



# Fraud Section Year In Review | 2025

# Foreword

It is my privilege to present the Year in Review for 2025, a year that marked both a milestone in the Fraud Section's history and a defining moment in its future.

Created in 1955 following the Department of Justice's efforts to combat large-scale housing and procurement fraud in the wake of World War II, the Section was designed to bring focused expertise to the most complex and consequential frauds threatening America. In the seven decades since, when new fraud threats have emerged, the Department has repeatedly turned to the Section to lead. That remains true today.

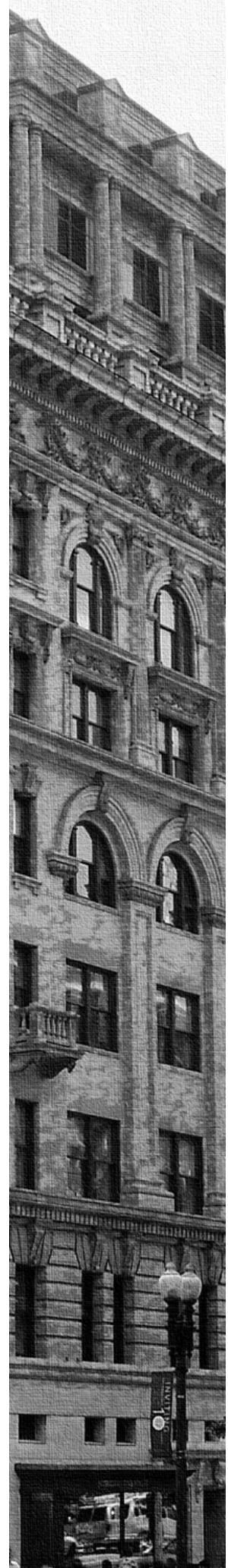
This year, the Section took a leading role in combating new and emerging threats in trade fraud and securities fraud involving foreign issuers, with significant charges and resolutions in both priority enforcement areas. The Section also assumed the criminal portfolio and personnel of the former Consumer Protection Branch, uniting complementary expertise to better and more comprehensively protect the bank accounts, health, and safety of the American public. The Section now has an expanded mandate and more than 200 attorneys—the most ever.

In 2025, the Section continued to be extremely productive and focus on prosecuting the most serious white-collar offenders. The Section charged 265 defendants (an over 10% increase from last year). The aggregate intended fraud loss across those charges was over \$16 billion, a record high and more than double last year's total. The Section also conducted 25 trials in 17 districts, securing convictions of dozens of fraudsters—including corporate executives and medical professionals—for various schemes that reflect the scale, sophistication, and real-world harm of modern economic crime.

Corporate accountability also remained a central pillar of the Section's work, resulting in 15 corporate enforcement actions. This includes 12 companies that entered resolutions and 3 others that were indicted. These cases involved conduct that covers the full span of the Section's portfolio and resulted in a combined resolution amount of approximately \$1 billion. The Section also helped to develop and refine corporate enforcement policies and practices for the Department.

Seventy years after its founding, the Section continues to evolve, lead, and deliver. The work reflected in this Year in Review is a testament to the extraordinary skill, dedication, and professionalism of our prosecutors, staff, and law enforcement partners—and to the Department's enduring confidence in this Section to meet the challenges of the moment.

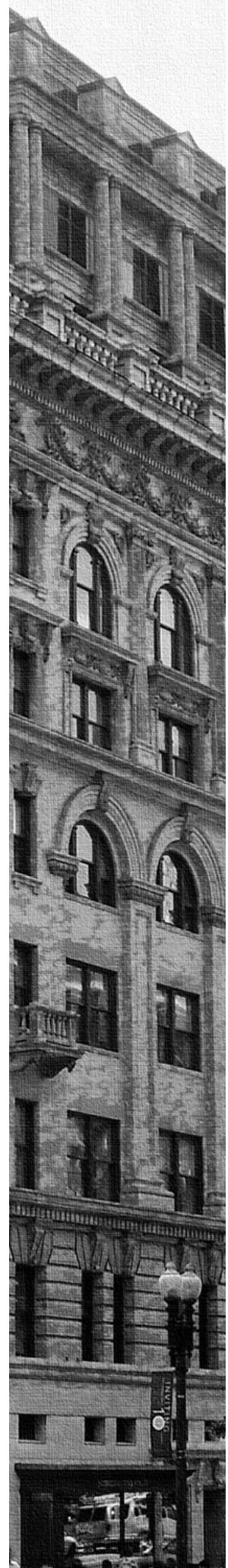
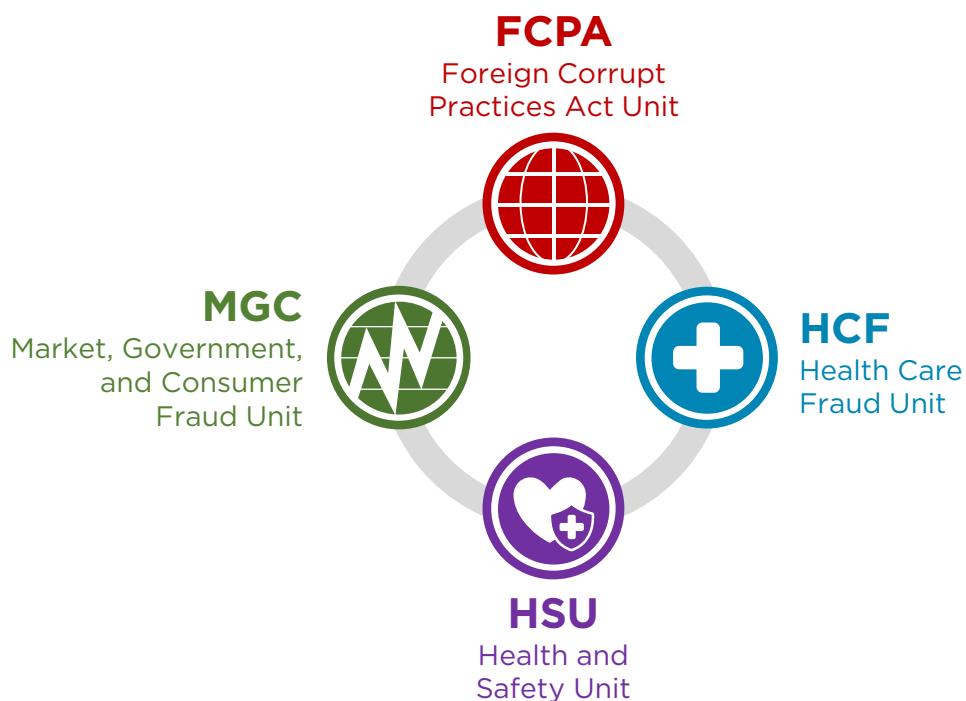
**Lorinda Laryea**  
Chief  
Fraud Section  
**January 2026**



# The Fraud Section

The Fraud Section plays a unique and essential role in the Department of Justice's fight against economic crime. Fraud Section attorneys investigate and prosecute complex white-collar crime cases throughout the country, and the Fraud Section is uniquely qualified to act in that capacity, based on its vast experience with sophisticated fraud schemes, corporate criminal cases, and multi-jurisdictional investigations and prosecutions, and its ability to deploy resources effectively to address law enforcement priorities and respond to geographically shifting crime problems. These capabilities are an essential complement to the efforts of the Department to combat white-collar crime and protect public wellbeing. Because of this expertise, the Fraud Section also plays a critical role in the development of Department policy, implementing enforcement initiatives, and advising Department leadership on matters including not only internal policies, but also legislation, crime prevention, and public education. The Fraud Section frequently coordinates interagency and multi-district investigations and international enforcement efforts, and assists prosecutors, regulators, law enforcement, and the private sector by providing training, advice, and other assistance.

The Fraud Section has four litigating units:





The **Foreign Corrupt Practices Act (FCPA) Unit** is responsible for investigating and prosecuting violations of the FCPA and the Foreign Extortion Prevention Act (FEPA). The FCPA Unit brings criminal enforcement against individuals and companies and focuses its enforcement efforts on both the supply and demand side of corrupt transactions. The FCPA Unit works closely with domestic and foreign partners to advance common efforts in curbing foreign bribery and corruption.

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The **Health Care Fraud (HCF) Unit** focuses on prosecuting complex health care fraud matters and cases involving the illegal prescription, distribution, and diversion of controlled substances. The HCF Unit's core mission is to protect federal health care programs and the public fisc, and to guard against patient harm, including through the illegal prescription and diversion of controlled substances. In 2025, the HCF Unit operated 8 Health Care Fraud Strike Forces in 26 federal judicial districts across the United States. The HCF Unit is also a leader in using advanced data analytics and algorithmic methods to identify newly emerging health care fraud schemes.

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The **Market, Government, and Consumer Fraud (MGC) Unit** focuses on prosecuting fraud and manipulation that harm U.S. markets and investors, schemes to defraud government benefit programs, evade tariffs, and/or to procure government contracts through fraudulent means, and complex consumer and investment frauds targeted at Americans. This includes combating market-based fraud and manipulation on U.S. securities and commodities markets through insider trading, “pump and dumps,” spoofing, wash trading, benchmark price manipulation, and schemes involving variable interest entities (VIEs). The MGC Unit also prosecutes large-scale trade and customs fraud, including circumvention of tariff and trade rules, and protects the public fisc by pursuing federal procurement and program fraud offenses.

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The **Health and Safety Unit (HSU)** focuses on prosecuting violations of federal laws designed to protect public health and safety. The HSU is charged with criminal enforcement of the federal Food, Drug, and Cosmetic Act, and pursues a wide range of criminal offenses under the FDCA involving food, prescription medications and other drugs, counterfeit pills, medical devices, dietary supplements, and tobacco. The HSU also brings criminal enforcement actions under the Consumer Product Safety Act, the Federal Hazardous Substances Act, and related statutes, which involves dangerous products and the knowing failure by companies or individuals to report defects or hazards that present an unreasonable risk of death or injury to consumers.

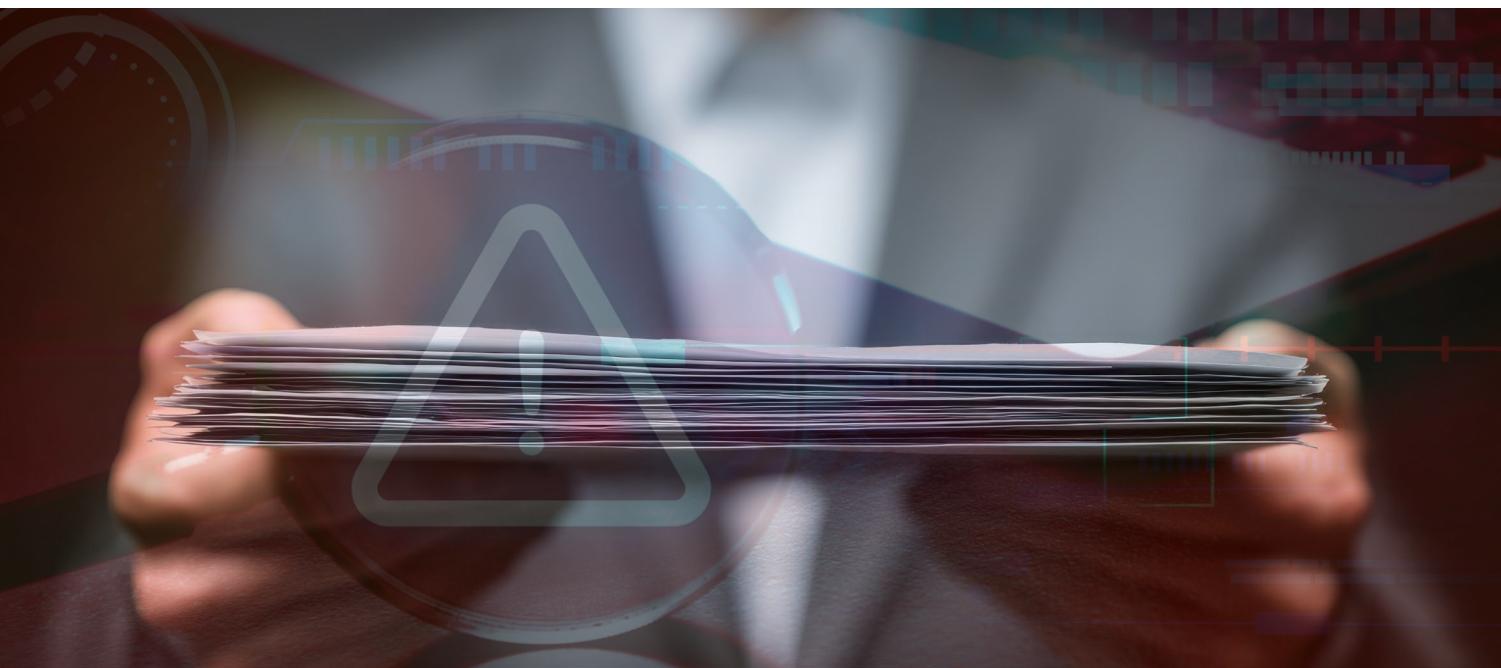
In addition, the Fraud Section has four units that support and enhance the missions of the four litigating units:

The **Corporate Enforcement and Compliance (CEC) Unit** has responsibility for all aspects of the Fraud Section's corporate criminal enforcement practice, including working with and advising prosecution teams on the structural, monetary, and compliance components of corporate resolutions, pursuant to the Criminal Division's Corporate Enforcement and Voluntary Self-Disclosure Policy (CEP); evaluating corporate compliance programs; and determining whether an independent compliance monitor should be imposed as part of a corporate resolution. The CEC Unit also oversees post-resolution matters, including oversight of monitors and compliance and disclosure obligations and handling the Section's policy matters.

The **Litigation Unit** provides litigation support, training, and assistance during pretrial, trial, and post-trial proceedings for the Fraud Section. The attorneys in the Litigation Unit work with each of the Fraud Section's four traditional litigating units to assist and provide advice in connection with trials, including trial preparation and strategy. The Unit helps supervise the most complex matters in the Fraud Section and will join the trial team for certain matters. In addition, the Litigation Unit also advises the Section Chief and Front Office on matters of Departmental policy and practice.

