

SEALED

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEBRASKA

FILED
U.S. DISTRICT COURT
DISTRICT OF NEBRASKA
2018 JUN 20 PM 12:49
OFFICE OF THE CLERK

UNITED STATES OF AMERICA,

Plaintiff,

vs.

SETH MOCK,
MUBANGA CHONGO-OFAFA, and
AILEEN KOGERA NJOROGE,

Defendants.

4:18CR 3066

INDICTMENT
18 U.S.C. §641
18 U.S.C. §2
18 U.S.C. §1957

The Grand Jury charges that

INTRODUCTION

At all times material hereto:

1. The United States Department of Health and Human Services (HHS) is responsible for administering the "Child Care and Development Block Grant Act of 1990, as Amended, Title 42 U.S.C. §9858, et. seq.; Consolidated and Further Continuing Appropriations Act of 2015, Public Law 113-59." The Child Care and Development Fund Program (CCDF), along with the Child Care Mandatory and Matching Funds are part of part of this block grant funding process from the United States to the States, Territories, Tribes, tribal organizations and other entities of the United States. The United States Department of Health and Human Services administers these block grant funds through the Child Care Bureau in the Office of Family Assistance of the Administration for Children and Families (ACF).
2. The CCDF provides child care subsidies to low-income families whose parents are employed or engaged in approved job training. The purpose of the CCDF program is to increase the availability, affordability, and quality of child care services by providing federal funding to States, Territories, Indian Tribes, and tribal organizations.
3. Under the CCDF, a State will designate a lead agency to be accountable for the grant funds provided. The lead agency submits a biennial plan to the Secretary of the Department of Health and Human Services (HHS) that specifies the State's funding request and details how the

lead agency intends to administer the program. The lead agency has the authority to administer the program through governmental and non-governmental agencies. Furthermore, it states that the lead agency has the authority to retain responsibility for the funds, determine the basic usage and priorities of funding expenditures, promulgate all rules and regulations governing overall administration of the plan, including the expenditure of CCDF federal funds.

4. During all times material to this Indictment, the Nebraska Department of Health and Human Services (NDHHS) was the designated lead agency for Nebraska to be accountable for the grant funds provided by the United States under the CCDF.

5. To be eligible for federal funding under the CCDF, children need to be under age 13 (or at the option of the grantee, up to age 19, if physically or mentally incapable of self-care or under court supervision), who reside with a family member whose income does not exceed 85 percent of the state median income for a family of the same size, and who reside with a parent (or parents) who is working or attending job training or educational program; or who are in need of, or are receiving protective services (45 USC § 98.20)

6. Federal law defines the eligibility requirements for a child care provider that can receive reimbursement for child care under the CCDF. Among the requirements are that the child care provider be a licensed child care provider under applicable State or local law and satisfy all State and local requirements applicable for the child care services it provides.

7. Nebraska state law regulates child care services within the State of Nebraska. These regulations govern child care home facilities and child care centers. Nebraska state law classifies child care facilities as Family Child Care Home I, Family Child Care Home II, and Child Care Centers. Under Nebraska law, a Family Child Care Home II provides a child care program for at least four, but not more than 12 children. A Family Child Care Home II may be located in a residence home or another location. A Child Care Center can provide child care for 13 or more children. A center may be located in the licensee's residence or another location. Each class of child care must be licensed by the State of Nebraska. Each child care home or provider must sign a contract with the NDHHS agreeing to be bound by all rules and regulations of the United States and the State of Nebraska pertaining to the child care facility and the administration of the CCDF.

8. In order to receive CCDF funds, the licensed child care provider must keep records of attendance for each student who qualifies for CCDF funding. These records must show the

applicable date and time when the child was present at the applicable child care home or center. The child care provider will submit electronically to the NDHHS a claim for reimbursement for the agreed upon level of care in the contract of the provider with the State related to the dates and times that the eligible child was at the child care home or center. The claims are then paid by the NDHHS using the block grant federal funds from the CCDF. The claims are submitted to the NDHHS under penalty of perjury as being true and correct representations of when the child was present in the child care home or center. The CCDF funds are paid to the child care provider through direct deposit wire transfers with the State of Nebraska.

9. Nebraska regulations also define the duties and qualifications for a Director of a Child Care Center. The regulations provide that the Director is responsible for managing the day-to-day operations of the child care center and is directly responsible for compliance with rules and regulations governing the submission of claims to the State for payments pursuant to the CCDF. The State of Nebraska conducts training for the Director regarding submission of claims to the NDHHS for payment of child care services funded through the CCDF.

