

DOJ Fraud Section Issues 2020 Report

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The Fraud Section of the United States Department of Justice (DOJ) issued its [2020 Year in Review report](#). It notes that the Fraud Section has three litigating units focused on investigating and prosecuting complex white-collar crime: (1) Health Care Fraud (HCF); (2) Foreign Corrupt Practices Act (FCPA); and (3) Market Integrity and Major Frauds (MIMF).

It is noteworthy that half of the Fraud Section's prosecutors are assigned to the HCF Unit, which focuses on the prosecution of complex health care fraud matters and cases involving the illegal prescription, distribution, and diversion of opioids. In 2020, the HCF Unit brought charges against 167 individuals; this was approximately half the number of individuals charged in 2019, but the total dollar amounts of alleged losses were similar (from \$4.11 billion in 2019 to \$3.77 billion in 2020). Significant initiatives of the HCF Unit focused on matters related to the opioid epidemic, multi-jurisdictional health care fraud, telemedicine, the COVID-19 pandemic, and the substance abuse treatment industry.

Prosecuting illegal opioid prescription, diversion, and distribution remains one of the HCF Unit's highest priorities. The report highlights the work of the Appalachian Regional Prescription Opioid (ARPO) Strike Force, which focuses on prosecutions of medical professionals. Since 2019, the ARPO has brought charges against 86 individuals, including 65 licensed medical professionals. The report provides examples of cases that involved physicians who unlawfully distributed opioids without legitimate medical purposes.

The HCF Unit began leading a major initiative to combat telemedicine fraud in 2019. In 2020, the Unit (in partnership with the United States Attorney's Office) charged 80 defendants, resulting in over \$4 billion in false and fraudulent claims related to telemedicine. The report highlights the conviction of a telemedicine company owner who admitted to paying kickbacks and bribes to physicians for purported telemedicine consultations. The defendant then sold the resulting orders for medically unnecessary equipment to various durable medical equipment companies in exchange for kickbacks. The defendant is now awaiting sentencing.

In addition, the HCF Unit leads a COVID-19 fraud working group that includes federal law enforcement and public health agencies. The working group is expected to generate additional criminal prosecutions related to test bundling schemes, health care technology securities fraud, and Health Resources and Services Administration (HRSA) fraud. (The HRSA is the agency that manages provider reimbursement for COVID-19 testing and visits for uninsured patients.) The report highlights two prosecutions in this area. In one case, the defendant has been charged with securities fraud and conspiracy to commit health care fraud related to the submission of over

\$69 million in false and fraudulent claims for allergy and COVID-19 testing. Another case involves a laboratory test bundling scheme wherein Respiratory Pathogen Panel tests (which cannot test for COVID-19) were submitted along with COVID-19 tests for the sole purpose of increasing Medicare reimbursement rates. The defendant admitted to defrauding Medicare of approximately \$3 million and is awaiting sentencing.