The **Special Matters Unit (SMU)** was created in 2020 to focus on issues related to privilege and legal ethics, including evidence collection and processing, pre- and post-indictment litigation, and advising and assisting Fraud Section prosecutors on related matters. The SMU: (1) conducts filter reviews to ensure that prosecutors are not exposed to potentially privileged material; (2) litigates privilege-related issues in connection with Fraud Section cases; (3) oversees data analytics initiatives for the Fraud Section; and (4) provides training and guidance to Fraud Section prosecutors.

The **Administration & Management (A&M) Unit** provides critical support services across the Fraud Section and routinely advises and assists management on administrative matters.



## Summary of 2025 Fraud Section Individual Prosecutions<sup>1</sup>

### **265** Individuals CHARGED<sup>2</sup>

FCPA



5

HCF



**194**

MGC



**62**

HSU



**4**

**\$15.02 billion** in  
alleged fraud loss

### **235** Individuals CONVICTED<sup>3</sup> by Guilty Plea and at Trial

FCPA



6

HCF



**150**

MGC



**75**

HSU



**4**

### **25** Trials

### **31** Individuals Convicted at Trial

### **48** Trial Attorneys Tried Cases Across **17** Districts

# Summary of 2025 Fraud Section Corporate Resolutions, CEP Declinations, and Indictments<sup>4</sup>

 **15** CORPORATE ENFORCEMENT ACTIONS



Involving the Imposition of<sup>7</sup>:

	Total Global Monetary Amounts of more than <b>\$1.01 billion</b>	Total U.S. Monetary Amounts of more than <b>\$1.01 billion</b>	Total U.S. Criminal Monetary Amounts of more than <b>\$553.2 million</b>
 <b>FCPA</b>	<b>\$122.8 million</b>	<b>\$122.8 million</b>	<b>\$122.8 million</b>
 <b>HCF</b>	<b>\$41.8 million</b>	<b>\$41.8 million</b>	<b>\$25.9 million</b>
 <b>MGC</b>	<b>\$694.5 million</b>	<b>\$694.5 million</b>	<b>\$249.4 million</b>
 <b>HSU</b>	<b>\$155.1 million</b>	<b>\$155.1 million</b>	<b>\$155.1 million</b>

# Timeline of Fraud Section Corporate Resolutions and CEP Declinations

## 2025

### (HSU) KBWB Operations LLC | 1.24.2025



- Guilty Plea - (W.D. Wis.)
- Total Global Monetary Amounts: \$154,656,457
- Total U.S. Monetary Amounts: \$154,656,457
- Total U.S. Criminal Monetary Amounts: \$154,656,457

### 5.29.2025 | The Boeing Company (MGC)



- NPA - (N.D. Tex.)
- Total Global Monetary Amounts: \$688,100,000
- Total U.S. Monetary Amounts: \$688,100,000
- Total U.S. Criminal Monetary Amounts: \$243,600,000

### (MGC) PM Consulting Group LLC d/b/a Vistant | 6.12.2025



- DPA - (D. Md.)
- Total Global Monetary Amounts: \$100,000<sup>8</sup>
- Total U.S. Monetary Amounts: \$100,000<sup>8</sup>
- Total U.S. Criminal Monetary Amounts: \$0

### (HSU) Royal Sovereign | 6.13.2025



- Guilty Plea - (D.N.J.)
- Total Global Monetary Amounts: \$395,786
- Total U.S. Monetary Amounts: \$395,786
- Total U.S. Criminal Monetary Amounts: \$395,786

### 6.12.2025 | Apprio, Inc. (MGC)



- DPA - (D. Md.)
- Total Global Monetary Amounts: \$500,000<sup>8</sup>
- Total U.S. Monetary Amounts: \$500,000<sup>8</sup>
- Total U.S. Criminal Monetary Amounts: \$0

### 8.7.2025 | Liberty Mutual Insurance Company (FCPA)



- CEP Declination
- Disgorgement/Restitution Amount: \$4,699,088

### (HCF) Troy Health, Inc. | 8.20.2025



- NPA - (W.D.N.C.)
- Total Global Monetary Amounts: \$1,430,008<sup>8</sup>
- Total U.S. Monetary Amounts: \$1,430,008<sup>8</sup>
- Total U.S. Criminal Monetary Amounts: \$1,430,008<sup>8</sup>

### 8.28.2025 | Kimberly Clark, Corporation (HCF) (HSU)



- DPA - (N.D. Tex.)
- Total Global Monetary Amounts: \$40,400,000
- Total U.S. Monetary Amounts: \$40,400,000
- Total U.S. Criminal Monetary Amounts: \$24,500,000

### (HSU) Aesculap Implant Systems LLC | 9.15.2025



- NPA - (E.D. Mo.)
- Total Global Monetary Amounts: \$122,835
- Total U.S. Monetary Amounts: \$122,835
- Total U.S. Criminal Monetary Amounts: \$122,835

### 9.17.2025 | Bank of America Securities, Inc. (MGC)



- CEP Declination
- Disgorgement/Restitution Amount: \$1,966,323

### (FCPA) SGO Corporation Ltd (Smartmatic) | 10.16.2025



- **INDICTMENT** (S.D. Fl.)

### 11.10.2025 | TIGO Guatemala (FCPA)



- DPA - (S.D. Fla.)
- Total Global Monetary Amounts: \$118,198,343
- Total U.S. Monetary Amounts: \$118,198,343
- Total U.S. Criminal Monetary Amounts: \$118,198,343

### (HCF) Mindful Mental Wellness P.A. | 12.17.2025



- **INDICTMENT** (N.D. Cal.)

### 12.17.2025 | Done Global Inc. (HCF)



- **INDICTMENT** (N.D. Cal.)

### (MGC) MGI International LLC | 12.18.2025



- CEP Declination
- Disgorgement/Restitution Amount: \$3,905,108

# Corporate Resolutions Reporting

 **39** ACTIVE RESOLUTIONS

With Fraud Section-Imposed Reporting Obligations in 2025<sup>9</sup>

Corporate Entities Under Compliance Obligations in 2025<sup>10</sup>:

**33** Self-Reporting

**6** Independent Monitorships

## Active Resolutions Involving Corporations<sup>11</sup>

With over USD \$1 Billion Market Capitalization:

**24**

That are Publicly Traded<sup>12</sup>:

**26**

That are S&P 500<sup>13</sup>:

**6**

**2025** marked a banner year in corporate enforcement for the Fraud Section. It entered into twelve corporate resolutions across all four litigation units. The Health Care Fraud Unit entered into two resolutions, a Deferred Prosecution Agreement (DPA) and Non-Prosecution Agreement (NPA), its first such corporate actions in nearly a decade. The FCPA Unit achieved a notable resolution with a corporation whose misconduct involved connections to drug cartels, which remains a key priority for the Department.

In addition to these resolutions, for the first time in over 15 years, the Fraud Section indicted corporate entities for criminal activity. The Fraud Section will continue to aggressively pursue corporate crime and will indict where appropriate.

# 2025 Fraud Section Senior Management



## **Lorinda Laryea**, Fraud Section Chief<sup>14</sup>

Lorinda Laryea joined the Section in 2014 and, from March through December 2025, served as Acting Section Chief. She previously served as the Principal Deputy Chief and Co-Principal Deputy Chief of the Section, and as the Principal Assistant Deputy Chief, Assistant Chief, and a Trial Attorney in the FCPA Unit. Prior to joining the Department, Laryea worked in private practice for a law firm in Washington, D.C. and clerked on the U.S. District Court for the District of Columbia.

## **Sean Tonolli**, Fraud Section Acting Principal Deputy Chief

Sean Tonolli joined the Fraud Section in January 2023 as the Chief of the Litigation Unit and became the Senior Deputy Chief in January 2024. Previously, Tonolli served as an AUSA in the District of Columbia and the Eastern District of Virginia, and later as a Senior Investigative Counsel for the U.S. House of Representatives. In the interim, Tonolli was in private practice in Washington, D.C.

## **Dustin Davis**, Fraud Section Acting Senior Deputy Chief<sup>15</sup>

Dustin Davis joined the Fraud Section as a Trial Attorney in 2014, and in 2025 was elevated to the role of Acting Senior Deputy Chief. He previously served as the HCF Unit Chief, Principal Assistant Chief, and Assistant Chief of the HCF Unit's Gulf Coast Strike Force. Prior to joining the Fraud Section, Davis spent six years as an AUSA in the Southern District of Florida.

## **David Fuhr**, FCPA Unit Chief

David Fuhr joined the Fraud Section in 2013 as a Trial Attorney in the FCPA Unit. He became Chief of the FCPA Unit in October 2023 after serving as Acting Chief since May 2023. David previously served as the Principal Assistant Deputy Chief and Acting Principal Assistant Deputy Chief since October 2021 and previously as an Assistant Chief in 2019. Prior to joining the Fraud Section, David worked in private practice at a law firm in New York and Washington, D.C. and clerked on the Eighth Circuit Court of Appeals.

## **Jacob Foster**, Acting HCF Unit Chief

Jacob Foster joined the Fraud Section in 2016 as a Trial Attorney in the HCF Unit and became the Acting HCF Unit Chief in June 2025. Jacob previously served as the Principal Assistant Deputy Chief since July 2022, the Assistant Chief of National Rapid Response Strike Force since July 2020, and Assistant Chief of the New Jersey Strike Force since 2018. Prior to joining the Fraud Section, Jacob worked in private practice in San Francisco, California.

## **Lucy Jennings**, Acting MGC Unit Chief<sup>16</sup>

Lucy Jennings joined the Fraud Section as a Trial Attorney in 2021 and, since April 2025, has served as the MGC Unit's Acting Chief. She previously served as the MGC Unit's Principal Deputy Assistant Chief. Prior to joining the Fraud Section, Lucy worked in private practice in Washington D.C. and Los Angeles, California, and was an AUSA in the Central District of California.

## **Katherine Payerle, Acting HSU Chief**

Kate Payerle joined the Health Care Fraud Unit in 2016, serving as a Trial Attorney in the Miami and Gulf Coast strike forces, and as the Assistant Chief of two opioid-focused strike forces. In 2021 – 2022, she served on detail to the U.S. Embassy in Guatemala as a Resident Legal Advisor. In 2023, she became the Chief of the Litigation Unit. In November 2025, she was appointed Acting Chief of HSU. Before joining the Fraud Section, Kate was a law clerk in the Southern District of California, and in private practice in Charlotte, North Carolina.

## **Lauren Kootman, Acting CEC Unit Chief<sup>17</sup>**

Lauren Kootman joined the Fraud Section in 2021 as a Trial Attorney and became an Assistant Chief of the CEC Unit in 2022. In 2024 she became the Principal Assistant Chief of CEC and was appointed Acting Chief in September 2025. Prior to joining the Fraud Section, Lauren was in private practice at a law firm in Washington, D.C.

## **Vasanth Sridharan, Acting Litigation Unit Chief**

Vasanth Sridharan joined the Fraud Section in 2015 as a Trial Attorney. In 2024, he became a Senior Litigation Counsel in the MIMF Unit. In 2025, he was appointed Acting Chief of the Litigation Unit. Prior to joining the Fraud Section as a Trial Attorney, Vasanth was a law clerk for the Fraud Section working on investigations into large financial institutions.

## **John Kosmidis, SMU Unit Chief**

John Kosmidis joined the Fraud Section in 2019 as a Trial Attorney. In 2020, he became Assistant Chief of the SMU, was appointed Acting Chief in 2021, and became the permanent Chief of the Unit in 2022. Prior to joining the Fraud Section, John was in private practice in New York and Washington, D.C.

## **Christina Weidner, A&M Unit Chief**

Christina Weidner joined the Fraud Section in 2018 as the Chief of the A&M Unit. Prior to joining the Department, she worked for the Administrative Office of the U.S. Courts in the Case Management Systems office as the Chief of the Business Support Division.



# Foreign Corrupt Practices Act Unit



The FCPA Unit, currently composed of 22 prosecutors, investigates and prosecutes individuals and companies for their roles in foreign bribery schemes. In accordance with the Presidential Executive Order pausing the FCPA in February 2025, the FCPA Unit conducted a thorough review of its cases and carried out fair and firm enforcement during the second half of the year under the Deputy Attorney General's Guidelines for Investigations and Enforcement of the FCPA, issued in June 2025. The FCPA Guidelines are part of a broader effort to identify and focus on key enforcement objectives in the most mission-critical areas. The FCPA Guidelines highlight four non-exhaustive priority areas: the investigation and prosecution of foreign bribery conduct that (1) facilitates the operations of cartels and transnational criminal organizations; (2) deprives U.S. companies of fair opportunities to compete; (3) undermines U.S. national security interests; and (4) involves substantial bribe payments and efforts to conceal criminal schemes.

In 2025, the FCPA Unit had three corporate enforcement actions, including the Section's first corporate indictment in fifteen years. Specifically, in October 2025, the FCPA Unit indicted SGO Corp., a/k/a Smartmatic Group, for alleged FCPA and money laundering offenses arising from a scheme to pay and launder more than \$1 million in bribes to a Philippine government official in connection with contracts related to the 2016 Philippine national elections. Additionally, the FCPA Unit entered into a DPA with Comunicaciones Celulares S.A., a/k/a TIGO Guatemala and declined to prosecute Liberty Mutual under Part I of the CEP.

The FCPA Unit also prevailed in two criminal trials against individuals accused of FCPA violations, including trying one of the cases four months after the indictment.

The throughline from this record of enforcement is clear. The Criminal Division is prosecuting FCPA violations, consistent with the Deputy Attorney General's Guidelines, in a way that vindicates U.S. interests by ensuring that criminal actors in this space are held to account. We are enforcing this law firmly, fairly, and efficiently—regardless of the identity of the offender, in a way that promotes the rule of law and ensures an equal playing field so that companies win business based on merits.

