

FACT SHEET MEDICARE FRAUD STRIKE FORCES

The Medicare Fraud Strike Force supplements the criminal health care fraud enforcement activities of the U.S. Attorneys' Offices by targeting chronic fraud as well as emerging or migrating schemes perpetrated by criminals operating as health care providers or suppliers.

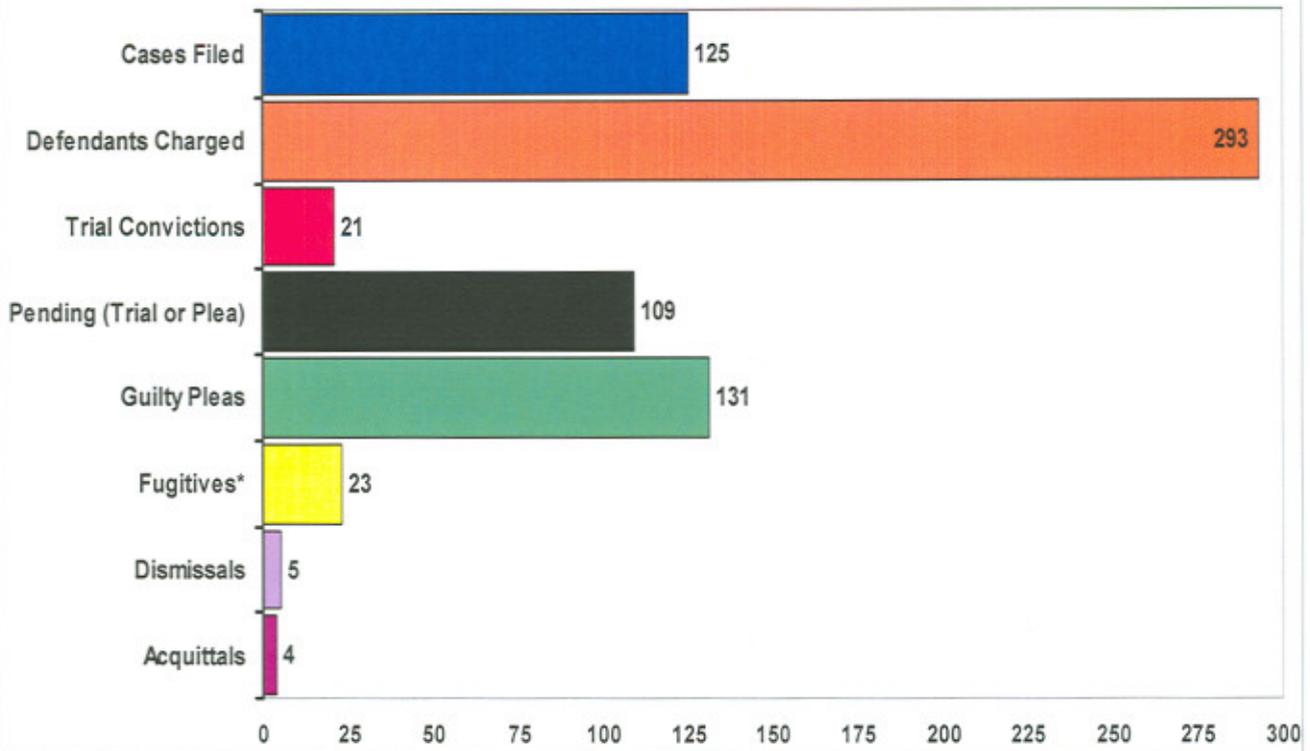
Formation:

