



LEGAL UPDATES

Nearly 200 Health Care Providers Charged in Aggressive Enforcement Action by DOJ Health Care Fraud Strike Force Alleging Schemes Totaling \$2.75 Billion

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The Department of Justice announced one of its most aggressive and wide-ranging enforcement actions to date, a coordinated two-week operation spanning 32 federal districts. The orchestrated effort involved the FBI, HHS-OIG, DEA, Homeland Security as well as dozens of U.S. Attorneys' Offices, State Attorney General's Offices and other federal and state law enforcement agents. The arrests included the extreme step of seizing cash, vehicles, gold and other assets from licensed medical professionals to recoup the government's alleged losses.

A number of schemes are alleged in the sweeping indictments charging various health care service providers, including:

- A digital technology company and its affiliated treatment company were charged for the unlawful distribution of millions of Adderall pills, an increasing popular ADHD medication, alleging that providers refilled prescriptions without appropriately visiting patients and in turn enabled addiction to and overdoses from use of the stimulants.
- A pharmaceutical drug distributor was charged with introducing adulterated and misbranded HIV drugs. The drugs were allegedly purchased through unlawful "buyback" schemes in which previously dispensed prescription drugs were bought from patients and then resold to pharmacies with falsified documentation to conceal that the drugs were previously distributed and purchased illegally.
- An addiction treatment center and its individual professionals were prosecuted for illegal kickbacks for referrals of vulnerable patients. The addiction centers then billed for addiction treatment services that were either never provided or were alleged to be so substandard that the services failed to meet any treatment purpose.
- Dozens of defendants were charged in telemedicine schemes, continuing the government's scrutiny of telemedicine services. Among other alleged telemedicine schemes, several prosecutions in various federal districts alleged illegal kickbacks from laboratory owners to telemedicine companies for the referral of unnecessary genetic testing. The government alleged that the

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genetic tests, which could identify risks for cancer, heart disease and other serious illnesses, were not used in the patients' treatment.

- Additional charges include prosecutions involving the prescriptions of opioids, showing the government's ongoing intention to seek criminal penalties for health care professional involved in the distribution of prescription opioids.
- In addition to the 193 health care providers and executives involved in the criminal enforcement, the Centers for Medicaid and Medicare Services (CMS) has separately taken adverse administrative actions in the last six months against 127 medical providers for their alleged involvement in health care fraud.

As U.S. government health care expenditures continue to grow, government scrutiny on providers increases, with ever more aggressive criminal and civil prosecution tactics.

Lathrop GPM's White-Collar Defense & Investigations Team and Health Care Litigation Team have vast experience defending businesses, medical professionals and executives in health care fraud investigations, prosecutions and administrative actions. Our experience includes identifying potential compliance program enhancements through targeted risk assessments to help prevent future problems. And if issues, such as a whistleblower complaint, do arise we are skilled at conducting confidential internal investigations.

If you have questions about state or federal health care compliance audits, investigations or enforcement actions, please contact Kathleen Fisher Enyeart, Jackson Hobbs or your regular Lathrop GPM contact. Our White-Collar group also focuses on False Claims Act litigation, responding to State Attorney General investigations and a variety of other compliance work—including risk assessments.