

# MN FRAUD RESPONSE



**2022**

Walz proposes a coordinated approach to criminal investigations through the BCA to track and investigate allegations of fraud in state-administered grants

MDE contracted with a national firm, MH Miles, to conduct in-depth finance reviews of certain community nutrition sponsors

Walz directs MDE to hire a full-time, dedicated general counsel



**2023**

Walz proposes a fraud prevention plan with funds to support an Office of Inspector General (OIG) at MDE

Walz signs MDE's OIG into law, the MDE OIG must report fraud and coordinate with law enforcement to investigate allegations

Walz funds proactive fraud detection efforts at MDE

Walz creates new government-wide grants management through ADM

Walz creates Statewide Internal Audit Office (SIAO) at MMB

Walz obtains ADM authority to cancel grants



**2024**

Walz launches EIDBI site visits

Walz expands OIG powers at MDE and orders all state agencies to increase compliance on OLA recommendations

DHS broken up, Department of Children, Youth, and Families launches as a state agency

State employees testify in the first federal fraud jury trial about their efforts to bring awareness of fraud schemes to the Trump Administration



**January 2025**

Walz signs Executive Order creating fraud investigation unit within BCA, requiring all state employees to report fraud

Walz installs new Commissioner and Inspector General at DHS



**March 2025**

Walz proposes \$39M anti-fraud legislation package



**April 2025**

Walz and DHS increase provider oversight for high-risk programs and enable unannounced visits

Walz and DHS strengthen data analytics at the core of OIG proactive surveillance



**June 2025 • LEGISLATIVE SESSION**

Walz signs law allowing state agencies to temporarily withhold program payments due to evidence of fraud

Walz signs law requiring EIDBI providers to be licensed and issues a temporary moratorium on licensing new providers while adding and expanding standards

Walz signs anti-kickback law for state programs

Walz signs law requiring improved training for certain employees administering state grants

Walz signs law adding new regulations for providers submitting time-based claims to prohibit duplicative billing

Walz signs law allowing state agencies to share data about suspected fraud



**July 2025**

Walz announces he's shutting down HSS

DHS broken up, Direct Care and Treatment launches as a state agency



**September 2025**

Walz issues Executive Order directing state agencies to strengthen fight against fraud, establishing a statewide Inspector General Coordinating Council

Walz adds analytics teams from MMB to DHS to manage surge of data



**October 2025**

Walz and DHS begin partnership with Optum to conduct a third-party audit of fee-for-service claims to identify potential fraud at 14 programs

DHS disenrolls 800 Medicaid providers to combat fraud



**November 2025**

Prepayment review website and program integrity dashboard published on DHS website



**December 2025**

Walz announces Director of Program Integrity and partnership with WayPoint to create a statewide fraud prevention program

DHS implements a two-year pause on licensing new community-based human services and adult day care providers and improves oversight of existing providers



**January 2026**

DHS continues executing Executive Order, freezes provider enrollment for 13 high risk Medicaid services

Federal review determines improper payments in Minnesota's Medicaid programs is 2.1%, far below the national average of 6.1%



**February 2026**

DHS announces a massive statewide push to revalidate all providers in 13 high risk services, state redeploys staff to conduct nearly 6,000 unannounced site visits

First reports from third-party audit and Director of Program Integrity are delivered

Walz announces comprehensive fraud fighting package for 2026 legislative session



**March 2026**

Walz announces transformational human services package to ensure human services best meet the needs of Minnesotans

Walz proposes increased funding for evaluating the future structure of human services

