CLIENT ALERTS & INSIGHTS

Feds Set Their Sights on Ohio: Unpacking the Federal-State Partnership

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Featured Practices: Litigation, White Collar, Government Investigations & Regulatory Compliance, Healthcare

Key Takeaways

- **Unprecedented partnership:** Federal and Ohio state officials launch a first of its kind collaboration to combat fraud, consistent with previously announced federal priorities.
- **Stronger enforcement and scrutiny ahead**: This partnership emphasizes enhanced data sharing, coordinated investigations, and awareness initiatives, like the FBI's new "Most Wanted Fraudster list."
- **Robust compliance requirements**: Businesses, particularly those in Ohio, should strengthen internal controls, compliance systems, and reporting mechanisms to proactively identify risks, as cross-agency and state efforts will lead to more rigorous enforcement.

On June 5, 2026, Ohio and Federal officials convened the inaugural Fraud Division - State Partnership Roundtable at the Defense Supply Center - Columbus to announce a new Federal-State partnership as well as several large-scale fraud prosecutions. Among the officials in attendance were the Acting United States Attorney General, the Ohio Attorney General, the FBI Director, the United States Attorneys for both the Northern and Southern Districts of Ohio, and the Centers for Medicare and Medicaid Services Administrator, along with several other Ohio officials.

The federal and state officials, at the first-of-its-kind event, took the opportunity to announce what the Department of Justice described as "unprecedented federal and state cooperation" in the fight against fraud, "including partnerships and [a] data sharing agreement to enhance the detection and prosecution of fraud."[1] The FBI Director also took this opportunity to announce the creation of the "FBI's Most Wanted Fraudsters" list.[2]

The new partnership established a data sharing agreement between the Department of Justice Fraud Division and the Ohio Secretary of State to allow for proactive data analysis and fraud identification.[3] The Ohio Attorney General's Medicaid Fraud Control Unit and the Ohio Auditor's Office also reaffirmed its commitment to continue its cooperation with the Fraud Division's Health Care Strike Forces and the Ohio U.S. Attorney's Offices.[4]

Additionally, Ohio reaffirmed its commitment to participate in national initiatives to coordinate with the Department of Health and Human Services Office of the Inspector General.[5] The Centers for Medicare & Medicaid Services (CMS) announced that it was working with Ohio to "identify Medicaid fraud and refer appropriate criminal matters to the Fraud Division through CMS's participation in the Health Care Fraud Data Fusion Center."[6]

The joint federal and state meeting took place following the March 16, 2026, Executive Order establishing a "Task Force to Eliminate Fraud"[7] and the April 7, 2026, announcement by the Department of Justice of the creation of the National Fraud Enforcement Division ("Fraud Division").[8] The Fraud Division focuses on investigating and prosecuting healthcare fraud, government program fraud, and consumer fraud, among other types of fraud.[9] These actions are in keeping with the current administration's efforts to combat fraud using a whole-of-government approach led by the Vice President.

What This Means

During the meeting, the government officials held Ohio out as an exemplar of federal-state partnership in identifying, combating, and prosecuting fraud. The whole-of-government approach, which includes greater efforts in data-sharing and integration between federal and state law enforcement and compliance agencies, demonstrates the federal government's commitment to taking a proactive and collaborative approach to combating fraud, waste, and abuse in connection with government programs. Going forward, companies and individuals that receive federal funding or are involved in the provision of government funded services can expect greater scrutiny and coordination between federal and state agencies in investigating suspicious activities. This is particularly relevant to companies that engage in business or are based in Ohio given the emphasis on data-sharing between Ohio and federal agencies and the focus on advanced data analytics to identify suspected fraud.

Specifically in the healthcare context, these developments may result in an increased scrutiny of technical compliance and documentation practices. Previously, enforcement focused on billing requirements, documentation standards, or regulatory interpretations, even exploiting complex and oftentimes opaque regulatory requirements that are constantly evolving. In Ohio, navigating Artificial Intelligence ("AI") within the healthcare system presents an added challenge. On May 13, 2026, Governor DeWine discussed exploring how Medicaid could utilize AI as a means of advancing enforcement efforts.[10] This could increase using data analytics as a means of advancing the investigative process. The practical effect is that high-quality providers may be subject to increased scrutiny, as enforcement frameworks often evaluate their conduct through a presumption of potential non-compliance.

Implications

Now, more than ever, it is essential to ensure compliance programs are well resourced and internal controls are effective in identifying potential problems before government scrutiny. Given the focus on stamping out fraud, waste, and abuse in connection with government programs, companies that receive federal funding or provide government funded benefits should take this opportunity to review internal controls and compliance procedures to ensure they meet the requirements of the rapidly evolving compliance landscape.

Practical Insights

Businesses and individuals who do business in Ohio and receive federal funding, or are involved in the provision of government funded benefits and services should pay particular attention to:

- Assessing and pressure-testing compliance programs and internal controls, particularly those related to billing and coding practices in connection with health care benefits programs, and grant management, procurement and representations made to administering agencies.
- Assessing both criminal and civil risk holistically and recognizing that greater information sharing between state and federal agencies could lead to increased scrutiny.
- Assessing and enhancing internal reporting, escalation, and investigation mechanisms to ensure potential issues are identified and addressed before they mature into coordinated government investigations.
- Reviewing and assessing document retention, investigation-response, and privilege policies given the increased likelihood of coordinated cross-agency enforcement activity.
- Revisiting record keeping policies and protocols to ensure they are tailored to the risk environment in the particular industry or sector.

Conclusion

Businesses and other organizations operating in Ohio should take this opportunity to review, audit, and test existing compliance and risk management programs in light of the increased inter-agency coordination and whole-of-government approach to combatting fraud. As coordination between state and federal agencies becomes more integrated, organizations should be prepared for closer scrutiny and faster escalation once potential issues are identified. Early issue spotting, focused remediation, and well documented and resourced compliance decision-making policies remain paramount to mitigate potential exposure.

Benesch's White Collar and Healthcare groups continue to monitor these and other developments and stand ready to advise clients on proactive compliance reviews, risk assessments, audit response strategies, and enforcement preparedness. If you have questions regarding how the federal-state partnership may affect your organization, or would like assistance in assessing specific risk areas, please contact your Benesch attorney.

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[1] Press Release, U.S. Dep't. Just., Fraud Division Announces Federal-State Partnership in Ohio to Prosecute Fraud (June 4, 2026), https://www.justice.gov/opa/pr/fraud-division-announces-federal-state-partnership-ohio-prosecute-fraud.

[2] *Id.*

[3] *Id.*

[4] *Id.*

[5] *Id.*

[6] *Id.*

[7] Executive Order No. 14395: Establishing the Task Force to Eliminate Fraud, Vol. 91, No. 53 Fed. Reg. 13485 (March 16, 2026).

[8] Darden, et al., *White House Taps Vice President to Lead New "Task Force to Eliminate Fraud,"* Benesch (Apr. 7, 2026), https://www.beneschlaw.com/insight/white-house-taps-vice-president-to-lead-new-task-force-to-eliminate

[9] *Id.*

[10] Press Release, Office of the Governor, State of Ohio, Governor DeWine Announces New Medicaid Fraud Prevention Initiatives (May 13, 2026), https://governor.ohio.gov/media/news-and-media/governor-dewine-announces-new-medicaid-fraud-prever

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