four years.”</b></i></p>	<p><b>Responsive Data (2018.12.17 Part (1))</b> (Fulfills Franson’s 12/17 ask for all data related to “PFM Group Consulting, Inc.’s Work on Behalf of DHS.”)(p1248-1249)</p>
<p>C. Data table prepared by Mr. Swanson backs up his “internal review” allegation that the CCAP payment system (MEC2) is so cumbersome that counties are unable to effectively turn off payments to providers even after providers have proven to be fraudulent. The data tables include data from 10 unnamed redacted centers, presumed to be the subject of ongoing investigations. The data provides evidence of <b>\$776k in funds paid to providers AFTER they have been proven to be fraudulent and counties had been alerted to that fact.</b> (see below)</p>	<p><b>Responsive Data (2018.12.20 Part (a))</b> (Fulfills Franson’s original ask for all data related to “the internal review of the Minnesota Family Investment Program Child Care Assistance Program cited on the PFM Group Project Plan dated October 25, 2018.”)</p>
<p>D. <i>An undated report titled “Payments to Child Care Providers After DHS-OIG Could Have Shut Payments Off Without Endangering Criminal Investigation.”</i> Contains a series of Child Care Payment Reports sent by Terri Vandergriff (DHS) to herself. Each appears to <b>detail payments made to centers after the discovery of fraud.</b>  Salam Child Care Center - \$67k; Childrens Choice Center - \$31k; MN Child Care Services - \$192k; Ummah Childcare Center - \$61k; Redacted #1 - \$45k, Redacted #2 - \$2k; Redacted #3 - \$3k; Redacted #4 - \$14k; Redacted #5 - \$130k; Redacted #6 - \$1k; Redacted #7 - \$2k; Redacted #8 - \$35k; Redacted #9 - \$49k; Mumtaaz Family Center - \$52k; Redacted #10 - \$95k.</p>	<p><b>Responsive Data (2018.12.17 Part (1))</b> (Fulfills Franson’s 12/17 ask for all data related to “PFM Group Consulting, Inc.’s Work on Behalf of DHS.”)</p>
<p>E. The Karen Sweet Report (2014): Review and Recommendations Relating to DHS-OIG includes a list of recommendations for program improvements, The first listed improvement (article IV-A) is “ensure that every application and claim form that will result in DHS funds being expended contains language that advises the applicant/claimant/provider that all information stated on the form is true and correct under penalty of perjury.” The report notes that</p>	<p><b>Part (e) Responsive Data (2 of 2)</b> (Fulfills Zerwas 2/18/19 request for “Any communications referring to ‘Middle East’, ‘remittance’, ‘money transfer’, ‘hawala’, ‘AL-Shabaab’, ‘Al-Qaeda’, terrorist’, or ‘terrorism’.”)(63-84)</p>