- In March 2007, the Criminal Division's Fraud Section working with the local U.S. Attorneys' Offices, law enforcement partners in the Department of Health and Human Services (HHS), and state and local law enforcement agencies launched the Medicare Fraud Strike Force in Miami-Dade County, Fla., to prosecute individuals and entities that do not provide legitimate health care services, but exist solely for the purpose of defrauding Medicare and other government health care programs. DOJ and HHS expanded the Strike Force by rolling out a second phase in the Los Angeles metro area in March 2008, a third phase in the Detroit metro area in June 2009 and a fourth phase in the Houston metro area in July 2009.
- Strike Force prosecutions are "data driven" and target individuals and groups that are actively involved in ongoing fraud schemes. Assets purchased with the ill-gotten gains from these fraudulent activities – including homes, cars and equipment – are seized at the time of arrest and forfeiture of the criminal proceeds is sought in order to return stolen funds to the Medicare Trust Fund.
- Perpetrators are charged for engaging in criminal health care fraud conspiracies and all "relevant conduct" from the conspiracy is taken into consideration at sentencing. As a result, the average Strike Force prison sentences exceeded by 20 percent the overall national average sentence in federal health care fraud cases in 2008.
- Targeted providers have been associated with hundreds of millions of dollars in fraudulent claims submitted to Medicare for a number of schemes, including claims made for durable medical equipment (DME) supplies such as power wheelchairs and orthotics, "compound" medications for use with DME supplies (such as inhalers and nebulizers), HIV infusion clinics, enteral nutrition and feeding supplies, and fraudulent billing companies. Prosecutors have expanded the scope of targeted schemes to include fraudulent home health agencies, independent diagnostic testing facilities and physical and occupational therapy clinics.

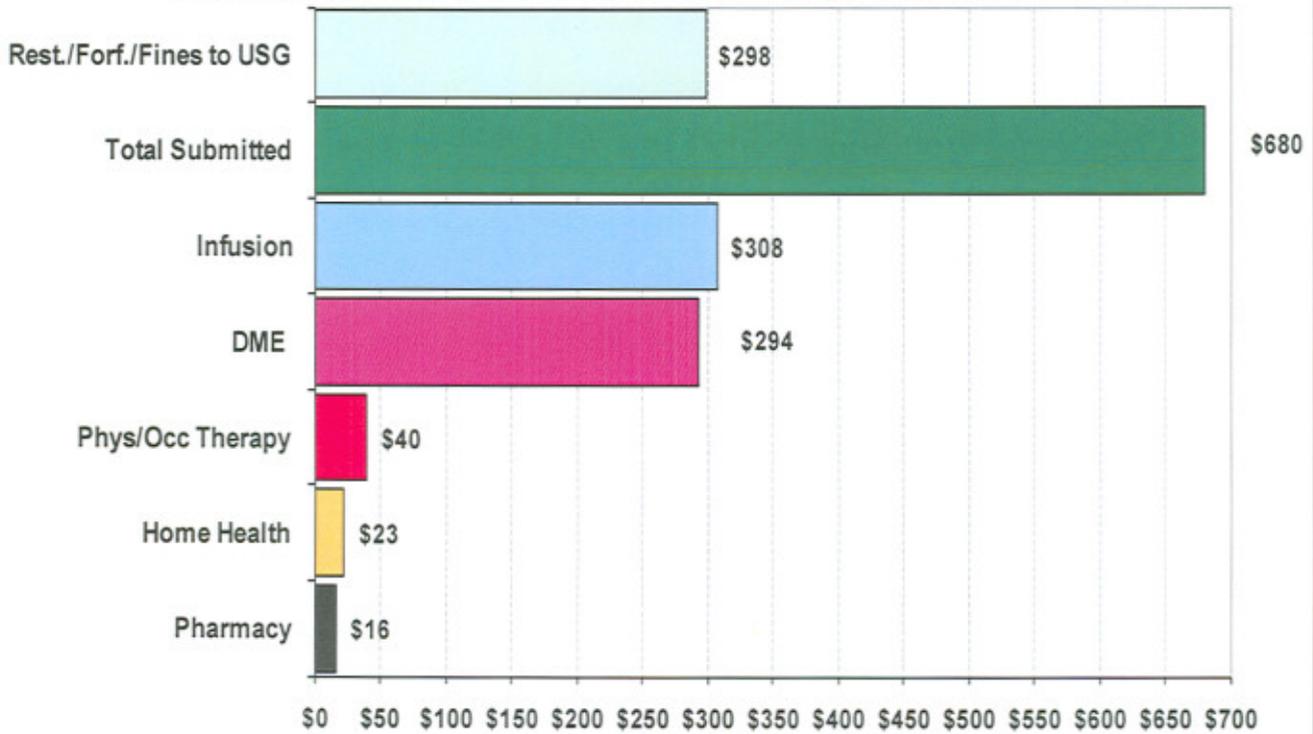
Key Accomplishments (to date):