👉 <http://www.justice.gov/criminal-fraud/foreign-corrupt-practices-act>





## FCPA Unit Statistics | 2025

### INDIVIDUAL PROSECUTIONS

**5** INDIVIDUALS CHARGED/  
UNSEALED



**6** INDIVIDUALS CONVICTED



**2** TOTAL TRIALS



### CORPORATE RESOLUTIONS

**3** CORPORATE ENFORCEMENT ACTIONS



Total Global Monetary Amounts: **\$122.8 million**

Total U.S. Monetary Amounts: **\$122.8 million**

Total U.S. Criminal Monetary Amounts: **\$122.8 million**



# Foreign Corrupt Practices Act Unit

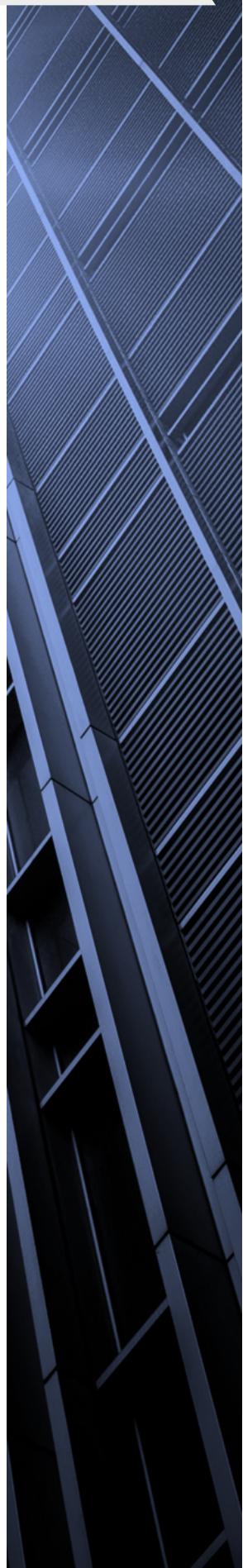
## *Significant Corporate Resolutions, Indictment, CEP Declination, and Associated Individual Cases*

### ***In re Liberty Mutual Insurance Company (D. Mass.)***

In August 2025, the Fraud Section and the U.S. Attorney's Office for the District of Massachusetts declined to prosecute Liberty Mutual Insurance Company (Liberty Mutual), pursuant to Part I of the Criminal Division's CEP, in connection with a scheme to pay bribes to Indian government officials in order to obtain business with state-owned banks in India.

From in or around 2017 until in or around 2022, Liberty Mutual, through its subsidiary in India, Liberty General Insurance ("LGI"), paid bribes totaling approximately \$1.47 million to officials at six state-owned banks in India. In exchange for the bribes, the officials caused the state-owned banks to refer bank customers to LGI's insurance products. Certain LGI employees took steps to conceal the true nature of the payments, including classifying the payments as marketing expenses and using third-party intermediaries to make the payments to the officials. In total, the bribe scheme resulted in profits of approximately \$4.7 million.

Liberty Mutual voluntarily self-disclosed its misconduct to the Fraud Section and fully and proactively cooperated in the matter by providing all known relevant facts regarding the misconduct and individuals involved. Liberty Mutual also timely and appropriately remediated, including conducting a thorough root-cause analysis, separating personnel involved, and making significant improvements to its compliance program and internal controls. Liberty Mutual paid a total disgorgement of \$4,699,088.



## ***United States v. SGO Corporation Limited, et al. (S.D. Fla.)***

In October 2025, a federal grand jury in Miami returned a superseding indictment against SGO Corporation Limited, a/k/a “Smartmatic,” an election voting machine services provider for a scheme to pay and launder more than \$1 million in bribes to a Philippine election official. This marks the first indictment of a corporation by the Fraud Section in 15 years. The superseding indictment further charges two current executives and one former executive of the company, as well as the former Chairman of the Commission on Elections (COMELEC) in the Philippines, who were all initially indicted in August 2024.

According to the superseding indictment, between 2015 and 2018, SGO Corporation Limited, Roger Alejandro Piñate Martinez, 50, a Venezuelan citizen and resident of Boca Raton, Florida, Jorge Miguel Vasquez, 64, of Davie, Florida, and Elie Moreno, 45, a dual citizen of Venezuela and Israel, caused the bribes to be paid to Juan Andres Donato Bautista, 61, the former Chairman of COMELEC. The bribes were allegedly paid to obtain and retain business from COMELEC, including the release of favorable value added tax reimbursements and other contractual payments for the benefit of SGO Corporation Limited and affiliated entities. The co-conspirators allegedly created a slush fund to finance the bribes by over-invoicing the cost of voting machines for the 2016 Philippine elections. The co-conspirators allegedly relied on coded language, fraudulent contracts and sham loan agreements, and routed transactions through banks in Asia, Europe, and the U.S., to conceal the corrupt payments.

The Fraud Section and the U.S. Attorney’s Office for the Southern District of Florida are prosecuting the case.

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## ***United States v. Comunicaciones Celulares S.A., d/b/a TIGO Guatemala (S.D. Fla.)***

In November 2025, Comunicaciones Celulares S.A., d/b/a TIGO Guatemala, a mobile and fixed telecommunications service provider in Guatemala, entered into a two-year DPA and agreed to pay more than \$118 million in connection with an information charging conspiracy to violate the anti-bribery provisions of the FCPA for a scheme to pay bribes to government officials in Guatemala. TIGO Guatemala is a wholly-owned subsidiary of Millicom International Cellular, S.A. (“Millicom”), an international telecommunications company incorporated and headquartered in Luxembourg that has its principal place of business in the United States.

Between at least in or around 2012 and 2018, TIGO Guatemala, through its Guatemalan shareholder, officers, employees, and agents, engaged in a widespread and systematic bribery scheme, involving, among other conduct, monthly cash payments to numerous Guatemalan members of Congress in exchange for, among other things, their support for legislation that benefited TIGO Guatemala. As a result of the scheme, TIGO Guatemala obtained profits of at least approximately \$58 million. The DPA included a \$60,000,000 criminal penalty and forfeiture of \$58,198,343.

In 2015, Millicom voluntarily and timely disclosed to the Fraud Section misconduct that, in part, formed the basis for the DPA. However, despite Millicom's 55% ownership share of TIGO Guatemala at that time, Millicom lacked operational control. TIGO Guatemala's Guatemalan shareholder used its operational control to prevent Millicom from accessing critical information, and to prevent Millicom from requiring TIGO Guatemala personnel to cooperate with the Fraud Section's investigation and take remedial actions. The Fraud Section closed its initial investigation in 2018, but two years later, in 2020, obtained and proactively developed new evidence from sources other than TIGO Guatemala and Millicom regarding TIGO Guatemala's conduct and reopened the investigation on that basis. During the second phase of the investigation, the government obtained new and additional evidence about the scope of TIGO Guatemala's conduct, including that the criminal conduct continued during and after the government's closure of the first phase of the investigation and involved narcotrafficking proceeds that were used to generate cash for some of the bribe payments. For those reasons, while TIGO Guatemala received credit for Millicom's self-report, TIGO Guatemala did not meet the requirements to qualify for either a Part I or Part II resolution under the CEP. Nonetheless, the government gave significant weight to the voluntary disclosure of the misconduct in 2015 in determining the appropriate disposition of this matter—including the form and term of the resolution and according the maximum reduction for cooperation and remediation under Part III of the CEP.

The U.S. Attorney's Offices for the Southern District of Florida and the Southern District of California previously charged four individuals connected to this scheme. The Fraud Section and the U.S. Attorney's Office for the Southern District of Florida prosecuted the case.



# Foreign Corrupt Practices Act Unit

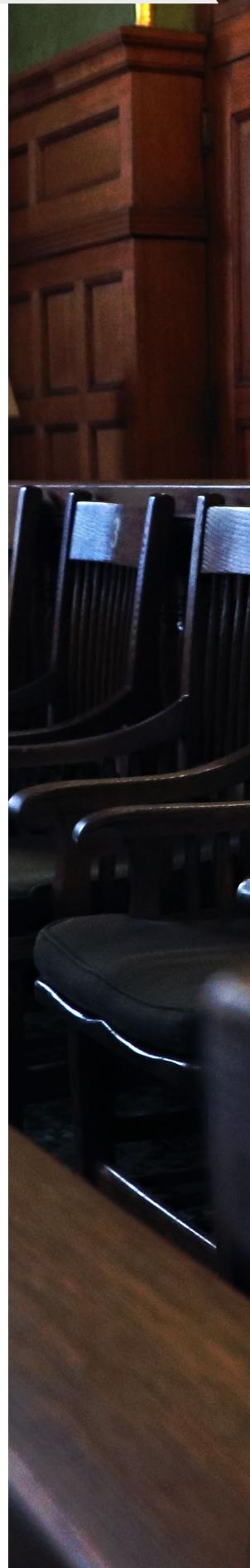
## *Foreign Bribery Trials and Associated Convictions*

### ***United States v. Carl Zaglin, Aldo Marchena, Francisco Cosenza, and Juan Ramon Molina (S.D. Fla.)***

In September 2025, Carl Zaglin, the owner and CEO of Atlanco LLC, a Georgia-based manufacturer of police uniforms and tactical military equipment, was convicted by a federal jury in Miami for his role in a nearly five-year long scheme to bribe Honduran government officials in connection with the award and performance of over \$10 million in contracts. Evidence presented at trial showed that Zaglin facilitated the payment of hundreds of thousands of dollars in bribes to Honduran officials, including Francisco Cozenza and Juan Ramon Monlina, who held senior leadership positions at the Comité Técnico del Fideicomiso para la Administración del Fondo de Protección y Seguridad Poblacional (TASA), a Honduran governmental entity that procured goods for the Honduran National Police and other Honduran security agencies. The bribes were paid through a Miami-based intermediary, Aldo Nestor Marchena, who received \$2.5 million in payments pursuant to sham invoices authorized by Zaglin.

The jury convicted Zaglin of one count of conspiracy to violate the FCPA, one count of violating the FCPA, and one count of conspiracy to commit money laundering. In December 2025, he was sentenced to 8 years in prison and ordered to forfeit over \$2 million. Marchena, Cosenza, and Molina all pleaded guilty to their roles in the scheme. Marchena was sentenced to 7 years in prison in October 2025, Molina was sentenced to 13 months in prison and 17 months of home confinement in December 2025.

The Fraud Section's FCPA Unit and the U.S. Attorney's Office for the Southern District of Florida handled the case.



## ***United States v. Ramon Alejandro Rovirosa Martinez (S.D. Tex.)***

In December 2025, Ramon Alejandro Rovirosa Martinez, a Mexican citizen and U.S. lawful permanent resident, and the owner of several oil services related businesses in the U.S. and Mexico, was convicted by a federal jury in Houston for his role in a years-long scheme to bribe officials at PEMEX, Mexico's state owned and controlled oil company, and its subsidiary PEP. Evidence presented at trial proved that the bribes—which were in the form of cash payments, luxury handbags, expensive watches, and exercise equipment—were paid in exchange for those officials' improper assistance in obtaining and retaining contracts and payments from PEMEX and PEP worth at least \$2.5 million. The bribes were paid through an intermediary, Mario Alberto Avila Lizarraga of Spring, Texas, a Mexican citizen and U.S. lawful permanent resident. Avila was indicted with Rovirosa in August 2025.

The jury convicted Rovirosa of one count of conspiracy to violate the FCPA and two counts of violating the FCPA. The Fraud Section's FCPA Unit and the U.S. Attorney's Office for the Southern District of Texas handled the case.



# Foreign Corrupt Practices Act Unit

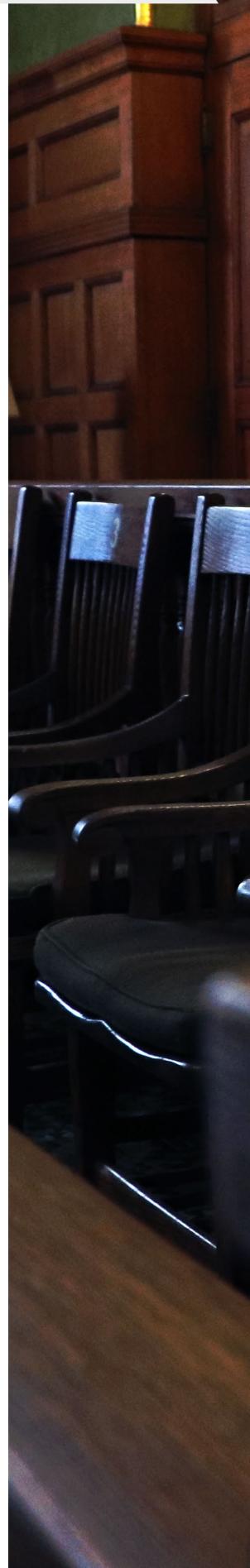
## *Significant Indictments of Individuals*

### ***United States v. Nazar Mohamed and Azruddin Mohamed (S.D. Fla.)***

In October 2025, a federal grand jury in Miami returned an indictment charging two Guyanese nationals with participating in a multi-year scheme to evade millions of dollars in taxes and royalties owed to the Government of Guyana through fraudulent gold export practices and related money laundering activities. According to court documents, Nazar and Azruddin Mohamed were owners of Mohamed's Enterprise, a gold wholesaler and exporter in Guyana that sold gold to buyers in Miami and Dubai. From about 2017 through at least 2024, the pair allegedly enriched themselves and defrauded the Government of Guyana by concealing the true quantity and value of gold exported by their company.

The indictment alleges that Nazar and Azruddin Mohamed devised a system in which Mohamed's Enterprise paid taxes and royalties on one shipment of gold to obtain official government seals, then reused those same seals on subsequent shipments to avoid paying additional taxes and royalties. To further their scheme, they allegedly shipped empty boxes bearing Guyanese government seals from Dubai through Miami to Guyana and paid bribes to customs and other government officials to facilitate the illegal shipments.

In total, the pair allegedly exported at least 10,000 kilograms of gold through Miami, causing an estimated loss of approximately \$50 million to the Government of Guyana. The Fraud Section and the U.S. Attorney's Office for the Southern District of Florida are prosecuting the case.



# Health Care Fraud Unit



The HCF Unit had a record-setting year 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.

