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Chair Ernst, Ranking Member Markey, and Distinguished Members of the Committee: Thank you for the opportunity to testify today.

I am a success story. I grew up in a way that children shouldn't grow up, with poverty and addiction that should not exist in the United States. There was an excess of alcohol followed by an excess of violence. We relied upon free school lunches and free food programs but still had times of hunger. Our housing was substandard; we lived in abandoned homes that lacked central heat and plumbing. My parents did not file income taxes because our family of nine did not meet the income threshold.

I attribute my success, at least in part, to the limited social services programs that were available in the 1960's, 70's, and 80's. I call it "making a jump" which is my shorthand for describing how I have moved from poverty to success. Today I have a good education, a good job, and own a nice house in a safe neighborhood. My son will never know poverty, but I will not forget the role that welfare programs played in my success. And theft of dollars in these programs affects me because I know this will prevent individuals from making the transformation that I was able to make.

I have worked for the Minnesota Department of Human Services for more than 20 years. Prior to coming to state employment, I spent a glorious 10 years working at a treatment center for persons with serious mental illness; these individuals often had very serious criminal histories as well as addictions. And none of it shocked me because of my early experiences.

But I did get a shock in 2019 and it came at my middle class, white collar, office job at a state agency. I learned that while the connection between a work culture and fraud is not immediately apparent, the last seven years of my life perfectly demonstrates how the former has a direct impact on the latter.

In 2019 I was happily negotiating and preparing grant contracts for state and federally funded social service programs such as addiction services, housing assistance, and mental health treatment services – the services I feel most connected to. As is the case in all states to different degrees, states do not directly perform these services for state residents; instead, state funds are contracted out to an array of community, (mostly) non-profit organizations who do the work. The role of the state is to monitor that work and ensure that the state funds are being spent appropriately and that the services are having a positive impact. Minnesota has a very wide breadth of social services, and we are proud to meet the needs of people who experience difficulties such as I did as a child. As an employee of the Minnesota Department of Human Services, I was proud to play a part in giving opportunities to others.

As my awareness and understanding of financial and legal compliance evolved, I noticed irregularities in contracts. To be clear, what I saw in 2019 was not mass fraud as we see in Minnesota today; it was straight forward and unquestionable violations of state statute. I knew that the practice of ignoring the law would allow for mass fraud to easily occur if gone unchecked. Looking back, I see this time in my

career at the Minnesota Department of Human Services as a pivotal moment, a fork in the proverbial road, that could have gone either way for myself and for the state. The fact that the state chose to retaliate against me for initiating *simple* conversations about *simple* problems has led to, a short seven years later, billions of dollars of fraud in Minnesota social service programs.

To illustrate the simple, straight forward issues I was seeing, below are some examples. All of these were clear violations of law/policy and were later substantiated by auditors.

1. Conflicts of interest: I observed that a manager was particularly interested in a party who was vying for a contract with the agency; the manager and the prospective grantee had a professional relationship outside of the agency.
2. Disregarding scoring in a competitive solicitation funded by federal dollars: I observed a competitive solicitation was unfairly awarded to a tribal organization despite an inadequate score.
3. Funds to tribes: I observed that it was regular practice to award funds to tribes with no justification or reasoning as to the amounts.
4. Advances: I observed that large amounts were routinely advanced to grantees, at the initiation of the contract and before any work had begun, with no rationale as to need. This unnecessarily risks funds as grantees can simply keep the funds and do no work.
5. Contracts at risk of double-billing: I observed a group of grant contracts totaling \$12 million for a service that was included in Minnesota's Medicaid package. There were no controls that would prevent a grantee from billing both the grant and Medicaid for the same individual's service.

I began to approach leadership, starting at the bottom and moving up, to report what I was seeing. In my naivety I assumed that my information would be welcome; state statutes and policies assure employees that this information is not only encouraged but required. Instead, I experienced nearly unbearable retaliation for speaking up about noncompliance.

As the weeks went on, the response from leadership became more aggressive. My job duties were removed, I was told my job performance was unsatisfactory, and I was relegated to meaningless tasks. I was aware that many of my peers shared my concerns regarding legal and financial compliance and that our work was being impacted. Ultimately, on July 10, 2019, I sent an email to my colleagues and leadership stating that I felt uncomfortable with the agency's actions, asked if others felt the same way, and asked that we consider how to improve our situation before the agency devolved into fraud.

Instead of being the bellwether I had hoped, my attempts to bring compliance to the agency were utter career suicide. I was immediately removed from the building, my badge was taken away, and the following morning I received email notice that I was under investigation and not allowed in or around any property owned or leased by my agency. My naivete ended. A smear campaign was launched which accused me of being mentally unstable, dangerous, and racist. I was accused of being a danger to a director's children and accused of bugging this person's office. Those that participated in retaliation against me were rewarded with bonuses and promotions, often both.

Since that time, I have been involuntarily moved from job to job within the agency, always with no connection to the contract noncompliance that I know so well. My current position, with a bachelor's degree, master's degree, and a Jurist Doctorate, is to redact documents for data requests; I estimate that I am \$30,000 per year overpaid. I have no reason to expect my situation to improve, the agency has gone to great lengths to ensure that I will never again be involved in compliance work. Simply doing my job has resulted in a tremendous personal and professional cost to me; I will never be rid of the scarlet letter of whistleblower.

The situation Minnesota finds itself in today was 100% predictable and 100% preventable. It was only a matter of time before fraudsters took advantage of our poor work. The agency wasted funds trying to suppress and punish me rather than simply addressing my concerns. The answer is not another press conference, another task force, another executive order, or another leadership position. My story demonstrates that there can be no improvement in fraud prevention or detection until employees are allowed to work without fear of retaliation for initiating even the most benign of compliance conversations.

My upbringing has prepared me to have great resilience - an unfortunate byproduct of poverty – and I will not be stifled. However, the degree of fraud that Minnesota is currently experiencing will impact thousands and thousands of persons who are growing up in the same situation as I did, and who will not have the opportunity to “make a jump” as I did.