

STATE OF MINNESOTA

DISTRICT COURT

COUNTY OF RAMSEY

SECOND JUDICIAL DISTRICT

Addis Foundation,

Court File Number: _____

Case Type: Civil

Plaintiff,

vs.

COMPLAINT

Minnesota Department of Education,

Defendant.

Plaintiff Addis Foundation submits this Complaint and Demand for Jury Trial against Defendant, based on personal knowledge and upon information and belief as follows:

I. PARTIES

1. Plaintiff Addis Foundation is a Minnesota nonprofit corporation doing business in Ramsey County, Minnesota.
2. Defendant Minnesota Department of Education is an administrative agency of the State of Minnesota.

II. JURISDICTION AND VENUE

3. Minn. Stat. § 484.01, subd. 1(1); Minn. Stat. § 363A.33, subd. 1; and common-law authority provide this Court with jurisdiction over the subject matter of this action.
4. This Court has concurrent jurisdiction with federal courts under 42 U.S.C. § 1983. *See, e.g., Williams v. Bd. of Regents of Univ. of Minn.*, 763 N.W.2d 646, 652 (Minn. App. 2009).
5. Venue in Ramsey County is proper under Minn. Stat. § 542.09 because the causes of action arose in Ramsey County and Defendant is located in Ramsey County.

III. FACTUAL BACKGROUND

6. On an unknown date prior to January 2021, Defendant Minnesota Department of Education (“MDE”) entered into a contractual agreement with Partners in Nutrition (a/k/a Partners in Quality Care) (“PIQC”) for PIQC to serve as a sponsoring organization for federal child-nutrition programs under the authority of 7 C.F.R. § 226.6.

7. 7 C.F.R. § 226.6 obligates state agencies to supervise sponsoring organizations to ensure that they are providing required training on child-nutrition program requirements to distributors that the sponsoring organizations supervise.

8. On January 12, 2021, Plaintiff Addis Foundation (“Addis”) entered into a contract with PIQC to distribute food to at-risk children pursuant to PIQC’s contract with MDE. The PIQC contract obligated PIQC to provide training on child-nutrition program requirements, to review and submit requests for reimbursement made by Addis to MDE, and to distribute monthly reimbursements received from MDE to Addis.

9. Addis primarily serves the Ethiopian, Hispanic, and Hmong communities.

10. From February 2021 through April 2022, Addis provided meals to at-risk children under the supervision of PIQC and submitted monthly reimbursement requests to PIQC.

11. In January 2022, federal law-enforcement agents executed search warrants on numerous persons and entities suspected of fraudulent misuse of federal child-nutrition programs. The entities targeted had been associated with a different sponsoring organization called Feeding Our Future (“FoF”).

12. Subsequent to the federal law-enforcement action against persons and entities associated with FoF, MDE terminated its contract with FoF. Although PIQC was not named or

targeted in the search warrants, MDE suspended PIQC's contract at the same time it terminated FoF's contract. After a successful appeal by PIQC, the PIQC suspension was lifted.

13. Notwithstanding the lifting of the suspension on PIQC, MDE proceeded to impose dramatically heightened scrutiny on reimbursement claims made by distributors overseen by PIQC, particularly those, like Addis, serving minority communities. Upon information and belief, this heightened scrutiny arose from a presumption of "guilt by association," as the persons and entities targeted in the FoF investigation primarily served minority communities.

14. As a result of the heightened scrutiny imposed on Addis, Addis's reimbursement requests for November and December 2021 were denied by MDE. The reasons provided for the denial were vague, confusing, contradictory to prior statements and actions by MDE, and/or unauthorized by law.

15. Upon information and belief, Addis's reimbursement requests for January 2022 through April 2022 will continue to be denied based on similarly specious grounds.

16. PIQC has pursued administrative appeals of the denied reimbursement claims which have been unsuccessful due in part to MDE's continuing refusal to fully articulate the reasons for denials of reimbursement and the legal authority for those denials.

IV. CLAIMS FOR RELIEF

A. COUNT ONE: DECLARATORY JUDGMENT / MANDAMUS / INJUNCTIVE RELIEF

17. Plaintiff repeats the allegations in paragraphs above as if fully set forth herein.

18. MDE lacked specific legal authority to deny Addis's reimbursement claims.

19. As a result of MDE's improper denials of Addis's reimbursement claims, Addis was denied the benefit of services it provided to at-risk children under the federal child-nutrition programs overseen by MDE.

20. Plaintiff is therefore entitled to declaratory judgment that MDE improperly denied Addis's reimbursement claims, a writ of mandamus requiring that MDE pay the improperly denied claims, and a permanent injunction barring MDE from applying standards or requirements not authorized by law as a basis for denying future reimbursement claims.

B. COUNT TWO: DISCRIMINATION UNDER 42 U.S.C. § 1983

21. Plaintiff repeats the allegations in paragraphs above as if fully set forth herein.

22. MDE's heightened scrutiny of reimbursement claims was intentionally and specifically targeted at distributors serving minority communities, in violation of Addis's constitutional rights and is actionable under 42 U.S.C. § 1983.

23. As a result of MDE's violations of Addis's constitutional rights, Plaintiff was damaged in an amount to be proven at trial.

C. COUNT THREE: DISCRIMINATION UNDER MINN. STAT. § 363A.12

24. Plaintiff repeats the allegations in paragraphs above as if fully set forth herein.

25. MDE's heightened scrutiny of reimbursement claims was intentionally and specifically targeted at distributors serving minority communities, in violation of Minn. Stat. § 363A.12, subd. 1.

26. As a result of MDE's violations, Plaintiff was damaged in an amount to be proven at trial.

D. COUNT FOUR: UNJUST ENRICHMENT

27. Plaintiff repeats the allegations in paragraphs above as if fully set forth herein.

28. MDE received and appreciated the benefit of Addis's provision of services under the federal child-nutrition programs but did not pay for the value of those services.

29. As a result of MDE's actions and failures, Plaintiff suffered damages in an amount to be determined at trial.

E. COUNT FIVE: NEGLIGENCE

30. Plaintiff repeats the allegations in paragraphs above as if fully set forth herein.

31. MDE had a duty of care under federal law to supervise sponsor organizations to ensure that distributors like Addis were properly trained in program requirements and requirements for reimbursement.

32. MDE breached its duty of care by failing to monitor and supervise sponsor organizations, including but not limited to failing to ensure that sponsoring organizations were properly training distributors in program requirements. Any defects in Addis's reimbursement requests were thus attributable to MDE insofar as MDE failed in its duty to ensure that Addis's sponsoring agency was providing appropriate training.

33. As a result of MDE's breach of its duty of care, Plaintiff suffered damages in an amount to be determined at trial.

V. JURY DEMAND

Plaintiff demands a jury trial to the extent allowed by law.

VI. PRAYER FOR RELIEF

Plaintiff respectfully requests that the Court award Plaintiff:

(1) compensatory damages in excess of \$50,000 and in an exact amount to be determined at trial.

- (2) reasonable attorney's fees as allowed by law, including but not limited to an award of attorney's fees under Minn. Stat. § 363A.33, subd. 7.
- (3) costs and disbursements incurred in this action;
- (4) prejudgment and postjudgment interest at the highest lawful rates;
- (5) such further relief as Plaintiff may be entitled and which the Court deems just and proper.

Dated: 07/18/2022

/s/ Jason Steck

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The undersigned hereby acknowledges that sanctions may be imposed under the circumstances set forth in Minn. Stat. § 549.211.

/s/ Jason Steck
Jason Steck (#3093077)