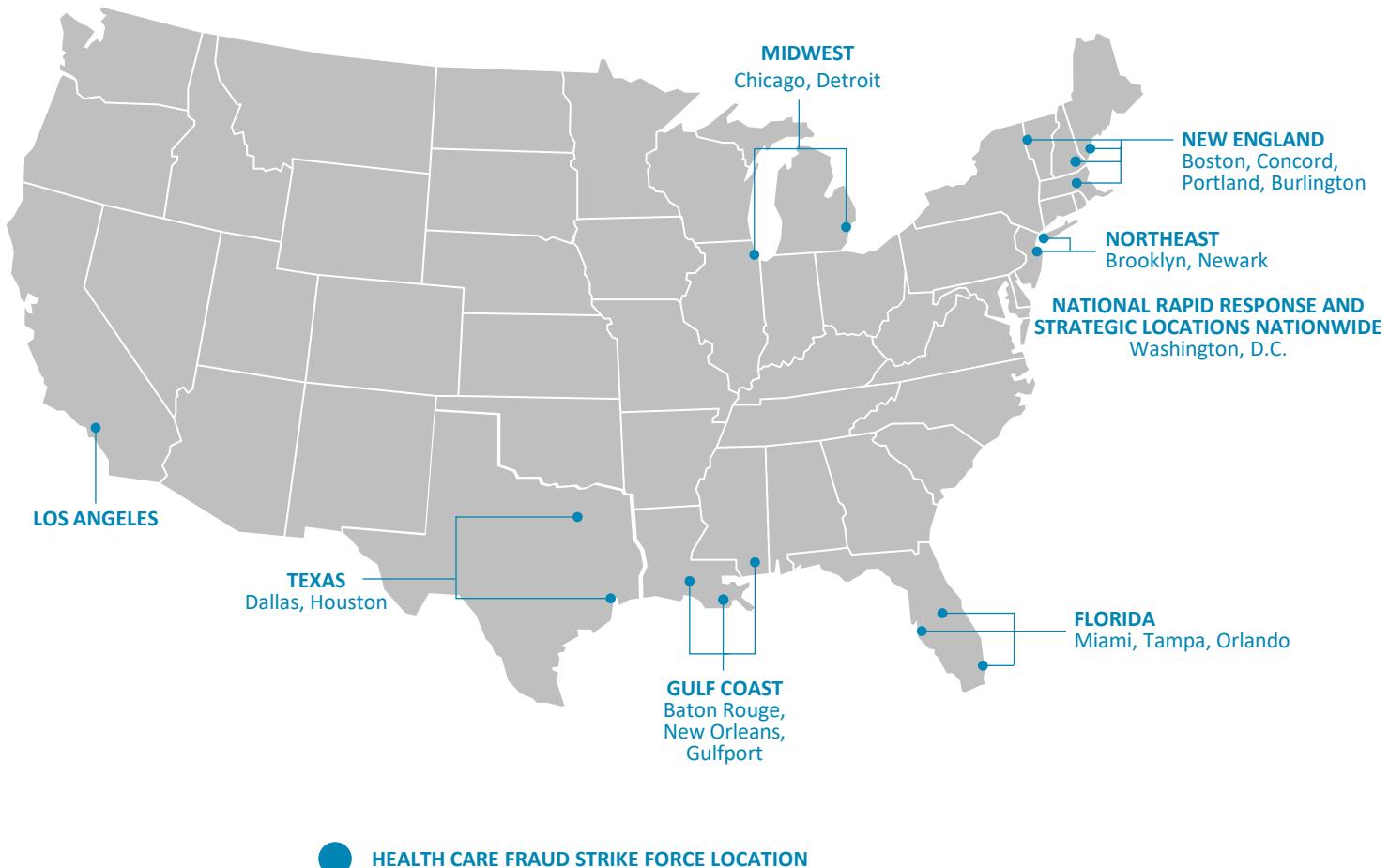
The HCF Unit is composed of more than 75 experienced white-collar prosecutors dedicated to identifying and eliminating fraud affecting government-sponsored health care programs and protecting patients from harm. Established in 2007, the HCF Unit operates eight Strike Forces across the United States—including in Los Angeles, Florida, Texas, New England, the Northeast, the Midwest, and the Gulf Coast, and through the National Rapid Response Strike Force (NRRSF), whose prosecutors are strategically located nationwide. These Strike Forces work with U.S. Attorneys' Offices, the Department of Health and Human Services Office of Inspector General (HHS-OIG), the Federal Bureau of Investigation (FBI), the Drug Enforcement Administration (DEA), and other federal and state law enforcement agencies to prosecute the nation's most complex health care fraud schemes, including large-scale fraud involving Medicare, Medicaid, TRICARE, and other benefit programs, as well as the illegal prescription, distribution, and diversion of opioids and other controlled substances.

In 2025, the HCF Unit pursued a strategic, multi-pronged approach to protect patients, safeguard taxpayer-funded programs, and combat fraud across the health care system. The centerpiece of these efforts was the Department's largest-ever National Health Care Fraud Takedown in June 2025, which targeted hundreds of defendants, including licensed medical professionals and transnational criminal actors, and involved billions of dollars in intended losses. Some of the Unit's cases involved egregious instances of patient harm in addition to loss to taxpayers, including prosecutions involving illegal opioid or stimulant distribution that fueled addiction across the country and fraudulent misdiagnoses by a rheumatologist who administered toxic medications to his patients.

As part of its focus on corporate enforcement, the HCF Unit secured two corporate resolutions, holding companies accountable for defrauding patients and regulators, and indicted two companies for distributing controlled substances. In addition, the Unit announced two forward-looking initiatives: the expansion of the New England Strike Force to enhance regional enforcement, and the creation of a Health Care Fraud Data Fusion Center to improve data sharing, leverage advanced analytics, and detect emerging fraud schemes. Together, these and other priorities detailed below reflect a comprehensive, interagency approach to preventing fraud and abuse, ensuring compliance, and protecting patients and taxpayers. The Unit's work in 2025 demonstrates that the Department will continue to use every tool at its disposal to root out health care fraud and bring criminals to justice, regardless of their location or the complexity of their schemes.

# Health Care Fraud Unit

## HCF UNIT MAP



## HCF Unit Statistics | 2025

**\$15 bn**  
**in ALLEGED LOSS**  
2025

 **194**  
**Individuals CHARGED**  
2025

# Health Care Fraud Unit

## PROTECTING THE PUBLIC FISC

The HCF Unit's work provides a significant value for the public in preventing fraud and driving down the cost of health care. A third-party consulting group analyzed return on investment using alleged loss values from cases that were "ongoing" at the time of the indictment. The analysis showed that the average return on investment (FY21-24) by year 10 is \$106.76 per \$1 spent, and over \$4.5 billion in projected savings. Moreover, by stopping ongoing high-loss schemes in their tracks, the HCF Unit's work prevents depletion of the Medicare Trust Fund and safeguards the integrity of other health care benefit programs.

### Average Return on Investment

Per \$1 Spent



Return on Investment  
by Year 10  
**\$106.76**



**\$4.5 bn**  
in **PROJECTED SAVINGS**  
Per year

# Health Care Fraud Unit

## **2025 NATIONAL HEALTH CARE FRAUD TAKEDOWN**

In June 2025, the Fraud Section led the largest National Health Care Fraud Takedown in Department of Justice history, a coordinated nationwide effort to combat and deter health care fraud. The HCF Unit, U.S. Attorney's Office partners, and State Attorneys General Offices charged 324 individuals—including 96 licensed medical professionals—in 50 federal districts and 12 state jurisdictions. These cases involved alleged participation in health care fraud schemes with an intended loss exceeding \$14.6 billion. Law enforcement seized over \$245 million in cash, luxury vehicles, cryptocurrency, and other assets, while the Centers for Medicare and Medicaid Services (CMS) prevented more than \$4 billion in fraudulent payments and suspended or revoked the billing privileges of 205 providers in advance of the Takedown. Civil charges were also filed against 20 defendants for \$14.2 million in alleged fraud, and civil settlements totaled \$34.3 million from 106 defendants.

The charges alleged included those brought in five districts against 19 defendants as part of Operation Gold Rush, an over \$10 billion scheme that was orchestrated by a transnational criminal organization and involved the submission of fraudulent health care claims to Medicare for urinary catheters and other durable medical equipment; charges against seven defendants, including five medical professionals, in connection with approximately \$1.1 billion in fraudulent claims for amniotic wound allografts; a \$703 million scheme in which the defendants allegedly used artificial intelligence to create fake recordings of Medicare beneficiaries purportedly consenting to receive certain products; a \$650 million scheme to prey upon vulnerable individuals in need of addiction treatment by fraudulently billing Arizona Medicaid for substance abuse treatment services; and charges against 74 defendants, including 44 licensed medical professionals, across 58 cases in connection with the alleged illegal diversion of over 15 million pills of prescription opioids and other controlled substances, resulting in addiction and patient harm.

The charged schemes targeted multiple areas of federal health care programs, demonstrating the variety and scope of fraud impacting patients and taxpayers. Alleged opioid and other controlled substance schemes involved unlawful prescriptions and patient recruitment fraud. Telemedicine and laboratory billing fraud schemes allegedly generated hundreds of millions of dollars in improper claims. Fraudulent home health, hospice, and durable medical equipment schemes allegedly billed Medicare and Medicaid for unnecessary or never-provided services. This Takedown also exposed the expanding reach of transnational organized crime in health care fraud, which is described in more detail on pages 25 and 33.

# Health Care Fraud Unit

## **CORPORATE ENFORCEMENT**

### ***Kimberly-Clark Corporation (N.D. Tex.)***

In August 2025, Kimberly-Clark Corporation entered into a DPA and agreed to pay up to \$40.4 million to resolve a criminal charge stemming from the sale of adulterated surgical gowns. The resolution included a \$24.5 million criminal penalty, \$3.9 million in forfeited profits, and up to \$12 million in compensation to affected patients and health care providers. The case arose from the company's distribution of "MicroCool" surgical gowns that were marketed as providing the highest fluid-resistance protection, despite failing to meet required standards. Employees circumvented regulatory submissions to the Food and Drug Administration (FDA), allowing non-compliant gowns to enter hospitals and clinics nationwide. Approximately \$49 million worth of these gowns were sold from 2013-2014, creating a significant risk to patients and health care workers relying on protective equipment.

The Fraud Section and the then-Civil Division, Consumer Protection Branch (now Fraud Section, Health and Safety Unit) prosecuted this case.

### ***Troy Health, Inc. (W.D.N.C.)***

In August 2025, Troy Health, Inc., a Medicare Advantage provider, entered into a non-prosecution agreement (NPA) and agreed to pay a \$1,430,008 criminal penalty after admitting to enrolling beneficiaries into Medicare plans without their consent. Between 2020 and 2022, Troy used proprietary software and pharmacy-sourced data to access beneficiaries' personal information and enroll them automatically into plans, often processing hundreds of enrollments in a single day. Marketers misrepresented the plans as supplements to existing coverage, and employees offered financial incentives to pharmacies for referrals.

The Fraud Section and the U.S. Attorney's Office for the Western District of North Carolina prosecuted this case.

### ***Done Global and Mindful Mental Wellness (N.D. Cal.)***

In December 2025, a federal grand jury in San Francisco returned an indictment charging a California company, Done Global, for its participation in a years-long scheme to illegally distribute Adderall over the internet, conspire to commit health care fraud in connection with the submission of false and fraudulent claims for reimbursement for Adderall and other stimulants, and conspire to obstruct justice. The company's founder and clinical president, Ruthia He and David Brody, were convicted at trial as described below. Mindful Mental Wellness (MMW), a Florida medical practice, was also charged in connection with its alleged participation in the scheme. As alleged in the indictment, by 2023 certain pharmacies refused to fill prescriptions written by prescribers retained by Done Health, a company affiliate of Done Global, and Done Global then incorporated MMW to circumvent these pharmacies' restrictions.

The Fraud Section and the U.S. Attorney's Office for the Northern District of California prosecuted the case.

# Health Care Fraud Unit

## **NEW ENGLAND STRIKE FORCE EXPANSION**

In September 2025, the HCF Unit announced the expansion of its New England Strike Force into the District of Massachusetts to support and further strengthen federal enforcement against health care fraud in the region.

By embedding the Strike Force in Boston, the HCF Unit is bringing specialized prosecutors and its multi-agency, data-driven Strike Force model to serve as a force multiplier for the U.S. Attorney's Office's historic track record combating health care fraud. The Strike Force will coordinate with the U.S. Attorney's Office for the District of Massachusetts, the FBI, HHS-OIG, the FDA, DEA, Homeland Security Investigations, Veterans Affairs Office of Inspector General, Internal Revenue Service Criminal Investigation, and Massachusetts state partners including the Medicaid Fraud Control Unit and the Insurance Fraud Bureau. This collaborative structure enhances the ability to investigate both individual and corporate misconduct, particularly in a critical hub for health care innovation, life sciences, and medical research and home to leading medical institutions and biotech companies.



# Health Care Fraud Unit

## DATA ANALYTICS

In 2025, the HCF Unit's use of proactive data analytics paid dividends as shown in the charging and resolution of several significant matters and the seizure of tens of millions of dollars for the American taxpayers, a substantial return on investment. The HCF Unit's Data Analytics Team completed 2,085 data requests and 164 proactive data referrals for the HCF Unit and U.S. Attorney's Offices across the country.

### *Operation Gold Rush*

In June, the Department announced Operation Gold Rush, a nationwide enforcement action and part of the Takedown, which has resulted in 21 defendants charged in five districts for their roles in a transnational criminal organization, based in Russia and elsewhere, that submitted over \$12 billion in fraudulent claims to U.S. health insurance programs—including \$10.6 billion to Medicare—the largest intended loss ever charged in a health care fraud case brought by the Department. Twelve defendants were arrested, including four apprehended in Estonia as a result of international cooperation with Estonian law enforcement. The organization allegedly used a network of foreign straw owners who exploited the stolen identities of over one million Americans across all 50 states and used their confidential medical information to submit the fraudulent claims. The HCF Unit's Data Analytics Team and its partners detected the anomalous billing through proactive data analytics, and HHS-OIG and CMS successfully prevented the criminal organization from receiving all but \$41 million of the \$4.45 billion that was scheduled to be paid by Medicare; however, the scheme resulted in approximately \$900 million in improper payments from Medicare supplemental insurers. Law enforcement has seized approximately \$27.7 million in fraud proceeds as part of Operation Gold Rush.

