



## PRESS RELEASE

# The Fraud Division Launches West Coast Strike Force to Target Health Care Fraud Schemes Across Arizona, Nevada, and Northern California

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**For Immediate Release**

Office of Public Affairs

The Justice Department’s National Fraud Enforcement Division (Fraud Division) today announced the formation of the West Coast Health Care Fraud Strike Force, a multi-district enforcement initiative uniting the Division’s Health Care Fraud Section with the U.S. Attorney’s Offices for the District of Arizona, District of Nevada, and Northern District of California. [The Health Care Strike Force model](#) has proven to be one of the most powerful tools in the federal enforcement arsenal, [responsible nationally for the prosecution of over 6,200 defendants who collectively billed federal health care programs and private insurers more than \\$45 billion.](#)

“Driven by data showing a significant and accelerating increase in health care fraud across all three districts, the Strike Force builds on a foundation of recent landmark prosecutions — including the successful prosecution of digital health technology executives in the Northern District of California and the [dismantling of Medicaid, sober home, and wound care fraud](#) schemes in the District of Arizona,” said Assistant Attorney General Colin McDonald of the Justice Department’s Fraud Division. “The Fraud Division is committed to bringing that same

relentless, data-driven prosecutorial force to bear across every corner of this region, making unmistakably clear that no scheme is too sophisticated, no network too large or small, and no fraudster too distant to escape federal accountability.”

“[Silicon Valley has become ground zero for technology-driven health care fraud](#) schemes that seek to cheat taxpayer-funded programs like Medicare,” said Craig H. Missakian, U.S. Attorney for the Northern District of California. “The Health Care Strike Force announced today is a powerful partnership that brings together the resources and expertise needed to detect and dismantle even the most sophisticated fraud schemes.”

“Defrauding the government steals from Americans who need help the most. In Arizona alone, federal law enforcement and the United States Attorney’s Office have disrupted fraud schemes worth over a billion dollars of taxpayer money,” said Timothy Courchaine, U.S. Attorney for the District of Arizona. “Our mission as part of the West Coast Health Care Fraud Strike Force is to ensure Americans who need critical services are not used as pawns to make bad actors rich. Through excellent investigations, trial work, and seizures of ill-gotten gains, the District of Arizona will continue safeguarding those services.”

“The dedicated Assistant U.S. Attorneys and professional staff in the District of Nevada are working in coordination with our partners at the FBI, HHS, DEA and other federal, state, and local agencies to unravel fraud schemes and to hold criminals fully accountable,” said First Assistant U.S. Attorney Sigal Chattah for the District of Nevada. “With each indictment and conviction, we are achieving justice for victims who were taken advantage of by these fraudsters. We are proud to be part of the newly created West Coast Health Care Fraud Strike Force and we are committed to bringing our skill and expertise to the Justice Department’s fight against fraud.”

This expansion brings enhanced federal enforcement resources to one of the nation’s most significant health care technology hubs in the Northern District of California and what data analytics show is the migration of fraud schemes to Arizona and Nevada. Late last year in San Francisco, the CEO and Chief Medical Officer of a digital technology company were [convicted](#) for an over \$100 million scheme to commit health care fraud and distribute over Adderall over the internet, resulting in addiction and patient harm. These convictions followed other recent high-impact prosecutions that were jointly prosecuted by the Strike Force and U.S. Attorneys’ Offices prosecutors:

- [United States v. Gehrke and King \(DAZ\)](#): Two wound graft company owners pled guilty and were [sentenced to 15.5 and 14 years in prison](#) for a \$1.2 billion wound graft fraud scheme targeting Medicare and Medicaid. The Government seized \$126 million in assets, including cash, luxury vehicles, and gold bars, related to this case.
- [United States v. Ali \(DAZ\)](#): The owner of a Pakistan-based medical billing company was

indicted in June 2025 for an alleged scheme involving the exploitation of substance abuse patients at over 41 substance abuse treatment clinics that fraudulently billed Arizona Medicaid over \$650 million. The defendant is a Pakistani national and fugitive from justice.

