



Department of Justice

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Justice Department Announces Nationwide Coordinated Law Enforcement Action to Combat COVID-19 Health Care Fraud

Criminal Charges Brought Against Medical Professionals, Owners of Medical Businesses, and Others for a Variety of COVID-19 Fraud Schemes with False Billings Exceeding \$490 Million

The Department of Justice today announced criminal charges against 18 defendants in nine federal districts across the United States for their alleged participation in various fraud schemes involving health care services that exploited the COVID-19 pandemic and allegedly resulted in over \$490 million in COVID-19 related false billings to federal programs and theft from federally funded pandemic programs.

In connection with the enforcement action, the department seized over \$16 million in cash and other fraud proceeds. The Center for Program Integrity of the Centers for Medicare & Medicaid Services (CPI/CMS) separately announced today that it took adverse administrative actions in the last year against 28 medical providers for their alleged involvement in COVID-19 schemes.

“The Justice Department will not tolerate those who exploited the pandemic for personal gain and stole taxpayer dollars,” said Attorney General Merrick B. Garland. “This unprecedented enforcement action against defendants across the country makes clear that the Department is using every available resource to combat and prevent COVID-19 related fraud and safeguard the integrity of taxpayer-funded programs.”

“Today’s announcement marks the largest-ever coordinated law enforcement action in the United States targeting health care fraud schemes that exploit the COVID-19 pandemic,” said Assistant Attorney General Kenneth A. Polite, Jr. of the Justice Department’s Criminal Division. “The Criminal Division’s Health Care Fraud Unit and our partners are committed to rooting out pandemic-related fraud and holding accountable anyone seeking to profit from a public health emergency.”

Today’s announcement builds on the successes of [the April 2022 COVID-19 Enforcement Action](#) and [the May 2021 COVID-19 Enforcement Action](#) and involves the prosecution of various COVID-19 health care fraud schemes.

“The charges announced today demonstrate the FBI’s, along with its partner’s, commitment to ensuring that COVID-19 health care fraud does not go unpunished,” said Assistant Director Luis Quesada of the FBI’s Criminal Investigative Division. “During the Covid pandemic, programs were put in place to help the American people, and we will continue to ensure that the individuals that took advantage of those programs face justice.”

In one of the most significant types of COVID-19 health care fraud schemes announced today, multiple defendants were charged with defrauding the Health Resources and Services Administration (HRSA) COVID-19 Uninsured Program. The Uninsured Program was designed to prevent the further spread of the pandemic by providing access to uninsured patients for testing and treatment. The Uninsured Program was also designed to provide financial support to

health care providers fighting the COVID-19 pandemic by reimbursing them for services provided to uninsured individuals. The Uninsured Program ultimately ceased operating due to the exhaustion of funding.

“Exploiting the COVID-19 pandemic and viewing the public health emergency as an opportunity to steal money and resources from federal health care programs shows a clear disregard for the well-being and safety of those who rely on government-funded health care services,” said Inspector General Christi A. Grimm of the Department of Health and Human Services Office of Inspector General (HHS-OIG). “As today’s enforcement action demonstrates, HHS-OIG and our partners remain steadfast in our commitment to protecting critical public health measures from fraud.”

In the Central District of California, a lab owner was charged for allegedly submitting over \$358 million in false and fraudulent claims to Medicare, HRSA, and a private insurance company for laboratory testing. The indictment alleges that the defendant’s lab performed COVID-19 screening testing for nursing homes and other facilities with vulnerable elderly populations, as well as primary and secondary schools. But to increase its reimbursements, the defendant allegedly fraudulently added claims for respiratory pathogen panel tests even though ordering providers and facility administrators did not want or need them. Also in the Central District of California, a medical doctor was charged for allegedly orchestrating an approximately \$230 million fraud on the Uninsured Program. The doctor was the second highest biller in the country to the Uninsured Program, and he allegedly submitted fraudulent claims for treatment of patients who were insured, billed for services that were not rendered, and billed for services that were not medically necessary. He allegedly used over \$100 million in fraud proceeds for high-risk options trading. The doctor is also charged with two other individuals for allegedly submitting over 70 fraudulent loan applications through the Paycheck Protection Program (PPP) and Economic Injury Disaster Loan (EIDL) Program and fraudulently obtaining over \$3 million in loan funds.

“I am proud of the successful partnership of the CMS, the Department of Justice, and the U.S. Department of Health and Human Services Office of Inspector General to combat fraud, waste, and abuse in federal programs,” said CMS Administrator Chiquita Brooks-LaSure. “It is particularly offensive to discover individuals who took advantage of the pandemic to defraud the government. CMS will continue to aggressively investigate COVID-19-related fraud and has already taken actions against 28 providers to protect the sustainability of the Medicare program.”

The announcement also includes first-of-their-kind charges against suppliers of COVID-19 over-the-counter tests, which Medicare began to cover in April 2022 for beneficiaries who requested them. These kits were provided to the public to slow the spread of the deadly disease, but wrongdoers allegedly sought to exploit the program by repeatedly supplying patients or, in some instances, deceased patients, with dozens of COVID-19 tests that they did not want or need. In the Middle District of Florida, a doctor and a marketer were charged for allegedly unlawfully purchasing Medicare beneficiary identification numbers and shipping over-the-counter tests to beneficiaries throughout the country who did not request the tests, causing over \$8.4 million in fraudulent claims to Medicare.

