

CR 23-80 JWBJ/DJF

UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA

UNITED STATES OF AMERICA,

INDICTMENT

Plaintiff,

18 U.S.C. § 371

18 U.S.C. § 666

v.

18 U.S.C. § 1349

18 U.S.C. § 1957

AYAN FARAH ABUKAR,

Defendant,

THE UNITED STATES GRAND JURY CHARGES THAT:

At times relevant to the indictment:

INTRODUCTION

1. The defendant devised and carried out a scheme to defraud the Federal Child Nutrition Program, a program designed to provide free meals to children in need. The defendant obtained, misappropriated, and laundered millions of dollars in program funds that were intended as reimbursements for the cost of serving meals to children. The defendant exploited changes in the program intended to ensure underserved children received adequate nutrition during the Covid-19 pandemic. Rather than feed children, the defendant took advantage of the Covid-19 pandemic—and the resulting program changes—to enrich herself by fraudulently misappropriating millions of dollars in federal child nutrition program funds.

A. Background on the Federal Child Nutrition Program

2. The Food and Nutrition Service is an agency of the United States Department of Agriculture (USDA) that administers various federal child nutrition



programs, including the Summer Food Service Program and Child and Adult Care Food Program (together “the Federal Child Nutrition Program”).

3. The Summer Food Service Program is a federal program established to ensure that children continue to receive nutritious meals when school is not in session. The Summer Food Service Program reimburses non-profit organizations and other participating entities that serve free healthy meals and snacks to children in low-income areas.

4. The Child and Adult Care Food Program is a federal program that reimburses non-profit organizations and other participating entities that serve healthy meals and snacks to children and adults at participating childcare centers, daycares, and after-school programs.

5. The Federal Child Nutrition Program operates throughout the United States. The USDA’s Food and Nutrition Service administers the program at the national and regional levels by distributing federal funds to state governments, which provide oversight over the Federal Child Nutrition Program.

6. The Minnesota Department of Education (MDE) administers the Federal Child Nutrition Program in Minnesota.

7. Meals funded by the Federal Child Nutrition Program are served by “sites.” Each site participating in the Federal Child Nutrition Program must be sponsored by a sponsoring organization that is authorized to participate in the Federal Child Nutrition Program. Sponsors are required to submit an application to MDE for each site. Sponsors are responsible for monitoring each of their sites and preparing reimbursement claims for their sites.

8. Sponsors submit reimbursement claims to MDE on behalf of sites under their sponsorship. The USDA then provides federal reimbursement funds on a per-meal basis. MDE provides the federal funds to the sponsoring agency, which in turn pays the reimbursements to the sites under its sponsorship. The sponsoring agency retains 10 to 15 percent of the funds as an administrative fee in exchange for sponsoring the sites, submitting reimbursement claims, and disbursing the federal funds.

9. Historically, the Federal Child Nutrition Program has generally functioned by providing meals to children involved in educational programs or activities. During the Covid-19 pandemic, however, the USDA waived some of the standard requirements for participation in the Federal Child Nutrition Program. Among other things, USDA allowed for-profit restaurants to participate in the program. It also allowed for off-site food distribution to children outside of educational programs. At the same time, the state government's stay-at-home order and telework policies made it more difficult to oversee the program. These changes left the program vulnerable to fraud and abuse.

B. Feeding Our Future

10. Feeding Our Future was a non-profit organization purportedly in the business of helping community partners participate in the Federal Child Nutrition Program. Aimee Bock was the founder and executive director of Feeding Our Future.

11. Prior to the onset of the Covid-19 pandemic, Feeding Our Future was a small non-profit that sponsored the participation of daycares and after-school programs in the Federal Child Nutrition Program.

12. Beginning in approximately April 2020, Feeding Our Future dramatically increased the number of sites under its sponsorship as well as the amount of Federal Child Nutrition Program funds received by those sites. The company went from receiving and disbursing approximately \$3.4 million in federal funds to sites under its sponsorship in 2019 to nearly \$200 million in 2021.

