



U.S. Department of Health & Human Services
Office of Inspector General
Office of Investigations
and
Fraud, Waste, and Abuse
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Assistant Inspector General for Investigations



- The IG Act of 1978, (Public Law 94-505), provides four primary criteria:
- an independent and objective OIG
- direct /unrestricted access to agency records & information
- subpoena authority for information and documents outside the agency
- semiannual reporting to Congress



The OI Mission

Office of Investigations (OI)

Conducts criminal, civil and administrative investigations of fraud and misconduct related to HHS programs, operations and beneficiaries.

- OAS
- OEI,
- IO
- OCIG
- OMP



Where Does OIG Get Referrals?



Fraud Investigations

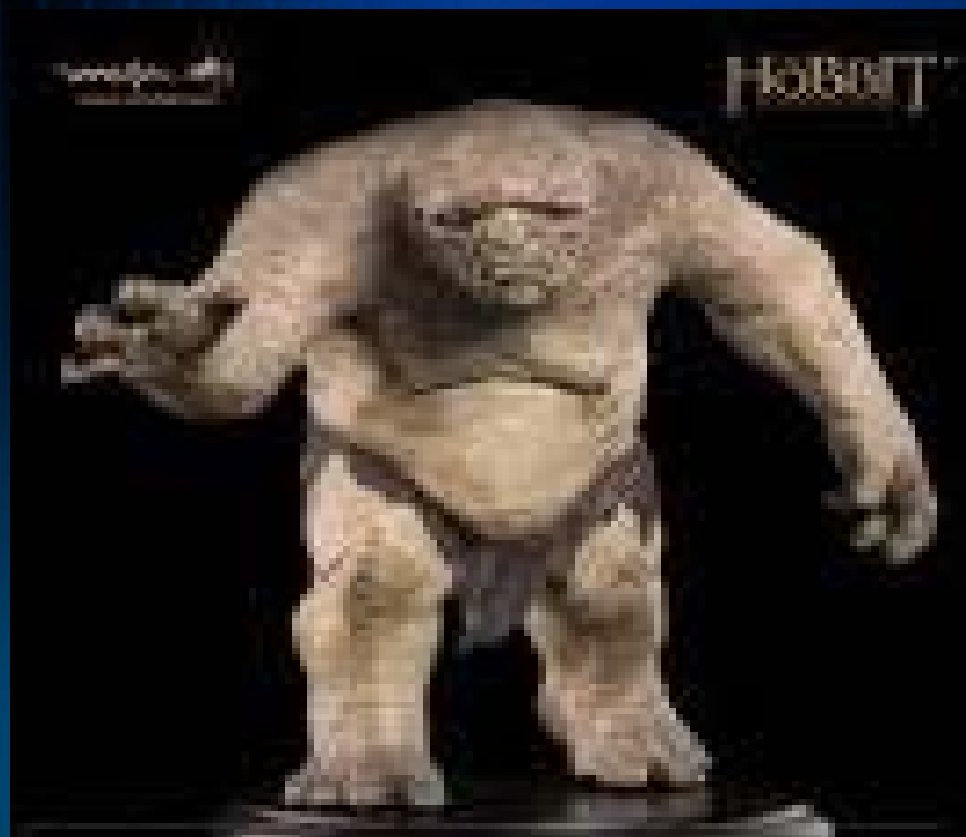
■ Types of Fraud Investigations

- Criminal
- Civil
- Administrative





Not the Face of OIG

