



FEDERAL BUREAU OF INVESTIGATION



## WHITE COLLAR CRIME INVESTIGATIONS AND HEALTH CARE FRAUD



1



### COMMON CRIMINAL STATUTES IN WHITE COLLAR CRIME INVESTIGATIONS

- Wire Fraud (18 U.S.C. § 1343) & Mail Fraud (18 U.S.C. § 1341)
- Bank Fraud (18 U.S.C. § 1344)
- False Statements (18 U.S.C. § 1001)
- Health Care Fraud (18 U.S.C. § 1347)
- Federal Anti-Kickback Statute (42 U.S.C. § 1320a-7b)
- Controlled Substance Violations (21 U.S.C. § 841)
- Conspiracy (18 U.S.C. § 371 and 21 U.S.C. § 846 )

2



## VENUE AND STATUTE OF LIMITATIONS

- Venue Considerations
  - Location/jurisdiction where the offense was committed
  
- Statute of Limitations
  - Five-year, seven-year, or ten-year statute of limitations, depending on offense.
  - Some conduct may “affect a financial institution” (18 U.S.C. § 3293), and thus be subject to a ten-year statute of limitations.

3



## EXAMPLES OF SCHEMES

- **COVID-19 Testing and Treatment Schemes:** Scammers are calling individuals claiming they are with the government and that they require people to take a COVID-19 test for public safety. They ask for personal and health insurance information, including Medicaid/Medicare numbers, and then they falsely bill government/private insurance plans for tests and procedures not performed. Additionally, criminals are contacting people through email, phone, and even in-person offering fake vaccines and treatments.
- **IRS Stimulus Check Scam:** Criminals, pretending to be IRS or government officials, are calling or emailing victims asking for personal and banking information to “ensure they receive their IRS stimulus check”.
- **Covid Test Kit Fraud:** FTC issues a warning in June 2023 (Public Health Emergency ended May 2023) about Medicare beneficiaries receiving unwanted Covid test kits in the mail, where kits are billed to Medicare.
- **Money Mules (Illegal Transmission of Money):** Criminals claim to be overseas U.S. service members or quarantined U.S. citizens and ask victims to send or receive money on behalf of themselves or a loved one battling COVID-19. This movement of funds allows criminals to better hide their illicit money.
- **Fake Charity Schemes:** Large scale crises frequently prompt criminals to solicit contributions for fake charitable organizations. Criminals will ask for contributions over crowdfunding platforms, email campaigns, or cold calls. Criminals will then steal the funds intended for charities and use them for personal or luxury items.

4



## NATIONAL PAYCHECK PROTECTION PROGRAM LOAN DATA

---

- As of May 31, 2021
- 11,823,594 Loans
- \$799,832,866,520 Approved / Issued
- Average loan size = \$68,000

5



## PAYCHECK PROTECTION PROGRAM LOAN DATA – ARKANSAS

---

- 102,039 Loans
- Approx \$5 Billion Approved / Issued
- Average loan size = \$49,000

6



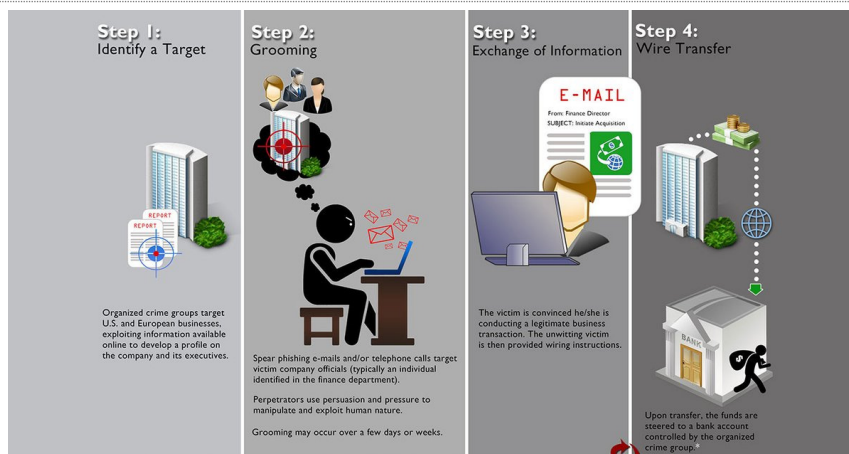
## INTERNET CRIME

- Business Email Compromise (BEC) 24% of losses
- Investment Scams 37% of losses
- Confidence/Romance Scams 5% of losses
- Tech Support 8% of losses

