

Recent Prosecutions, Announcements Show Trump DOJ's Focus on Curbing Health Care Fraud

By Jay Schleppenbach¹

On June 30 of this year, the United States Department of Justice announced what it called the largest set of health care fraud prosecutions in U.S. history.² And recent announcements from the DOJ have firmly emphasized health care fraud as one of the Trump administration's top white collar enforcement priorities.³ So health care companies and individual providers can expect to be under a microscope in the years to come, but there are some common-sense steps they can take to try to avoid drawing the government's ire.

The Health Care Fraud Takedown

The prosecutions announced by the DOJ on June 30 included criminal charges against 324 defendants, including 96 doctors, nurse practitioners, pharmacists, and other licensed medical professionals, in 50 federal districts and 12 State Attorneys General's Offices across the United States, for their alleged participation in various health care fraud schemes involving over \$14.6 billion in intended loss.⁴ The government seized over \$245 million in cash, luxury vehicles, cryptocurrency, and other assets as part of these prosecutions, and the Centers for Medicare and Medicaid Services announced that it successfully prevented over \$4 billion from being paid and suspended or revoked the billing privileges of 205 providers.⁵ In addition, the government filed civil charges against twenty defendants for \$14.2 million in alleged health care fraud, and reached settlements with another 106 defendants totaling \$34.3 million.⁶

"This record-setting Health Care Fraud Takedown delivers justice to criminal actors who prey upon our most vulnerable citizens and steal from hardworking American taxpayers," said Attorney General Pamela Bondi. "Make no mistake – this administration will not tolerate criminals who line their pockets with taxpayer dollars while endangering the health and safety of our communities."⁷ Matthew R. Galeotti, Head of the Justice Department's Criminal Division, added that "[t]he Criminal Division is intensely committed to rooting out health care fraud schemes and prosecuting the criminals who perpetrate them."⁸

Cases in the DOJ's June 30 announcement included:

- Charges against 19 defendants in New York, California, Florida, New Jersey, and Illinois for allegedly using a network of foreign straw owners to strategically buy dozens of medical supply companies and submit \$10.6 billion in fraudulent health care claims to Medicare for durable medical equipment by exploiting the stolen identities of over one million Americans.
- Prosecutions of five Illinois defendants in connection with a \$703 million scheme in which Medicare beneficiaries' identification numbers and other confidential health information were allegedly obtained through theft and deceptive marketing, using artificial intelligence to create fake recordings of Medicare beneficiaries purportedly consenting to receive certain products.

- Charges in Arizona and Nevada against seven defendants for approximately \$1.1 billion in allegedly fraudulent claims to Medicare on behalf of vulnerable elderly patients, some in hospice care, for medically unnecessary amniotic allografts for their wounds.
- Prosecutions of 74 defendants in connection with the alleged illegal diversion of over 15 million pills of prescription opioids and other controlled substances.⁹

DOJ Action in Line with Recent Rhetoric

During President Trump's first term, he increased funding for health care fraud enforcement.¹⁰ And since returning to the White House, he has emphasized his desire to target these crimes, for instance stating in March 2025 that his administration had found "hundreds of billions of dollars of fraud" on Medicare and Medicaid.¹¹ Indeed, health care prosecutions were already on the rise in February 2025 and had become a "huge moneymaker for the federal government."¹²

So it was perhaps not a surprise when, on May 12 of this year, the Trump DOJ named "[w]aste, fraud, and abuse, including health care fraud and federal program and procurement fraud that harm the public fisc" as its top white collar enforcement priority.¹³ Announcing this priority, Criminal Division Head Matthew Galleoti stated that "[r]ampant health care fraud and program and procurement fraud drain our country's limited resources. Corporations and individuals defraud important government initiatives, including Medicare, Medicaid, defense spending, and other programs intended to assist vulnerable citizens."¹⁴ The DOJ vowed to prioritize investigating and prosecuting corporate crime in this area as one that "will have the greatest impact in protecting American citizens and companies and promoting U.S. interests."¹⁵