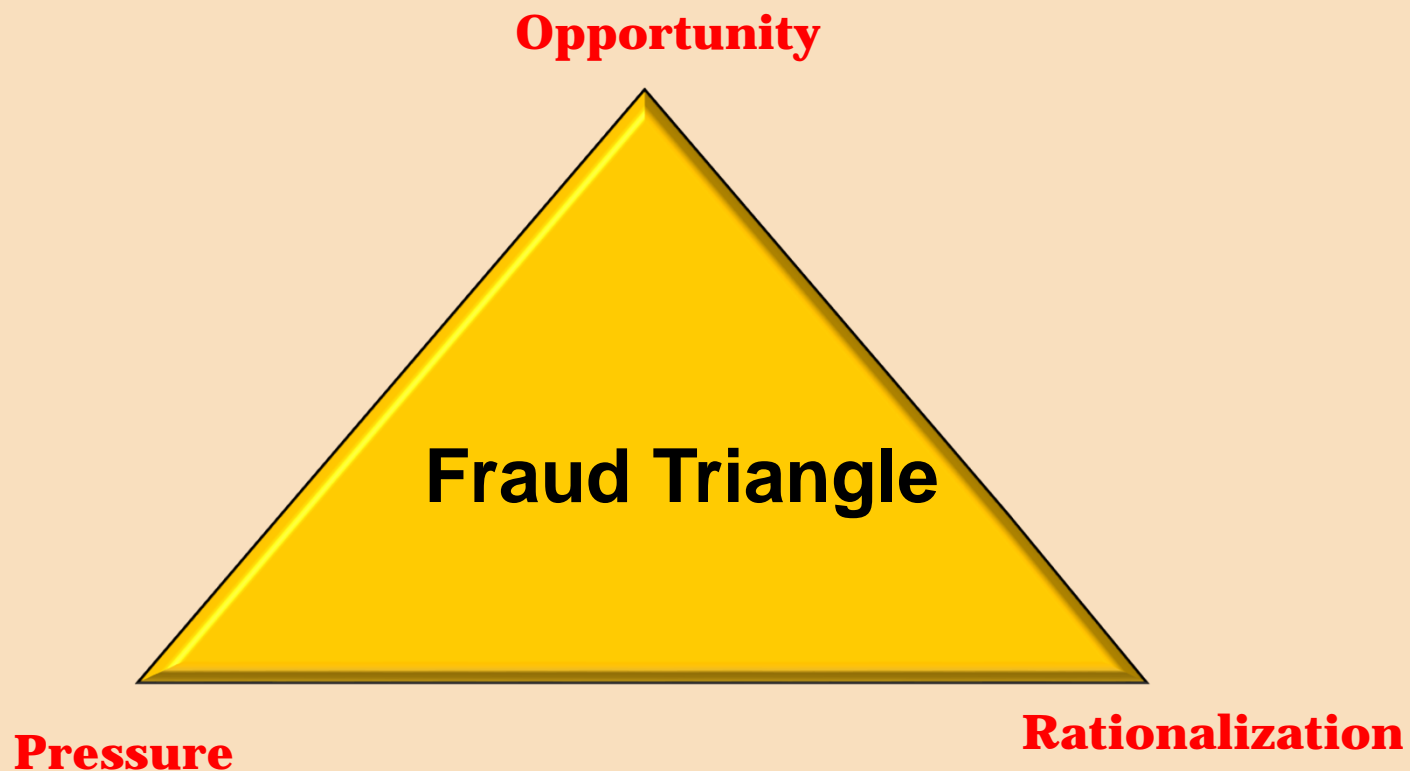




We are here to help



DONALD CRESSEY



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ASSOCIATION
OF
INSPECTORS
GENERAL





Committing Fraud is a Bad Decision

Motivated by factors such as:

- Greed
- Drug Addiction
- Peer Pressure
- Lifestyle



Bad Decisions





Fraud Indicators



Mistakes

Negligence

Fraud



Fraud Indicators



- Money problems
 - Unusual Behavior
- Allegations of fraudulent conduct
 - **Living Beyond Means**



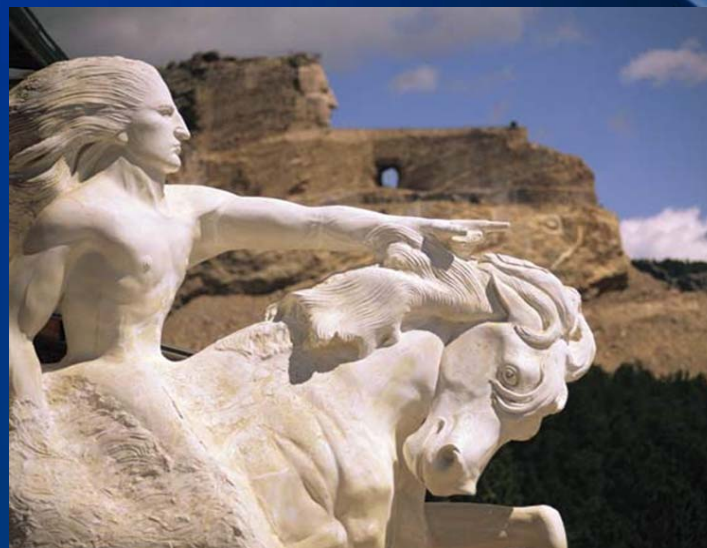
Fraud Indicators





Examples of IHS/Tribal Related Areas of Investigation

- Prescription drug diversion
- Grant Fraud
- Employee misconduct
- Tribal 638 program - related fraud
- Identity theft in relation to other fraud





Drug Diversion

Controlled substance abuse is one of the most serious threats to the health and safety of American Indians, Alaska Native people and all Americans.

