

Publications

July 1, 2025 • Updates

DOJ Unveils Record-Breaking National Health Care Fraud Takedown

Key Takeaways

- DOJ's 2025 National Health Care Fraud Takedown was a record-breaking operation that resulted in criminal charges against 324 defendants and targeted schemes involving over \$14.6 billion in intended losses.
- The operation focused on major fraud areas, including transnational criminal organizations, the use of and billing for wound care products, opioid trafficking, and telemedicine and genetic testing fraud.
- DOJ announced its plan to leverage data analytics and AI to help root out fraudulent health care schemes through the creation of the Health Care Fraud Data Fusion Center.

On June 30, 2025, the Department of Justice (DOJ) announced the results of its 2025 National Health Care Fraud Takedown.¹ This record-breaking operation, coordinated by the Health Care Fraud Unit, led to criminal charges against 324 defendants across 50 federal districts and 12 state attorney general's offices. The schemes involved over \$14.6 billion in intended losses, with the government seizing more than \$245 million in assets, including cash, luxury vehicles and cryptocurrency. Additionally, the DOJ filed civil charges against 20 defendants for \$14.2 million in alleged fraud and reached civil settlements with 106 defendants totaling \$34.3 million. The Centers for Medicare and Medicaid Services (CMS) also reported preventing \$4 billion in fraudulent claims and revoking the billing privileges of 205 providers.

The takedown targeted several areas of health care fraud:

- **Transnational Criminal Organizations:** 29 defendants were charged in various cases for their roles in transnational criminal organizations alleged to have submitted over \$12 billion in fraudulent claims, including one instance where a defendant conspired with 41 substance abuse clinics to submit \$650 million in fraudulent claims for behavioral substance abuse treatment that was either never provided or was provided at a level that was so substandard that it failed to serve any treatment purpose. Additionally, two owners and executives of Pakistani marketing companies used artificial intelligence to falsify recordings of Medicare beneficiaries consenting to

Related People

- Ellen H. Persons
- Alexandra A. Beato

Related Capabilities

- Government Investigations
- Health Care

receive certain products. They also obtained confidential health information through theft and deceptive marketing and sold that information to laboratories and durable medical equipment (DME) companies, which then used the information to submit approximately \$703 million of fraudulent claims to Medicare.

- **Fraudulent Wound Care:** 7 defendants were charged in connection with fraudulent claims for amniotic wound allografts. The defendants allegedly targeted elderly patients, many of whom were receiving hospice care, and applied medically unnecessary grafts to those patients' wounds, resulting in approximately \$1.1 billion in fraudulent claims.
- **Prescription Opioid Trafficking:** 74 defendants, including licensed medical professionals, were charged in various cases for allegedly illegally diverting over 15 million prescription opioid pills and other controlled substances. The Drug Enforcement Administration (DEA) simultaneously announced it had charged 93 administrative cases seeking to revoke the authority of select pharmacies, practitioners and companies as it relates to their ability to handle and prescribe controlled substances.
- **Telemedicine and Genetic Testing Fraud:** 49 defendants were charged in various cases for allegedly submitting over \$1.17 billion in fraudulent telemedicine and genetic testing claims. This included a \$46 million scheme in the Southern District of Florida where the owner of telemedicine companies targeted beneficiaries through deceptive telemarketing campaigns and then submitted fraudulent claims for durable medical equipment.
- **Other Health Care Fraud Schemes:** 170 defendants were charged in various cases for fraudulent claims totaling \$1.84 billion. This included allegedly fraudulent claims for diagnostic testing, medical visits and treatments that were never provided to the beneficiaries, were medically unnecessary or were tainted by kickbacks and bribes.

This record-breaking takedown more than doubled the DOJ's previous annual health care fraud crackdown of \$6 million, underscoring the DOJ's unwavering commitment to combating health care fraud, particularly in areas where providers are perceived to be exploiting program vulnerabilities, such as telehealth, DME and laboratory testing. The DOJ announced it would be creating a Health Care Fraud Data Fusion Center for leveraging cloud computing, artificial intelligence and advanced data analytics to identify health care fraud schemes. Health care providers, suppliers and executives should consider reassessing compliance programs, reviewing compensation structures, conducting proactive audits and generally preparing for increased scrutiny and investigative activity under this administration.

Polsinelli's Government Investigations attorneys have extensive experience with health care fraud investigations and are prepared to assist with compliance or any potential enforcement action.

[1] <https://www.justice.gov/criminal/criminal-fraud/2025-national-health-care-fraud-takedown>