



ANTHONY G. BROWN, MARYLAND ATTORNEY GENERAL

# PRESS RELEASE

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## **Childcare Center Owner Charged with Stealing Millions in Scholarship Payments and Fraudulently Receiving Public Assistance**

*Defendant Charged in Massive Fraud of Over \$2.5 Million Stolen  
from the State of Maryland*

**BALTIMORE, MD (February 14, 2025)** - Attorney General Anthony G. Brown announced today that the Grand Jury for Anne Arundel County has handed down two indictments charging childcare center owner, Jonathan Tarrell Smalls, 41, of multiple addresses in multiple states, with felony theft scheme, identity fraud, and public assistance fraud. The investigation was led by the Attorney General's Fraud and Corruption Unit, Criminal Division.

The first indictment alleges that between 2014 and 2024, Jonathan Smalls, who owned and operated multiple childcare centers including but not limited to Habakkuk Outreach Ministries, House of New Beginnings, and It's A Brighter Learning Center, all in the city of Baltimore, fraudulently obtained over \$2.5 million from the State of Maryland by concealing his ownership of childcare centers and inflating attendance records. Smalls's fraud began after the Maryland State Department of Education (MSDE) revoked his childcare certificate of registration and refused to license any facilities in which he was involved. To continue operating and receiving state payments available only to licensed providers, Smalls assumed multiple false identities and concealed his involvement in several childcare centers. These facilities not only operated under fraudulently obtained licenses but also submitted falsified attendance records to claim larger state payments.

For example, on February 6, 2018, one of Smalls's facilities invoiced the State for 51 children, all marked present with no absences. However, an MSDE site visit that same day found only 12 children in attendance. More recently, on October 23, 2023, another facility secretly controlled by Smalls billed the State for more than 20 children, but an MSDE site visit revealed that the facility was actually closed with no children present.

The second indictment alleges that between 2016 and 2024, Smalls fraudulently received Supplemental Nutrition Assistance Program (SNAP) and Maryland Medical Assistance Program

benefits by falsifying his residence and income. Specifically, the indictment alleges that Smalls moved to Pennsylvania but continued to receive Medical Assistance and SNAP benefits from Maryland by lying on his applications for those benefits. Additionally, the indictment alleges that Smalls only reported income of \$1,000 per month, when his income was significantly higher than that. The indictment also alleges that Smalls' standard of living was inconsistent with someone whose income was only \$1,000 per month, in that at the same time, Smalls owned properties in Kissimmee, Florida, and Lewisberry, Pennsylvania, as well as two Bentley motor vehicles.

The cases will be tried in the Circuit Court for Anne Arundel County. A status conference is scheduled for March 28, 2025.

“Defrauding childcare and public assistance programs directly harms the families who rely on them most,” **said Attorney General Brown.** “My Office will pursue those who exploit these essential services and hold them accountable.”

“The Maryland State Department of Education is grateful to the Maryland Office of the Attorney General for their work to safeguard public funds,” **said State Superintendent of Schools Dr. Carey M. Wright.** “Our continued partnership will ensure that we maintain high standards and lawful practices for any individual seeking to operate a child care facility.”

Attorney General Brown thanked his Criminal Division, specifically Fraud and Corruption Unit Chief Alexander Huggins and Assistant Attorney General Warren Davis, who are prosecuting this case, and Investigative Auditor Amy Amy. Attorney General Brown also thanked State's Attorney for Anne Arundel County Anne Colt Leitess for her assistance with this prosecution.

A criminal indictment is merely an accusation of wrongdoing, and a defendant is presumed innocent until the state proves the defendant guilty beyond a reasonable doubt.

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