

STATE OF MINNESOTA
COUNTY OF HENNEPIN

DISTRICT COURT
FOURTH JUDICIAL DISTRICT

FILED
SEP 29 2015

COURT FILE NO. 27-CR-15- 27591
PROSECUTOR CASE NO. 15A06978
SILS ID. 787988
SILS TRACKING. 2828818
CONTROLLING AGENCY. MNBCA0000
CONTROL NO. 15000021

State of Minnesota,

Plaintiff,

v.

CRIMINAL COMPLAINT

UMMAH CHILD CARE CENTER, INC.
2505 5th Ave S.

Summons Warrant
 Order of Detention

Minneapolis, MN

Defendant.

Amended
 Tab Charge Previously Filed

The Complainant, being duly sworn, makes complaint to the above-named Court and states that there is probable cause to believe that Defendant committed the following offense(s):

Count I

Charge: **Theft-By Swindle**

Minnesota Statute: **609.52.2(a)(4)**, with reference to: 609.52.3(2)

Offense Level: **Felony**

Maximum Sentence: **10 YEARS AND/OR \$20,000**

Offense Date (on or about): **04/24/2015**

Charge Description: That on or about April 24, 2015 and June 21, 2015, UMMAH CHILD CARE CENTERS, INC, located at 2505 5th Ave. South, Minneapolis, Hennepin County, Minnesota, obtained property or services from the Minnesota Child Care Assistance Program by swindling CCAP, using artifice, trick, device or other means, and the property or services had a value in excess of Five Thousand Dollars (\$5,000.00).

STATEMENT OF PROBABLE CAUSE

The Complainant states that the following facts establish probable cause:

Your complainant, Terri Vandergriff, is a Special Agent with the Minnesota Bureau of Criminal Apprehension (“BCA”), and is currently assigned to the Minnesota Department of Human Services (“DHS”) to investigate child care center fraud. Working closely with a team of BCA Special Agents and DHS Investigators, I have investigated the facts and circumstances of this case by reviewing records, conducting in-person and video surveillance of persons and locations, and interviewing witnesses. Based on said investigation, Complainant believes that the following facts establish probable cause to believe that Defendant herein, UMMAH CHILD CARE CENTERS, INC, has committed the offenses charged below.

UMMAH CHILD CARE CENTERS, INC (“Ummah”) is located at 2505 5th Ave. South, Minneapolis, Hennepin County, Minnesota. This investigation has revealed that between April 24, 2015 and June 21, 2015, Ummah, repeatedly submitted fraudulent billing requests to receive Child Care Assistance Program (“CCAP”) funds from the State of Minnesota. In total during this time period, Ummah received over \$19,000 to which it was not entitled.

Background on UMMAH CHILD CARE CENTERS, INC and the Minnesota Child Care Assistance Program

UMMAH CHILD CARE CENTERS, INC (“Ummah”) first applied to DHS for licensing in December 2012, and became a licensed child care facility on August 30, 2013. Ummah quickly became one of the largest recipients of CCAP funds in the State of Minnesota. In 2014, it received \$1.5 million in CCAP funds and is on track to exceed that amount in 2015, receiving \$1.2 million in CCAP funds as of September 2015. At the same time, the center has received correction orders from the DHS Licensing Division for violations related to record keeping, staff qualifications, training, crib violations, staff distribution, hazards, and cleanliness.

The Minnesota Child Care Assistance Program (“CCAP”) is a program designed to make child care affordable for income-eligible families. Qualifying parents receive assistance for child care costs while they work, job seek, or attend school. The program is administered jointly by DHS and the counties in which the qualifying parent resides. In this case, the vast majority of the parents whose children attend Ummah reside in Hennepin County, Minnesota. After a parent qualifies for CCAP funds, the child care provider manages the process of submitting billing to obtain CCAP funds and the monies are sent directly to the child care provider. In Hennepin County, CCAP bills are submitted electronically via a program called MEC²-Pro. In the case of Ummah, the only authorized biller is Hamdi Ahmed Nur. Ummah is registered with the State of Minnesota as Limited Liability Company and Ms. Nur is both the registered agent and one of the two organizers of the company. According to documents submitted by Ummah to DHS, Ms. Nur is the director of Ummah and a co-owner of the company. The other owner, according to records from both DHS and Minnesota Secretary of State, is Fatima Kheyre. Ms. Kheyre is a prior controlling partner in another day care center called Minnesota Child Care Services (“MCCS”). MCCS is the largest recipient of CCAP funds in Minnesota and is also under complaint for submitting fraudulent billing requests to obtain CCAP funds.

“Operation Kids Count” - The Extent of the Fraud

Based on the extraordinary level of billing by Ummah, its connection to MCCS, as well as general intelligence gathered on prevalent child care center fraud schemes in the Metro Area, your Complainant along with BCA and DHS agents and investigators engaged in extensive investigation of Ummah named “Operation Kids Count.”