<p><b>the lack of such an attestation is a significant barrier to prosecution.</b> [Note: In 2018 Rep. Heintzeman’s HF1881 was drafted to address this issue in the CCAP program. It compels DHS to ensure CCAP provider attestation forms explicitly mention perjury and mandates that all employees sign, and requires a notice on billing forms advising providers that the provider, center owner, director, manager, license holder, and the employee responsible for submitting billing forms may each be held liable for fraudulent billing. This provision was also included in the GOP fraud omnibus, Franson’s HF2694.]</p>	
<p>F. Email dated 9/11/18 (five months after the Fox9 story) from Shireen k Gandhi (DHS Chief Compliance Officer) to Jay Swanson relaying that the commissioner has asked Gandhi to follow up with Swanson about allegations of fraud in CCAP and get more detailed information regarding issues Swanson has raised. The email also asks that, moving forward, Swanson’s unit provide monthly reports on the number and source of tips, targets, backlog, and ongoing investigations.</p>	<p><b>Responsive Data (2018.12.17 Part (1))</b> (Fulfills Franson’s 12/17 ask for all data related to “PFM Group Consulting, Inc.’s Work on Behalf of DHS.”) (p710-713)</p>
<p>G. Email dated 11/19/18 from Gary Johnson (DHS) to Caroline Sylvan (PFM) in which Johnson relays that “<b>DHS CCAP policy does not track moving between centers. Service Authorization and payment information is housed in MEC2 and while this data indicates what providers a family uses, the department does not specifically track when a family changes providers.</b>”</p>	<p><b>Responsive Data (2018.12.17 Part (1))</b> (Fulfills Franson’s 12/17 ask for all data related to “PFM Group Consulting, Inc.’s Work on Behalf of DHS.”) (p1671-1674)</p>
<p>H. Email dated 6/15/17 from Jay Swanson (OIG) to individuals in federal HHS Dept, Mike Backus (DPS), and various leaders in DHS (including Megan J Spear) details suspicious activity among child care centers. “<b>Within the last few days DHS sent an electronic payment to (REDACTED). We have been advised that the payment was kicked back by the subjects bank (don’t have account info yet) due to the centers account being frozen by OFAC (Office of Foreign Asset Control). (REDACTED) it appears the owner of the child care center is associated with a TALIBAN official, which is why the account was ordered frozen. DHS is considering mailing a check for that amount to the child care center (assuming they don’t receive a court order directing them to do otherwise). The amount is approx \$24,000.</b>” Spear replies to this email on the next day (6/16) noting the suspected individual has 51 photos of the MMCCA grand opening posted on a redacted social media site. Also on 6/16 Spear notes that a redacted individual (likely the same mentioned above) is likely connected to yet another center and has visited Edmonton 11 times, Malaysia 2 times, Somalia 42 times and Kenya 33 times. [Note: We have followed up with DHS sources who confirm that this information was sent over to Federal HHS OIG agents, who were unable to confirm or deny the identity of the man in question. <b>MN DHS did, in fact, mail the</b></p>	<p><b>Part 1 Data (1 of 2)</b> (Fulfills Demuth 3/4/19 request for “any and all data, including but not limited to reports, memoranda, emails, texts, or letters relating to the Minnesota Minority Child Care Association, or MMCA.”.) (p88-90)</p>

<b>individual a check.]</b>	
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**VII. We have learned: When it comes to allegations of fraud, DHS officials’ first priority is protecting their own interests.**

Summary	Data Source
<p>A. Email dated 10/1/18 From Greenman (DHS) to Sylvan (PFM) asks PFM if they could <b>“remove Carolyn Ham and Gary Johnson from the ‘to’ line of any future memos?”</b> To ensure clarity that “DHS general counsel’s office is the unit commissioning the activity.” [referring to the DHS hiring of an outside consultant to review the investigative work of its own staff]</p>	<p><b>05 – Franson 12-17-2018</b> (Fulfills Franson original ask for data relating to communications with employees of PFM Group) (p110-111)</p>
<p>B. It appears that after DHS was allowed to review the revised draft, <b>DHS convinced PFM to downplay the amount of money going to fraudulent providers.</b> When comparing the revised draft of the PFM Report (12/8/18) to the final version of the report (1/14/19), PFM - without explanation - has <b>reduced by \$33.4M</b> the total amount of CCAP funding “over the past five years” to centers that have closed as a result of or during an investigation, to a total of \$71.6M (\$105M listed in revised draft - \$33.4M reduction = \$71.6M listed in final version). It follows that <b>the proportion of program funding spent on fraudulent centers is also reduced</b>, without explanation, in the final report when compared to the revised draft <b>(7% vs 10%)</b>.</p>	<p><b>Responsive Data (2018.12.17 Part (1))</b> (Fulfills Franson’s 12/17 ask for all data related to “PFM Group Consulting, Inc.’s Work on Behalf of DHS.”)</p>
<p>C. Email dated 3/28/17 from Scott Stillman to Gary Johnson. Stillman has filled in the redacted portions. He tells of a <b>DVS data breach of 7,000 records. John Hunt who committed the intentional breach was allowed to quietly resign</b> without charges being pressed. The same email also details <b>Mark Steven Toogood was transferred to an HR position after being convicted of soliciting prostitution</b> during work hours.</p>	<p><b>04 – Dean – Part E-3</b> (Fulfills Dean’s original ask for “Any communications referring to “Scott Stillman,” “al shabab,” “terrorists,” or “terrorism”)</p>
<p>D. Email dated 10/24/18 from Gary Johnson (DHS) to Shireen Gandhi (DHS) asserts that DHS wants the PFM analysis to <i>focus “on our fraud investigation program, not eligibility or benefits. They probably need to understand eligibility/benefits, but we don’t necessarily want recommendations related to the eligibility process.”</i></p>	<p><b>Responsive Data (2018.12.17 Part (1))</b> (Fulfills Franson’s 12/17 ask for all data related to “PFM Group Consulting, Inc.’s Work on Behalf of DHS.”) (1457-1458)</p>

