U.S. Department of Health & Human Services
Office of Inspector General
Office of Investigations
Fraud, Waste, and Abuse in HHS Programs
Assistant Inspector General
Les W. Hollie
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
Overview of HHS OIG

**Immediate Office (IO)**
- responsible for promoting effective management and quality of the agency's processes and products.

**Office of Investigations (OI)**
- conducts criminal, civil and administrative investigations of fraud and misconduct related to HHS programs, operations and beneficiaries.

**Office of Audit Services (OAS)**
- conducts independent audits of HHS programs and/or grantees and contractors that examine the performance of HHS programs and/or grantees in carrying out their responsibilities.

**Office of Evaluations and Inspections (OEI)**
- conducts national evaluations that focus on preventing fraud, waste or abuse in HHS programs and provide practical recommendations.

**Office of Counsel to the Inspector General (OCIG)**
- provides timely, accurate and persuasive legal advocacy and counsel to the Inspector General and OIG's other components.

**Office of Management and Policy (OMP)**
- provides administrative support through management, guidance and resources.
Overview of OI

OI STAFF
More than 580 employees nationwide
  • criminal investigators
  • forensic computer examiners.
  • general investigators
  • investigations analysts/assistants
  • administrative personnel
OI’s mission is to protect the integrity of HHS programs.

OI conducts investigations of fraud and misconduct:
- Criminal
- Civil
- Administrative

OI provides protective services to the Secretary
Not the Face of OIG
Oversight and Help
HHS Grants Activity

#1 Federal Grantor
→ 80,000 grants
→ $376B

Source: TAGGS FY 2011
Where Does OIG Get Referrals?

INDUSTRY

HOTLINES

LAW ENFORCEMENT PARTNERS

DATA ANALYTICS
Fraud

Intentional, unlawful acquisition of benefits by perpetrating wrongful acts affecting government programs and operations
Waste

• Intentional or unintentional, thoughtless or careless expenditure, consumption, mismanagement . . . of government resources
Abuse

- Excessive or improper use of government resources, including position and authority
Grant and Procurement fraud often starts out “under the radar screen” with a systematic abuse of trust sometimes combined with flawed internal controls. If discovered, the tendency may be to characterize it as isolated instance when a more thorough examination would uncover a pattern.
Investigating Grant Fraud

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"UNFORTUNATELY, THE PAPER TRAIL LED TO THE SHREDDER."
Bad Decisions
Bad Decisions
Cressey Fraud Model
Other reasons fraud occurs

- Drug Addiction
- Lifestyle
- Peer Pressure
Fraud Indicator
Fraud Indicator
Case Example T. EDWARDS

Case Initiation

Case was opened after an agent found an article in the Philadelphia Inquirer detailing the death of a 7-year-old boy under the care of Tianna’s Terrific Tots, a daycare program run by Tianna Edwards. Edwards obtained a Pennsylvania State daycare license under a false identity, and received Federal and State grant funds for these child operations.
Investigation

Investigation found child care attendance invoices and compliance records with forged signatures.

A child at one of Edwards’ child care facilities died from a drowning. Edwards was not on site at the time of the drowning.

Edwards used funds received from the grant for gambling at casinos, personal retail, travel and entertainment.
Prosecution

On July 10, 2014, Edwards pled guilty to an information charging her with five (5) counts of violating Title 18 USC 1343-Wire Fraud, which resulted in defrauding an ACF funded child day care grant.

On November 13, 2014, Edwards was sentenced in the US District Court, Eastern District of Pennsylvania to sixty-three (63) months in prison, three (3) years of supervised release, restitution to HHS-ACF and PA Department of Welfare (DPW) in the amount of $1,459,470.25 (total), and a $500 special assessment for wire fraud.
Tianna ‘s Terrific Tots Daycare
Exclusions

Prevents an individual or business entity from engaging in business with the Federal government for a specific period of time if convicted of a Federal health care fraud offense.
Suspension and Debarment

Prevents and individual or business from receiving a federal contract or grant for a specific period of time if its ruled improprieties have occurred.
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.
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.
The End

QUESTIONS, COMMENTS, SUGGESTIONS