### ***United States v. Mailyan (C.D. Cal.)***

The HCF Unit's Data Analytics Team employed advanced data analytic tools to identify Medicare providers who were outliers in billing for expensive Botox injections for the treatment of chronic migraines. A medical facility in California, Healthy Way Medical Center (Healthy Way), was identified as a key outlier, having billed over \$30 million in a five-year period for chronic migraine codes. The Data Analytics Team determined that nearly all the beneficiaries treated at Healthy Way had not previously been billed for Botox injections by other providers. By continuing to track claims after identifying Healthy Way, the data team discovered that of the top 150 billers nationwide, Healthy Way's owner and rendering physician was the only provider with a family practice specialty, while the other providers specialized in neurology or physical medicine rehabilitation.

## ***United States v. Mailyan (cont.)***

These data analytics efforts led to the indictment in October 2025 of Violetta Mailyan, the sole owner of Healthy Way, who was charged in connection with a \$45 million scheme to allegedly bill Medicare for false and fraudulent claims related to the treatment of chronic migraines. As alleged in the indictment, Mailyan billed Medicare for Botox injections that were medically unnecessary and never provided, including for injections on dates when Mailyan or the beneficiary were traveling internationally, on dates when the Medicare beneficiary was in federal prison, and on dates when Healthy Way was closed. Medicare paid Healthy Way approximately \$32 million as a result of the false claims, some of which Mailyan used to purchase luxury goods and real property.

## ***FUSION CENTER***

Announced in connection with the June 2025 Health Care Fraud Takedown, the HCF Unit is working closely with agency partners to create a Health Care Fraud Data Fusion Center to bring together experts from the HCF Unit's Data Analytics Team, HHS-OIG, FBI, and other agencies to leverage cloud computing, artificial intelligence, and advanced analytics to identify emerging health care fraud schemes. The Fusion Center will increase efficiency, detection, and rapid prosecution of emerging health care fraud schemes through a whole-of-government approach.



# Health Care Fraud Unit

## ***SIGNIFICANT TRIAL CONVICTIONS***

The HCF Unit remains one of the most active litigating components in the Department, with 28 of the Unit's Trial Attorneys involved in conducting 17 trials in 2025. 19 defendants were found guilty across these trials, and another 131 defendants pleaded guilty, for a total of 150 convictions.

Over the past year, the HCF Unit achieved a series of high-profile convictions that exposed widespread fraud, abuse, and patient exploitation across the U.S. health care system.

### **Digital Health Company Adderall Distribution Scheme**

#### ***United States v. Ruthia He and David Brody (N.D. Cal.)***

In November 2025, Ruthia He, the founder and CEO of a digital health company, and Dr. David Brody, the company's clinical president, were convicted at trial in a \$100 million Adderall distribution and health care fraud scheme in connection with their efforts to obtain a \$1 billion valuation for the company. Their telehealth platform distributed over 40 million pills of Adderall and other stimulants online using misleading marketing, auto-refill features, and fraudulent prior authorization requests, defrauding Medicare, Medicaid, and commercial insurers.

Evidence at trial showed that He and Done spent over \$40 million on deceptive advertisements on social media networks that sought to convince Americans challenged by a lack of structure during the COVID-19 pandemic that they were suffering from ADHD. He paid nurse practitioners around the country up to \$60,000 per month to refill prescriptions without clinical interaction and enabled an "auto-refill" technology feature where patients could receive prescriptions without clinical interaction. He instructed employees that successful technology companies break the law, and Brody told nurses to disregard the risk of going to jail. The evidence at trial showed that He moved operations to China to obstruct the government's investigation by making personnel and evidence unavailable. He also limited her communications on company platforms, used encrypted messaging apps with disappearing messages, and deleted incriminating documents, such as language encouraging Done providers to provide Adderall even to patients who did not have ADHD. In addition to He and Brody, who were convicted at trial, and charges brought against two corporate entities, seven other defendants—including two other corporate executives and five medical professionals—were charged and pleaded guilty in connection with the investigation.

## **Affordable Care Act Enrollment Fraud**

### ***United States v. Cory Lloyd and Steven Strong (S.D. Fla.)***

In November 2025, a jury convicted insurance brokerage president Cory Lloyd and marketing company CEO Steven Strong for a years-long scheme that sought more than \$233 million in fraudulent Affordable Care Act (ACA) subsidies, of which the federal government ultimately paid at least \$180 million. Lloyd and Strong submitted thousands of false ACA applications to secure fully subsidized insurance plans for individuals who did not meet income or eligibility requirements, allowing the defendants to generate millions of dollars in inflated commission payments from insurance companies.

To carry out the fraud, the defendants routinely misrepresented applicants' income and, in some cases, used fictitious or inaccurate addresses and Social Security numbers. They also exploited vulnerable populations, including individuals experiencing homelessness, unemployment, mental-health challenges, or substance-abuse issues, relying on "street marketers" who sometimes offered bribes to recruit people into the scheme. Many victims lost existing Medicaid or other insurance coverage and suffered significant disruptions in their access to care as a result.

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## **Black-Market HIV Medications**

### ***United States v. Patrick Boyd and Charles Boyd (S.D. Fla.)***

In October 2025, a jury convicted owners of a pharmaceutical wholesale company, Patrick Boyd and Charles Boyd, for their central roles in a scheme that purchased and resold more than \$92 million worth of improperly obtained HIV medications. Their company, Safe Chain Solutions, acquired HIV drugs from black market suppliers via so-called "buyback" schemes, then repackaged and redistributed those drugs to thousands of pharmacies across the United States under falsified paperwork that concealed their illicit origin.

Evidence at trial revealed the Boyds bought HIV medication from suppliers that discarded original prescription labels and shipped bottles in reused or scavenged boxes, sometimes in unsanitary or unsafe conditions. Despite repeated warnings from compliance staff about the risk to patient safety, the Boyds continued to distribute the tainted medications. Pharmacies reported that some bottles labeled as HIV medication instead contained other drugs, including antipsychotics and pain medications. On at least one occasion, a patient taking what they believed was HIV medication lost consciousness for 24 hours after ingesting what turned out to be a different drug entirely.

The jury convicted the Boyds of multiple felony counts, including conspiracy to introduce misbranded drugs, trafficking misbranded medical products with false documentation, and wire fraud conspiracy, reflecting the breadth and severity of the misconduct.

## **Durable Medical Equipment Fraud**

### ***United States v. Gary Cox (S.D. Fla.)***

In June 2025, Gary Cox, the CEO of a health care software company, Power Mobility Doctor Rx, LLC (DMERx), was convicted for his role in a fraud conspiracy involving over \$1 billion in false claims submitted to Medicare and other federal health care programs. In December 2025, Cox was sentenced to 15 years in prison. Cox and his co-conspirators used the DMERx platform to generate fake doctors' orders for durable medical equipment, orthotic braces, pain creams, and other items. Telemedicine companies, pharmacies, and suppliers participated in the scheme by paying kickbacks in exchange for approving the false orders. Physicians were falsely recorded as having assessed patients, often with minimal or no contact, and orders were submitted for medically unnecessary products. The scheme impacted hundreds of thousands of Medicare beneficiaries and caused more than \$360 million in improper payments.

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## **Pill Mill Operations**

### ***United States v. Ndubuisi Joseph Okafor (D.D.C.)***

In March 2025, a jury convicted Ndubuisi Joseph Okafor, M.D. for operating a pill mill out of his Northwest Washington, D.C. internal medicine clinic. Evidence showed that between May 2021 and April 2023, Dr. Okafor wrote narcotic prescriptions for cash after minimal examinations. He issued oxycodone and promethazine with codeine prescriptions to undercover agents and other patients, many of whom had no legitimate medical need. In June 2025, Dr. Okafor was sentenced to 18 years' imprisonment and was ordered to forfeit over \$213,000.



# Health Care Fraud Unit

## **ENFORCEMENT PRIORITIES**

The 2025 Takedown and charges reflect several key priorities in health care fraud enforcement: (a) protecting the public fisc by prioritizing seizure and forfeiture; (b) combating cutting-edge emerging schemes, such as those involving wound care; (c) telemedicine and digital technology schemes; (d) foreign actors; (e) addiction rehabilitation fraud; (f) prescription drug abuse; (g) corporate enforcement (discussed above); and (h) traditional health care fraud schemes.

### *Protecting the Public Fisc: Seizure and Forfeiture*

The HCF Unit not only prioritizes preventing taxpayer dollars from being paid on false and fraudulent claims, but also prioritizes recovering taxpayer dollars unlawfully obtained. In 2025 alone, the HCF Unit forfeited more than \$568 million in assets from defendants sentenced this year, reflecting a substantial return on investment for the Department and the American public.

### ***United States v. Dehshid “David” Nourian (N.D. Tex.)***

In February and March 2025, Texas pharmacist Dehshid “David” Nourian—who was convicted at trial for his role in a scheme to defraud the Department of Labor (DOL) through the submission of fraudulent claims for prescription compound creams—was sentenced to 17 years and six months in prison, ordered to pay over \$115 million in restitution, and ordered to forfeit \$405 million in seized assets—the largest forfeiture order ever in a health care fraud case. Nourian and co-conspirators owned and operated three pharmacies in Fort Worth and Arlington, Texas, where they paid doctors millions of dollars in illegal bribes and kickbacks for referring expensive compound medications. Evidence at trial showed that these compounds were being mixed in the back rooms of the pharmacies by untrained teenagers at a cost of around \$15 per prescription and then billed to DOL for as much as \$16,000 per prescription. The forfeiture included \$395 million in brokerage accounts, over \$2 million in bank accounts, real estate in Dallas and Austin worth \$8 million, and a BMW luxury vehicle.

# Health Care Fraud Unit

## **ENFORCEMENT PRIORITIES**

### *Cutting Edge Threats: Wound Care Initiative*

Since June 2024, the HCF Unit has aggressively pursued enforcement in the wound care space, charging 12 defendants in wound graft cases totaling more than \$1.3 billion. Medicare payments for amniotic wound allografts, also known as skin substitutes, have exploded in recent years, driven by illegal kickbacks from wholesalers and medically unnecessary applications by providers incentivized by the high reimbursement rates. In 2020, Medicare paid \$380 million for these products; in 2023, \$3.3 billion; and in 2024, \$7.6 billion. These products, made from human placental material, are intended for chronic wounds, and Medicare has traditionally reimbursed by the square centimeter, often more than \$1,000 per square centimeter.

#### ***United States v. Alexandra Gehrke and Jeffrey King (D. Ariz.)***

In the District of Arizona, the HCF Unit secured guilty pleas and sentences of 15.5 and 14 years, respectively, for two wound graft company owners, Alexandra Gehrke and Jeffrey King, who defrauded Medicare and other insurers of more than \$1.2 billion in less than two years by accepting illegal kickbacks from a wholesale wound graft company and billing for medically unnecessary grafts applied primarily to hospice patients. Law enforcement seized \$120 million in assets from the defendants, including cash from 28 bank accounts, four luxury vehicles, and gold bars.

#### ***United States v. Tyler Kontos, et al. (D. Ariz.)***

In a related case, Tyler Kontos, Joel “Max” Kupetz, and Jorge Kinds, all of Arizona, were charged in connection with a \$1 billion amniotic wound allograft fraud scheme that targeted elderly Medicare patients, many of whom were terminally ill or in hospice care. The indictment alleges that the defendants used a network of Arizona-based companies to indiscriminately apply expensive and medically unnecessary allografts to patients’ wounds, often without consulting the patients’ treating physicians and in sizes far larger than required. Kontos and Kupetz, neither of whom had medical training, identified patients and directed orders for allografts, while Kinds, a licensed nurse practitioner, applied the products as instructed, without conducting independent medical assessments.

Over a fourteen-month period, the defendants and their co-conspirators allegedly caused the submission of more than \$1 billion in false and fraudulent claims to Medicare, CHAMPVA, TRICARE, and commercial insurers, resulting in over \$600 million in improper payments. Kontos and Kupetz received illegal kickbacks for ordering and arranging the purchases of allografts, while Kinds was paid up to \$1,000 for each application. Following the indictment, law enforcement seized assets totaling more than \$7.2 million, including bank accounts and cryptocurrency.

# Health Care Fraud Unit

## **ENFORCEMENT PRIORITIES**

### *Digital Health Technology and Telemedicine Initiative*

Since 2019, the HCF Unit has charged more than 222 defendants, alleging over \$7.5 billion in losses arising from telemedicine schemes. In 2025, the HCF Unit intensified its focus on telemedicine-related schemes, recognizing that the rapid expansion of digital health services presents both innovation opportunities and grave fraud risks. The Unit prioritized cases in which telemedicine platforms were exploited to generate false claims, improperly prescribe controlled substances, or bypass necessary clinical oversight, threatening patient safety and defrauding federal health care programs. The 2025 Takedown also included a case involving audio recordings using artificial intelligence that purported to reflect Medicare beneficiaries' consent to receive products. The defendants sold these AI-generated recordings, along with stolen Medicare beneficiary data, to laboratories and durable medical equipment companies.

Recent high profile prosecutions underscore the evolving threat landscape.

#### ***Done ADHD (N.D. Cal.): See page 23***

#### ***United States v. Jamie McNamara (E.D. La.)***

In October 2025, Jamie P. McNamara, of Missouri, was sentenced to 10 years in prison for orchestrating a scheme that billed approximately \$174 million in false claims to Medicare. McNamara operated multiple laboratories in Louisiana and Texas that performed cancer and cardiovascular genetic tests. The labs obtained doctors' orders through aggressive telemarketing campaigns that targeted Medicare beneficiaries. Telemedicine physicians approved the tests without ever meeting the patients or conducting legitimate consultations, and McNamara paid illegal kickbacks disguised through sham contracts to secure these orders. To conceal his involvement, McNamara shifted billing among his laboratories and listed family members as company owners on Medicare documentation. Over approximately 18 months, the labs submitted more than \$174 million in claims and received over \$55 million in reimbursements before the scheme was uncovered. The court ordered McNamara to pay more than \$55 million in restitution, and law enforcement seized several luxury vehicles and over \$7 million from accounts tied to the fraud.