7



## BUSINESS EMAIL COMPROMISE



■ Business E-Mail Compromise Timeline  
 An outline of how the business e-mail compromise is executed by some organized crime groups

8



## FINANCIAL IMPLICATIONS OF INTERNET CRIME

- FBI (IC3) data on internet crime
  - \$6.9 Billion in 2021
  - \$10.2 Billion in 2022
  - \$12.5 Billion in 2023

Report internet crime to:

[www.ic3.gov](http://www.ic3.gov)

9



(UNCLASSIFIED)

## FBI HEALTH CARE FRAUD PROGRAM



10



(UNCLASSIFIED)

## OUR MISSION

*Protect the public by investigating, reducing, and preventing significant financial crimes and harm against individuals, businesses, and industries involved in the administration of America's health care system.*

11



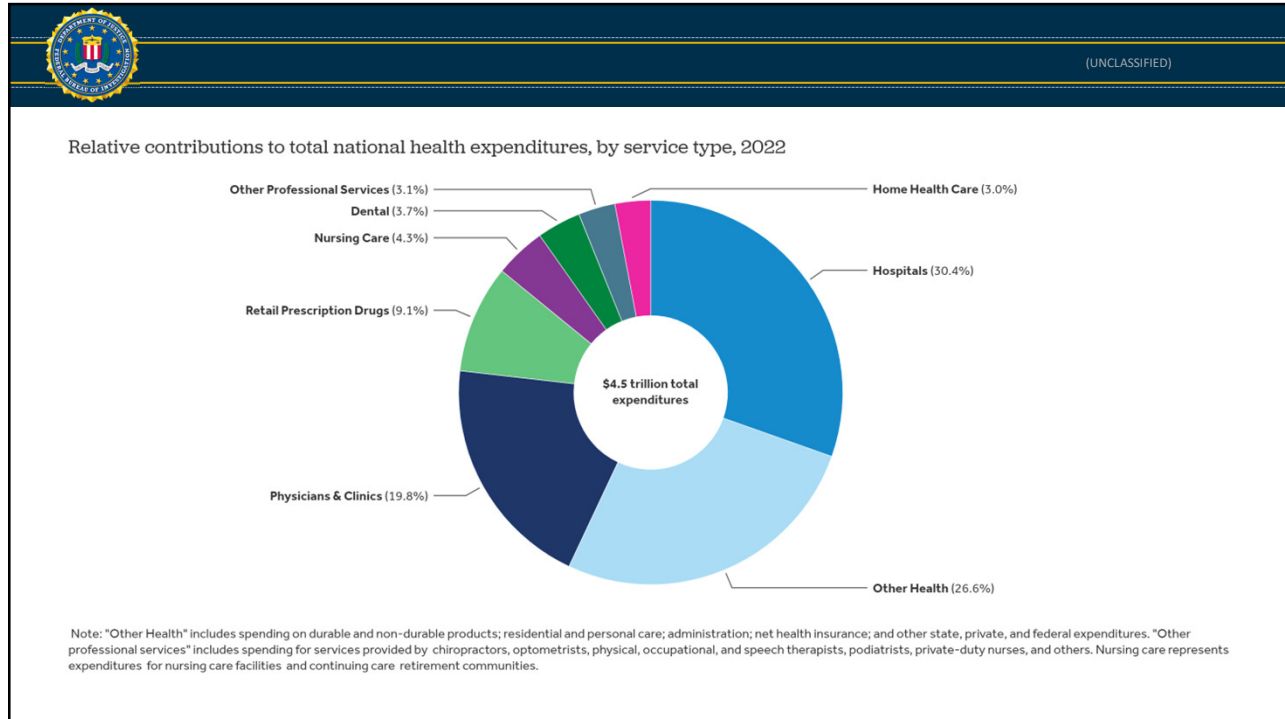
(UNCLASSIFIED)

## NATIONAL HEALTH EXPENDITURES

- In 2022, health care expenses in the US totaled \$4.5 trillion. This made up 17.3% of US GDP.
- Medicare and Medicaid spending totaled \$1.75 trillion



12



13

(UNCLASSIFIED)