Drug Diversion Can Involve

- Medical providers/pharmacist, employees, patients
- Theft
- Illegal Distribution
- Kickbacks
- Forged/Altered prescription.





Case Examples

- Prescription drug- Pharmacist at an IHS clinic stole prescription drugs from the clinic. He attempted to sell \$150k worth of stolen drugs to a RX wholesaler. Sentenced to 18 mos in prison, 36 mos probation, restitution 150k.
- Medicare/Medicaid fraud- IHS facility employed an unlicensed PA. Required to pay 245k Medicaid and 63k Medicare as an overpayment.
- Employee misconduct- IHS employees directed contracts to a contractor that paid kickbacks to the IHS employee. The IHS employee and two contractors were sentenced to more than a year in prison and pay \$225k in restitution.



Conflict of Interest

- Decisions involving grant awards must be free of undisclosed personal and/or organizational conflicts – both in appearance and in fact
 - Less than Arms-Length Transactions
 - Contract / Sub-grant award decisions
 - Consultants
 - Who, What, Where, Why, How & How Much



Medical Identity Theft

- Significantly increasing crime
 - 19% Increase over the past year *
- Significantly lucrative
 - Average payout is about \$20,000 from Medical ID Theft (as compared to regular ID theft, which is about \$2,000)
- Significantly vulnerable - *EHRs*
 - Healthcare industry is not as resilient to cyber intrusions as the financial and retail industries (traditional targets)

* Ponemon Institute 2013 Survey on Medical Identity Theft



Additional Remedies



The False Claims Act 31 U.S.C. Sections 3729-33

Any person who “knowingly presents, or causes to be presented, a false or fraudulent claim for payment or approval.”

- **Treble Damages**
- **\$5,500 to \$11,000 penalty per false claim**

Civil Monetary Penalties Law ("CMPL"), 42 U.S.C. § 1320a-7a

The Social Security Act authorizes the Secretary of HHS to seek civil monetary penalties (CMPs), assessments, and exclusion for many types of conduct.



Additional Remedies (cont.)



Exclusions

Social security Act, Sections 1128 and 1156

- **HHS OIG has the unique authority to exclude individuals and entities from Federal Health Care Programs**
- **Over 51,000 individuals are currently excluded**
- **Mandatory (convictions) and Permissive (board actions, financial integrity)**



Report Suspected Fraud, Waste or Abuse to HHS OIG



HHS OIG Hotline

<http://www.oig.hhs.gov>

1-800-HHS-TIPS (1-800-447-8477)

Reporting suspected fraud to OIG Hotline Operations does not result in a prosecution the next day.

- A Hotline complaint is an *allegation*.
- Hotline complaints are treated with privacy and discretion.
- OI conducts independent investigations and hotline complaints can provide helpful information.

OIG Hotline Operations

To report Disability Fraud, visit [Social Security Administration, OIG](#) ²⁷

To report SNAP/Food Stamp Fraud visit [USDA, OIG](#) ²⁷

To Report Waste, Fraud or Abuse:

REPORT FRAUD NOW!

or you may also forward your tip to one of the following:

Phone:
1-800-HHS-TIPS (1-800-447-8477)

*Fax:
1-800-223-8164

TTY:
1-800-377-4950

Mail:
US Department of Health and Human Services
Office of Inspector General
ATTN: OIG HOTLINE OPERATIONS
PO Box 23489
Washington, DC 20026





Spotlight on Indian Health Service OIG Website



REPORT FRAUD

Home • FAQs • FOIA • Careers • Contact • HEAT • Download Reader •

U.S. Department of Health & Human Services

Office of Inspector General
U.S. Department of Health & Human Services

Report #, Topic, Keyword...
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Spotlight On... Indian Health Service



Nearly 2 million American Indians and Alaska Natives (AI/AN) are beneficiaries of health care services provided by the Indian Health Service (IHS), an agency of the Department of Health and Human Services (HHS). It is the Office of Inspector General's (OIG) mission to protect the health and welfare of all HHS program beneficiaries. We do this through a multifaceted approach that promotes efficiency and integrity and aims to eliminate fraud, waste, and abuse. Below, we'll delve into three aspects of this approach as they pertain to the AI/AN community. The white paper provides a more indepth discussion on OIG's work related to IHS.

