

DOJ Launches New West Coast Strike Force to Target Healthcare Fraud

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On April 30, 2026, the U.S. Department of Justice (DOJ) announced the formation of a West Coast Health Care Fraud Strike Force (“Strike Force”) to combat the recent rise in healthcare fraud across Arizona, Nevada, and Northern California.¹

Multi-District Strike Force Led by New Fraud Division. The launch follows DOJ’s announcement last month of the new National Fraud Enforcement Division (“Fraud Division”) led by Assistant Attorney General Colin McDonald. The new Fraud Division will assume operational control of the Health Care Fraud Unit previously under the Criminal Division.² The Strike Force will be run by the Fraud Division in coordination with the U.S. Attorney’s Offices for the District of Arizona, District of Nevada, and Northern District of California, as well as the Federal Bureau of Investigation (FBI), the Drug Enforcement Administration (DEA), and the Department of Health and Human Services (HHS). Additionally, the Strike Force will partner with tribal, state, and local law enforcement.

The Strike Force builds on DOJ’s longstanding model of leveraging local partners, regional Assistant U.S. Attorneys in the U.S. Attorneys’ Offices around the country, and federal law enforcement agents to launch nationwide initiatives. According to DOJ, this model has been utilized to combat healthcare fraud in other states—and has led to the prosecution of more than 6,200 defendants responsible for over \$45 billion in allegedly fraudulent healthcare billings nationwide.

The Strike Force is expected to employ an array of investigative tools and resources, including data analytics, interagency intelligence sharing, and coordinated enforcement across federal partners. “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

¹ U.S. Department of Justice, “The Fraud Division Launches West Coast Strike Force to Target Health Care Fraud Schemes Across Arizona, Nevada, and Northern California,” (Apr. 30, 2026), <https://www.justice.gov/opa/pr/fraud-division-launches-west-coast-strike-force-target-health-care-fraud-schemes-across>.

² Office of the Attorney General, “Memorandum for the Department of Justice: Creation of the National Fraud Enforcement Division,” (Apr. 7, 2026), <https://www.justice.gov/ag/media/1435311/dl?inline>.

coordinated and data-driven approach to identifying, investigating, and prosecuting fraud,” stated Scott J. Lampert, Acting Deputy Inspector General for Investigations of HHS’s Office of Inspector General.

Drivers Behind the New Strike Force. According to DOJ and press reports, data indicate that fraud schemes have increasingly shifted to Western states, driven in part by demographic changes, including population growth in the West among Medicare beneficiaries and retirees.³ In Nevada, for instance, the number of seniors grew by 95% between 2008 and 2024, and Arizona experienced comparable growth.⁴

DOJ also cited the emergence of sophisticated telehealth fraud schemes in the targeted regions. For example, late last year in the Northern District of California, executives of a digital health company were convicted of a \$100 million scheme to commit healthcare fraud and illegally distribute Adderall over its telehealth platform.

DOJ further pointed to a significant increase in large-scale fraud schemes involving hospice care, wound care, sober living homes, and substance abuse treatment facilities. In one case, two owners of a wound graft company in Arizona pled guilty and were sentenced to over 14 years in prison for a \$1.2 billion scheme to defraud Medicare and Medicaid.

Implications for Companies. The launch of the West Coast Strike Force is likely to drive heightened enforcement activity across the healthcare and life sciences sectors, particularly for companies with operations or exposure in Arizona, Nevada, or Northern California. Areas of focus are likely to include:

- Billing, coding, reimbursement, and documentation practices;
- Medicare Advantage risk-adjustment and diagnosis-coding practices, including chart review and physician query programs;
- Relationships with referral sources, brokers, and other intermediaries, and compliance with the federal Anti-Kickback Statute and related laws;
- Use of telehealth, digital health platforms, and technology-enabled care delivery and prescribing practices; and

³ Christopher Weaver, “DOJ Launches New West Coast Health-Fraud Strike Force,” WALL ST. J. (Apr. 30, 2026), <https://www.wsj.com/politics/policy/doj-launches-new-west-coast-health-fraud-strike-force-ec3caaab>.

⁴ *Id.*

- Operations involving higher-risk service lines, including hospice, wound care, behavioral health, and substance abuse treatment.

Companies in these sectors should expect increased investigative activity, including subpoenas, civil investigative demands, data requests, and coordinated actions across jurisdictions and law enforcement agencies. Notably, although the Strike Force sits within DOJ's new Fraud Division, healthcare strike forces have historically pursued parallel civil False Claims Act actions in coordination with U.S. Attorneys' Offices and HHS-OIG. Companies should anticipate exposure on both criminal and civil tracks.

Conclusion. The creation of the Strike Force reflects the Trump administration's continued focus on healthcare fraud. It also marks a targeted expansion of one of DOJ's most established enforcement models into regions where fraud risk is increasing and evolving. Companies operating in or with exposure to the targeted regions—particularly those in healthcare technology, Medicare Advantage, and the higher-risk service lines DOJ has flagged—should expect heightened scrutiny and consider revisiting their compliance programs, internal reporting channels, and self-disclosure protocols in light of [DOJ's recently announced department-wide Corporate Enforcement Policy](#).

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