### UNDERSTANDING THE THREAT: TODAY

- HCF continues to plague the U.S., with losses exceeding tens of billions annually.
- We all pay for Health Care Fraud:
  - ↑ Health insurance premiums
  - ↑ Copayments
  - ↑ Taxes
  - ↓ Benefits

14



(UNCLASSIFIED)

## COOPERATION & COORDINATION

- Health Insurance Portability and Accountability Act of 1996 (HIPAA) expressed intent that the U.S. Attorney General and the Secretary of Health and Human Services establish a program to coordinate the efforts of law enforcement and private insurers to combat health care fraud.
- In response, the Attorney General promulgated a statement of principles to guide federal agencies in carrying out this legislative objective.



15



(UNCLASSIFIED)

## COOPERATION AND COORDINATION: WHICH FEDERAL ENTITIES?

- U.S. Department of Health and Human Services - Office of Inspector General (OIG)
- U.S. Department of Justice - Fraud Section
- U.S. Department of Justice – Federal Bureau of Investigation
- U.S. Drug Enforcement Administration
- U.S. Food and Drug Administration – Office of Criminal Enforcement
- U.S. Department of Defense – OIG, Defense Criminal Investigative Service
- U.S. Centers for Medicare & Medicaid Services (CMS)
- Internal Revenue Service - Criminal Investigation
- U.S. Postal Inspection Service
- United States Secret Service
- U.S. Department of Labor
- U.S. Department of Veterans Affairs - OIG



16





(UNCLASSIFIED)

## COOPERATION & COORDINATION: PRIVATE SECTOR

- Health Insurance Portability and Accountability Act of 1996 (HIPAA) expressed intent that the U.S. Attorney General and the Secretary of Health and Human Services establish a program to coordinate the efforts of law enforcement and private insurers to combat health care fraud.
- In response, the Attorney General promulgated a statement of principles to guide federal agencies in carrying out this legislative objective.
  - *To the extent permitted by law and policy, investigative information will be shared with private insurers, and, in addition, private health plan personnel will be included on health care fraud task forces.*

17



(UNCLASSIFIED)

## OUR TEAM

- 56 Field Offices, 400 Smaller Offices, and 60 International Offices
- Currently, approximately 500 Special Agents and 330 Professional Staff are dedicated to investigating Health Care Fraud



18



(UNCLASSIFIED)

### IMPACT IN FISCAL YEAR 2022

---

- 809 HCF-related investigations initiated (DOJ)
- 680 HCF-related defendants charged
- 477 HCF-related convictions
- 1,288 pending civil HCF matters



(UNCLASSIFIED)

### IMPACT IN FY 2022

---

**\$1.6 billion**

Government Won or Negotiated HCF Judgments and Settlements

**\$1.7 billion**

Returned to the Federal Government or Paid to Private Persons





(UNCLASSIFIED)

## RED FLAGS/INDICATORS

- Submitting claims months after the date of service
- Submitting the same claims for every patient (Same procedures or diagnosis for every patient)
- Always billing for the most expensive level of service
- Billing for too many hours in a day
- Never taking any time off
- Billing for an unusual number of procedures

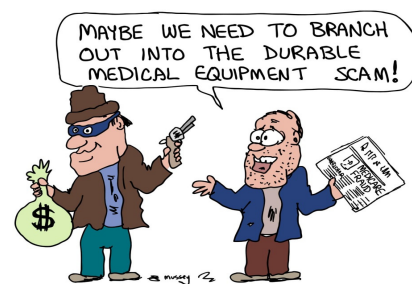
21



(UNCLASSIFIED)

## COMMON SCHEMES

- Billing for Services Not Rendered
- Excessive Services
- Unbundling of Services
- Upcoding of Services
- Double Billing
- Kickbacks on Government Sponsored Programs
- Billing for Medically Unnecessary Services
- Billing for Medically Unnecessary Durable Medical Equipment
- False Statements



22



(UNCLASSIFIED)

## ADDITIONAL SCHEMES

- Identity Theft – Selling Beneficiary (Patient) Lists
- Telehealth/Telemedicine
- Laboratory Fraud (Genetic Testing)
- COVID-19 Test Kits
- Compounding Pharmacies
- Pill Mills



23

# QUESTIONS



FEDERAL BUREAU OF INVESTIGATION

24