13. Bock oversaw the massive scheme to defraud carried out by sites under the sponsorship of Feeding Our Future. Bock and her company sponsored the opening of nearly 200 Federal Child Nutrition Program sites, knowing that the sites were submitting fraudulent claims.

14. Feeding Our Future received tens of millions of dollars in administrative fees to which it was not entitled due to its sponsorship and facilitation of sites' fraudulent participation in the program. In exchange for sponsoring the sites' fraudulent participation in the program, Feeding Our Future received nearly \$18 million in Federal Child Nutrition Program funds in administrative fees in 2021.

15. In addition to receiving tens of millions in administrative fees, Feeding Our Future employees also solicited and received bribes and kickbacks from individuals and sites under the sponsorship of Feeding Our Future. In effect, Feeding Our Future operated a pay-to-play scheme in which individuals seeking to operate fraudulent sites under the sponsorship of Feeding Our Future had to kick back a portion of their fraudulent proceeds to Feeding Our Future employees. Many of these kickbacks were simply paid in cash. Others were disguised as "consulting fees" paid to shell companies created by Feeding Our Future employees to conceal the true nature of the payments and make them appear legitimate.

C. Sponsor A

16. Sponsor A was a Minnesota non-profit organization purportedly in the business of helping community partners participate in the Federal Child Nutrition Program. Like Feeding Our Future, prior to the onset of the Covid-19 pandemic, Sponsor A was a small non-profit that sponsored the participation of daycares and after-school programs in the Federal Child Nutrition Program.

17. Beginning in approximately April 2020, Sponsor A dramatically increased the number of sites under its sponsorship as well as the amount of Federal Child Nutrition Program funds received by those sites. The company went from receiving and disbursing approximately \$5.6 million in federal funds to sites under its sponsorship in 2019 to more than \$179 million in 2021. In 2021, sites under the sponsorship of Sponsor A claimed to have served more than 80 million meals to children in Minnesota. Most of the sites operating under the sponsorship of Sponsor A fraudulently inflated their claims in order to appear that they were providing more food to children than was true. The defendant claimed to be serving meals to tens of thousands of children each day throughout the State of Minnesota, for which she fraudulently claimed and received millions of dollars in Federal Child Nutrition Program funds.

D. The Defendant and Her Role

18. Defendant AYAN ABUKAR was the founder and executive director of Action for East African People. AYAN ABUKAR founded Action for East African People as a non-profit in 2017. Between 2017 and 2020, AYAN ABUKAR operated Action for East African People as a non-profit organization providing health, housing,

and educational services to East Africans throughout Minnesota. Beginning in late 2020, AYAN ABUKAR used Action for East African People as a non-profit entity for enrolling numerous sites in the Federal Child Nutrition Program to fraudulently claim millions of dollars of federal funds.

Count 1
(Conspiracy to Commit Wire Fraud)

19. From in or about October 2020 through in or about 2022, the defendant,

AYAN FARAH ABUKAR,

conspired with others known and unknown to the grand jury, to devise a scheme and artifice to defraud and to obtain money by materially false and fraudulent pretenses, representations, and promises, and for the purpose of executing such scheme and artifice, transmitted or caused to be transmitted writings, signs, signals, pictures, or sounds by means of wire, radio or television communication in interstate or foreign commerce, in violation of Title 18, United States Code, Section 1349.

Object and Purpose of the Conspiracy

20. The object and purpose of the conspiracy was to carry out a fraudulent scheme to obtain millions of dollars in Federal Child Nutrition Program funds by submitting fraudulent claims that they were serving meals to thousands of children a day.

21. A main purpose of the scheme and artifice to defraud was to fraudulently obtain millions of dollars in Federal Child Nutrition Program funds by causing the submission of fraudulent information, including falsified invoices and meal count records with substantially inflated figures. As the operator of multiple food sites in the Federal Child Nutrition Program, AYAN ABUKAR was responsible for either

acquiring or serving actual food to children. However, in furtherance of the scheme, AYAN ABUKAR and her co-conspirators caused the submission of false and fraudulent information, such as meal counts, rosters, and invoices, and AYAN ABUKAR consequently received Federal Child Nutrition Program funds that substantially exceeded the small amounts of food that she either purchased or served to children.