# Health Care Fraud Unit

## **ENFORCEMENT PRIORITIES**

### *Foreign Actors*

In 2025, the HCF Unit continued to confront health care fraud schemes orchestrated by foreign actors seeking to exploit U.S. health care programs. Three major prosecutions highlight the Unit's focus on identifying and dismantling transnational fraud networks that defraud federal and state programs, prey on vulnerable populations, and exploit stolen patient information.

### ***Operation Gold Rush: See page 25***

#### ***United States v. Ruknuddin Charolia, et al. (N.D. Ill.)***

Ruknuddin “Rick” Charolia, Aamir Ali Arif, Shearyar Arif, Fizza Farid, and Faizan Saleem, all Pakistani citizens, were charged in connection with a \$703 million health care fraud scheme targeting Medicare and Medicare Advantage plans. According to the indictment, the defendants caused the submission of claims for over-the-counter COVID-19 test kits, durable medical equipment, and genetic tests that patients never requested, received, or consented to receive. Charolia and Aamir Ali Arif operated a Pakistan-based call center, Hello International Marketing Solutions, which obtained beneficiary information through hacking, scraping publicly available websites, and deceptive online advertising. The call center also used artificial intelligence to fabricate recordings falsely purporting to show patient consent. Charolia, Shearyar Arif, and Aamir Ali Arif recruited others, including Farid, to serve as nominee owners of companies and laboratories that submitted false claims and transferred proceeds to accounts controlled by the defendants. In addition, Charolia, Aamir Ali Arif, and Faizan Saleem were charged with conspiracy to defraud the United States and violating the Anti-Kickback Statute for selling and distributing stolen Medicare beneficiary data. The government seized approximately \$44.7 million from bank accounts connected to the scheme.

#### ***United States v. Farrukh Ali (D. Ariz.)***

Farrukh Jarar Ali, also a Pakistani citizen, was charged in connection with an approximately \$650 million scheme involving at least 41 outpatient substance-abuse treatment clinics in Arizona. Ali’s company, ProMD Solutions, provided credentialing, enrollment, medical coding, and billing services for clinics that purported to provide addiction treatment. Many patients were recruited from homeless populations or Native American reservations, but the clinics billed Arizona’s Medicaid program, AHCCCS, for services that were not provided, misrepresented, or medically unnecessary. AHCCCS paid approximately \$564 million on these claims. Ali also created false therapy notes to conceal the scheme, and he personally received roughly \$24.5 million, part of which he used to purchase a luxury home in Dubai.

# Health Care Fraud Unit

## **ENFORCEMENT PRIORITIES**

### *Substance Abuse Treatment Initiative*

In 2025, the HCF Unit strengthened its enforcement efforts in cases involving the exploitation of individuals seeking substance-abuse treatment. The Unit prioritized protecting this vulnerable population, which is too often targeted by providers looking to capitalize on the nation's addiction crisis. Over the course of the year, the Unit brought a series of impactful prosecutions that uncovered treatment centers billing federal and state health care programs for nonexistent or misrepresented services, using illegal kickbacks to recruit patients, and diverting public funds intended to support genuine recovery. Since 2019, the HCF Unit has charged more than 40 defendants in connection with substance abuse treatment fraud schemes involving more than \$1.8 billion in fraudulent claims; with 33 of those defendants convicted to date.

#### ***United States v. Jose Alzadon, et al. (E.D. Ky.)***

In March 2025, a jury convicted three individuals associated with Kentucky Addiction Centers (KAC), an addiction-treatment network operating throughout eastern Kentucky—Dr. Jose Alzadon, KAC CEO Michael Bregenzer, and billing manager Barbie Vanhoose—for orchestrating a multifaceted scheme that resulted in more than \$8 million in false claims to Medicare and Kentucky Medicaid. Evidence showed that the defendants routinely billed for services that were never provided or were deliberately misrepresented as more complex than what patients actually received. Their misconduct also included an identity-based scheme in which the defendants used the name and DEA prescribing credentials of Dr. Alzadon's elderly father to submit claims and issue prescriptions for Suboxone, despite Dr. Alzadon's own credentialing issues that restricted his billing and prescribing authority. This deceptive practice not only defrauded federal health care programs but also jeopardized patient safety by undermining the oversight and regulatory safeguards designed to ensure the proper use of controlled substances in addiction treatment.

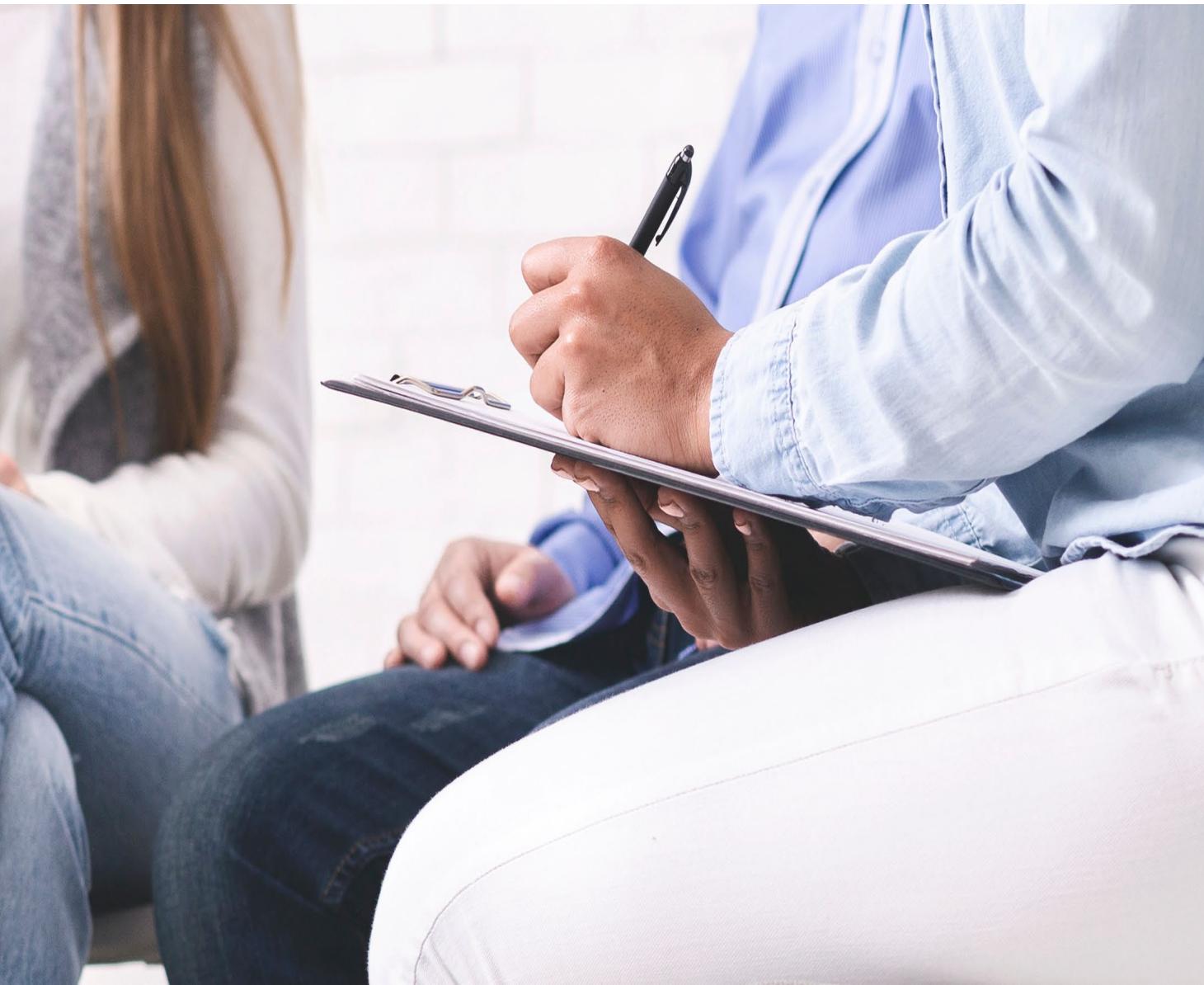
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#### ***United States v. Rita Anagho (D. Ariz.)***

The HCF Unit brought charges arising from schemes that targeted Arizona's Medicaid program, AHCCCS, and its American Indian Health Program (AIHP). In one case, Rita Anagho pled guilty in connection with approximately \$69.7 million for behavioral health services through TUSA Integrated Clinic that were never provided or were not provided as represented. The scheme primarily involved Native American beneficiaries and others enrolled in AIHP, and many individuals were recruited or switched into AIHP coverage without their knowledge in order to maximize reimbursement.

## ***United States v. Cle'Esther Davenport (D. Ariz.) and United States v. Terry Patton (C.D. Cal.)***

The HCF Unit also pursued cases involving illegal kickbacks used to recruit vulnerable patients into fraudulent treatment programs. In Arizona, Cle'Esther Davenport was charged for receiving approximately \$739,000 in illegal kickbacks to steer Arizona Medicaid beneficiaries to TUSA Integrated Clinic, which led to more than \$1.5 million in improper payments. In California, the HCF Unit charged Terry Patton for operating a nationwide patient-brokerage network that directed individuals to Orange County treatment centers in exchange for more than \$2.3 million in kickbacks. Patton and his associates paid patients to attend treatment, compromising clinical judgment and further corrupting an already vulnerable system.



# Health Care Fraud Unit

## **ENFORCEMENT PRIORITIES**

### *Prescription Drug Abuse Initiative*

The HCF Unit remains committed to protecting patients from the dangers of unsafe prescribing and the diversion of controlled substances disguised as legitimate medical care. The Unit's recent prosecutions continue to demonstrate the serious risks posed by pill mills, prescription abuse, and the diversion of narcotics under the guise of legitimate medical care. Collectively, these efforts have made a substantial and lasting impact. Since 2018, the HCF Unit has charged more than 392 defendants in cases involving the unlawful issuance and distribution of over 277 million controlled-substance pills. To date, more than 315 defendants have been convicted.

#### ***United States v. Dr. Neil Anand (E.D. Pa.)***

In September 2025, a Pennsylvania physician, Neil K. Anand, M.D., was sentenced to 14 years in prison for orchestrating a scheme involving illegal distribution of opioids and other controlled substances. Dr. Anand ran in-house pharmacies and required patients to accept large quantities of medically unnecessary medications, including oxycodone, in order to obtain prescriptions. Unlicensed medical interns wrote prescriptions under minimal supervision, creating extreme risk for addiction, overdose, and other life-threatening consequences. Patients were subjected to unsafe dosing, multiple high-risk medications simultaneously, and repetitive prescribing without proper medical evaluation. The total volume of dispensed opioids highlights the scale of potential patient harm.

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#### ***United States v. Maryam Qayum, et al. (S.D. Tex.)***

In June 2025, Dr. Maryam “Meg” Qayum, Jared Williams, Tomi-Ko Bowers, Lester “Lay” Stokes, and Melvin Sampson, all of Texas, were charged with multiple counts related to the illegal distribution of controlled substances. Dr. Qayum, Bowers, Stokes, and Sampson were also charged with conspiracy to distribute controlled substances, while Dr. Qayum and Bowers faced additional charges for conducting monetary transactions with the proceeds of their crimes.

According to the indictment, the defendants diverted more than 3 million prescription opioids. Dr. Qayum, Bowers, and Stokes operated Recare Clinic in Kingwood, Texas, as a pill mill, writing oxycodone and hydrocodone prescriptions to drug traffickers in exchange for cash. Sampson acted as a trafficker, recruiting individuals to pose as patients, paying for illegitimate prescriptions, and filling them at complicit pharmacies—including Surge Rx, owned and operated by Jared Williams—before reselling the opioids on the black market.

## ***United States v. Sacha Betts, et al. (S.D. Tex.)***

In June 2025, seven defendants were charged by indictment in connection with a sprawling conspiracy to distribute and dispense controlled substances through a network of “front” pharmacies in the Houston area. According to the indictment, from 2015 through 2022, the defendants unlawfully distributed and dispensed more than 4.4 million doses of opioids and other commonly abused prescription drugs, with an estimated street value exceeding \$75 million. The enterprise controlled more than a dozen pharmacies that served as conduits for street-level drug dealers to obtain prescription opioids and other drugs in bulk.

The indictment alleges that all co-conspirators sold opioids and other prescription drugs to street-level traffickers in exchange for cash, using their pharmacies to supply Houston’s illicit drug market while circumventing legitimate medical oversight.



# Health Care Fraud Unit

## **ENFORCEMENT PRIORITIES**

### *Other Health Care Fraud Schemes*

#### ***United States v. Zamora-Quezada (S.D. Tex.)***

In May 2025, South Texas rheumatologist Dr. Jorge Zamora-Quezada was sentenced to 10 years in prison for his role in a \$325 million fraud scheme spanning nearly two decades. Following a 25-day trial, Zamora-Quezada was convicted of one count of conspiracy to commit health care fraud, seven counts of health care fraud, and one count of conspiracy to obstruct justice. Evidence revealed that Zamora-Quezada falsely diagnosed patients with rheumatoid arthritis and prescribed toxic medications to defraud Medicare, Medicaid, TRICARE, and Blue Cross Blue Shield, submitting over \$118 million in false claims and receiving more than \$28 million in payments. The falsely prescribed medications caused debilitating side effects including strokes, necrosis of the jawbone, hair loss, and liver damage. The proceeds funded Zamora-Quezada's lavish lifestyle, including 13 real estate properties, a private jet, and a Maserati GranTurismo. The court imposed a forfeiture of \$28,245,454 in assets and ordered restitution.

#### ***United States v. Petros Fichidzhyan, et al. (C.D. Cal.)***

In May 2025, Petros Fichidzhyan of California was sentenced to 12 years in prison for his role in a scheme that defrauded Medicare of more than \$17 million through sham hospice companies and a fraudulent home health agency. Fichidzhyan and his co-conspirators submitted claims for hospice and home-health services that were neither medically necessary nor ever provided. They used stolen and misappropriated personal identifying information, including the names of foreign nationals and deceased physicians, to conceal the fraud. The scheme involved fake hospice entities and submission of false documentation to Medicare, resulting in nearly \$16 million in payments to these sham providers. Fichidzhyan personally received nearly \$7 million and laundered over \$5 million through shell and third-party bank accounts. He also obtained over \$1 million in improper payments through a home health agency he controlled, relying on misused physician credentials to justify services that were never delivered. The court ordered restitution of \$17,129,060, and the government seized approximately \$2.9 million in assets purchased with fraud proceeds.



