

**MELISSA TOWNSEND:** This is "Minnesota Now." It's 12:06. I'm Melissa Townsend. Federal prosecutors in Minneapolis yesterday announced charges against 48 people in connection with what the Justice Department says is the nation's largest COVID-19 fraud scheme.

Authorities say, instead of feeding hungry families, the group behind Feeding Our Future embezzled roughly 1/4 billion dollars through shell companies and spent it on things like travel, luxury goods, jewelry, and property. Reporter Matt Sepic has been keeping up on the details, and he joins me now. Hi, Matt.

**MATT SEPIC:** Hi, there, Melissa.

**MELISSA TOWNSEND:** So Matt, who are the defendants in this case?

**MATT SEPIC:** Well, prosecutors say the ringleader was Aimee Bock. She's 41 years old and was the founder and executive director of a nonprofit that she set up, called Feeding Our Future. Like the others, she's facing charges including wire fraud and bribery.

And according to the indictment against her, the government says that starting in March of 2020, just as everything was shutting down at the start of the pandemic, Bock and her small staff recruited dozens of people in businesses all over Minnesota to open more than 200 meal sites throughout the state, where they purportedly served food to thousands of children. But US attorney Andy Luger says very few kids actually got meals. He says the conspirators filled out fake invoices and even used an online name generator really geared toward fiction writers to invent the names, to invent the identities of nonexistent children to put on phony attendance rosters.

**MELISSA TOWNSEND:** Hmm. And how did this alleged scheme operate?

**MATT SEPIC:** Well, here is one of the examples that prosecutors outlined in court documents. Luger says 30-year-old Abdikadir Momahud allegedly paid the owner of a small restaurant in Wilmar \$40,000 a month to use the business as a meal site. And here's what Luger had to say at the news conference yesterday announcing the indictments.

**ANDREW LUGER:** The defendant quickly claimed to be feeding 2,000 children per week, seven days a week. But only 33 names on the roster of children he supplied matched names registered at the school district.

**MATT SEPIC:** And just to put the size of this into context, Melissa, Luger noted that the Wilmar school district has an enrollment of around 4,200 kids, so Momahud allegedly claimed to be feeding close to 1/2 of them from a tiny storefront restaurant.

**MELISSA TOWNSEND:** So how was this group able to, allegedly, steal so much money?

**MATT SEPIC:** Well, according to the court documents, Melissa, they took advantage of two government programs-- federal government programs that have been around for decades-- the Summer Food Service Program, the other is the Child and Adult Care Food Program. Now, typically, these have been run through schools and child care centers, but when everything shut down at the start of the pandemic, the USDA, the federal USDA, started letting restaurants participate. And authorities say Bock and her co-conspirators took advantage of these new rules to bilk taxpayers.

**MELISSA TOWNSEND:** Now, I know this investigation has been going on for nearly a year and 1/2. How did it begin?

**MATT SEPIC:** Well, in April of last year, the Minnesota Department of Education, which oversees the distribution of this federal money from the ag department, contacted the FBI. The Education Department told investigators that they suspected that quite a few organizations were submitting fake reimbursement requests and vastly inflating the number of kids that they were serving. And he was also concerned about the exponential increase in federal money going to Feeding Our Future.

In 2018, this organization only got about \$307,000, and Melissa, by last year, that figure had grown close to 200 million-- 198 million, to be exact. Now, even though state officials were suspicious, they didn't have access to bank records to really prove the fraud, which is why they went to the FBI.

And the other thing, too, Melissa, that's important to note is that MDE, the Education Department, was on the defensive. Feeding Our Future actually sued the state in late 2020, alleging discrimination against low-income and minority communities that Feeding Our Future purported to serve by withholding funding. They went to court.

A Ramsey County judge sided with Aimee Bock and Feeding Our Future. And Andy Luger at the news conference yesterday said those payments from the state-- you know, passing through federal money-- those payments continued until news broke of the FBI investigation.

**ANDREW LUGER:** Their scheme was only shut down when this investigation went public with the unsealing of search warrants in January of 2022.

**MELISSA TOWNSEND:** So many of the people charged, I understand, have strong business and political connections in Minneapolis. Is that right?

**MATT SEPIC:** Well, at least two of them do. The Minnesota news site, *Sahan Journal*, reported back in February that Abdi Nur Saleh left his job as a policy aide to Mayor Jacob Frey, the Minneapolis mayor. After Saleh's name appeared in a federal seizure lawsuit that was public, along with the search warrants earlier this year, it included allegations that he used stolen money to buy property in South Minneapolis.

*The Star Tribune* reported around this same time that the Mayor's office fired Saleh. Saleh was the founder of a nonprofit called Stigma-Free International. It's listed in the indictments as having misappropriated federal money. *Sahan Journal* also reported that Minneapolis city council member Jamal Osman was a founder of Stigma-Free, along with Saleh.

However, we need to point out and be clear that Councilmember Osman is not among those charged with a crime. He told *The Star Tribune* earlier in the year that he had no association with the nonprofit, Stigma-Free, after mid-2020. Another person indicted, who has political connections, Sharmarke Issa-- former board chair of the Minneapolis Public Housing Authority. Prosecutors say he set up a company called Minnesota's Somali Community and managed a restaurant, and Issa allegedly stole \$7.4 million in federal child nutrition program funds.

**MELISSA TOWNSEND:** Wow. Now, I saw that the Minnesota Department of Education released a statement yesterday saying they reported their concerns immediately. Attorney General Keith Ellison's office said they took action quickly. But some Republican lawmakers are saying they didn't. What's happening there?

**MATT SEPIC:** Well, since news of this broke in January, when the search warrants were unsealed and we learned about this vast FBI investigation, state senate Republicans have been criticizing the Walz administration, particularly the Education Department, for what they say is a lack of oversight that allowed this alleged fraud to continue. You may recall, earlier in the year, there were hearings in the state senate, with education officials in the hot seat.

But the narrative that they are putting together really hasn't gotten too much traction in the broader consciousness, I would say. And I think that's due in large part to the fact that MDE officials really did contact the FBI, and as I mentioned earlier, they were defendants in a lawsuit that Feeding Our Future filed, and a judge ordered the state to continue making these payments to Aimee Bock's organizations.

**MELISSA TOWNSEND:** Right. Well, there's lots more, I think, to come on this story, Matt. Thank you for being here today.

**MATT SEPIC:** Hey, you're welcome.

**MELISSA TOWNSEND:** That's NPR reporter, Matt Sepic.