**VIII. We have learned: Despite warnings of systemic fraud in public programs, DHS officials have made life quite easy for fraudsters.**

Summary	Data Source
<p>A. The Karen Sweet Report (2014): Review and Recommendations Relating to DHS-OIG includes a list of recommendations for program improvements, The first listed improvement (Article IV-A) is “ensure that every application and claim form that will result in DHS funds being expended contains language that advises the applicant/claimant/provider that all information stated on the form is true and correct under penalty of perjury.” The report notes that the <b>lack of such an attestation is a significant barrier to prosecution.</b> [Note: In 2018 Rep. Heintzeman’s HF1881 was drafted to address this issue in the CCAP program. It compels DHS to ensure CCAP provider attestation forms explicitly mention perjury and mandates that all employees sign, and requires a notice on billing forms advising providers that the provider, center owner, director, manager, license holder, and the employee responsible for submitting billing forms may each be held liable for fraudulent billing. This provision was also included in the GOP fraud omnibus, Franson’s HF2694.]</p>	<p><b>Part (e) Responsive Data (2 of 2)</b> (Fulfills Zerwas 2/18/19 request for “Any communications referring to ‘Middle East’, ‘remittance’, ‘money transfer’, ‘hawala’, ‘AL-Shabaab’, ‘Al-Qaeda’, ‘terrorist’, or ‘terrorism’.”) (63-84)</p>
<p>B. Email dated 4/20/18 from Jennifer Sommerfeld (DHS) to Senator Abeller, explains that a provider is not currently entitled to an administrative hearing or any other civil relief on its claim that the provider did not engage in fraudulent billing. It is further stated that this is due to statutes 119B.16, subd 1a(b) and 256.045 subd 3(a). Sommerfeld goes on to state that the department has language to “address this issue” by “inserting language that provides an <b>expanded series of reasons for which a provider can request a fair hearing, including whether the department properly revoked a provider’s eligibility to receive CCAP.</b>”</p>	<p><b>01 – Dean – Part D</b> (Fulfills Dean’s original ask for “Any information sent to members of the Minnesota House or Senate related to CCAP”)(p84-85)</p>
<p>C. Email dated 8/3/18 from Jay Swanson to Michael Polston (DHS) indicates the <b>MEC2 system “lacks the capability for DHS to stop all payments to a provider once fraud is determined.”</b> Counties “have no switch that they can use to stop payments...in order to close the registrations, a time consuming process must be initiated and completed” Swanson notes that after even after fraudulent centers have been identified, they can submit billing for care allegedly provided before the date of the registration being closed. <b>The loss to CCAP due to system weakness in MEC2 is “\$776k over the last four years.”</b></p>	<p><b>Responsive Data (2018.12.17 Part (1))</b> (Fulfills Franson’s 12/17 ask for all data related to “PFM Group Consulting, Inc.’s Work on Behalf of DHS.”) (1248-1249)</p>
<p>D. An undated report titled “Payments to Child Care Providers After DHS-OIG Could Have Shut Payments Off Without Endangering Criminal Investigation.” Contains a series of Child Care Payment Reports sent by Terri Vandergriff (DHS) to herself. Each appears <b>to detail payments made to centers after the discovery of fraud.</b> Salam Child Care Center - \$67k; Childrens Choice Center - \$31k; MN Child Care Services - \$192k; Ummah Childcare Center - \$61k; Redacted #1 - \$45k, Redacted #2 - \$2k; Redacted #3 - \$3k; Redacted #4 - \$14k; Redacted #5 - \$130k; Redacted</p>	<p><b>Responsive Data (2018.12.17 Part (1))</b> (Fulfills Franson’s 12/17 ask for all data related to “PFM Group Consulting, Inc.’s Work on Behalf of DHS.”)</p>

