

Federal prosecutors announce fraud charges for 8 Housing Stabilization Services providers, Kyle Brown, (Sept 18th, 2025)

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Federal prosecutors announce fraud charges for 8 Housing Stabilization Services providers



Eight defendants are now facing federal fraud charges in connection with allegations of Medicaid fraud carried out by Housing Stabilization Services providers.

Acting U.S. Attorney for Minnesota Joseph Thompson announced on Thursday the first round of charges for people who abused a program that he declared to be “riddled with fraud.”

Those defendants were involved in four companies that billed Medicaid for services that investigators say were not provided:

- Four were indicted for their connection to Brilliant Minds LLC and are accused of collectively receiving more than \$2.3 million in Medicaid billings:
 - Moktar Hass Aden, 30
 - Mustafa Dayib Ali, 29
 - Khalid Ahmed Dayib, 26

- Abdifitah Mohamud Mohamed, 27
- A father and son were indicted on suspicion of receiving more than \$2.2 million in fraudulent billing through the company Faladcare Inc.:
 - Christopher Adesoji Falade, 62
 - Emmanuel Oluwademilade Falade, 32
- Two brothers waived their right to a grand jury review and were charged by information. Their companies Leo Human Services and Liberty Plus LLC allegedly stole \$2.7 million and \$1.2 million, respectively, through HSS billing:
 - Asad Ahmed Adow, 26
 - Anwar Ahmed Adow, 25

Combined, the defendants are accused of stealing more than \$8.4 million.

Thompson said the investigation into fraudulent billing in HSS and other Medicaid-based services continues, and more charges will come “in waves” as prosecutors build their cases against individual companies.

“The level of fraud in these programs is staggering. Unfortunately, our system of trust but verify no longer works,” Thompson said. “These programs have been abused over and over to the point where the fraud has overtaken legitimate services.”

Program background

HSS was established in 2020 as a means of connecting vulnerable adults with housing. The state estimated its annual operating cost to be around \$2.6 million, but five years later, providers are billing the program upwards of \$100 million per year.

The FBI executed a series of search warrants related to the program back in June as federal authorities looked into providers who were billing for services that clients never received. An affidavit filed at the time attested that HSS was designed to be “an easy-to-obtain benefit” that “has shown to be uniquely vulnerable to fraud.”

Since then, the Minnesota Department of Human Services announced plans to end HSS entirely.

HSS providers acting in good faith say the fallout could be devastating to the communities they serve and will only serve to increase housing instability.

Republican lawmakers who have hammered Gov. Tim Walz’s administration on mounting fraud in government programs say simply ending the program is not enough to get to the root of the problem. They’ve called for a [federal audit of DHS](#) to find out how hundreds of millions of dollars in fraud went unchecked for years.

State involvement and reaction

Temporary DHS Commissioner Shireen Gandhi said her agency halted payments to Brilliant Minds, Leo Human Services and Liberty Plus in May. Payments to Faladcare stopped in July.

Gandhi said these companies were reported to the DHS Office of Inspector General and law enforcement when “credible signs of fraud” were detected.

Minnesota Attorney General Keith Ellison said his office’s Medicaid Fraud Control Unit and the Bureau of Criminal Apprehension’s new State Fraud Unit partnered with federal law enforcement to interview key witnesses and execute search warrants.

While Ellison praised the charges resulting from the investigation, he expressed disappointment that a bill to expand his office’s Medicaid fraud unit did not pass the Legislature this year.

“That team does great work, and I intend to renew the push to get them the resources they need this coming session,” Ellison said in a statement. “No matter what the legislature does, my team and I will continue to fight Medicaid fraud, hold wrongdoers accountable, and protect our tax dollars.”

Senate Minority Leader Mark Johnson, R-East Grand Forks, said in a statement on Thursday that the Legislature needs to follow through on a push to create an independent government watchdog. He also questioned the efficacy of Gov. Tim Walz’s executive order on Wednesday [directing state agencies to coordinate on anti-fraud efforts](#).

“Minnesotans deserve more than press releases and symbolic gestures. Senate Republicans will continue to push for an independent Office of Inspector General to tackle the widespread problem of fraud that is plaguing our government programs.”



Fraud data

The charges come two months after federal authorities executed search warrants at several of the locations of the providers now charged.

5 EYEWITNESS NEWS returned to those addresses Thursday to get a response from the defendants. There was no answer at the door of either location listed for Faladcare. We were told Liberty Plus and Brilliant Minds Services, LLC had both moved out of their respective offices.

5 EYEWITNESS NEWS reached to the owner of Leo Human Services by email, which was listed in the charging documents, but did not get a response.

“The scheme is massive, the number of people we’re looking at is a very large number,” said Thompson. “What it will end up being, it’s hard to say. We’re going to take it one wave at a time.”

The Department of Human Services initially reported payments were stopped to 77 providers due to credible allegations of fraud. 5 EYEWITNESS NEWS has now learned from DHS that number has grown to 115 providers, which received about \$100 million total.

According to DHS, overall, 1,005 providers had a paid claim through HSS between July 2020 and December 2024. Those providers received a total of \$266,335,662 during that timeframe.

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