

Federal Fraud Task Force Has Largest Takedown To Date

On February 17, 2011, the Medicare Fraud Strike Force (Strike Force) conducted the largest single-day takedown related to healthcare fraud and abuse in US history.¹ The Strike Force, a coalition that combats healthcare fraud through the combined efforts of personnel from the Federal Bureau of Investigation (FBI), the Department of Justice (DOJ), and Health and Human Services (HHS) Office of Inspector General (OIG), arrested and charged 111 people with over \$225 million in fraud related allegations.² Strike Force teams currently operate in the seven following US cities: Miami, Los Angeles, Detroit, Houston, Brooklyn, Tampa and Baton Rouge.³ More than 700 law enforcement agents at both the federal and local level participated in the arrests that took place in nine metropolitan areas throughout the U.S.⁴

Allegations against physicians, nurses, healthcare organization owners, and executives span various realms of fraud: conspiracy to defraud Medicare, criminal false claims, anti-kickback violations, money laundering, and aggravated identity theft.⁵ The majority of the allegations involve Medicare billing that the defendant fraudulently submitted for medically unnecessary services or services never actually performed.⁶ For example, a Detroit-area podiatrist was charged with billing 18 toenail removal procedures for a single patient, and a Brooklyn proctologist was accused of breaking up procedures into smaller charges in an attempt to bill more to Medicare.⁷ An investigation into a Houston physical-therapy practice alleged that patients were given financial kickbacks in exchange for their Medicare and Medicaid information, which the practice subsequently used to bill for fictitious physical therapy services.⁸ The Strike Force also discovered inappropriate kickbacks in Dallas and Miami, where 53 defendants purportedly enticed patients to accept unnecessary home-health services and then billed the government for those services.⁹ Enforcement officials made arrests in over 30 additional schemes in Los Angeles, Tampa, and Baton Rouge.¹⁰

According to HHS Secretary Kathleen Sebelius, the fraudulent activities from the February 17 takedown alone represented approximately one-fourth of the \$4 billion taxpayer dollars recovered from anti-fraud and abuse efforts in 2010.¹¹ On the same day as the takedown, Secretary Sebelius announced that the seven-

city Strike Force will expand its operations to the large metropolitan areas of Chicago and Dallas in 2011.¹²

¹ "Medicare Fraud Strike Force Charges 111 Individuals for More Than \$225 Million in False Billing and Expands Operations to Two Additional Cities" U.S. Department of Health and Human Services, Press Release, February 17, 2011, <http://www.hhs.gov/news/press/2011pres/02/20110217a.html>, (Accessed 2/21/11).

² "Medicare Fraud Strike Force Takes Down 111 Individuals for More Than \$225 Million in Fraud Schemes" American Health Lawyers Association, Vol. IX, No. 7, February 18, 2011.

³ "Medicare Strike Force Expands Operations," <http://www.stopmedicarefraud.gov/heatsuccess/taskforces.html> (Accessed 03/15/11)

⁴ "Medicare-Fraud Suspects Arrested as U.S. Expands Task Force in Crackdown" By Justin Blum, Bloomberg News, February 17, 2011, <http://www.bloomberg.com/news/2011-02-17/medicare-fraud-suspects-are-said-to-be-arrested-as-u-s-expands-task-force.html> (Accessed 2/21/11).

⁵ "Medicare Fraud Strike Force Takes Down 111 Individuals for More Than \$225 Million in Fraud Schemes" American Health Lawyers Association, Vol. IX, No. 7, February 18, 2011.

⁶ "Medicare Fraud Strike Force Charges 111 Individuals for More Than \$225 Million in False Billing and Expands Operations to Two Additional Cities", Press Release, U.S. Department of Health and Human Services, February 17, 2011, <http://www.hhs.gov/news/press/2011pres/02/20110217a.html>, (Accessed 2/21/2011).

⁷ "Medicare-Fraud Crackdown Corrals 114" Mark Schoofs, et al., Wall Street Journal, February 18, 2011, <http://online.wsj.com/article/SB10001424052748704657704576150293189313156.html> (Accessed 2/21/11).

⁸ "Medicare-Fraud Crackdown Corrals 114" Mark Schoofs, et al., Wall Street Journal, February 18, 2011, <http://online.wsj.com/article/SB10001424052748704657704576150293189313156.html> (Accessed 2/21/2011).

⁹ "Medicare-Fraud Crackdown Corrals 114" Mark Schoofs, et al., Wall Street Journal, February 18, 2011, <http://online.wsj.com/article/SB10001424052748704657704576150293189313156.html> (Accessed 2/21/11).

¹⁰ "Medicare-Fraud Crackdown Corrals 114" Mark Schoofs, et al., Wall Street Journal, February 18, 2011, <http://online.wsj.com/article/SB10001424052748704657704576150293189313156.html> (Accessed 2/21/11).

¹¹ "Health Care Fraud Prevention and Enforcement Efforts Recover Record \$4 Billion; New Affordable Care Act Tools Will Help Fight Fraud" U.S. Department of Health and Human Services, Press Release, January 24, 2011, <http://www.hhs.gov/news/press/2011pres/01/20110124a.html> (Accessed 2/21/11).

¹² "Medicare Fraud Strike Force Charges 111 Individuals for More Than \$225 Million in False Billing and Expands Operations to Two Additional Cities" U.S. Department of Health and Human Services, Press Release, February 17, 2011, <http://www.hhs.gov/news/press/2011pres/02/20110217a.html> (Accessed 2/21/11).



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