CLIENT ALERTS & INSIGHTS

DOJ Strikes Again: Healthcare Fraud Enforcement Escalates as DOJ Deploys West Coast Strike Force

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Key Takeaways

- DOJ's emphasis on early detection and voluntary disclosure of healthcare fraud highlights the necessity of effective corporate compliance programs.
- Telehealth, digital health platforms, remote prescribing arrangements, and technology-driven billing models will face heightened scrutiny.
- Proactive investigative intervention will be critical, as expanded resources and larger investigative teams will accelerate case development.

On April 30, 2026, the U.S. Department of Justice ("DOJ") announced the creation of the West Coast Health Care Fraud Strike Force (the "Strike Force"), a new multidistrict enforcement initiative targeting health care fraud schemes across Arizona, Nevada, and Northern California. This launch follows DOJ's announcement on April 7, 2026, of the National Fraud Enforcement Division, "a robust litigating division capable of reaching any fraud-large or small-perpetrated against taxpayer dollars." [1] The Strike Force represents a significant expansion of federal prosecutorial resources and signals intensified scrutiny of health care providers, digital health companies, and executives operating in the western United States.

Strike Force Overview

The Strike Force unites DOJ's Health Care Fraud Section and U.S. Attorneys' Offices in the Districts of Arizona, Nevada, and Northern California, including close collaboration with the Federal Bureau of Investigation ("FBI"), Department of Health and Human Services ("HHS"), Drug Enforcement Administration ("DEA"), and other law enforcement agencies. The Strike Force will be staffed by at least ten prosecutors from DOJ's Fraud Division, acting as a "force multiplier for these U.S. Attorneys' Offices[.]"[2] DOJ emphasized that the Strike Force model is data-driven and has historically been one of its most effective enforcement tools, responsible nationally for prosecuting more than 6,200 defendants and uncovering over $45 billion in allegedly fraudulent billings to federal healthcare programs and private insurers.

This Strike Force will utilize data analytics, federal resources, inter-agency intelligence, and coordinated enforcement efforts to target healthcare fraud schemes in the Western States. Colin McDonald, the Assistant Attorney General for the National Fraud Enforcement Division stated the Strike Force reflects a "sharper focus, expanded resources, cutting edge data analytics, and the full weight of this Department's commitment to protecting you, the American taxpayer."[3]

According to DOJ and local U.S. Attorneys' Offices, data revealed a recent shifting of fraud schemes in the Western States. Last year, DOJ prosecuted owners of several Arizona wound graft companies for a $1.2 billion healthcare fraud scheme targeting Medicare and Medicaid.[4] DOJ further noted a significant increase in technology-driven healthcare fraud schemes. For example, in November 2025, the CEO and Chief Medical Officer of a digital technology company were convicted in the Northern District of California for a $100 million healthcare fraud scheme.[5]

For healthcare providers, digital health companies, and others operating in the sector, the message is clear: DOJ is intensifying its focus on data-driven, coordinated enforcement-with heightened criminal and civil exposure.

Implications for Healthcare Companies and Executives

The announcement underscores several compliance and governance risks for organizations operating in the healthcare sector:

- Increased Cross-Agency Coordination: Parallel criminal, civil, and administrative investigations are more likely, increasing exposure across False Claims Act, Anti-Kickback Statute, and securities laws.
- Executive and Board Scrutiny: DOJ highlighted recent cases involving C-suite executives and company founders, reinforcing the focus on individual accountability.
- Digital Health Exposure: DOJ characterized Silicon Valley as "ground zero" for technology-driven healthcare fraud, signaling close attention to telehealth platforms and digital prescribing models.

The DOJ announcement also referenced the Department's corporate enforcement and voluntary self-disclosure policies, emphasizing incentives for companies to timely disclose misconduct, cooperate with investigations, and remediate compliance failures.

Conclusion

In 2025, DOJ's Health Care Fraud Unit had a record-setting year, charging 324 defendants in connection with over $14.6 billion in alleged fraud.[6] DOJ continued its aggressive stance against healthcare fraud in 2026 by consolidating resources and operations into the newly formed National Fraud Enforcement Division, a "comprehensive and coordinated approach to investigating and prosecuting fraud against taxpayer dollars and taxpayer-funded programs."[7] The rapid expansion of this division points to a sustained period of heightened investigative activity. Healthcare entities and individuals operating in Arizona, Nevada, and Northern California should expect faster-moving cases and more aggressive charging decisions. Other regions should pay close attention to the progression of healthcare fraud prosecutions, as it may signal the next target for implementing an additional Strike Force.

Benesch's White Collar, State Attorneys General, and Healthcare groups continue to monitor these developments and advise clients on proactive compliance reviews, risk assessments, audit response strategies, and enforcement preparedness. The collective experience and expertise of these teams means that Benesch clients receive quick and cogent advice that will help your company stay off the Strike Force's radar.

If you have questions regarding how the new Strike Force may affect your organization, or would like assistance in assessing specific risk areas, Benesch is here to help.

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[1] Memorandum, Acting Attorney General Todd Blanche, DOJ, "Creation of the National Fraud Enforcement Division" (Apr. 7, 2026), available at: https://www.justice.gov/ag/media/1435311/dl?inline; *see also* Darden, et al., *The Devil is in the Details: DOJ Provides New Insights Regarding National Fraud Enforcement Division's Priorities* (Apr. 23, 2026), https://www.beneschlaw.com/insight/the-devil-is-in-the-details-doj-provides-new-insights-regarding-nation

[2] Speech, Colin McDonald, Assistant Attorney General (AAG), *Assistant Attorney General Colin McDonald Announces New West Coast Strike Force* (Apr. 30, 2026), available at: https://www.justice.gov/opa/speech/assistant-attorney-general-colin-mcdonald-announces-new-west-coas

[3] Speech, Colin McDonald, Assistant Attorney General (AAG), *Assistant Attorney General Colin McDonald Announces New West Coast Strike Force* (Apr. 30, 2026), available at: https://www.justice.gov/opa/speech/assistant-attorney-general-colin-mcdonald-announces-new-west-coas

[4] Press Release, DOJ, *Wound Graft Company Owners Sentenced for $1.2B Health Care Fraud and Agree to Pay $309M to Resolve Civil Liability Under the False Claims Act* (Dec. 12, 2025), available at: https://www.justice.gov/opa/pr/wound-graft-company-owners-sentenced-12b-health-care-fraud-and-agree

[5] Press Release, DOJ, *Founder/CEO and Clinical President of Digital Health Company Convicted in $100M Adderall Distribution and Health Care Fraud Scheme* (Nov. 19, 2025), available at: https://www.justice.gov/opa/pr/founderceo-and-clinical-president-digital-health-company-convicted-100m-

[6] Press Release, DOJ, *National Health Care Fraud Takedown Results in 324 Defendants Charged in Connection with Over $14.6 Billion in Alleged Fraud* (June 30, 2025), available at: https://www.justice.gov/opa/pr/national-health-care-fraud-takedown-results-324-defendants-charged-conn

[7] Memorandum, Acting Attorney General Todd Blanche, DOJ, “Creation of the National Fraud Enforcement Division” (Apr. 7, 2026), available at: https://www.justice.gov/ag/media/1435311/dl?inline.