<p>#6 - \$1k; Redacted #7 - \$2k; Redacted #8 - \$35k; Redacted #9 - \$49k; Mumtaaz Family Center - \$52k; Redacted #10 - \$95k.</p>	
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- IX. We have learned: Carolyn Ham exercised poor judgment in not proactively sharing internal data on CCAP fraud with the OLA and in cozying up to the Minnesota Minority Childcare Association (MMCA) – an organization comprised of members with ties to fraudulent activity – and showed more interest in managing political ramifications of fraud than making sure fraud itself was investigated.**

Summary	Data Source
<p>A. Email dated 8/27/18 from Jay Swanson to Ham which includes his “internal review”. He asks that if the content is edited before sharing with the OLA that his name be reviewed as author.</p>	<p><b>Responsive Data (2018.12.20 Part (a))</b> (Fulfills Franson’s original ask for all data related to “the internal review of the Minnesota Family Investment Program Child Care Assistance Program cited on the PFM Group Project Plan dated October 25, 2018.”)</p>
<p>B. Email dated 8/24/18 from Jay Swanson to DHS/DPS employees noting that <b>Carolyn Ham had just alerted Jay that she would NOT be forwarding his “internal review” of CCAP fraud, as written, to the OLA</b> and that she intends to have the “controversial” stuff taken out. We later learn that the “internal review” was originally commissioned of Swanson by Ham in order to respond to inquiries made by the OLA.</p>	<p><b>Responsive Data (2018.12.20 Part (a))</b> (Fulfills Franson’s original ask for all data related to “the internal review of the Minnesota Family Investment Program Child Care Assistance Program cited on the PFM Group Project Plan dated October 25, 2018.”)</p>
<p>C. Email dated 9/18/18 from <b>Carolyn Ham to DHS employees explaining why Swanson’s “internal review” was not turned over to the OLA</b> in its totality. Stated reasons for failing to provide the review in totality included that: requested info was missing, previously provided info was included, some statements were not previously shared with Ham or Swanson’s direct manager (Mike), and some statements that had yet to be supported by verified data. As such, Ham and Mike drafted a response to the OLA’s inquiry. Ham states that Swanson’s “internal review” was provided to the OLA once the Commissioner (Piper) had a chance to review it.</p>	<p><b>Responsive Data (2018.12.20 Part (a))</b> (Fulfills Franson’s original ask for all data related to “the internal review of the Minnesota Family Investment Program Child Care Assistance Program cited on the PFM Group Project Plan dated October 25, 2018.”)</p>
<p>D. Email dated 9/20/17 from <b>Carolyn Ham (OIG) to from Mustafa Jumale (MMCA spokesperson) asks for the latter’s reaction to a proposal to reduce the burden of proof necessary to disqualify a child care provider committing fraud</b> from clear and convincing evidence to a preponderance of the evidence. Mustafa replies that MMCA leaders have concerns.</p>	<p><b>Part 1 Data (1 of 2)</b> (Fulfills Demuth 3/4/19 request for “any and all data, including but not limited to reports, memoranda, emails, texts, or letters relating to the Minnesota Minority Child Care Association, or MMCA”).(p214-215)</p>
<p>E. Email dated 5/10/18 from Carolyn Ham to other DHS Leadership suggesting “<b>we should give the Minnesota Minority Child Care Association a heads up that is likely running a story on child care fraud,</b> perhaps focused on Africa or payments sent overseas. I think it might help</p>	<p><b>Part 1 Data (2 of 2)</b> (Fulfills Demuth 3/4/19 request for “any and all data, including but not limited to reports, memoranda, emails, texts, or letters relating to the</p>