- [United States v. Schena \(NDCA\)](#): The president of a [Silicon Valley-based medical technology company was convicted at trial and sentenced to eight years](#) in prison in the first criminal securities fraud case related to COVID-19 charged by the Justice Department, the first criminal COVID-19 health care fraud case brought to trial, and a significant prosecution delineating the scope of the Eliminating Kickbacks in Recovery Act. *United States v. Schena*, No. 23-2989 (9th Cir. 2025).

As part of the expansion, **Health Care Fraud Acting Chief Jacob Foster and Acting Assistant Chief Gary Winters** will coordinate closely with the U.S. Attorneys' Offices to establish the Strike Force. [The Strike Force will work in partnership with the HHS Office of Inspector General, the Federal Bureau of Investigation, the Drug Enforcement Administration, and other](#) law enforcement partners, reflecting the Department's determination that the need for coordinated, aggressive action in this region is urgent and undeniable. Health care fraud in these districts imposes an enormous and growing burden on American taxpayers and undermines the integrity of Medicare, Medicaid, and TRICARE. The victims are real: elderly patients denied access to legitimate care, disabled individuals whose benefits are stolen by criminal networks, and low-income families who rely on these programs for basic medical services. The Strike Force's west coast expansion makes clear that the Fraud Division will use every available legal tool to identify, investigate, and prosecute these offenses. Members of the public are encouraged to report wrongdoing in the health care industry, and the new Department-wide [corporate enforcement policy](#) for criminal matters creates incentives for companies to voluntarily disclose when misconduct occurs.

["DEA's involvement](#) in the West Coast Fraud Task Force demonstrates our continued commitment to work across government to safeguard the health and safety of our communities. Our message to health care professionals who profit their patients' pain is clear: if you use your license to harm the public, you will be held accountable," said Assistant Administrator Cheri Oz, DEA Diversion Control Division. "Whether you are a medical professional who diverts controlled substances, like Adderall or Xanax, or a criminal enterprise that defrauds federal health care programs and private insurers, DEA will continue its pursuit of those who exploit our health care system and poison our communities."

"The FBI is proud of the work we do to combat health care fraud, and we are eager to continue investigating those who illegally abuse our systems," said Assistant Director Heith Janke of the FBI's Criminal Investigative Division. "This Strike Force allows for further joint actions that will prevent more criminals from lining their pockets at the expense of the

American taxpayer. We look forward to playing our part in this whole-of-government approach to combating these schemes.”

“[Strike Force partnerships between HHS-OIG, DOJ, U.S. Attorney’s Offices, the FBI, and the DEA are a proven force multiplier](#) that utilizes a coordinated and data-driven approach to identifying, investigating, and prosecuting fraud,” said Acting Deputy Inspector General for Investigations Scott J. Lampert of the U.S. Department of Health and Human Services, Office of Inspector General (HHS-OIG). “Recent enforcement actions across Arizona, Nevada, and California have revealed emerging threats targeting billions of taxpayer dollars from federal health care programs. Many of these schemes are driven by sham operations designed to appear legitimate while exploiting patients and inflating claims through increasingly sophisticated methods. The expansion of the West Coast Health Care Fraud Strike Force ensures that HHS-OIG can apply our investigative tools and coordinated enforcement capabilities to identify these threats earlier and act with strategic precision.”

The establishment of the West Coast Strike Force builds on the recent [expansion of the Strike Force program to the District of Massachusetts](#) and [a record-setting year for health care enforcement in 2025](#) — leading the largest ever National Health Care Fraud Takedown, charging more than \$15 billion in alleged loss, forfeiting and returning to the public fisc more than \$560 million, and bringing four corporate matters. A third-party consulting group analyzed return on investment and showed that the average return on investment (FY21-24) from funding the Health Care Fraud Section by year 10 is \$106.76 per \$1 spent, and over \$4.5 billion in projected savings.

[On April 7, the Department of Justice announced the creation of the Fraud Division.](#) The Fraud Division is laser-focused on investigating and prosecuting those who commit fraud against the American people. The Department’s work to combat fraud supports President Trump’s Task Force to Eliminate Fraud, a whole-of-government effort chaired by Vice President J.D. Vance to eliminate fraud, waste, and abuse within Federal benefit programs.

*Updated April 30, 2026*

## Components

[National Fraud Enforcement Division](#)

| [USAO - Arizona](#)

| [USAO - California, Northern](#)

[USAO - Nevada](#)

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