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United States Senate

COMMITTEE ON THE JUDICIARY

WASHINGTON, DC 20510-6275

January 14, 2026

VIA ELECTRONIC TRANSMISSION

The Honorable Scott Bessent
 Secretary
 Department of the Treasury

Dear Secretary Bessent:

As you are aware, public reporting has emerged regarding deplorable fraud schemes in Minnesota that deliberately targeted federal programs designed to assist children with autism,¹ the elderly,² and small businesses.³ Testimony before Congress on January 7, 2026, has also alleged that the Walz administration retaliated against whistleblowers who tried to expose this fraud on behalf of the American people.⁴ If true, such retaliation cannot go unpunished.

Any attempt to steal taxpayer money is utterly unacceptable; however, these crimes are especially heinous when they target programs which support Americans struggling to care for their children or elderly relatives.

On December 28, 2025, Director Patel announced that the FBI had deployed strategic personnel and resources to Minnesota.⁵ On January 7, 2026, Attorney General Bondi announced that the Department of Justice had sent additional prosecutors to Minnesota.⁶

Allegations of fraud in federal programs have extended far beyond Minnesota and have raised serious questions that this criminal activity has operated on a national scale.⁷ On January 6, 2026, the Trump HHS reportedly froze \$10 billion in federal funding for programs in Minnesota, New York, California, Illinois, and Colorado.⁸

¹ Department of Justice, Press Release, *First Defendant Charged in Autism Fraud Scheme*, (Sept. 24, 2025) <https://www.justice.gov/usao-mn/pr/first-defendant-charged-autism-fraud-scheme-0>.

² Department of Justice, Press Release, *Defendants Charged in First Wave of Housing Stabilization Fraud Cases*, (Sep. 18, 2025) <https://www.justice.gov/usao-mn/pr/defendants-charged-first-wave-housing-stabilization-fraud-cases>.

³ Andrew Mark Miller, FOX NEWS, *Lawmakers probe SBA loans linked to Minnesota's \$9B fraud scandal: 'Reckless decision making'*, (Dec. 23, 2025) <https://www.foxnews.com/politics/lawmakers-probe-sba-loans-linked-to-minnesotas-9b-fraud-scandal-reckless-decision-making>.

⁴ Committee on Oversight and Government Reform, Hearing, *Oversight of Fraud and Misuse of Federal Funds in Minnesota: Part I*, (Jan. 7, 2026) <https://oversight.house.gov/hearing/oversight-of-fraud-and-misuse-of-federal-funds-in-minnesota-part-i>.

⁵ @FBIDirectorKash, X, (Dec. 28, 2025), <https://x.com/FBIDirectorKash/status/2005305530651189719>.

⁶ Sarah N. Lynch & Jennifer Jacobs, CBS NEWS, *Justice Dept. to surge prosecutors to Minnesota amid fraud allegations*, (Jan. 7, 2026) <https://www.cbsnews.com/news/justice-dept-surge-prosecutors-minnesota-amid-fraud-allegations/>.

⁷ See e.g., Department of Justice, Press Release, *Two Massachusetts Men Charged with Large-Scale SNAP Benefits Trafficking*, (Dec. 17, 2025) <https://www.justice.gov/usao-ma/pr/two-massachusetts-men-charged-large-scale-snap-benefits-trafficking>; Department of Justice, Press Release, *Mississippi Businessman Pleads Guilty to \$19M Health Care Fraud Conspiracy*, (Nov. 20, 2025) <https://www.justice.gov/opa/pr/mississippi-businessman-pleads-guilty-19m-health-care-fraud-conspiracy>.

⁸ Minho Kim, THE NEW YORK TIMES, *Health Dept. Freezes \$10 Billion in Funding to 5 Democratic States*, (Jan. 6, 2026) <https://www.nytimes.com/2026/01/06/us/politics/child-care-funding-cuts-trump.html>.

On January 8, the Trump administration announced the creation of a new division within the Department of Justice for national fraud enforcement, including the appointment of a new Assistant Attorney General responsible for prosecuting these crimes.⁹

On December 1, 2025, you stated that the Treasury Department would begin an investigation into the allegations that stolen tax dollars may have been diverted to the terrorist organization Al-Shabaab.¹⁰ You've also publicly stated that your department will create a new whistleblower program – I applaud this effort.

Additionally, on January 9, 2026, Treasury directed the Financial Crimes Enforcement Network (FinCEN) to tighten overseas transfer reporting. According to reports, banks and other financial institutions are now required to notify FinCEN of international transfers exceeding \$3,000.¹¹ While this rule currently applies to two Minnesota counties, on January 9, 2025, you stated that “Minnesota is going to be the genesis for a national rollout” for tracking fraud.¹²

These are important steps to take. I encourage you to facilitate whistleblowers because in widespread fraud schemes like these, whistleblowers will be your greatest assets and allies. Should they come forward, you must protect them.

I have dedicated my career to exposing waste, fraud and abuse within government programs. I appreciate your efforts to root out waste, fraud and abuse. To better understand your agency's efforts to safeguard the American taxpayer and to ensure the integrity of federal programs, provide answers to the following no later than January 28, 2026:

1. Please describe how the new whistleblower program will be operated, organized, funded, and who will lead its management.
2. Will you commit to aiding Congress in its constitutional duty to conduct oversight by providing records and regular updates related to FinCEN's tracking of stolen funds reportedly sent to Al-Shabaab and other terrorist organizations?¹³ Will you do the same for Treasury's investigative findings? The public has a right to know.
3. By what date does Treasury expect to apply the enhanced reporting requirements you described on January 9 to other states? Describe in detail and provide all records.
4. What training will FinCEN provide to local and state authorities to help those agencies combat fraud? Describe in detail and provide all records.

⁹ The White House, *Fact Sheet: President Donald J. Trump Establishes New Department of Justice Division for National Fraud Enforcement*, (Jan. 8, 2026) <https://www.whitehouse.gov/fact-sheets/2026/01/fact-sheet-president-donald-j-trump-establishes-new-department-of-justice-division-for-national-fraud-enforcement/>.

¹⁰ @SecScottBessent, X, (Dec. 1, 2025) <https://x.com/SecScottBessent/status/1995615377284628908>.

¹¹ Steven Nelson, NEW YORK POST, (Jan. 9, 2026) *Scott Bessent boosts tracking of Minnesota overseas bank transfers to halt ‘unchecked fraud’*, <https://nypost.com/2026/01/09/us-news/scott-bessent-lowers-minnesota-overseas-bank-transfer-limits-to-halt-unchecked-fraud/>.

¹² *Id.*

¹³ “Records” include any written, recorded, or graphic material of any kind, including letters, memoranda, reports, notes, electronic data (emails, email attachments, and any other electronically created or stored information), calendar entries, inter-office communications, meeting minutes, phone/voice mail or recordings/records of verbal communications, and drafts (whether they resulted in final documents).

5. Has Treasury made any criminal referrals based on its investigative work to date? If so, which entities were the subject of those referrals?
6. Has Treasury identified terrorist or terrorist-affiliated organizations as pass-throughs or ultimate recipients of taxpayer money? If so, which organizations?

Thank you for your prompt review and response. If you have any questions, please contact Ross Berg or Ethan Barnes with my Committee staff at (202) 224-5225.

Sincerely,



Charles E. Grassley
Chairman
Committee on the Judiciary