<p>to build a little trust if they were not blindsided by the story.” Charles Johnson Responds saying “Given that the direction of story may be linking child care with other activities, I think we lay low.”</p>	<p>Minnesota Minority Child Care Association, or MMCA”). (p33-34)</p>
<p>F. Email dated 5/19/18 from Mohamed Ahmed (DHS) to the Commissioner, with Chuck Johnson and Carolyn Ham copied, documents meetings on fraud between DHS leadership and MMCA. It states, “It should be noted that some providers did not want our work to succeed and wanted things to stay the way they were. We reported those to the OIG.”</p>	<p><b>Part 1 Data (2 of 2)</b> (Fulfills Demuth 3/4/19 request for “any and all data, including but not limited to reports, memoranda, emails, texts, or letters relating to the Minnesota Minority Child Care Association, or MMCA”). (p53-54)</p>
<p>G. Email dated 5/29/18 from Carolyn Ham to Helen Trandem and Eric Cool (DHS) asking that a search of Ham’s sent and received email be done for references to MMCCA. This is in response to a memo sent by Terry Gunderson (DHS) that a data request from a redacted source has been received, requesting to review emails to and from DHS leadership which mention MMCA.</p>	<p><b>Part 1 Data (2 of 2)</b> (Fulfills Demuth 3/4/19 request for “any and all data, including but not limited to reports, memoranda, emails, texts, or letters relating to the Minnesota Minority Child Care Association, or MMCA”). (p72)</p>
<p>H. Email dated 6/28/18 from Carolyn Ham to Sarah Berg regarding a response to a data request inquiring about meetings with MMCA. In the exchange we learn of <b>an Oct 2, 2017 meeting with Ham and Isaak Geedi (MMCA)</b>. In response to Berg’s probing for information about additional meetings Ham notes, “Nothing in our calendars but <b>I am virtually certain that I had additional meetings with MMCA</b> in the last year.”</p>	<p><b>Part 1 Data (2 of 2)</b> (Fulfills Demuth 3/4/19 request for “any and all data, including but not limited to reports, memoranda, emails, texts, or letters relating to the Minnesota Minority Child Care Association, or MMCA”). (p121-124)</p>
<p>I. Email exchange dated 7/16/18 between Carolyn Ham and Sarah Berg finalizes a public statement from Carolyn Ham: <b>As inspector general, I have met with the Minnesota Minority Childcare Association board several times.</b> I have no memory or record of meeting alone with Mr. Geedi in his capacity as chairman of the MMCA board. This is in response to an Email dated 7/16/18 from a redacted source to Katie Bauer (DHS) that inquires, “<b>Mr. Geedi says he met with Carolyn Ham on at least 3 occasions.</b> Is that an accurate accounting?”</p>	<p><b>Part 1 Data (2 of 2)</b> (Fulfills Demuth 3/4/19 request for “any and all data, including but not limited to reports, memoranda, emails, texts, or letters relating to the Minnesota Minority Child Care Association, or MMCA”). (p156-157)</p>
<p>J. Email dated 7/17/18 from Ham to DHS and OIG management asks “Would Saturday, August 25th in the afternoon work for people for our <b>continuing meeting with MMCA?</b>”</p>	<p><b>Part 1 Data (2 of 2)</b> (Fulfills Demuth 3/4/19 request for “any and all data, including but not limited to reports, memoranda, emails, texts, or letters relating to the Minnesota Minority Child Care Association, or MMCA”). (p160)</p>
<p>K. Meeting Minutes form a 7/20/18 Cultural and Ethnic Communities Leadership Council state that Carolyn Ham was <b>working with the Minnesota Minority Child Care Association to address fraud and “its consequences for political agendas”</b>.</p>	<p><b>Part 1 Data (2 of 2)</b> (Fulfills Demuth 3/4/19 request for “any and all data, including but not limited to reports, memoranda, emails, texts, or letters relating to the Minnesota Minority Child Care Association, or MMCA”). (p171-173)</p>
<p>L. Transcript of a 7/25/18 on-camera interview of Carolyn Ham with [REDACTED]. The interviewer suggests to Ham that Isaak Geedi of MMCA has admitted to the interviewer that one reason for the group meeting with DHS was “to <b>discuss opposition to plans or a suggestion by DHS to lower the burden of proof threshold for taking action against day care fraud</b>”. Ham confirms the MMCA expressed opposition to the move. The</p>	<p><b>Part 1 Data (2 of 2)</b> (Fulfills Demuth 3/4/19 request for “any and all data, including but not limited to reports, memoranda, emails, texts, or letters relating to the Minnesota Minority Child Care Association, or MMCA”). (195-201)</p>