Beginning in April 2015, a digital video “pole camera” was set up outside of Ummah. The camera was positioned to capture all children who enter and exit the center. The camera ran 24 hours a day until June 2015. Ummah staff, parents and children were not aware of the camera. Following an established viewing protocol, members of Operation Kids Count viewed entire days of video footage, counting the number of children who entered the center. Any question as to whether a person seen entering the center was a child was resolved in favor of the person being counted as a child. Further, a child is counted as attending the center for the full day even if the video shows that the child was only in the center for a short period of time. The video showed a consistent pattern of Ummah billing for more children than attended the center.

CCAP bills are submitted on a two week billing cycle running from Monday to Sunday. The following chart depicts the extent of the fraud over a single week in April 2015:

Date	Day of Week	Number of Children Observed	Number of Children Billed to CCAP	Difference
4/25/2015	Saturday	52	65	13
4/26/2015	Sunday	59	70	11
4/27/2015	Monday	64	93	29
4/28/2015	Tuesday	75	84	9
4/29/2015	Wednesday	78	81	3
4/30/2015	Thursday	77	80	3
5/1/2015	Friday	54	78	24
	Totals	459	551	92

Accordingly, during this single week in April 2015, Ummah billed for 92 children who did not actually attend the center. Ms. Nur, a co-owner and director of Ummah, submitted all of the billing records on behalf of the company. For the submissions that she made to Hennepin County via MEC²-Pro, Ms. Nur would make the submissions on a rolling basis. For example, for the CCAP billing period running from April 27, 2015 through May 10, 2015, Ms. Nur made the bulk of her billing entries on May 12, 2014 and May 13, 2015. For unknown reasons, Ms. Nur also submitted additional billing for this period on May 26, 2015, May 28, 2015, and June 25, 2015.

The amount that CCAP will pay a child care provider varies by the type of care provided, the age of the child, the amount of time the child spends in day care, and by county. The current daily rates for child care centers in Hennepin County are:

- Infant: \$86.24;
- Toddler: \$64.15;
- Pre-School: \$57.84;
- School Age: \$53.74.

In counting the number of children observed entering Ummah, rather than attempting to estimate the age of the child based on the video, all children were counted as if they were school age and therefore billed at the lowest rate. The actual age breakdown for the children for whom Ummah submitted billing varied each day, but on April 25, 2015, Ummah billed for 7 infants, 6 toddlers, 20 preschool, and 39 school age children. It is important to note that Ummah did bill 7 children as absent on this day.

Accordingly, when calculating the degree of the fraud, this complaint uses the lowest billing rate of \$53.74 for school age children, even though many of the children seen entering the center were likely younger and therefore billed at higher rates. Under this method of calculation, during this week in April 2015, as detailed above, Ummah fraudulently received \$4,944.08 to which it was not entitled.

In total, the camera in place outside of Ummah obtained 41 days of usable video between April 24, 2015 and June 21, 2015. All but 10 days of that video has been observed, and the analysis revealed that during that time frame Ummah submitted bills and obtained CCAP funds for 2253 children attending the center. In reality, only 1896 children attend, meaning the center submitted fraudulent billing for 357 children who did not receive child care during this time frame. Assuming the center billed at the lowest rate, Ummah obtained \$19,185.18 in fraudulent funds.

Ummah's Finances

Child care centers can submit electronic bills for CCAP funds to each county where the children who attend the center reside. When submitting an electronic bill, the biller enters all pertinent information including the names of children attending, the days and hours, and amount of payment due. Once a county receives a bill, the county sends the payment funds electronically to the Minnesota Department of Human Services ("DHS"). After DHS receives the payment funds, DHS sends an electronic deposit to the child care center's bank account

In total, since the center opened in October 2013, it has received \$2,434,542.97 in CCAP funds. Until the end of February 2015, CCAP funds being sent to Ummah based on the bills it submitted were transferred into a US Bank Business Account, ending in number 5284. Since then the funds have gone into a different US Bank Business Account, ending in number 6580. Ms. Nur opened account x5284 in October 2012 and was the sole authorized signer until May 2013, when Farima Ahmed Kheyre was added as a signer. Ms. Kheyre is listed as a controlling individual of Ummah on submissions to DHS and, as noted above, was a previous controlling individual of another child care center called MCCS. Then in June 2014, a third individual named Nadifo Sheikh Ahmed

Imankey was added to the account. Ms. Imankey is also listed as a controlling individual of Ummah on submissions to DHS.