Charges were also brought under the Health Care Fraud Unit’s Provider Relief Fund (PRF) Initiative. The PRF is part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, a federal law enacted in March 2020 that provided financial assistance to medical providers to deliver needed medical care to Americans suffering from COVID-19. In the Eastern District of Louisiana, the operator of a primary care clinic and purported spa was charged with allegedly submitting fraudulent loan agreements, attestations, and other documentation from which she received over \$1.1 million in PRF and EIDL funds that were used to purchase real estate, luxury vehicles, a boat, a trailer, a time share, and luxury vacations, among other expenditures. In total, 12 defendants have been charged with crimes related to misappropriating funds intended for frontline medical providers, and seven have pleaded guilty.

The law enforcement action also includes charges against manufacturers and distributors of fake COVID-19 vaccination record cards, who intentionally sought to obstruct the Department of Health and Human Services (HHS) and Centers for Disease Control and Prevention (CDC) in their efforts to administer the nationwide vaccination program and provide Americans with accurate proof of vaccination. In the Eastern District of New York, three medical professionals who worked at a small midwife practice were charged for allegedly distributing nearly 2,700 forged COVID-19 vaccination record cards to individuals who were not vaccinated. Instead of administering the COVID-19 vaccine, the defendants allegedly destroyed vials of COVID-19 vaccines that were intended to be used to inoculate patients. Despite being a small midwife practice, it was one of the busiest vaccination sites in New York State, outpacing large, state-run vaccination sites. In the District of Utah, two individuals were charged for allegedly manufacturing and selling online

approximately 120,000 counterfeit COVID-19 vaccination record cards across the country, especially in areas that were subject to more stringent COVID-19 vaccine restrictions.

Today's enforcement action was led and coordinated by Assistant Chiefs Justin M. Woodard and Debra Jaroslawicz and Trial Attorney D. Keith Clouser of the Criminal Division's Fraud Section. The Health Care Fraud Unit's Strike Forces in Brooklyn, the Gulf Coast, Los Angeles, and Tampa; the National Rapid Response Strike Force; and the U.S. Attorneys' Offices for the Central District of California, Middle District of Florida, Eastern District of Louisiana, Middle District of Louisiana, Western District of Louisiana, Eastern District of New York, District of Puerto Rico, District of Utah, and Western District of Washington are prosecuting these cases, with assistance from the Health Care Fraud Unit's Data Analytics Team. Descriptions of each case involved in today's enforcement action are available on the department's website at www.justice.gov/criminal-fraud/health-care-fraud-unit/2023-case-summaries.

In addition to the FBI and HHS-OIG, the Small Business Administration Office of Inspector General, Defense Criminal Investigative Service, Internal Revenue Service Criminal Investigation, Treasury Inspector General for Tax Administration, Homeland Security Investigations, Department of Homeland Security Office of Inspector General, Department of Defense Office of Inspector General, AMTRAK Office of Inspector General, California Department of Health Care Services, and other federal and state law enforcement agencies participated in the law enforcement action.

The Health Care Fraud Strike Force is part of a joint initiative between the Department of Justice and HHS to prevent and deter health care fraud and enforce current anti-fraud laws around the country. In the past three years, the Health Care Fraud Strike Force has rooted out health care fraud related to the COVID-19 pandemic. To date, 53 defendants have been charged in nationwide COVID-19 Health Care Fraud Enforcement Actions for causing over \$784 million in loss associated with the pandemic, and 20 defendants have been convicted.

On May 17, 2021, the Attorney General established the COVID-19 Fraud Enforcement Task Force to marshal the resources of the Department of Justice in partnership with agencies across government to enhance efforts to combat and prevent pandemic-related fraud. The Task Force bolsters efforts to investigate and prosecute the most culpable domestic and international criminal actors and assists agencies tasked with administering relief programs to prevent fraud by, among other methods, augmenting and incorporating existing coordination mechanisms, identifying resources and techniques to uncover fraudulent actors and their schemes, and sharing and harnessing information and insights gained from prior enforcement efforts. For more information on the department's response to the pandemic, please visit www.justice.gov/coronavirus.

The Department of Justice needs the public's assistance in remaining vigilant and reporting suspected fraudulent activity. To report suspected fraud, contact the National Center for Disaster Fraud (NCDF) at (866) 720-5721 or file an online complaint at www.justice.gov/disaster-fraud/webform/ncdf-disaster-complaint-form. Complaints filed will be reviewed at the NCDF and referred to federal, state, local, or international law enforcement or regulatory agencies for investigation.

An indictment, complaint, or information is merely an allegation. All defendants are presumed innocent until proven guilty beyond a reasonable doubt in a court of law.

Topic(s):

Coronavirus
Financial Fraud
Health Care Fraud

Component(s):

Criminal Division
Criminal - Criminal Fraud Section
Federal Bureau of Investigation (FBI)
Office of the Attorney General
USAO - California, Central
USAO - Florida, Middle
USAO - Louisiana, Eastern
USAO - Louisiana, Middle

USAO - Louisiana, Western
USAO - New York, Eastern
USAO - Puerto Rico
USAO - Utah
USAO - Washington, Western

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