<p>interviewer also reveals, “DHS judge ruled there was clear and convincing evidence that <b>Mr. Geedi’s business had billed for child care for children that were out of the country.</b> And that he had altered records to support evidence of that. <b>How can you take seriously a group where the guy who helped form it, who is also the chairman of it, is sanctioned by your agency because he committed a fraud?”</b> (199)</p>	
<p>M. Emails dated 8/15/18 between Carolyn Ham and Regina Wagner confirm <b>meetings with MMCA.</b> It indicates Isaiah would also be in attendance.</p>	<p><b>Part 1 Data (2 of 2)</b> (Fulfills Demuth 3/4/19 request for “any and all data, including but not limited to reports, memoranda, emails, texts, or letters relating to the Minnesota Minority Child Care Association, or MMCA”.) (p267-270)</p>

**X. We have learned: DHS acknowledges internally that fraud is a problem among Somali day care centers.**

Summary	Data Source
A. 5/11/18 email (before the Fox9 story) from Chuck Johnson to Emily Piper and members of the Governor’s office, sates “We have a dozen or so active fraud investigations of child care centers. <b>Virtually all of these centers are owned and operated by Somali-Americans.</b> ”	<b>DeanPart B - 1</b> (Fulfills Dean’s original ask for “Communications with the Governor’s office regarding CCAP fraud”)(p25-26)
B. Email dated 7/5/17 from Yusuf A Mohamed (DHS) to Carolyn Ham (OIG) in which Yusuf states “/ work with the board of the MMCA to help improve relations between DHS and Somalia community in the world of child care... <b>I hope they can help us tackle the elephant in our community.</b> ”	<b>Part 1 Data (1 of 2)</b> (Fulfills Demuth 3/4/19 request for “any and all data, including but not limited to reports, memoranda, emails, texts, or letters relating to the Minnesota Minority Child Care Association, or MMCA”). (p93)
C. Meeting minutes for the "Fraud Stakeholder’s Meeting" dated 8/10/17. Attendees include, among others, Lea B (presumably, Bloomquist of Hennepin County), Carolyn H (presumably Ham of OIG), Allison T (presumably Tourdot of DHS). Item 2 is titled “MMCA - Provider Meeting Debrief”. The document indicates <b>counties are concerned about the frequency of retro authorizations in this community</b> — “why are providers willing to accept families for long periods of time?” They also <b>question whether ESP’s are promoting the use of certain providers or encouraging clients to work in child care centers.</b>	<b>Part 1 Data (1 of 2)</b> (Fulfills Demuth 3/4/19 request for “any and all data, including but not limited to reports, memoranda, emails, texts, or letters relating to the Minnesota Minority Child Care Association, or MMCA”).(p179)
D. A Hennepin County Sheriff’s Office PPT titled Criminal Information Sharing and Analysis, <b>circulated among DHS staff and detailing the Hawala Alternative Remittance System</b> , is heavily redacted but it is clear a significant amount of <b>information pertains directly to the Salama Childcare Center</b> . Other redacted and partially redacted information appears to detail the workings of know fraudulent financial transfer networks.	<b>Part (e) Responsive Data (2 of 2)</b> (Fulfills Zerwas 2/18/19 request for “Any communications referring to ‘Middle East’, ‘remittance’, ‘money transfer’, ‘hawala’, ‘AL-Shabaab’, ‘Al-Qaeda’, terrorist’, or ‘terrorism’.”)(p505-530)
E. 6/13/18 email from Terry Gunderson (DHS) to members of the Gov’s office and DHS management reveals that a search warrant was executed <b>on Baraka Child Care Center</b> in Mpls that same day.	<b>Franson-Part A</b> (Fulfills Dean’s original ask for “MN DHS communications with members of news organizations related to CCAP and potential fraud” but for an expanded time period May 16 – Dec 17, 2018)(p29-30)
F. 5/17/18 email from Katie Bauer (DHS) to members of the Gov’s office and DHS management addressing internal questions that arose in light of the Fox-9 story reveals that <b>28% of payments made by CCAP “were made on behalf of children whose parents speak Somali”</b> .	<b>Franson-Part A</b> (Fulfills Dean’s original ask for “MN DHS communications with members of news organizations related to CCAP and potential fraud” but for an expanded time period May 16 – Dec 17, 2018)
G. 5/16/18 email with unknown participants indicates that <b>only one center that has been closed for fraud has been in Greater MN.</b>	<b>DeanPart A</b> (Fulfills Dean’s original ask for “MN DHS communications with members of news organizations related to CCAP and potential fraud”)