- Strike Forces have secured nearly \$300 million in court-ordered restitution to the Medicare program in 125 cases involving 293 defendants who have been charged with a variety of criminal health care fraud offenses.
- 131 guilty pleas have been secured and 15 jury trials have taken place, resulting in guilty verdicts against 21 defendants
- 122 defendants have been sentenced to prison, with sentences ranging from four month to 30 years. The average length of sentence is 49 months. Since the Strike Force operations began in Miami-Dade County, there have been estimated reductions of \$1.75 billion in DME claim submissions and \$334 million in DME claims paid by Medicare. *(This is based on a 12-month before-vs.-after Strike Force operations comparison of Medicare claims submissions and payments in Miami-Dade Co., and does not specifically claim an exclusive cause and effect relationship.)*

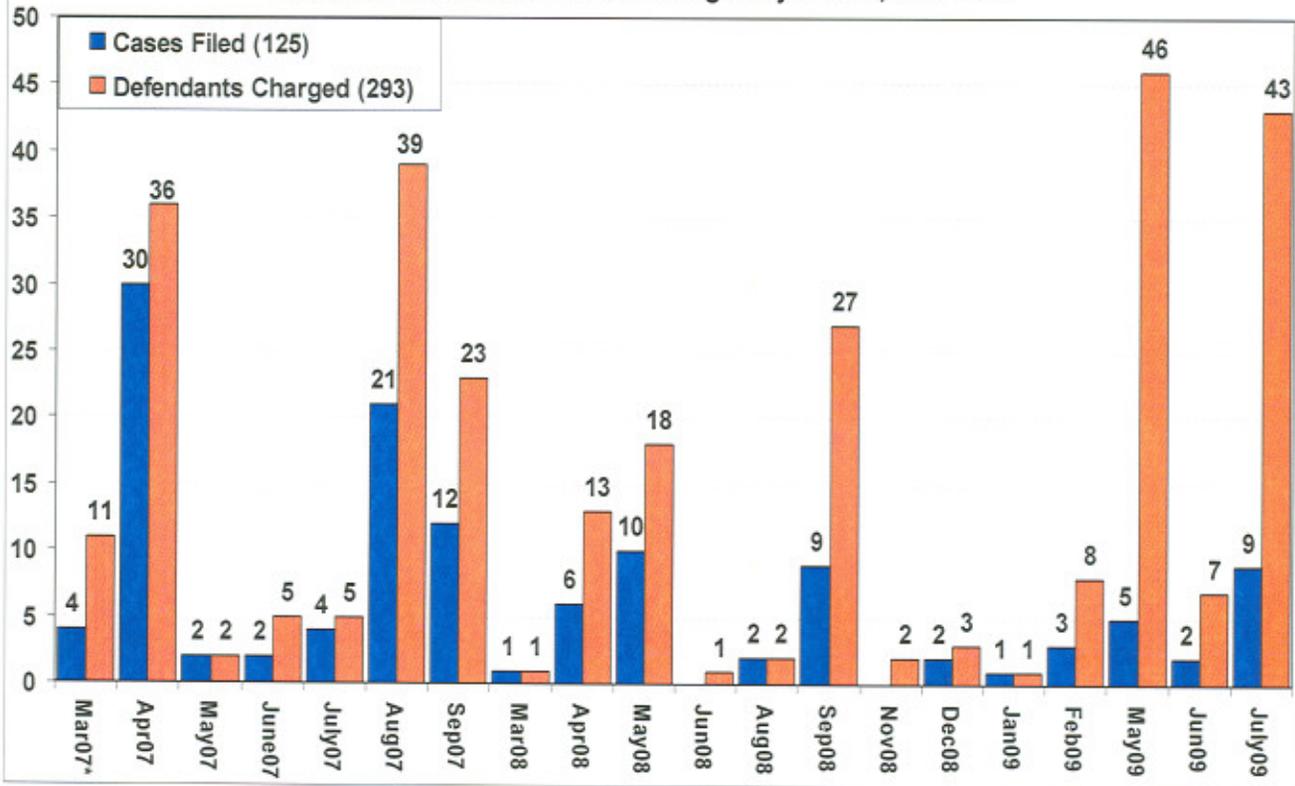
Graph 1: Total Medicare Fraud Strike Force Prosecutions (as of July 29, 2009)
 Phases 1 (Miami, FL); 2 (Los Angeles, CA); 3 (Detroit, MI); and 4 (Houston, TX)