22. To carry out the scheme, food distribution sites operated by AYAN ABUKAR and Action for East African People obtained fraudulent invoices for inflated quantities of food purchased from wholesalers or distributors to make it appear as though they were serving meals to thousands of children each day. Collectively, the food distribution sites claimed to be serving meals to thousands of children each day around the State of Minnesota, for which AYAN ABUKAR and Action for East African People fraudulently claimed and received millions of dollars in Federal Child Nutrition Program funds.

23. An additional purpose of the scheme was to misappropriate millions of dollars in fraudulent proceeds in order to enrich and benefit AYAN ABUKAR and her co-conspirators, including spending money intended to feed children on such items as real estate, a luxury vehicle, and an aircraft.

Manner and Means of the Conspiracy

24. The conspirators used the following manner and means, among others, to accomplish the objects and purpose of the conspiracy.

25. AYAN ABUKAR opened and operated at least seven Federal Child Nutrition Program food distribution sites throughout the State of Minnesota.

26. AYAN ABUKAR incorporated Action for East African People as a non-profit in 2017. Action for East African People provided access to East Africans living in Minnesota in the areas of health, housing, and education. Action for East African People operated health centers that provided health care and social services in Bloomington and Burnsville, Minnesota.

27. As part of the conspiracy, AYAN ABUKAR enrolled her non-profit organization—Action for East African People—in the Federal Child Nutrition Program. AYAN ABUKAR and Action for East African People submitted at least ten applications for food distribution sites to participate in the Federal Child Nutrition Program under the sponsorship of Feeding Our Future and Sponsor A. Many sites purported to start serving meals to hundreds or thousands of children a day just days or weeks after they were formed.

28. Beginning in October 2020, AYAN ABUKAR used Action for East African People to enroll food distribution sites to carry out the scheme to defraud the Federal Child Nutrition Program. Over the course of more than a year, AYAN ABUKAR opened at least seven purported food distribution sites through the State of Minnesota. AYAN ABUKAR opened and operated the Action for East African People sites under the sponsorship of both Sponsor A and Feeding Our Future.

29. At times, AYAN ABUKAR and her co-conspirators fraudulently claimed to be serving meals to more than 5,000 children a day at the various Action for East African People sites through Minnesota. Based on these fraudulent claims, Action for East African People received more than \$1.2 million in Federal Child Nutrition Program funds from Sponsor A and more than \$4.6 million from Feeding Our Future.

30. In support of these fraudulent claims, AYAN ABUKAR and her co-conspirators created and submitted fake documentation to cover up the fraud. Sites submitted meal counts that were nearly identical to one another. These meal counts falsely claimed the sites were serving meals to thousands of children each day, which was not accurate and misstated the number of children purportedly receiving food.

31. AYAN ABUKAR and her co-conspirators also submitted fake attendance rosters. The rosters purported to list the name and age of each child that received a meal each day. But the rosters were fabricated and did not actually track the service of meals provided to children. Instead, the conspirators created the lists to bolster their false claims by listing the names of children they were purporting to serve.

32. AYAN ABUKAR and her co-conspirators also submitted fake invoices and fabricated menus to purportedly document their purchase of food and that the meals they served complied with the program's strict nutritional requirements.

33. AYAN ABUKAR and her co-conspirators created and used other companies to receive and siphon off the proceeds of the scheme. AYAN ABUKAR transferred Federal Child Nutrition Program funds received by Action for East African People to other entities not connected with the federal food program or intended to serve or provide food to children.

34. For example, AYAN ABUKAR transferred Federal Child Nutrition Program funds received by Action for East African People to an entity called MN Food Grocery LLC. MN Food Grocery was incorporated by an unindicted co-conspirator on

March 13, 2021. On April 5, 2021, AYAN ABUKAR made three transfers totaling approximately \$500,000 from an Action for East African People bank account to the bank account for MN Food Grocery. These payments purported to be for the purchase of food and supplies to be served at the Action for East African People sites. In reality, AYAN ABUKAR used MN Food Grocery and other entities to divert Federal Child Nutrition Program funds and convert them for her own use and the use of co-conspirators, including by transferring funds to an entity used to purchase real estate.

