

‘Whole-of-Government Approach’ Targets Healthcare Fraud From Every Angle

July 30, 2025

Just months after the US Department of Justice (DOJ) [designated healthcare fraud as one of its key criminal enforcement priorities](#), two recent announcements underscore the federal government’s continued focus on combating fraud of this kind. On July 2, [DOJ announced a renewed partnership with the US Department of Health and Human Services \(HHS\)](#) in the form of a False Claims Act Working Group targeting healthcare fraud. This announcement followed the release of results from DOJ’s [2025 National Health Care Fraud Takedown](#), which it billed as “an unprecedented effort to combat health care fraud schemes that exploit patients and taxpayers.”

In connection with the takedown results, DOJ stressed the scope of the government’s commitment to this enforcement area, calling it a “whole-of-government approach to combating health care fraud.” And, [in related remarks, Matthew Galeotti, head of DOJ’s Criminal Division](#), made clear that the industry should expect to be closely scrutinized going forward, stating, “This takedown represents the largest health care fraud takedown in American history. But it’s not the end – it’s the beginning of a new era of aggressive prosecution and data-driven prevention.”

At the same time, DOJ’s announcement about the working group also emphasized a tool from President Donald Trump’s first administration – “(c)(2)(A) dismissals.” This refers to the government’s authority to seek dismissal of a whistleblower complaint (a qui tam action) based on various considerations, including whether the action is meritless or interferes with an agency’s policies. The working group’s mandate includes consideration of such dismissals, which may suggest an increased willingness to exercise DOJ’s authority to curb qui tam actions that [“do not serve the interests of the United States.”](#)

DOJ-HHS False Claims Act Working Group

On July 2, DOJ announced a DOJ-HHS False Claims Act Working Group focused on combating healthcare fraud. This effort reflects DOJ and HHS’s “long history of partnering” and “ongoing collaboration” on False Claims Act (FCA) cases related to healthcare fraud. Indeed, a [working group between DOJ and HHS was formed at the end of Trump’s first administration](#), with the goal of targeting fraud related to funds HHS administered in connection with the COVID-19 pandemic. In contrast, the latest iteration of the working group is charged with “expedit ongoing investigations” and “identify new leads” in certain other priority areas related to healthcare.

The group also will focus on FCA priorities specified in a [memo issued by DOJ on June 11](#), including “Combatting Discriminatory Practices and Policies” (targeting diversity, equity and inclusion programs) and “Protecting Women and Children” (targeting gender transition care).

DOJ’s announcement makes clear that the administration “is fully committed to supporting” the working group and notes that the group urges “whistleblowers to identify and report violations” in priority enforcement areas. As part of the group’s work, HHS is charged with making referrals to DOJ of potential FCA violations related to priority areas and will use “enhanced data mining and assessment of HHS and HHS-OIG report findings” to identify leads.

The group also will discuss “whether HHS should implement a payment suspension pursuant to 42 C.F.R. § 405.370 *et seq.*” and “whether DOJ shall move to dismiss a qui tam complaint under 31 U.S.C. § 3730(c)(2)(A), consistent with [Justice Manual Section 4-4.111](#),” which recognizes that some qui tam actions could be “meritless” or “parasitic.” Trump’s first administration saw a significant uptick in such dismissals. In early 2018, DOJ issued a memo that set forth certain considerations for moving to dismiss qui tam actions, which were later incorporated into the Justice Manual. Following the memo, [the rate of government-initiated dismissals of FCA actions substantially increased](#): In the 30 years preceding the memo, the government moved to dismiss only about 45 cases, while in the two years following the memo, it moved to dismiss about 50. The working group’s involvement in considering dismissal decisions may suggest an increase in the government’s use of its authority to seek dismissal of qui tam complaints.

The working group will be co-led by the HHS General Counsel, Chief Counsel to the HHS Office of Inspector General (HHS-OIG) and the Deputy Assistant Attorney General of the Commercial Litigation Branch. Its membership will include leadership from the HHS Office of General Counsel, Centers for Medicare & Medicaid Services’ Center for Program

Integrity, Office of Counsel to HHS-OIG and DOJ's Civil Division, in addition to designees from US Attorneys' Offices.

Largest-ever national healthcare fraud takedown

Just days before the new FCA working group was announced, DOJ released results from its 2025 National Health Care Fraud Takedown, which [Galeotti described as](#) "the largest coordinated health care fraud takedown in the history of the Department of Justice." DOJ's Health Care Fraud Unit coordinated the takedown, which was a cross-agency effort including US Attorneys' Offices, HHS-OIG, Federal Bureau of Investigation (FBI) and Drug Enforcement Agency, among others.

As part of the takedown, 324 defendants were criminally charged for alleged participation in healthcare fraud schemes to the tune of more than \$14.6 billion in intended loss. To demonstrate the "significant return on investment that results from health care fraud enforcement efforts," DOJ also emphasized the related seizure of more than \$245 million in "cash, luxury vehicles, cryptocurrency, and other assets." An additional 20 defendants faced civil charges related to more than \$14 million in alleged fraud, and another 106 defendants entered civil settlements of more than \$34 million.

The types of fraud targeted by the takedown included the alleged submission of fraudulent claims to Medicare, Medicaid and private insurance companies, including claims related to alleged fraudulent wound care and telemedicine and genetic testing schemes, as well as the alleged illegal diversion of prescription opioids and other controlled substances.

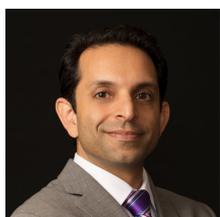
In related remarks, Galeotti emphasized several key points about the sprawling takedown. Galeotti discussed the "disturbing trend of transnational criminal organizations" engaging in "sophisticated and complex" healthcare fraud schemes and reported that defendants from multiple foreign countries were charged as part of the takedown. He also noted that 74 of the defendants, some of whom were medical professionals, were charged in connection with opioid-related schemes.

Looking ahead, Galeotti announced the creation of a Health Care Fraud Data Fusion Center to "revolutionize how we detect, investigate, and prosecute health care fraud." As DOJ explained, the center will "leverage cloud computing, artificial intelligence, and advanced analytics to identify emerging health care fraud schemes." This coordinated effort will involve experts from DOJ's Criminal Division, Fraud Section and Health Care Fraud Unit Data Analytics Team, as well as HHS-OIG, FBI and other agencies to "increase efficiency, detection, and rapid prosecution of emerging health care fraud schemes."

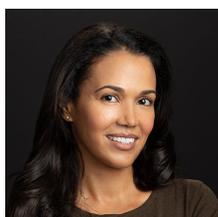
Takeaways

Companies and individuals in the healthcare industry may expect to see aggressive and coordinated healthcare fraud enforcement, particularly in certain priority areas. In addition to government-initiated actions, given that whistleblowers have been expressly encouraged to come forward, companies should be mindful of the financial incentives available to whistleblowers (through both the [FCA](#) and [DOJ's Whistleblower Rewards Pilot Program](#)) and consider evaluating and strengthening compliance programs and internal reporting structures. It is also worth noting that the new working group will consider DOJ's authority to seek dismissal of qui tamsuits that do not serve the government's interests – and based on the first Trump administration, we may see increased use of that authority.

Contributors



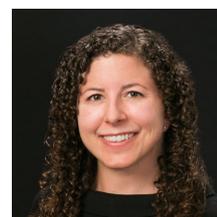
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