In another sign of the Trump administration's dedication to combatting health care fraud, on July 2 it announced the formation of a False Claims Act Working Group.¹⁶ Noting that "[h]ealthcare fraud and abuse depletes taxpayer funds, corrodes public health and safety, and undermines the integrity of the federal healthcare system," the DOJ committed to working the Department of Health and Human Services to make referrals of priority False Claims Act violations.¹⁷ In particular, the Working Group will focus on potential fraud within the areas of Medicare Advantage; drug, device or biologics pricing; violations of network adequacy requirements; kickbacks related to drugs, medical devices, durable medical equipment, and other products paid for by federal healthcare programs; materially defective medical devices; and manipulation of electronic health records systems.¹⁸ In announcing the Working Group, the DOJ encouraged potential whistleblowers to come forward with tips about health care fraud.¹⁹

Preparing for Increased Health Care Fraud Enforcement

With all signs pointing to increased enforcement of the laws prohibiting health care fraud, now is the time for health care companies to make sure their compliance programs are in top form. The DOJ has opined that effective compliance programs should properly assess the risks companies face, including by gathering appropriate information, deploying resources in a risk-based manner, and using lessons learned to update and revise the compliance program.²⁰ Effective compliance program should also feature comprehensive policies and procedures that are accessible to employees and third parties and integrated with internal control systems.²¹ They will also include risk-based training and guidance for employees about how misconduct is

punished and what they can do to ensure compliance.²² The DOJ will consider the effectiveness of a company's compliance program in conducting investigations, determining whether to bring charges, and negotiating plea or other agreements.²³

Specific to the health care context, the Department of Health and Human Services has identified seven components of a successful compliance program: (1) written policies and procedures, (2) compliance leadership and oversight, (3) training and education, (4) effective lines of communication with the compliance officer and disclosure program, (5) consequences and incentives to enforce standards, (6) risk assessment, auditing, and monitoring, and (7) responsiveness to detected offenses to develop corrective actions.²⁴

Of course, qualified counsel can assist health care companies in developing and improving their compliance programs to meet the growing risks of health care fraud prosecutions.

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² United States Department of Justice, *National Health Care Fraud Takedown Results in 324 Defendants Charged in Connection with Over \$14.6 Billion in Alleged Fraud* (June 30, 2025), <https://www.justice.gov/opa/pr/national-health-care-fraud-takedown-results-324-defendants-charged-connection-over-146>.

³ Matthew R. Galeotti, Head of the Criminal Division, United States Department of Justice, *Focus, Fairness, and Efficiency in the Fight Against White-Collar Crime* (May 12, 2025), <https://www.justice.gov/criminal/media/1400046/dl?inline>.

⁴ *National Health Care Fraud Takedown*, *supra* note 2.

⁵ *Id.*

⁶ *Id.*

⁷ *Id.*

⁸ *Id.*

⁹ *Id.*

¹⁰ Jason Gould et al., *In Trump's Second Term, Healthcare Enforcement May Remain Business As Usual*, MONDAQ (Jan. 9, 2025), <https://www.mondaq.com/unitedstates/healthcare/1566422/in-trumps-second-term-healthcare-enforcement-may-remain-business-as-usual>.

¹¹ Brett Kelman, *Trump says he'll stop health care fraudsters*, CBS NEWS (April 1, 2015), <https://www.cbsnews.com/news/trump-health-care-fraud-pardons/>.

¹² Amanda Hill, *DOJ Health-Care Fraud Enforcement Demands Physicians' Diligence*, BLOOMBERG LAW (Feb. 11, 2025), <https://news.bloomberglaw.com/us-law-week/doj-health-care-fraud-enforcement-demands-physicians-diligence>.

¹³ *Focus, Fairness, and Efficiency*, *supra* note 3, at 4.

¹⁴ *Id.* at 2.

¹⁵ *Id.*

¹⁶ United States Department of Justice, *DOJ-HHS False Claims Act Working Group* (July 2, 2025), <https://www.justice.gov/opa/pr/doj-hhs-false-claims-act-working-group>.

¹⁷ *Id.*

¹⁸ *Id.*

¹⁹ *Id.*

²⁰ United States Department of Justice, Criminal Division, *Evaluation of Corporate Compliance Programs* (Sept. 2024), <https://www.justice.gov/criminal/criminal-fraud/page/file/937501/dl>.

²¹ *Id.*

²² *Id.*

²³ *Id.*

²⁴ U.S. Department of Health and Human Services, Office of Inspector General, *General Compliance Program Deadlines* 32 (Nov. 2023), <https://oig.hhs.gov/documents/compliance-guidance/1135/HHS-OIG-GCPG-2023.pdf#page=32>.