35. AYAN ABUKAR also transferred Federal Child Nutrition Program funds received by Action for East African People to other non-profit entities associated with Action for East African People and to make payments for supplies related to those other non-profit entities.

36. In reality, these entities were used to receive and launder the proceeds of the scheme. After disbursing the Federal Child Nutrition Program funds to these various entities, AYAN ABUKAR and her co-conspirators used the money to make purchases for their personal use. Among other things, AYAN ABUKAR and her co-conspirators spent millions of dollars on real estate, including a 37-acre property in Lakeville, Minnesota. AYAN ABUKAR spent hundreds of thousands of dollars in Federal Child Nutrition Program funds towards the purchase of an aircraft to be delivered to Nairobi, Kenya.

37. AYAN ABUKAR also paid bribes and kickbacks to an employee of Feeding Our Future in exchange for the sponsorship of her fraudulent participation in the Federal Child Nutrition Program.

38. Between October 2020 and February 2022, AYAN ABUKAR and Action for East African People claimed to have served over 3 million meals. However, the number of meals that Action for East African People purported to serve at its distribution sites was significantly inflated and Action for East African People only served and provided a fraction of those meals.

39. In total, AYAN ABUKAR and Action for East African People received approximately \$5.8 million in Federal Child Nutrition Program funds from Feeding Our Future and Sponsor A for participation in the federal food program.

40. All in violation of Title 18, United States Code, Section 1349.

Count 2

(Conspiracy to Commit Federal Programs Bribery)

41. Paragraphs 1 through 40 are incorporated herein.

42. From in or about October 2020 to in or about January 2022, in the State and District of Minnesota, the defendant,

AYAN FARAH ABUKAR,

conspired with others known and unknown to the grand jury to commit federal programs bribery, that is, to corruptly solicit, demand, accept, or agree to accept, and to give, offer, and agree to give, anything of value to any person, with intent to influence and reward an agent of an organization, to wit, agents of Feeding Our Future, in connection with any business, transaction and series of transactions with Feeding Our Future involving anything of value of \$5,000 or more, that is, in exchange for sponsoring their fraudulent participation in the Federal Child Nutrition Program, where Feeding Our Future received benefits in excess of \$10,000 under federal programs involving grants, contracts, subsidies, loan guarantees, insurance

and other forms of federal assistance in any one-year period, in violation of Title 18, United States Code, Sections 666(a)(1)(B) and (a)(2).

Purpose and Object of the Conspiracy

43. The object and purpose of the conspiracy was for individuals and entities participating in the fraudulent scheme to obtain Federal Child Nutrition Program funds to pay bribes and kickbacks to Feeding Our Future employees in exchange for Feeding Our Future's sponsorship of their participation in the Federal Child Nutrition Program.

Manner and Means of the Conspiracy

44. The conspirators used the following manner and means, among others, to accomplish the objects and purpose of the conspiracy:

45. Employees of Feeding Our Future solicited and accepted bribes and kickbacks from individuals who opened Federal Child Nutrition Program sites under the sponsorship of Feeding Our Future.

46. Employees of Feeding Our Future created shell companies for use in accepting and hiding the bribe and kickback payments.

47. Individuals who ran sites under the sponsorship of Feeding Our Future paid bribes and kickbacks to Feeding Our Future employees. Many of these bribes and kickbacks were disguised as consulting payments or other legitimate payments to shell companies created by Feeding Our Future employees.

48. AYAN ABUKAR paid bribes and kickbacks to a Feeding Our Future employee, Hadith Ahmed, in exchange for his role in sponsoring and facilitating her fraudulent participation in the Federal Child Nutrition Program.

Overt Acts in Furtherance of the Conspiracy

49. The conspirators used the following manner and means, among others, to accomplish the objects and purpose of the conspiracy:

50. On or about December 1, 2020, Hadith Ahmed registered Mizal Consulting LLC with the Minnesota Secretary of State.

51. On or about January 9, 2021, AYAN ABUKAR wrote a \$10,000 check from Action for East African People to Mizal Consulting.