10. NDHHS regulations state that the facility must maintain employee records, update them as needed, and make available to the department upon request. The records must be maintained for at least one year after an employee leaves the center. In addition, the facility must maintain accurate staff and daily attendance records of children at the child care facility.

11. Seth Mock (Mock) was the owner of Mock's Loving Life Learning Center (MLLLC) and was the owner since the inception of the child care center in June, 2014, to the date of its termination in December, 2015. Mock signed contracts with the State of Nebraska to receive reimbursement payments through the CCDF for child care expenses for eligible children pursuant to the rules and regulations of the United States and the State of Nebraska. MLLLC was licensed as a Child Care Center by the State of Nebraska. Alieen Kogera Njoroge (Kogera Njoroge) was the director of MLLLC. Mock was trained by the State of Nebraska in the submission of CCDF claims for reimbursement.

12. Mubanga Chongo-Ofafa (Ofafa) was the owner of Little Blessings Omaha (LBs Omaha) and Little Blessings Lincoln (LBs Lincoln) and has been listed as the owner, with NDHHS, of each day care from the inception of each business to the date of this Indictment. Ofafa signed documents for both entities with the State of Nebraska to receive reimbursement payments through the CCDF for child care expenses for eligible children pursuant to the rules and

regulations of the United States and the State of Nebraska. Both LBs Omaha and LBs Lincoln were licensed by the State of Nebraska as a Child Care Center. Kogera Njoroge served as an Operations Director for both LBs Omaha and LBs Lincoln and was trained by the State of Nebraska in the submission of CCDF claims for reimbursement.

COUNT I

13. Paragraphs 1 through 12 of this Indictment are realleged and incorporated as if set forth fully herein.

14. From on or about the 1st day of August, 2014, to on or about the 4th day of December, 2015, in the District of Nebraska, the defendant, SETH MOCK, did knowingly steal, purloin and convert to his own use money and property of the United States and of any department or agency thereof, having a value in excess of \$96,000, in that SETH MOCK intentionally submitted and caused to be submitted false claims to the State of Nebraska Department of Health and Human Services that reported materially false information for children attending Mock's Loving Life Learning Center in order to receive payments from the United States and the United States Department of Health and Human Services through the Child Care and Development Block Grant Program.

In violation of 18 U.S.C. §§ 641 and 2.

COUNT II

15. Paragraphs 1 through 12 of this Indictment are realleged and incorporated as if set forth fully herein.

16. From on or about the 23rd day of December, 2015, to on or about the 31st day of December, 2016, in the District of Nebraska, the defendants, SETH MOCK, MUBANGA CHONGO-OFAFA, and AILEEN KOGERA NJOROGE, did knowingly steal, purloin and convert to their own use money and property of the United States and of any department or agency thereof, having a value in excess of \$157,000, in that SETH MOCK, MUBANGA CHONGO-OFAFA, and AILEEN KOGERA NJOROGE intentionally submitted and caused to be submitted false claims to the State of Nebraska Department of Health and Human Services that reported materially false information for children attending the Little Blessings Learning

Center Omaha and Little Blessings Learning Center Lincoln in order to receive payments from the United States and the United States Department of Health and Human Services through the Child Care and Development Block Grant Program.

In violation of 18 U.S.C. §§ 641 and 2.

COUNT III

17. Paragraphs 1 through 12 of this Indictment are realleged and incorporated as if set forth fully herein.

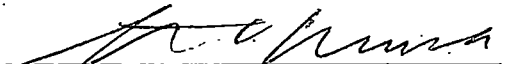
18. On or about 28th day of July, ²⁰¹⁶~~2015~~^{SR}~~MTN~~, in the District of Nebraska, SETH MOCK, defendant herein, did knowingly engage and attempt to engage in a monetary transaction by through or to a financial institution, affecting interstate or foreign commerce, in criminally derived property of a value greater than \$10,000, that is a check drawn on the account of Little Blessings Learning Center, at U.S. Bank, in the amount of \$30,000, such property having been derived from a specified unlawful activity, that is, theft of public property and money, in violation of Title 18, United States Code, Section 641.

In violation of Title 18, United States Codes, Sections 1957.

A TRUE BILL. // // /

// FOREPERSON /

The United States of America requests that trial of this case be held in Lincoln, Nebraska, pursuant to the rules of this Court.


Steven A. Russell
Assistant United States Attorney