



# STATE of MINNESOTA

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Executive Department

Governor Tim Walz

## Executive Order 25-10

### Empowering State Agencies to Continue Combatting Fraud

I, Tim Walz, Governor of the State of Minnesota, by the authority vested in me by the Constitution and applicable statutes, issue the following executive order:

Fraud perpetrated against the State is unacceptable and my administration will not tolerate the abuse or misuse of public funds. The State oversees a number of public programs intended to help our most vulnerable populations, including people with disabilities, those with housing insecurity, and children who need medical assistance services. We have seen ever-evolving criminal schemes focused on taking advantage of Minnesota's programs and our culture of generosity. These criminal activities erode public trust and take from those who need the most support.

Fraud committed against the State has several root causes. The legislature created programs that prioritized access, but did not always include the safeguards necessary to protect programs against predatory or fraudulent providers. Similarly, the federal government approved programs that were novel but did not have the internal controls needed to prevent fraud. All the while, leaders in communities where fraud is prevalent stayed silent.

My administration has made numerous advances in response to these evolving scams and fraudulent schemes. We have created new inspector general positions, like at the Minnesota Department of Education. We have increased agency authority to stop fraudulent payments and allow for better data sharing. We have added new criminal statutes, like those barring kickbacks. And we created a new Financial Crimes and Fraud Section at the Bureau of Criminal Apprehension ("BCA"), creating a centralized fraud investigative unit operated by law enforcement.

More recently, I have installed new leadership at the Department of Human Services ("DHS") with an emphasis on fraud prevention, including Temporary Commissioner Shireen Gandhi and Inspector General James Clark. My administration continues to assist the Minnesota Attorney General's Office, the United States Attorney's Office, and other law enforcement and prosecution agencies to ensure that fraudsters are brought to justice. But there is more to do, and State agencies need the resources and clear direction to continue the fight against fraud.

Fraud is never acceptable and my administration will continue to bring everyone to the table to help solve this problem. As financial stewards of public funds, I am ordering agencies to show the public all the efforts they have taken and continue to take to stop and prevent fraud. I am ordering agencies to use their new data sharing abilities to create a Statewide Office of Inspector General ("OIG") Coordinating Council to collaborate and stop fraud across the enterprise. And, I'm ordering agencies to take an even harder look at programs and end the ones that pose too much risk.

We have always taken a zero-tolerance approach on this issue and will continue to root out those individuals who use the most vulnerable as a shield to enrich themselves. We must ensure that agencies have the ability to make necessary administrative changes to stop fraud, organize across the enterprise effectively to root out fraud, and have all possible tools to refer criminal behavior for future prosecution.

For these reasons, I order as follows:

1. DHS will, to the maximum extent allowed by law:
  - a. Publish information about program integrity actions taken by the agency so that the public can know of the efforts to prevent fraud, waste, and abuse.
  - b. Direct the DHS Inspector General to:
    - i. Establish a proactive, data-driven post-payment review program for Medicaid providers and claims and deploy advanced analytics and risk-scoring models to identify high-risk providers, claims, and service patterns for targeted review.
    - ii. Identify DHS programs that present a high risk of fraud, waste, and abuse and:
      1. Recommend programmatic changes, up to and including terminating high-risk programs. The recommendation to terminate a program shall include consideration of whether there are alternative services available to meet the needs of vulnerable Minnesotans;
      2. Implement a temporary licensing moratorium, both directly under Minnesota Statutes, section 245A.03, subdivision 7a, and by requesting that the Centers for Medicare & Medicaid Services ("CMS") allow DHS to implement moratoria; and
      3. Ensure that all providers in these programs have a unique identifier that will allow the agency to better track funds across agency programs.
  - c. Subject providers who present identified risk factors to prepayment review.
  - d. Immediately disenroll all Minnesota Health Care Program enrolled providers who have not billed Medicaid in the last 12 months.
  - e. Submit a request for funds from any available state accounts to modernize systems to better prevent and detect fraud, waste, and abuse.
  - f. Request any and all assistance from CMS and other federal partners to ensure that DHS' program integrity measures are in line with national program integrity standards.
  - g. Hire an external consultant to assess DHS and make recommendations on reorganization to more effectively serve as the State's Medicaid agency. The consultant's review should focus on program integrity and anti-fraud efforts, including suggested policies, procedures, system changes, organizational structure

changes, staffing levels, and program integrity considerations that should be part of any state legislation that proposes to expand or create new covered Medicaid services. The consultant should also provide guidance how to best utilize partnerships with counties, Tribal Nations, and managed care organizations to minimize fraud and optimize efficient service delivery.

2. The Department of Public Safety (“DPS”) will:

- a. Convene and lead a Statewide OIG Coordinating Council made up of the Superintendent of the BCA (or designee), representatives from offices of each agency’s inspector general’s office, representatives of the Financial Crimes and Fraud Section of the BCA, the Internal Controls and Accountability Unit at Minnesota Management and Budget (“MMB”), the Grants Management team at the Minnesota Department of Administration, and other agency representatives who bring expertise in program integrity, audit, or internal controls. The Statewide OIG Coordinating Council will:
  - i. Meet monthly to use the new data sharing provisions set out in the recently adopted Minn. Laws 2025, Ch. 39, Art. 2, Sec. 16 to share investigative data and trends that could improve outcomes at other agencies;
  - ii. Develop data sharing, investigative best practices, and program integrity review processes for all new publicly funded programs; and
  - iii. Assist agencies in securing specialized audit, inspector, or other skillsets as needed.
- b. Enter into interagency agreements with state agencies that do not have an existing OIG to provide additional criminal investigative support as needed.
- c. Collaborate with the Minnesota Attorney General’s Office to provide additional criminal investigative support for Medicaid programs upon request if resources are available.

3. MMB will:

- a. Coordinate an interagency workgroup to combat fraud through prevention, early identification, mitigation, culture and learning.
  - b. Conduct a comprehensive review of existing state job classifications and create a job class family to establish a clear career pathway for state roles dedicated to program integrity, accountability, and fraud detection.
  - c. Lead an enterprise agency work group to create job specific training and education standards for state employees whose jobs are dedicated to preventing fraud waste and abuse.
  - d. Create required training for all state employees on the topic of ethical conduct, and preventing fraud, waste, and abuse.
4. Minnesota IT Services will assist DHS and other requesting agencies with technological support, including available financial support, to improve data analysis and fraud detection technological capabilities.

5. All state agencies, meaning the departments and agencies listed in Minnesota Statutes, section 15.06, subdivision 1, in addition to the Office of Higher Education, Office of Cannabis Management, Direct Care and Treatment, and the Department of Military Affairs, will:
  - a. Gather, combine, and analyze data to identify, prevent, or eliminate the fraudulent use of State funds, resources, or programs.
  - b. Refer suspected fraud cases to the Department of Revenue for tax fraud investigation, in addition to referring all allegations of suspected fraud to the BCA and the Office of the Legislative Auditor.

This Executive Order is effective fifteen days after publication in the State Register and filing with the Secretary of State. It will remain in effect until rescinded by proper authority or until it expires in accordance with Minnesota Statutes 2024, section 4.035, subdivision 3.

A determination that any provision of this Executive Order is invalid will not affect the enforceability of any other provision of this Executive Order. Rather, the invalid provision will be modified to the extent necessary so that it is enforceable.

Signed on September 17, 2025.



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**Tim Walz**, GOVERNOR

Filed According to Law:



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**Steve Simon**, SECRETARY OF STATE

Filed September 17, 2025  
Office of the Minnesota  
Secretary of State  
Steve Simon