



## Minnesota Department of Education: Oversight of Feeding Our Future

**MDE's inadequate oversight of Feeding Our Future created opportunities for fraud.**

### Report Summary

#### Application and Administrative Review

Under federal law, MDE is responsible for conducting regular oversight of sponsors participating in CACFP and SFSP. Two key oversight activities include (1) reviewing and approving annual sponsor applications, and (2) conducting monitoring visits and compliance reviews, called “administrative reviews.”

- MDE’s inaction to strengthen and exercise its authority to deny applications put the CACFP and SFSP programs’ integrity at risk. Most notably, MDE failed to address what it sees as limits to its authority years before the start of the COVID-19 pandemic. And, MDE approved Feeding Our Future’s program applications despite unaddressed concerns. (pp. 22, 24, 25)

**Recommendation** ► The Legislature should either establish criteria in statute or give MDE the authority to conduct rulemaking to establish criteria that the department must consider when determining whether to approve organizations for CACFP or SFSP. (p. 33)

- MDE did not always take steps to verify statements made by Feeding Our Future prior to approving its program applications. (pp. 30, 32)

**Recommendation** ► MDE should take additional steps to verify information provided in support of sponsorship applications submitted by high-risk applicants. (p. 34)

- MDE’s only administrative review of Feeding Our Future’s CACFP operations—conducted in 2018—resulted in serious findings that required follow-up, but MDE never conducted a follow-up review. (p. 37)

**Recommendation** ► MDE should conduct follow-up reviews, as needed, to ensure sponsors fully implement corrective action plans that result from administrative reviews. (p. 42)

- COVID-19-pandemic-related waivers that modified monitoring requirements for state agencies and sponsors encouraged offsite reviews and alternative forms of oversight, but MDE’s offsite monitoring of Feeding Our Future was limited. (p. 46)

**Recommendation** ► MDE should place a greater emphasis on program integrity and risk-based monitoring if oversight requirements are waived again in the future. (p. 48)

### Background

Between September 2022 and February 2024, the U.S. Department of Justice charged 70 individuals with various financial crimes related to their suspected roles in a \$250 million fraud scheme. The defendants allegedly exploited two federally funded nutrition programs during the COVID-19 pandemic. According to the federal government, the scheme centered on a Minnesota nonprofit organization, Feeding Our Future.

Until early 2022, Feeding Our Future was a “sponsor” for two federal nutrition programs—the Child and Adult Care Food Program (CACFP) and Summer Food Service Program (SFSP). The Minnesota Department of Education (MDE) is responsible for administering these programs in Minnesota.

Sponsors—which include school districts, child care programs, and nonprofit organizations, such as Feeding Our Future—manage “sites.” Sites are the places where meals and snacks are served.

## Complaint Investigations

Between June 2018 and December 2021, MDE received at least 30 complaints involving Feeding Our Future or its sites. By law, state agencies must promptly investigate complaints received or irregularities noted in connection with CACFP and SFSP.

- Many of MDE’s complaint investigation procedures and practices were inappropriate or of limited usefulness, particularly in the context of the alleged fraud. While MDE had written complaint investigation procedures, their limited scope and failure to address important issues undermined their ability to promote good investigative practices. And, MDE inappropriately asked Feeding Our Future to investigate complaints about itself. (pp. 49, 51, 55)
- MDE did not investigate some complaints about Feeding Our Future, despite their frequency or seriousness. When MDE decided to investigate complaints about Feeding Our Future, the investigations were inadequate. (pp. 53, 57)

**Recommendations** ► MDE should revise its CACFP and SFSP complaint investigation procedures, prioritize independent fact-finding in response to complaints, and limit the information it shares with the subject of a complaint in an effort to protect complainants from retaliation. (pp. 59-61)

**Recommendation** ► MDE should evaluate the implementation of recent statutory changes related to its investigative authority, and promptly propose needed changes to the Legislature. (p. 61)

## Serious Deficiency Process

If MDE finds a sponsor noncompliant with federal law in its administration of CACFP or SFSP, it must declare the sponsor “seriously deficient.” The resulting process gives sponsors the opportunity to correct the deficiencies. However, if a sponsor is unwilling or incapable of correcting the problems, this process gives MDE the ability to terminate the sponsor’s participation in CACFP and SFSP.

- MDE found Feeding Our Future seriously deficient on two occasions, but ultimately deferred all serious deficiencies without taking reasonable steps to ensure the organization implemented corrective actions. (p. 65)

**Recommendation** ► MDE should conduct more active follow-up to ensure sponsors and sites fully implement corrective action plans that result from serious deficiency processes. (p. 75)

## Summary of Agency Response

In a letter dated June 7, 2024, Willie L. Jett II, Commissioner of Education, said “MDE disputes the OLA’s characterization regarding the adequacy of MDE’s oversight – MDE’s oversight of these programs met applicable standards and MDE made effective referrals to law enforcement.” He said, “What happened with Feeding Our Future was a travesty – a coordinated, brazen abuse of nutrition programs that exist to ensure access to healthy meals for low-income children. The responsibility for this flagrant fraud lies with the indicted and convicted fraudsters.”

Commissioner Jett stated that MDE “is committed to program integrity and strong fiscal oversight of [its] programs and the important work [MDE does] on behalf of children and adults across the state.” The Commissioner further noted that the department has “independently implemented changes to strengthen the Department’s oversight,” including establishing an Office of Inspector General, adding a General Counsel’s Office, providing training to staff on the department’s updated fraud-reporting policy, and contracting with a firm to conduct financial reviews of certain sponsors, among other things.

The full special review report, *Minnesota Department of Education: Oversight of Feeding Our Future*, is available at 651-296-4708 or: [www.auditor.leg.state.mn.us/sreview/2024/mdefof.htm](http://www.auditor.leg.state.mn.us/sreview/2024/mdefof.htm)