# Health and Safety Unit



On November 30, 2025, following the Department's reorganization and reassignment of the criminal portfolio and prosecutors from the Consumer Protection Branch to the Fraud Section, the Fraud Section formed the Health and Safety Unit ("HSU"). HSU is comprised of 23 prosecutors who investigate and prosecute violations of federal laws designed to protect public health and safety. Cases focus on adulterated, misbranded, or counterfeit food, drugs, and devices; transportation safety; dangerous consumer product defects; and other threats that arise when companies and individuals ignore legal obligations meant to help ensure the safety of the products they distribute to consumers.

👉 <https://www.justice.gov/criminal/criminal-fraud/health-safety-unit>

## ***Protecting the Food and Drug Supply***

HSU is charged with criminal enforcement of the federal Food, Drug, and Cosmetic Act (FDCA). The Unit prosecutes a wide range of criminal offenses under the FDCA involving food, prescription medications and other drugs, counterfeit pills, medical devices, dietary supplements, and tobacco. The Unit's criminal enforcement efforts are a key part of the infrastructure protecting the safety of the country's food and drug supply chain. HSU works closely with the FDA and other federal partners to pursue criminal actions against companies and individuals who fail to maintain sanitary facilities, distribute adulterated or misbranded food or drug products, conceal safety-related information from FDA, or make significant misrepresentations to the public.

## ***Enforcing Consumer Product Safety Laws***

HSU brings criminal enforcement actions under the Consumer Product Safety Act (CPSA), the Federal Hazardous Substances Act, and related statutes. These prosecutions involve dangerous products and the knowing failure by companies or individuals to report defects or hazards that present an unreasonable risk of death or injury to consumers. The Unit also works with the Department of Transportation and the National Highway Transportation Safety Administration to bring criminal actions against companies and individuals who conceal dangerous vehicle defects that could cause serious injuries to drivers, passengers, or others on the road.

## HSU Statistics | 2025



**4** INDIVIDUALS  
CHARGED



**4** INDIVIDUALS  
CONVICTED



**4** CORPORATE  
ENFORCEMENT ACTIONS

# Health and Safety Unit

## ***Significant Corporate Resolutions<sup>18</sup>***

### ***United States v. Kimberly-Clark Corporation (N.D. Tex.)***

In August 2025, in conjunction with the Health Care Fraud Unit, attorneys who are now members of the HSU resolved a case against Kimberly-Clark Corporation, a U.S.-based multinational medical goods and personal care company. Pursuant to a deferred prosecution agreement, Kimberly-Clark agreed to pay up to \$40.4 million, including up to \$12 million in victim compensation, to resolve a criminal charge relating to the company's sale of adulterated MicroCool surgical gowns. According to court filings, a Kimberly-Clark employee conducted fraudulent testing on the gowns to avoid having to submit a premarket notification to the FDA after Kimberly-Clark made a change to the gowns, which were marketed as providing the highest level of protection against fluid and viruses.

### ***United States v. Royal Sovereign International Inc. (D.N.J.)***

In August 2025, Royal Sovereign International Inc., a New Jersey corporation that sold office and home appliances, pleaded guilty to failing to report immediately to the Consumer Product Safety Commission (CPSC) information concerning portable air conditioners allegedly linked to more than 40 fires and one death. According to the information filed in the case, the company misled the CPSC in November 2010 by telling the agency that it was aware of only two fire incidents related to the air conditioners, and that the products had been discontinued; the company actually knew of additional fires and continued to distribute the products anyway. According to the recall notice, a woman died in August 2016 from smoke inhalation, and her two children were injured after their Royal Sovereign air conditioner caught fire. In connection with the guilty plea, Royal Sovereign agreed to pay \$395,786.48 in restitution to victims. Attorneys at the U.S. Attorney's Office for the District of New Jersey provided valuable assistance.

### ***Aesculap Implant Systems LLC***

In November 2025, the Department announced a non-prosecution agreement with Aesculap Implant Systems LLC related to the company's introduction of two medical devices into interstate commerce in violation of the FDCA from March 2017 until August 2017. According to the agreement, Aesculap tasked an employee with shepherding both medical devices, a surgical drill and a reusable sterilization container, through the FDA clearance process, but the employee never submitted any documentation to FDA. He then forged multiple documents to reflect both devices were cleared by FDA to be marketed in the United States when FDA had not done so, resulting in the illegal introduction of both devices into interstate commerce. The employee previously pleaded guilty to violating the FDCA and was sentenced to prison. As part of the non-prosecution agreement, Aesculap agreed to a \$122,835 monetary penalty and corporate compliance reporting requirements.

## ***United States v. KBWB Operations LLC and Kevin Breslin (W.D. Wis.)***

In November 2025, Kevin Breslin, the former chief executive officer and managing member of KBWB Operations LLC, doing business as Atrium Health and Senior Living (KBWB-Atrium), was sentenced to 90 months in prison and ordered to pay \$146 million in restitution and \$8.4 million in forfeiture. Breslin and KBWB-Atrium, which was sentenced to pay the same restitution and forfeiture amounts, both pleaded guilty in January 2025 to one count of health care fraud and one count of tax conspiracy related to the operation of numerous skilled nursing facilities in New Jersey, Wisconsin, and Michigan. According to court documents, from approximately 2015 to 2018, KBWB-Atrium operated and owned 23 skilled nursing facilities in Wisconsin, which Breslin was responsible for overseeing. The primary source of income for the KBWB-Atrium Wisconsin skilled nursing facilities was federal Medicare and Medicaid funds from the CMS. According to court documents, the defendants' scheme involved unlawfully diverting CMS funds intended for the operation, management, maintenance, and care of nursing home residents for other purposes and personal expenses. The defendants prioritized distributions and guaranteed payments to KBWB-Atrium's owners regardless of KBWB-Atrium's financial situation.

Attorneys now with the Fraud Section and the U.S. Attorney's Office for the Western District of Wisconsin prosecuted the case.



# Health and Safety Unit

## ***Significant Individual Charges, Convictions, and Sentencings<sup>19</sup>***

### ***United States v. Angela Baquero and Ricardo Acuna (A&R Research Group) (S.D. Fla.)***

In March 2025, two owners of a clinical research facility pleaded guilty to conspiracy to commit wire fraud in connection with their work on two clinical trials testing drugs designed to treat asthma. According to court documents, Angela Baquero and Ricardo Acuna owned A&R Research Group, a medical research facility that conducted clinical trials of prospective new drug treatments on behalf of drug sponsors seeking approval from the FDA. Pursuant to their plea agreements, the defendants admitted to conspiring to unlawfully enrich themselves by making fraudulent representations to the asthma drug trial sponsor regarding subject eligibility and by falsifying and fabricating material documents and data. As a result of the conspiracy, A&R provided fraudulent clinical research data to the drug trial sponsor and to an FDA investigator. Baquero and Acuna were both sentenced in January 2026 to pay \$312,458 in restitution and \$312,458 in forfeiture. Previously, a clinical investigator for numerous A&R clinical trials also pleaded guilty to making false statements to an FDA investigator regarding his work on the trials and, in June 2025, was sentenced to 36 months in prison.

### ***United States v. Simon Chu and Charley Loh (C.D. Cal.)***

In June 2025, two California businessmen were sentenced for conspiracy and failing to report information related to defective dehumidifiers linked to multiple residential fires. Simon Chu and Charley Loh were sentenced to 38 and 40 months in prison, respectively, for their roles in a conspiracy to defraud the CPSC and for failing to furnish information as required by the CPSA. Chu and Loh were convicted in November 2023 following trial. According to court documents and evidence presented in court, Loh was part owner and chief executive officer of Gree USA Inc. and another California corporation, both of which imported and sold residential dehumidifiers that were made in China by Gree Electric Appliances, Inc. of Zhuhai. Chu was part owner and chief administrative officer of the same two corporations. Attorneys now with the Fraud Section and the U.S. Attorney's Office for the Central District of California prosecuted the case.

## ***United States v. Shaquan Jelks (S.D. Tex.)***

An indictment unsealed in June 2025 alleged that Shaquan Jelks, of Houston, Texas, managed and controlled multiple commercial trucking companies after being ordered not to do so by a federal court and by the Federal Motor Carrier Safety Administration (FMCSA), the regulatory agency responsible for ensuring that commercial trucks and their drivers are equipped to operate safely on public roads and highways. The indictment alleged that Jelks repeatedly lied to and obstructed the FMCSA, including after a driver for his companies was killed in a single-vehicle crash in February 2022, and that he financed his illegal trucking companies by fraudulent means, including by diverting to his trucking companies money fraudulently obtained from the Paycheck Protection Program. Attorneys now with the Fraud Section and the U.S. Attorney's Office for the Southern District of Texas are prosecuting the case.



# Market, Government, and Consumer Fraud Unit



The MGC Unit investigates and prosecutes offenses involving: (1) fraud and manipulation that harm U.S. markets and investors; (2) schemes to defraud government benefit programs, evade tariffs, and procure government contracts through fraudulent means; and (3) complex consumer and investment fraud schemes that target Americans. In 2025, the MGC Unit integrated the criminal consumer fraud portfolio and prosecutors from CPB. The MGC Unit, previously the Market Integrity and Major Frauds Unit, also rebranded to more accurately reflect the diversity of the Unit's cases and expanded mandate after the CPB integration.

As the nature of complex fraud schemes constantly evolves, the MGC Unit continuously adapts to focus on the largest and most impactful cases involving the worst offenders, seeking to recover losses for the victims harmed in these schemes, including retail investors, U.S. consumers, and a variety of government agencies. In 2025, the MGC Unit innovated to focus on emerging threats that victimize U.S. investors, undermine U.S. financial markets, and harm national security and the public fisc. This innovation resulted in key achievements against fraud associated with foreign issuers listed on U.S. exchanges, including variable interest entities (VIEs), and trade and tariff fraud.

The MGC Unit's approximately 55 prosecutors have expansive geographic and subject matter reach to investigate and prosecute a wide variety of sophisticated financial fraud schemes across its three key concentrations, and in 2025 accomplished the following:

👉 <https://www.justice.gov/criminal/criminal-fraud/mgc-unit>

## MGC Unit Statistics | 2025



# Market, Government, and Consumer Fraud Unit

## ***PROTECTING FINANCIAL MARKETS AND U.S. INVESTORS***

The MGC Unit works to protect American investors by combating fraud occurring in or affecting U.S. financial markets. As in years past, the MGC Unit's investigation and prosecution of market-based fraud and manipulation covered a broad range of fraud occurring in U.S. markets, including but not limited to insider trading, pump and dumps, spoofing, cross-market manipulation, and disclosure-based securities fraud. In 2025, the MGC Unit focused its efforts to dismantle fraud schemes involving foreign issuers listed on U.S. exchanges, including VIEs, used to facilitate "ramp and dumps" and other market manipulation targeting American investors.

### ***Significant Charges***

#### ***United States v. Lai Kui Sen and Yan Zhao (E.D. Va.)***

In September 2025, the MGC Unit charged Lai Kui Sen, the co-CEO of then-NASDAQ-listed public company Ostin Technology Group Co. Ltd. (OST), and Yan Zhao, a financial advisor, for their role in orchestrating a brazen "ramp and dump" fraud scheme involving non-bona fide securities transactions that placed more than 70 million freely tradable OST shares into the hands of co-conspirators for pennies on the dollar. As alleged in the indictment, on the very same day as one of the sham securities offerings, a synchronized social media campaign intended to pump OST's share price was launched. This campaign allegedly used the stolen identities of many U.S. investment advisors to target retail investors. This coordinated effort allowed the co-conspirators to sell more than \$100 million worth of OST shares, victimizing unwitting investors. Many of those victim-investors were ordinary American retail investors, and they suffered significant losses when the stock price collapsed, losing more than 94% of its value in one day. In addition to bringing these criminal charges, the Department seized nearly \$10 million in assets from relevant brokerage accounts used by co-conspirators to prevent the funds from being expatriated. The case represents the Fraud Section's first charged matter related to its 2025 focus on securities fraud schemes involving foreign public companies listed on U.S. stock exchanges.

The Fraud Section partnered on this case with the U.S. Attorney's Office for the Eastern District of Virginia.

## ***United States v. Guanhua “Michael” Su (D.D.C.)***

In November 2025, the MGC Unit charged Guanhua “Michael” Su, the managing director and marketing director of Rhino Consulting Business Service Ltd, a Hong Kong-based financial services business, with multiple counts related to his role in filing false and deceptive forms with the U.S. Securities and Exchange Commission (SEC) to register at least 10 sham companies as investment advisers. The false forms gave the impression that the entities were legitimate financial advisers when they were actually sham entities. According to the indictment, in April 2024, two of the false entities were used by co-conspirators to induce investors to purchase stock of a NASDAQ-listed public company based in the Cayman Islands with business in China that operated, at one point, with a VIE structure. Using false identities of financial advisers purportedly connected to the sham advisers, co-conspirators allegedly promised returns of 300-500% in WhatsApp chats, telling investors that they would be fully compensated for any losses. The indictment further alleges that as investors were told to buy stock in the public company promoted by WhatsApp accounts associated with the sham entities, foreign-based brokerage accounts sold the company’s stock for gross proceeds of as much as \$211 million. In April 2024, the public company’s stock price collapsed by approximately 88%, resulting in significant investor losses.



## ***United States v. Abraham “Abe” Shafi (N.D. Cal.)***

In August 2025, the MGC Unit charged the founder and former CEO of Get Together Inc., a social media startup known as “IRL” in connection with a scheme to defraud investors of \$170 million. Abraham Shafi defrauded investors during Get Together’s 2021 “Series C” funding round. In seeking investment, Shafi told potential investors that IRL’s growth in users was “100% organic” and that IRL was only spending \$50,000 in paid advertising. In fact, since 2019, Shafi had spent millions of dollars on incentive advertising, a form of paid advertising in which users who download IRL are provided a reward in a third-party app. Shafi concealed IRL’s spending on incentive ads by having them invoiced to a third-party firm, ensuring that the nature and amount of the expense did not appear on IRL’s ledger. Shafi continued to conceal the amount that IRL was spending on incentive ads after the Series C closed, instructing an IRL employee to create false invoices that listed the ad spending as “infrastructure,” falsely representing that the money spent on incent ads had instead been used on overhead expenses. The purpose of the false invoices was to conceal Shafi’s scheme to defraud Series C investors, including by concealing the fact that IRL was continuing to spend hundreds of thousands of dollars per month on incentive ads. Shafi was also charged with obstruction of justice for restoring his cell phone to a previously saved backup after the SEC opened an investigation of IRL.

