

Congress of the United States
Washington, DC 20515

Governor Tim Walz
130 State Capitol
75 Rev Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155

July 23, 2025

Dear Governor Walz,

We are writing today regarding our urgent and growing concern about the alleged fraud within the Housing Stabilization Services program administered by the Minnesota Department of Human Services. It is disheartening that we are writing to you yet again about another case of fraud within the state. Minnesotans deserve answers to every suspected case of fraud and the steps that your administration is taking to combat this rampant crisis in our state.

The Housing Stabilization Services (HSS) program, aimed at finding and retaining housing for seniors and the disabled, first entered the headlines in May 2025, when there were initial reports that there was fraud within the program.¹ This came to a head last week when, on July 17, federal agents carried out search warrants at multiple homes and businesses, mostly located in the Twin Cities, as part of an ongoing investigation into the HSS program. Hundreds of organizations are listed as providers on the Minnesota Department of Human Services' website; however, they do not need a state license to participate in the program.¹

According to the search warrant affidavit, these reportedly fraudulent companies were registering individuals looking to find housing and requesting and receiving reimbursements for services that were not provided. The search warrant also revealed that fourteen providers collected a total of \$22 million over a small 16-month period.² It is shocking, as the initial cost estimates for the program were around \$2.6 million per year; however, total claims soared to \$104 million by 2024, which is not remotely in the ballpark of cost estimates.³ It is saddening to learn that these companies were reportedly taking advantage of and making a profit from vulnerable individuals looking for a place to live.

As Minnesota is facing a projected \$6 billion deficit, this continued pattern of fraud in Minnesota is completely unacceptable. We ask that you provide us with the relevant information about how this fraud transpired under your administration's watch, steps you are taking to rectify the situation, and your plans to prevent future fraud within the HSS program. Please send this

¹ Berkel, J. Van. (2025, July 16). *Feds search state housing program sites in probe of 'massive' fraud scheme*. The Minnesota Star Tribune. <https://www.startribune.com/housing-stabilization-services-fraud-investigation/601370168>.

² Manzoni, M. (2025, July 18). *MN Housing Stabilization Services fraud investigation: State lawmakers react, push for reforms*. Fox 9. <https://www.fox9.com/news/state-lawmakers-react-fraud-investigation-push-reforms>.

³ McLister, F. (2026, July 16). *"Massive scheme to defraud" Minnesota's Housing Stabilization Services under investigation, search warrant shows*. WCCO. <https://www.cbsnews.com/minnesota/news/fraud-investigation-minnesota-housing-stabilization-services-search-warrants/>.

information to Congressman Emmer's Legislative Director, [REDACTED]
[REDACTED] no later than August 11, 2025. We look forward to your
response.

Sincerely,



Tom Emmer
Member of Congress



Pete Stauber
Member of Congress



Michelle Fischbach
Member of Congress



Brad Finstad
Member of Congress