

DOJ Announces New West Coast Health Care Fraud Strike Force

May 4, 2026

On April 30, 2026, the Department of Justice’s National Fraud Enforcement Division announced the creation of the [West Coast Health Care Fraud Strike Force](#), a multi-district enforcement initiative focused on Arizona, Nevada, and the Northern District of California. The new Strike Force will partner prosecutors from the Fraud Division’s Health Care Fraud Section with the U.S. Attorneys’ Offices for those districts and will operate in coordination with HHS-OIG, the FBI, the DEA, and other law enforcement partners.

DOJ described the initiative as a response to data showing a “significant and accelerating increase” in health care fraud across the region. The announcement also reflects DOJ’s continued focus on the intersection of health care, technology, and federal program reimbursement. In particular, DOJ singled out Silicon Valley as “ground zero for technology-driven health care fraud schemes” targeting taxpayer-funded programs such as Medicare.

Health care providers, digital health companies, pharmaceutical firms, life sciences companies, and other participants in federal health care programs operating in these districts should prepare for increased scrutiny under the False Claims Act, as well as under criminal health care fraud, the Anti-Kickback Statute, wire fraud, money laundering, controlled-substance laws, and related statutes.

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Background

The announcement comes shortly after DOJ's creation of the National Fraud Enforcement Division. Colin M. McDonald was sworn in as its first Assistant Attorney General on April 1, 2026. On April 7, 2026, Acting Attorney General Todd Blanche directed the Division to take "[immediate action](#)" to become a robust litigating division focused on fraud against taxpayer dollars and taxpayer-funded programs.

The West Coast Strike Force also builds on DOJ's long-running Health Care Fraud Strike Force model. DOJ launched the first Strike Force in [March 2007](#), combining prosecutors, investigators, and data analytics to identify fraud "hot spots" and target emerging schemes. Since then, the program has charged more than 6,200 defendants who collectively billed federal health care programs and private insurers more than \$45 billion.

The announcement also follows a record year for federal health care fraud enforcement. In Fiscal Year 2025, DOJ reported more than \$6.8 billion in False Claims Act settlements and judgments, the highest annual total in FCA history, with more than \$5.7 billion related to matters involving the health care industry.¹

The Announcement

DOJ described the new West Coast Strike Force as a response to rising health care fraud in Arizona, Nevada, and Northern California. The inclusion of the Northern District of California is notable given the district's concentration of digital health, health technology, and growth-stage life sciences companies.

DOJ also highlighted recent prosecutions involving digital health and medical technology companies, including cases involving alleged telehealth, prescribing, and diagnostic-testing schemes. Those examples underscore that the Strike Force is likely to focus not only on traditional provider fraud, but also

on business models that combine health care services, technology platforms, patient acquisition, and federal program billing.

Key Takeaways

- **Focus on technology-enabled health care models.** DOJ's emphasis on Silicon Valley signals continued attention to digital health, telehealth, health technology, diagnostics, and other models that may be developed or scaled in Northern California before expanding nationally. Companies should assess whether growth strategies, marketing practices, referral relationships, prescribing protocols, and billing models are aligned with federal health care program requirements.
- **Data-driven targeting.** DOJ emphasized that the Strike Force will use data analytics to identify suspicious billing patterns, emerging fraud typologies, and schemes that migrate across jurisdictions. This emphasis follows the public unveiling last year of the Health Care Fraud Data Fusion Center, an effort to bring together experts from multiple agencies and "leverage cloud computing, artificial intelligence, and advanced analytics to identify emerging health care fraud schemes."² Companies with unusual billing patterns, rapid geographic expansion, high-volume claims, or reliance on novel technology-enabled care models may face heightened risk.
- **Broad scope of conduct targeted.** The announcement makes clear that DOJ is focused on both traditional and emerging health care fraud schemes, including Medicaid and Medicare fraud, wound-care and substance-use treatment schemes, digital health and technology-enabled fraud, controlled-substance diversion, sham operations, and medically unnecessary services.

¹ See DOJ Announces Record-Breaking \$6.8 Billion in False Claims Act Recoveries for Fiscal Year 2025, Cleary Gottlieb (Jan. 26, 2026), available [here](#).

² Department of Justice, National Health Care Fraud Takedown Results in 324 Defendants Charged in Connection with Over \$14.6 Billion in Alleged Fraud (June 30, 2025), available [here](#).

- **Self-disclosure incentives.** DOJ reiterated that its corporate enforcement policy creates incentives for companies to voluntarily disclose misconduct. We recently discussed the new Department-wide corporate enforcement policy [here](#). Companies that identify potential issues should promptly assess whether disclosure is appropriate.

Cleary Gottlieb’s White Collar Defense and Investigations Group and [FCA Task Force](#), led by former U.S. Attorney Breon Peace, are well positioned to assist clients navigating this heightened enforcement environment, including criminal and civil health care fraud investigations, False Claims Act matters, qui tam actions, internal investigations, voluntary self-disclosures, and compliance reviews arising from DOJ’s expanding Strike Force initiative.

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