



Office of Governor Tim Walz & Lt. Governor Peggy Flanagan

Combating Fraud in State Government

Fraud against the State of Minnesota will be met with zero tolerance.

Our administration will fully prosecute anyone who steals from taxpayers and ensure they are held accountable under the law.

As fraud schemes grow more sophisticated and organized, we are strengthening Minnesota's defenses with improved oversight, modernized technology, and firm consequences for those who abuse public trust.

Most recently, Governor Walz hired Tim O'Malley as Head of Program Integrity to work with the outside firm WayPoint to implement a statewide fraud prevention program through uniform investigative practices, cross-agency collaboration, streamlined data sharing, and specialized staffing for reviewing, auditing, and investigating fraud.

STRONGER OVERSIGHT

Through executive action, bipartisan work at the Legislature, and close collaboration with state agencies and external partners, the Governor's Office is taking action to root out fraudsters who exploit the most vulnerable Minnesotans for their own gain, including by:

- Ordering a [third-party audit](#) of Medicaid billing at the Department of Human Services to identify potential fraud and develop a system to review payments for 14 high-risk Medicaid services
- Creating a [Centralized Fraud Investigations Unit](#) at the Minnesota Bureau of Criminal Apprehension
- Funding additional auditors, internal control specialists, and grant administration professionals across state government
- Establishing a [Statewide Inspector General Coordinating Council](#) to unify inspectors general and better coordinate investigations
- Securing new statutorily mandated requirements for high-risk Medicaid programs such as expanded background checks on providers, enhanced financial transparency disclosures, more frequent site visits, new service delivery documentation requirements, and mandatory compliance trainings for owners and supervisory employees

- Newly appointed leadership at key state agencies who are hard at work rooting out fraud and prosecuting criminals
- Establishing a new Office of Inspector General at the Minnesota Department of Education
- Hiring a Head of Program Integrity, Tim O'Malley, to implement statewide fraud prevention programming

MODERNIZED TECHNOLOGY & OUTSIDE EXPERTS

The State of Minnesota is combating an organized criminal effort intent on stealing from taxpayers. Our responsibility is to stay one step ahead of these schemes through:

- Asking the legislature to fund a program utilizing artificial intelligence to help combat double billing and stop fake service providers who submit false invoices to state agencies
- Bringing in outside experts to audit high-risk Medicaid programs and review suspicious claims before payments are processed
- Hiring an outside firm to conduct in-depth financial reviews of certain program providers
- Working with outside advisors to create more frequent and in-depth trainings for state employees who award grants
- Creating a public platform that Minnesotans can use to report possible fraud, waste, or abuse of public funds
- Hiring an outside firm, WayPoint, to advise the development of:
 - Consistent investigative and reporting policies and procedures across state agencies;
 - A fraud prevention program that can be implemented across state agencies;
 - Formalized data sharing amongst state agencies in alignment with federal and state law to more quickly identify those committing fraud across multiple state programs; and
 - Specialized skills and/or positions needed for agencies to review, audit, and investigate state program fraud.

HOLDING CRIMINALS ACCOUNTABLE

The Governor's Office is committed to protecting taxpayer dollars, upholding the integrity of public programs, and ensuring that anyone who commits fraud against Minnesotans is held fully accountable, including by:

- Increasing protections for whistleblowers who report suspected fraud
- Coordinating with the Minnesota Attorney General's Office, the United States Attorney's Office, and other law enforcement and prosecution agencies to ensure that fraudsters are brought to justice
- Securing new anti-kickback criminal penalties
- Expanding the powers of the new Office of Inspector General at the Department of Education

- Directing the Department of Public Safety to enter into interagency agreements with state agencies that do not have an existing Office of Inspector General to provide additional criminal investigative support