Related Content

- ✦ IHS White Paper
- ✦ OIG's Two New IHS Reports
- ✦ 2010 Testimony Before the Senate Committee on Indian Affairs

I'm looking for

Let's start by choosing a topic

Select One

- What's New
- News Releases
- New Media
- Spotlight Articles
- Testimony & Speeches
- OIG Outlook
- Podcasts

OIG Outreach Facilitates Partnerships With the AI/AN Community

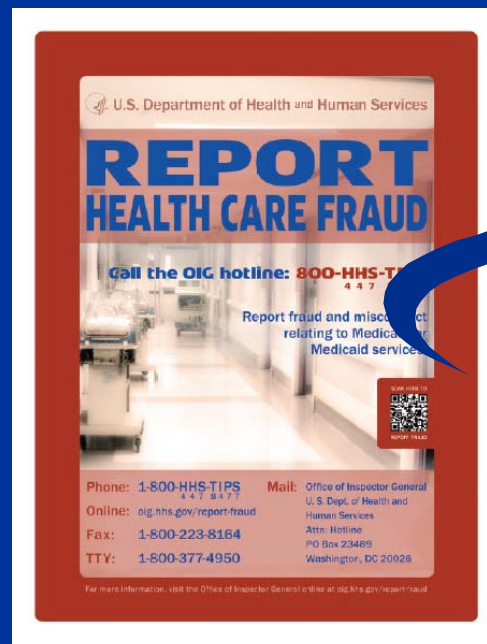
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Office of Inspector General

Outreach Efforts/Tools



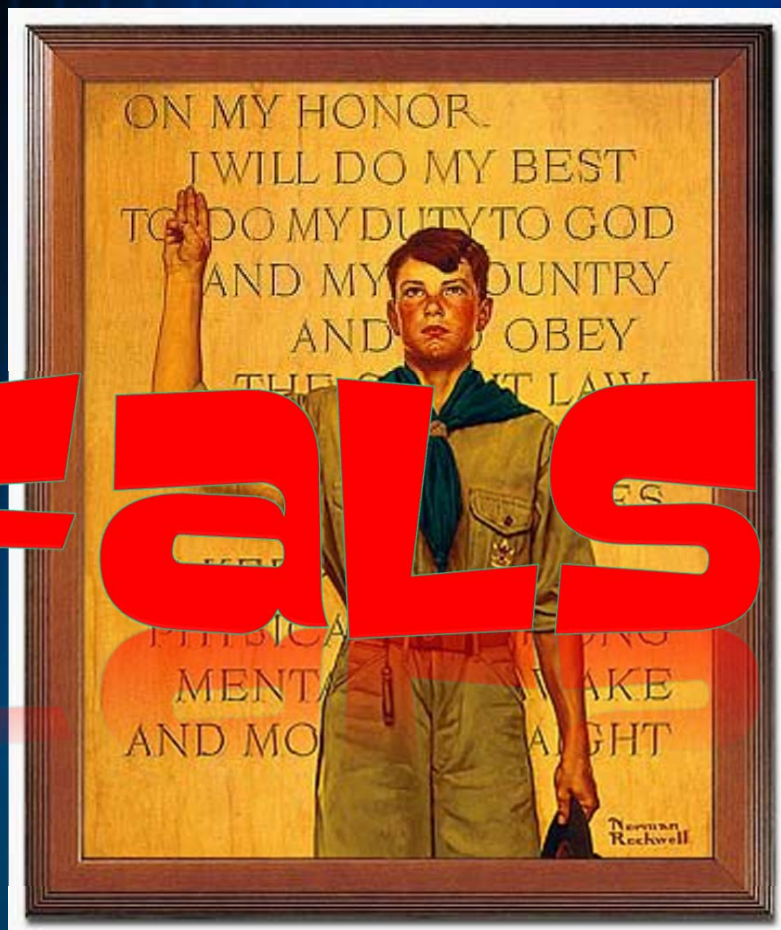


Myth. Fraud is usually well concealed





Myth: All [Grantees] are Honest



FALSE



Myth: Only certain types of people will commit fraud





Myth: **Fraud is not Material**





Myth: Auditors/Project Officers/Grant Managers won't detect fraud in grants programs.



FALSE



Questions ???