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January 5, 2026

The Honorable Keith Ellison
Attorney General of Minnesota
445 Minnesota Street, Suite 600
Saint Paul, MN 55101

Dear Attorney General Ellison:

The Committee on Education and Workforce (Committee) writes seeking information regarding recent reports alleging improper payments to, or improper use of public funds by, purported child care providers through Minnesota's Child Care Assistance Program (CCAP) under the authority of the federal *Child Care and Development Block Grant Act of 1990* (CCDBG).¹

As you know, CCDBG discretionary funds are combined with the mandatory Child Care Entitlement to States (CCES), and together the two funds are commonly referred to as the Child Care and Development Fund (CCDF).² Minnesota administers its allocation of the CCDF through its Department of Children, Youth, and Families (DCYF). The DCYF is responsible for carrying out its functions in accordance with federal law, including (i) providing various assurances,³ as well as a certification that health and safety requirements are in effect,⁴ (ii) ensuring that the state has in effect requirements, policies, and procedures to require and conduct criminal background checks of child care staff,⁵ and (iii) making certain that state fiscal audits are carried out.⁶

Recent reports raise major concerns that certain providers may have received CCDF payments despite failing to provide child care services. The Committee seeks to better understand the scope of this alleged fraud, when your office first became aware of the allegations, specific actions

¹ 42 U.S.C. §§ 9857-9858r.

² *Id.*

³ 42 U.S.C. §§ 9858c(a)(1), (c)(2)(A), (c)(2)(G)(ii), (c)(2)(S)(ii), (c)(2)(T)(i), and (c)(2)(T)(ii).

⁴ 42 U.S.C. § 9858c(c)(2)(I).

⁵ 42 U.S.C. § 9858f.

⁶ 42 U.S.C. § 9858i(b).

taken by your office, and your assessment of DCYF’s oversight of child care providers.⁷ The information requested will assist the Committee in determining whether existing statutory safeguards are sufficient or whether other legislative changes may be warranted to protect against waste, fraud, and abuse.

Sadly, these are not the first allegations of fraud in Minnesota that the Committee has addressed. In a letter to Governor Walz dated September 4, 2024, regarding fraud in child nutrition programs (i.e., Feeding Our Future), the Committee concluded that “the actions taken by you [Governor Walz] and other executive officers were insufficient to address the massive fraud.”⁸

Based on recent public reporting, Minnesota’s oversight of child care centers also appears insufficient. Although Minnesota officials have acknowledged that licensing staff conducted site visits to facilities identified in publicly circulated videos to assess compliance concerns,⁹ these checks do not appear to be sufficiently mitigating fraud. Additional reporting indicates that the Minnesota Department of Human Services’ Office of Inspector General is currently overseeing over 60 investigations involving child care providers, including investigations related to improper payments, record-keeping deficiencies, and compliance failures.¹⁰ The Committee seeks to understand your coordination and engagement, if any, with the state’s Office of Inspector General.

While the Committee recognizes the important work of Minnesota in supporting working families and promoting workforce participation, the proper stewardship of federal funds by the state is essential to maintaining public confidence in the state’s child care program and ensuring that appropriate resources are directed to eligible families and lawful providers.

Weaknesses in Minnesota’s oversight and payment verification processes may be longstanding. Whistleblower accounts and prior enforcement actions suggest that instances of improper billing, falsified attendance records, and noncompliance with licensing requirements have been identified over multiple years.¹¹ These concerns underscore the importance of evaluating whether existing safeguards are sufficient to prevent improper payments and detect misconduct in a timely manner.

The Committee seeks information regarding Minnesota’s administration and oversight of child care providers to better understand how provider eligibility, attendance verification, and payment

⁷ See, e.g., *Viral Video Alleging Rampant Fraud at Day Care Centers Reignites Questions Over CCAP Funding*, KSTP (Dec. 29, 2025), <https://kstp.com/kstp-news/top-news/viral-video-alleging-rampant-fraud-at-day-care-centers-reignites-questions-over-ccap-funding/> (last visited Dec. 30, 2025); see also, <https://abcnews.go.com/US/wireStory/surge-federal-officers-minnesota-focuses-alleged-fraud-day-128783023>

⁸ House Committee on Education and the Workforce, Letter from Chairwoman Virginia Foxx to Governor Tim Walz (Sept. 4, 2024), *9.4.24 FOF Gov. Subpoena*, U.S. House Comm. on Educ. & the Workforce (Sept. 4, 2024), available at https://edworkforce.house.gov/uploadedfiles/9.4.24_fof_gov_subpoena.pdf

⁹ *Supra note 7, Viral Video Alleging Rampant Fraud at Day Care Centers Reignites Questions Over CCAP Funding*.