Using February 2015 as an example, over \$173,000 in CCAP funds were deposited into this account number 5284 that month. Three separate debit cards are authorized to make deductions from this account and in February 2015 each of those cards was used for what appear to be personal purchase – such as stops at coffee shops, grocery stores, and gas stations. In addition, large numbers of checks were drawn from the account. Almost all checks are signed by Ms. Nur, and appear to cover business operating expenses such as rent, payroll, and food vendors. Hence, once the CCAP money was deposited into the Ummah's US Bank Business Account, account ending in 5284, the money was used for business purposes, thus benefiting the company and its owners, as well as personal expenses that also directly benefit its owners.

Conclusion:

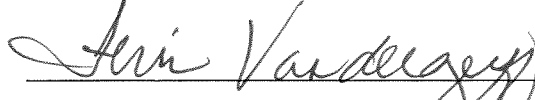
In total, the camera in place outside of Ummah obtained 41 days of video between April 24, 2015 and June 21, 2015. A review of 31 days of this video reveals that 15% of the billing for t that time period was fraudulent. In addition, your complainant believes that once the additional 10 days of video is viewed, and the number of children who actually attended the center is compared to the bills submitted for those same days, a similar level of fraud will be discovered. Based on this evidence, your Complainant believes that probable cause exists that Ummah, through its agents while acting within the scope of their authority, committed the crimes charged herein.

Complainant requests that Defendant, subject to bail or conditions of release, be:
(1) arrested or that other lawful steps be taken to obtain Defendant's appearance in court; or
(2) detained, if already in custody, pending further proceedings; and that said Defendant otherwise be dealt with according to law.

COMPLAINANT'S NAME:

Terri Vandergriff

COMPLAINANT'S SIGNATURE:

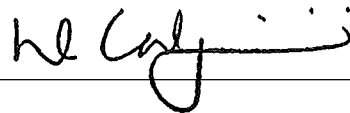


Subscribed and sworn to before the undersigned this 28 day of sep, 2015.

NAME/TITLE:

H. Caligini, Dist. Ct. Judge

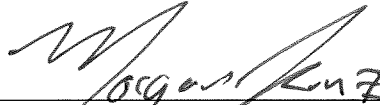
SIGNATURE:



Being authorized to prosecute the offenses charged, I approve this complaint.

Date: 9/28/15

PROSECUTING ATTORNEY'S SIGNATURE:



Name: Morgan Kunz
Assistant County Attorney
C2000 Government Center

Minneapolis, MN 55487
612-348-0817
Attorney Registration # 0396177

FINDING OF PROBABLE CAUSE

From the above sworn facts, and any supporting affidavits or supplemental sworn testimony, I, the Issuing Officer, have determined that probable cause exists to support, subject to bail or conditions of release where applicable, Defendant's arrest or other lawful steps be taken to obtain Defendant's appearance in court, or Defendant's detention, if already in custody, pending further proceedings. Defendant is therefore charged with the above-stated offense.

SUMMONS

THEREFORE YOU, THE ABOVE-NAMED DEFENDANT, ARE HEREBY SUMMONED to appear on the ___ day of _____, 20__ at _____ a.m./p.m. before the above-named court at _____ to answer this complaint.

IF YOU FAIL TO APPEAR in response to this SUMMONS, a WARRANT FOR YOUR ARREST shall be issued.

WARRANT

To the Sheriff of the above-named county; or other person authorized to execute this warrant: I hereby order, in the name of the State of Minnesota, that the above-named Defendant be apprehended and arrested without delay and brought promptly before the above-named court (if in session), and if not, before a Judge or Judicial Officer of such court without unnecessary delay, and in any event not later than 36 hours after the arrest or as soon as such Judge or Judicial Officer is available to be dealt with according to law.

Execute in MN Only *Execute Nationwide* *Execute in Border States*

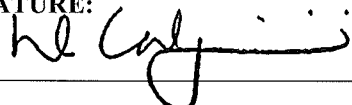
ORDER OF DETENTION

Since the above-named Defendant is already in custody, I hereby order, subject to bail or conditions of release, that the above-named Defendant continue to be detained pending further proceedings.

Bail: \$
Conditions of Release:

This complaint, duly subscribed and sworn to, is issued by the undersigned Judicial Officer this 28 day of sep., 2015.

JUDICIAL OFFICER:
NAME: Carl G. King
TITLE: Dist. Ct. Judge

SIGNATURE:


Sworn testimony has been given before the Judicial Officer by the following witnesses:

COUNTY OF HENNEPIN STATE OF MINNESOTA	<i>Clerk's Signature or File Stamp:</i>
STATE OF MINNESOTA Plaintiff,	<i>RETURN OF SERVICE</i> <i>I hereby Certify and Return that I have served a copy of this COMPLAINT upon Defendant herein named.</i>
vs. Defendant	Signature of Authorized Service Agent: _____