52. On or about March 27, 2021, AYAN ABUKAR wrote a \$127,000 check from Actioncare, one of the other companies she used to receive and siphon off proceeds of the scheme, to Mizal Consulting with the memo line "Consulting Contractor."

53. On or about June 23, 2021, AYAN ABUKAR issued a cashier's check for \$200,000 from Action for East African People to Hadith Ahmed.

All in violation of Title 18, United States Code, Section 371.

Counts 3-5
(Federal Programs Bribery)

54. Paragraphs 1 through 54 are incorporated herein.

55. On or about the dates set forth below, in the State and District of Minnesota, and elsewhere, the defendant corruptly gave, offered and agreed to give anything of value to any person with intent to influence and reward an agent of an organization, as set forth below, in connection with any business, transaction and series of transactions of each organization involving anything of value of \$5,000 or more, where such organization received benefits in excess of \$10,000 annually under

federal programs involving grants, contracts, subsidies, loan guarantees, insurance and other forms of federal assistance in any one-year period, as follows:

Count	Date (on or about)	Payment
3	January 9, 2021	A \$10,000 check from Action for East African People to Mizal Consulting.
4	March 27, 2021	A \$127,000 check from Actioncare to Mizal Consulting with the memo line "Consulting Contractor."
5	June 23, 2021	A \$200,000 cashier's check from Action for East African People to Hadith Ahmed.

All in violation of Title 18, United States Code, Sections 666(a)(1)(B) and (a)(2).

Counts 6-8
(Money Laundering)

56. Paragraphs 1 through 56 are incorporated herein.

57. On or about the dates listed below, in the State and District of Minnesota and elsewhere, the defendant knowingly engaged and attempted to engage in monetary transactions by, through, or to a financial institution, affecting interstate or foreign commerce, in criminally derived property of a value greater than \$10,000, as described below, such property having been derived from specified unlawful activities, namely, wire fraud, in violation of Title 18, United States Code, Section 1343:

Count	Date (on or about)	Transaction
6	May 19, 2021	Payment of approximately \$1.5 million to North Title, Inc. towards the purchase of a 37-acre property located in Lakeville, Minnesota.
7	August 1, 2021	A payment of \$150,000 towards the purchase of a Magnus Aircraft.
8	October 19, 2021	A payment of \$100,000 towards the purchase of a Magnus Aircraft.

All in violation of Title 18, United States Code, Section 1957.

FORFEITURE ALLEGATIONS

1. Counts 1 through 4 of this Indictment are incorporated by reference for the purpose of alleging forfeiture pursuant to Title 18, United States Code, Section 981(a)(1)(C) in conjunction with Title 28, United States Code, Section 2461(c), and pursuant to Title 18, United States Code, Section 982(a)(1).

2. If convicted of any of Counts 1 through 8 of this Indictment, the defendant shall forfeit to the United States, pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), any property, real or personal, which constitutes or is derived from proceeds traceable to Counts 1 through 7 of the Indictment.

3. If convicted of any of Counts 6 through 8 of this Indictment, the defendant shall also forfeit to the United States, pursuant to Title 18, United States Code, Section 982(a)(1), any property, real or personal, involved in a transaction or attempted transaction in violation of 18 U.S.C. § 1957 and any property traceable to such property.

4. The property subject to forfeiture includes, but is not limited to:

a. An approximately 37-acre parcel of real property located in Lakeville, Minnesota, assigned Property Identification (PID) number 220121053010; and

b. A Magnus Fusion 212 Aircraft.

If any of the above-described forfeitable property is unavailable for forfeiture, the United States intends to seek the forfeiture of substitute property as provided for in Title 21, United States Code, Section 853(p) as incorporated by Title 18,

United States Code, Section 982(b)(1) and Title 28, United States Code, Section 2461(c).

A TRUE BILL

UNITED STATES ATTORNEY

FOREPERSON