¹⁰ *62 Investigations Underway Involving Federally Funded Minnesota Child Care Centers*, KSTP (Dec. 2025), <https://kstp.com/kstp-news/top-news/62-investigations-underway-involving-federally-funded-minnesota-child-care-centers/> (last visited Dec. 30, 2025).

¹¹ See *Whistleblower: Minnesota’s Child Care Assistance Program Has Fraud Cases Dating Back 12 Years*, KSTP (Dec. 2025), <https://kstp.com/tracking-your-tax-dollars/whistleblower-minnesotas-child-care-assistance-program-has-fraud-cases-dating-back-12-years/> (last visited Dec. 30, 2025).

integrity are monitored and enforced. This includes an understanding of your office's engagement with other Minnesota agencies on each of these matters. Further, the Committee also seeks to understand what steps, if any, Minnesota has taken to address identified vulnerabilities and to strengthen program integrity in response to recent investigations and reporting.

To assist the Committee in carrying out its oversight responsibilities, please provide the following documents as soon as possible but no later than January 20, 2026:

1. All documents and communications between the Minnesota Office of Attorney General and each of DCYF, the Department of Human Services, the Office of Governor Tim Walz, the Office of Lieutenant Governor Peggy Flannagan, and any other relevant state agency, from January 1, 2019, through the date of your response, related to entities or individuals that receive CCDF funds, including but not limited to the oversight, monitoring, auditing, or verification processes of such entities or individuals receiving CCDF funds.
2. Documents associated with licensure histories, inspection reports, and substantiated compliance violations or corrective actions for each provider that received more than \$1 million in CCDF payments in any single fiscal year from January 1, 2019, through the date of your response.
3. Records associated with any audits, reviews, or evaluations conducted from January 1, 2019, through the date of your response concerning CCDF payment integrity, attendance verification, or fraud prevention.
4. All documents and communications referring to or related to any enforcement actions, payment suspensions, recoupments, or referrals to your office or federal law enforcement authorities arising from investigations from January 1, 2019, through the date of your response.
5. A detailed description of any recent or planned changes to Minnesota's oversight, monitoring, auditing, enforcement, or verification processes intended to strengthen program integrity and prevent improper payments.

Congress's oversight authority is derived from the U.S. Constitution and has been repeatedly affirmed by the United States Supreme Court. Under House Rule X, the Committee's legislative and oversight jurisdiction is broad, extending to "education . . . generally" and "laws, programs, and Government activities relating to domestic educational programs and institutions and programs of student assistance within the jurisdiction of other committees."¹²

The Committee's jurisdiction includes oversight of federal child care assistance programs, including those authorized under the CCDBG and related programs administered in coordination with states. The Committee is charged with reviewing and studying, on a continuing basis, the application, administration, execution, and effectiveness of laws and programs within its

¹² RULES OF THE HOUSE OF REPRESENTATIVES, 119th Cong. R. X, cls. 1(e), 3(d) (119th Congress) (2025).

jurisdiction to determine whether existing statutory safeguards are sufficient or whether legislative reforms may be warranted.¹³

Should you have any questions regarding this request, please contact Kent Talbert of the Committee staff at kent.talbert@mail.house.gov or 202-225-4527.

Thank you for your attention to this matter. The Committee looks forward to your response.

Sincerely,

A handwritten signature in black ink that reads "Tim Walberg". The signature is written in a cursive style with a large, sweeping flourish at the end of the name.

Tim Walberg
Chairman
Committee on Education and Workforce

¹³ See *Trump v. Mazars USA, LLP*, 591 U.S. 848, 863 (2020) (recognizing Congress’s authority to seek information in furtherance of its legislative responsibilities).