## XI. We have learned: DHS/Administration officials were aware of common fraud schemes.

Summary	Data Source
<p>A. Email dated 5/11/17 from Jay Swanson to Carolyn Ham fulfills Ham's request to write up a summary of a recent case. It indicates owners of a redacted Minneapolis center that had been committing CCAP fraud had <b>concealed their ownership</b> because they were owners of another center that had its license revoked. [This email also refers to a May 10 guilty plea, which does not match up on the list of six convictions often supplied by DHS.]</p>	<p><b>04 – Dean – Part E-3</b> (Fulfills Dean's original ask for "Any communications referring to "Scott Stillman," "al shabab," "terrorists," or "terrorism")</p>
<p>B. Media Prep Memo from July 25, 2018 (two months after the scandal broke) provides talking points that "<b>Collusion between providers and parents is common</b>. Parents often claim their child is attending the center that will pay them the largest <b>kickback</b> based on the number of children. The centers often provide <b>false paystubs</b> to parents to prove employment eligibility for CCAP, either from the center or another sham business the owner has opened. Jobs for mothers are often "no show" jobs; "wages" paid from these jobs are designed to disguise the kickbacks paid to mothers.</p>	<p><b>Part 1 Data (2 of 2)</b> (Fulfills Demuth 3/4/19 request for "any and all data, including but not limited to reports, memoranda, emails, texts, or letters relating to the Minnesota Minority Child Care Association, or MMCA".)</p>
<p>C. An OIG Report of Investigation details a Dec 20, 2016 meeting between Deputy Inspector Vicki Kunerth, DHS staff and a redacted provider group. At that meeting the providers requested that DHS artificially limit a parent's choices in selecting a child care center (e.g. location restrictions) and/or prevent parents from moving their children from one center to another. The providers explained that <b>their reason for the request to limit parent choice was that such efforts would lower the amount of kickbacks they would have to pay</b>. "We are in the business of making money. If we make \$50k a month, but pay out \$30k to mothers in kickbacks. We lose profits." When Kunerth asked the providers <b>why they don't just stop paying the kickbacks, the spokesperson for the providers said, "All providers won't agree to that."</b></p>	<p><b>Responsive Data (2018.12.20 Part (a))</b> (Fulfills Franson's original ask for all data related to "the internal review of the Minnesota Family Investment Program Child Care Assistance Program cited on the PFM Group Project Plan dated October 25, 2018.") <b>AND Part 1 Data (2 of 2)</b> (Fulfills Demuth 3/4/19 request for "any and all data, including but not limited to reports, memoranda, emails, texts, or letters relating to the Minnesota Minority Child Care Association, or MMCA".) (p231)</p>
<p>D. Email dated 10/26/17 from Jay Swanson to Lea Bloomquist (Hennepin County), Allison Tourdot and Peggy Cunningham (DHS) which indicates that {REDACTED}, a <b>child care center representative that has been at MMCA/DHS meetings, has requested a back account change for a center for which he is not listed as the controlling individual</b>. The request was ultimately denied after Swanson's assertion was confirmed. Mike Backus (BCA) is notified.</p>	<p><b>Part 1 Data (1 of 2)</b> (Fulfills Demuth 3/4/19 request for "any and all data, including but not limited to reports, memoranda, emails, texts, or letters relating to the Minnesota Minority Child Care Association, or MMCA".)(p220-226)</p>
<p>E. Meeting minutes for the "Fraud Stakeholder's Meeting" dated 8/10/17. Attendees include, among others, Lea B (presumably Bloomquist of Hennepin County), Carolyn H (presumably Ham of OIG), Allison T (presumably Tourdot of</p>	<p><b>Part 1 Data (1 of 2)</b> (Fulfills Demuth 3/4/19 request for "any and all data, including but not limited to reports, memoranda, emails, texts, or letters relating to</p>