Graph 2: Total Medicare Fraud Strike Force: Fraudulent Billings to Medicare & Medicaid and Court-Imposed Recoveries, as of July 29, 2009 (\$ in Millions)



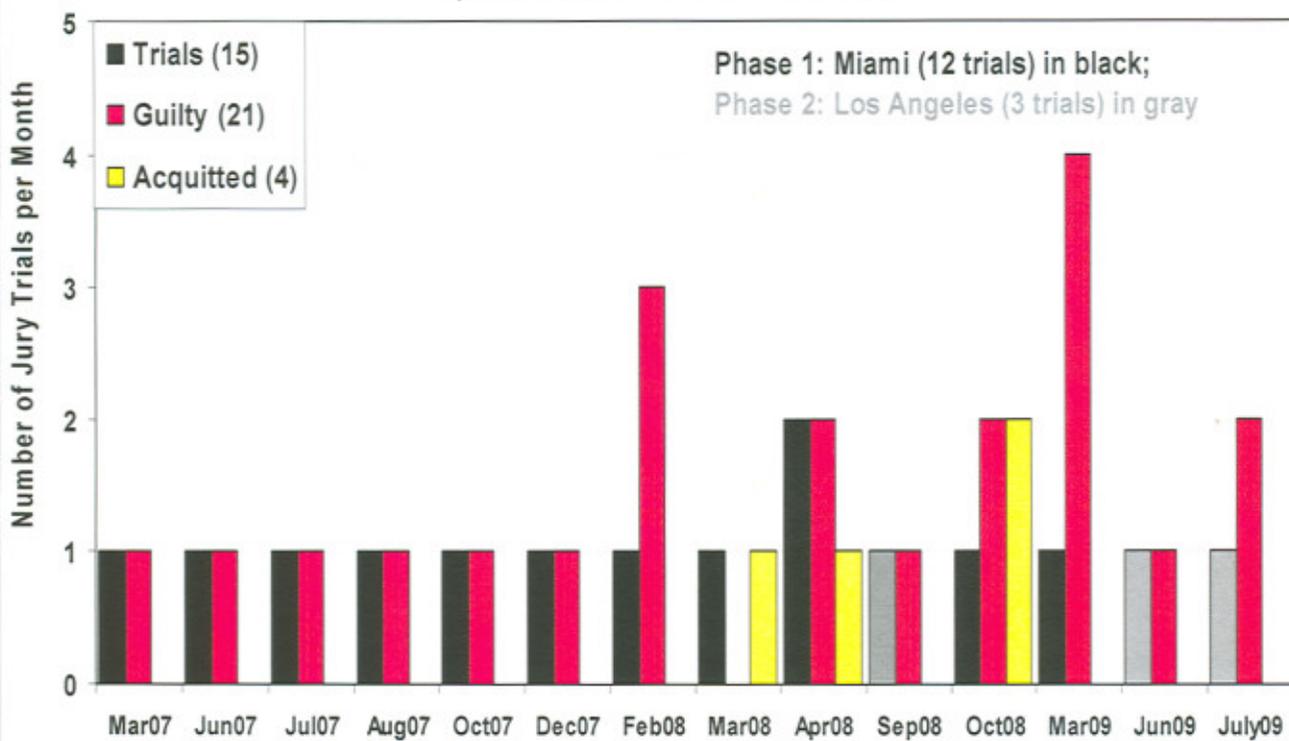
Graph 3: Total Medicare Fraud Strike Force (All Four Phases)
 Cased Filed and Defendants Charged by Month, 2007-2009