<p>DHS). Item 2 is titled “<b>MMCA - Provider Meeting Debrief</b>”. The document indicates <b>counties are concerned about the frequency of retro authorizations in this community</b> — “<i>why are providers willing to accept families for long periods of time?</i>” <b>They also question whether ESP’s are promoting the use of certain providers or encouraging clients to work in child care centers.</b></p>	<p>the Minnesota Minority Child Care Association, or MMCA”.) (p179)</p>
<p>F. A subpoena of Scott Stillman to appear in Hennepin County Court for a State of MN v Annie Mae Hester case (ProCase# 17A01940). [A quick search reveals A Minneapolis woman accused of a tax scheme that cost the state \$1.4 million in tax revenue will avoid jail time if she meets the terms of her probation. She pleaded guilty to four counts of tax fraud October 2017. She was sentenced Monday to 34 months in prison, but that was stayed pending her completion of five years probation. While acting as a tax preparer via a scheme tricking the state into sending her clients <b>tax refunds they weren't entitled to</b>].</p>	<p><b>02 – Dean – Part E-1</b> (<i>Fulfills Dean’s original ask for “Any communications referring to “Scott Stillman,” “al shabab,” “terrorists,” or “terrorism”</i>)(p304)</p>

**XII. We have learned: Boots-on-the-ground investigators are in desperate need of help combating fraud in DHS public programs.**

Summary	Data Source
<p>A. Email dated 10/9/18 from Jay Swanson to Amy Akbay (DHS Chief General Counsel) inquiring whether the consultant (PFM) will be looking at the operation and systems of his unit or <b>laws &amp; policies surrounding CCAP</b>, <i>“because frankly we run into hurdles at every corner with this program”</i>.</p>	<p><b>Responsive Data (2018.12.17 Part (1))</b> (Fulfills Franson’s 12/17 ask for all data related to “PFM Group Consulting, Inc.’s Work on Behalf of DHS.”) (p.748-749)</p>
<p>B. Email dated 10/9/18 from Amy Akbay (DHS Chief General Counsel) to Jay Swanson which states <i>“while program laws and policies will be a part of the discussion, <b>the focus of the evaluation will be on OIG metrics and processes’</b></i>.</p>	<p><b>Responsive Data (2018.12.17 Part (1))</b> (Fulfills Franson’s 12/17 ask for all data related to “PFM Group Consulting, Inc.’s Work on Behalf of DHS.”) (p.748-749)</p>
<p>C. Email dated 11/21/18 from Amy Akbay (DHS) to Carolyn Ham and other OIG leadership containing a <i>“draft report from PFM for your review and discussion.”</i> The report, paid for by DHS, relays that <b>fraud investigators believe strongly that changes to CCAP legislation and policy are critical</b> in order to minimize the amount of fraud taking place. It also notes that reliable data is needed to estimate the impact of fraud, identify fraud early, reduce fraud on the front end, and suggests a central database will aid in these efforts.</p>	<p><b>Responsive Data (2018.12.17 Part (1))</b> (Fulfills Franson’s 12/17 ask for all data related to “PFM Group Consulting, Inc.’s Work on Behalf of DHS.”)(1580-1583)</p>