Graph 4: Medicare Fraud Strike Force (Phases 1 and 2)
 Guilty Pleas & Trial Convictions by Month, 2007-2009



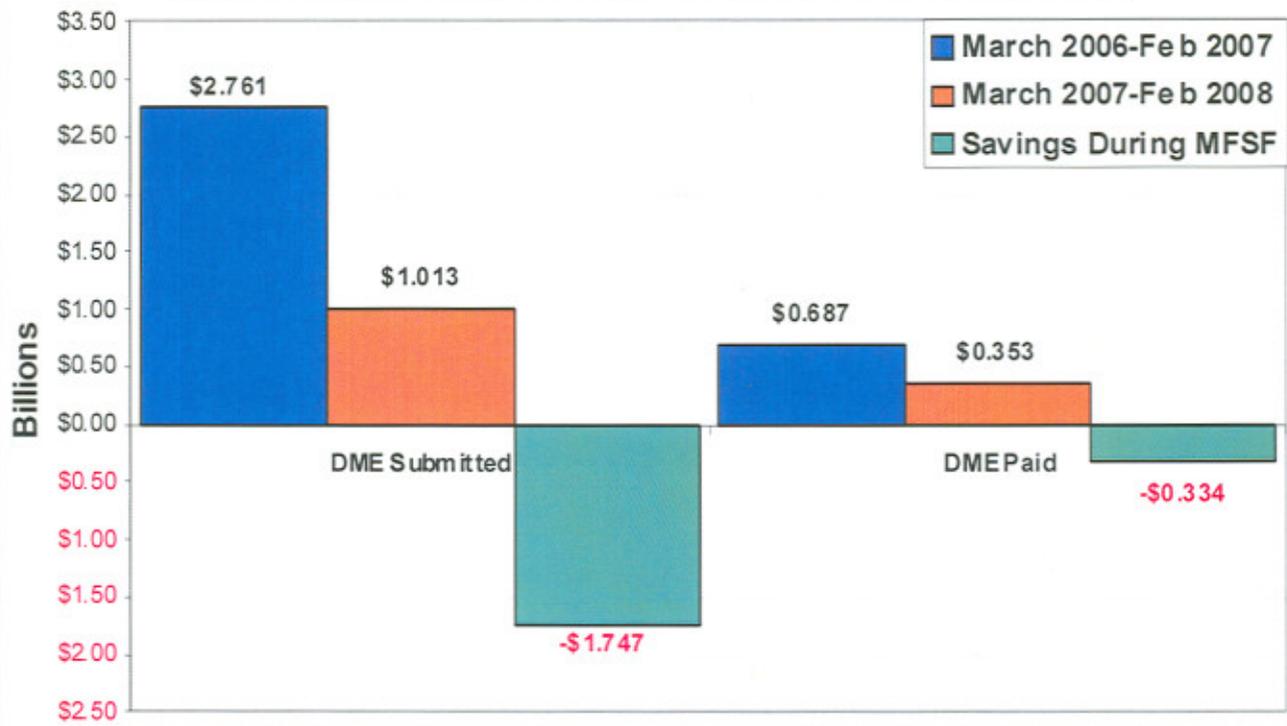
Graph 5: Medicare Fraud Strike Force
Jury Trials and Outcomes, 2007- 2009



Graph 6: Medicare Fraud Strike Force -- Number of Convicted Defendants Sentenced to Imprisonment or Probation (as of July 15, 2009)



Graph 7: DME Submitted & Paid in S/FL (Miami-Dade & Broward Cos) Since Medicare Fraud Strike Force vs Previous 12-Month Period



Graph 8: South Florida (Broward & Miami-Dade Co's) DME Claims to Medicare Part B, March 2006-February 2008 (\$ in Millions)