The Fraud Section partnered on this case with the U.S. Attorney’s Office for the Northern District of California.



# Market, Government, and Consumer Fraud Unit

## *Significant Trials*

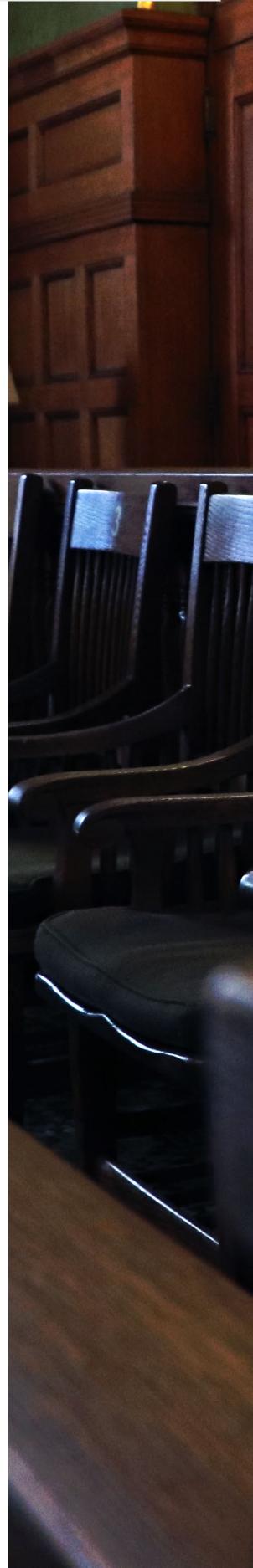
### ***United States v. Ross Haghigheh, et al. (D.N.J.)***

In December 2025, a federal jury convicted Rouzbeh “Ross” Haghigheh, Kirstyn Pearl, Seyedfarbod “Fabio” Sabzevari, and James Roberge of insider trading. According to court documents and evidence presented at trial, Haghigheh served on the board of directors of a biopharmaceutical company (Company-1) and obtained material nonpublic inside information about another pharmaceutical company’s proposed acquisition of Company-1, including sensitive deal terms. He then unlawfully purchased securities for his personal benefit, and tipped others—including Pearl, Sabzevari, and Roberge—with the expectation that they would purchase securities of Company-1, which the other defendants did. Collectively, the defendants profited more than \$600,000 from their purchases of Company-1 securities when the acquisition was announced in June 2023.

## *Significant Corporate Resolutions and Individual Guilty Pleas*

### ***Bank of America Securities, Inc. CEP Declination***

In September 2025, Bank of America Securities, Inc. (BoAS), a North Carolina-based financial institution, agreed to resolve a criminal investigation involving alleged market manipulation spoofing schemes by former BoAS employees in which orders were placed without the intent to execute them at the time they were placed. According to court documents, the investigation found evidence that from 2014 through 2020 two BoAS traders on the U.S. Treasuries desk separately engaged in spoofing schemes to manipulate the secondary (or “cash”) market, one of whom also engaged in a spoofing scheme to manipulate the U.S. Treasuries futures market. In consideration of the company’s self-disclosure, full cooperation, and appropriate remediation, along with the nature and seriousness of the offenses, the Fraud Section declined to prosecute BoAS pursuant to the Part I of the Criminal Division Corporate Enforcement and Voluntary Disclosure Policy (CEP). As part of that resolution, BoAS disgorged approximately \$1.96 million and will contribute approximately \$3.6 million to a victim compensation fund.



## ***United States v. Theodore Farnsworth; United States v. Roderick Vanderbilt (S.D. Fla.)***

In January 2025, Theodore Farnsworth, formerly the CEO of two publicly traded companies, Helios & Matheson Analytics Inc. (HMNY) and Vinco Ventures Inc. (Vinco), pleaded guilty to charges of defrauding and conspiring to defraud investors in those companies. In a related case, Roderick Vanderbilt, former Chairman of the Board of Directors for Vinco, pleaded guilty in April 2025 to conspiracy to commit securities fraud. HMNY was the parent company of MoviePass Inc., a privately held company that offered subscribers a certain number of movie tickets per month at a flat monthly fee. According to court documents, from August 2017 through March 2019, Farnsworth, then HMNY's CEO and chairman, and his co-conspirators made materially false and misleading representations relating to HMNY's and MoviePass' business and operations to artificially inflate the price of HMNY stock and to attract new investors. Farnsworth and his co-conspirators also made false claims about HMNY's "big data" and "artificial intelligence" capabilities. Farnsworth, Vanderbilt, and their co-conspirators used the same strategy to defraud Vinco investors from November 2020 through September 2024 by making materially false and misleading representations relating to the businesses and operations of Vinco to artificially inflate the price of its stock and increase the volume of Vinco shares traded. Farnsworth, Vanderbilt, and their co-conspirators diverted proceeds of the conspiracy for their own personal use and benefit.

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## ***United States v. Joseph Sanberg; United States v. Ibrahim AlHusseini (C.D. Cal.)***

In October 2025, the MGC Unit secured a guilty plea against the co-founder of the financial technology and sustainability services company formerly known as Aspiration Partners Inc. for defrauding multiple investors and lenders between 2020 and 2025. Joseph Sanberg and Ibrahim AlHusseini, both members of Aspiration's board of directors, falsified documents to fraudulently obtain \$145 million in loans backed by Sanberg's Aspiration shares and AlHusseini's purported net worth. Sanberg also defrauded Aspiration's investors by concealing that he was the source of certain revenue recognized by the company. As a result, Aspiration's financial statements were inaccurate and reflected much higher revenue than the company in fact received. Sanberg used these inflated revenue figures and other falsified documents to fraudulently induce other investments in Aspiration-related securities. Sanberg's victims sustained more than \$248 million in losses. AlHusseini pleaded guilty for his role in the scheme in March 2025.

The Fraud Section and the U.S. Attorney's Office for the Central District of California prosecuted this case.

# Market, Government, and Consumer Fraud Unit

## *Significant Sentencings*

### ***United States v. Stephen George (S.D. Fla.)***

In April 2025, a federal court sentenced Stephen George to 13 months in prison for engaging in a \$1.6 million insider trading scheme. George was also ordered to pay restitution of over \$200,000 and forfeit \$1.7 million in ill-gotten gains. The sentencing followed a guilty plea in February 2025. According to court documents, George was the former controller and vice president of a Florida consumer-packaged goods company whose securities were publicly traded on the NASDAQ stock market. George admitted that, in early April 2023, he learned material, non-public information about the company's better-than-expected financial results before that information was publicly announced. George also admitted that, after he left the company on April 10, 2023, he subsequently purchased 20,000 shares of common stock and 300 call option contracts based on the material non-public financial information he had learned about the company, resulting in over \$1.6 million in personal profits after the positive financial results were publicly announced.

The Fraud Section and the U.S. Attorney's Office for the Southern District of Florida prosecuted this case.



# Market, Government, and Consumer Fraud Unit

## **COMBATING FRAUD ON THE GOVERNMENT**

In 2025, the MGC Unit continued its role as a leader in the Department's efforts to protect the public fisc. In this capacity, the Unit prosecutes individuals and companies that perpetrate procurement fraud schemes connected to the award or performance of government contracts, or defraud taxpayer-funded programs and funds, such as unemployment insurance, military veterans' benefits, and disaster and pandemic relief funds.

This year, the MGC Unit also prioritized the prosecution of cases that involve large-scale trade and customs fraud, including individuals and companies who orchestrate criminal schemes to circumvent tariff and trade rules and regulations designed to protect American consumers and businesses. In connection with these efforts, the MGC Unit brought its first trade fraud corporate and individual case and is part of the cross-agency law enforcement Trade Fraud Task Force, which pursues enforcement actions against parties who seek to evade tariffs and other duties, as well as smugglers who seek to import prohibited goods into the American economy.

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### *Significant Procurement Fraud Cases*

#### ***Vistant and Apprio Inc. Corporate Resolutions; United States v. Roderick Watson, et al. (D. Md.)***

In June 2025, the MGC Unit obtained several individual guilty pleas and two corporate deferred prosecution agreements related to an investigation into a decade-long bribery scheme. Four men, including a government contracting officer for the United States Agency for International Development (USAID) and three owners and presidents of companies, pleaded guilty for their roles in the scheme involving at least 14 prime contracts worth over \$550 million in U.S. taxpayer dollars. Specifically:

- Roderick Watson, a USAID contracting officer, pleaded guilty to bribery of a public official;
- Walter Barnes, the owner and president of PM Consulting Group LLC doing business as Vistant (Vistant), pleaded guilty to conspiracy to commit bribery of a public official and securities fraud;
- Darryl Britt, the owner and president of Apprio, Inc. (Apprio) pleaded guilty to conspiracy to commit bribery of a public official; and
- Paul Young, the president of a subcontractor to Vistant and Apprio, pleaded guilty to conspiracy to commit bribery of a public official.

Apprio and Vistant, both of which contracted with USAID, admitted to conspiracy to commit bribery of a public official and securities fraud and entered into three-year deferred prosecution agreements.

According to court documents, Watson, while a USAID contracting officer, agreed with Britt and Barnes to receive bribes in exchange for using Watson's influence to award contracts to Apprio and Vistant. During the scheme, Britt and Barnes's bribes to Watson were often concealed by passing them through Young's company. The bribes were also concealed through electronic bank transfers falsely listing Watson on payroll, incorporated shell companies, and false invoices. In exchange for the bribe payments, Watson influenced the award of contracts to Apprio and Vistant by manipulating the procurement process at USAID through various means, including recommending their companies to other USAID decisionmakers for non-competitive contract awards, disclosing sensitive procurement information during the competitive bidding process, providing positive performance evaluations to a government agency, and approving decisions on the contracts, such as increased funding and a security clearance.

The Fraud Section and the U.S. Attorney's Office for the District of Maryland prosecuted this case.

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### ***United States v. Michael Clinesmith, et al. (D. Kan.)***

In October 2025, a federal jury convicted Kansas engineer Michael Clinesmith for conspiring to fraudulently steer and award subcontracts by a major engineering firm for work on nuclear weapons manufacturing projects for the National Nuclear Security Administration's Kansas City National Security Campus (KCNSC). Clinesmith solicited and received kickbacks and bribes from Richard Mueller in exchange for steering subcontracts from Clinesmith's employer to Mueller's company. Clinesmith, a long-tenured employee of a major engineering firm working at the KCNSC, was responsible for designing and procuring gages that were specially designed and manufactured to measure the components of nuclear weapons. Mueller paid Clinesmith over \$1 million for surreptitiously performing some or all of the work, and, in exchange, Clinesmith used his position and authority at the engineering firm to steer gage subcontracts to Mueller's company. Mueller pleaded guilty to conspiracy to commit wire fraud in July 2025.



# Market, Government, and Consumer Fraud Unit

## *Significant Trade Fraud Enforcement*

### ***MGI CEP Declination; United States v. David Guimond (D.N.H.)***

In December 2025, the MGC Unit resolved a criminal trade fraud investigation into MGI International, LLC and its subsidiaries Global Plastics LLC and Marco Polo International LLC (collectively, “MGI”), a leading global plastic resin distributor, pursuant to Part I of the CEP. The resolution related to a scheme to falsify Country of Origin declarations to avoid Section 301 duties owed on products of Chinese origin. As part of the resolution with MGI, the Department declined to prosecute MGI and agreed to credit \$6.8 million previously paid to resolve their civil liability under the False Claims Act for knowingly failing to pay customs duties on certain plastic resin imported from China.

Separately, MGI’s former Chief Operating Officer was charged by criminal information and has agreed to plead guilty to conspiracy to smuggle goods into the United States. According to court documents, in 2021, David Guimond instructed subordinates to misrepresent the manufacturer and country of origin on paperwork that was submitted to the U.S. Customs and Border Protection in order to avoid paying the required Section 301 duties. Guimond’s change of plea hearing will be scheduled by a federal district court judge.

The Fraud Section and the U.S. Attorney’s Office for the District of New Hampshire prosecuted this case.



# *Significant Federal Program Fraud Cases*

## ***United States v. Stephanie Hockridge and Nathan Reis (N.D. Tex.)***

In June 2025, a federal jury convicted Stephanie Hockridge, a co-founder of the lender service provider Blueacorn, in connection with a scheme to fraudulently obtain over \$63 million from hundreds of Paycheck Protection Program (PPP) loans guaranteed by the U.S. Small Business Administration. According to court documents and evidence presented at trial, Hockridge and her husband, Nathan Reis, co-founded Blueacorn in April 2020, purportedly to assist small businesses and individuals in obtaining PPP loans, but fabricated documents in order to obtain larger loans for the applicants. The defendants then charged borrowers illegal kickbacks based upon a percentage of the funds received. In August 2025, Reis pleaded guilty to conspiracy to commit wire fraud. A federal court sentenced both Reis and Hockridge to 10 years in prison and ordered them to pay over \$66 million and \$63 million in restitution, respectively.

The Fraud Section, the Money Laundering, Narcotics and Forfeiture Section, and the U.S. Attorney's Office for the Northern District of Texas prosecuted this case.

## ***United States v. Hiam Hmaidan (N.D. Ill.)***

In May 2025, the MGC Unit indicted Hiam Hmaidan for her alleged role in submitting over 700 fraudulent unemployment insurance claims, which resulted in the funding of over \$10 million in fraudulent unemployment insurance benefits. As alleged in the indictment, Hmaidan submitted fraudulent claims for unemployment insurance benefits and then stole the fraudulently obtained proceeds from those unemployment insurance claims. In order to obtain the unemployment insurance benefits, Hmaidan allegedly submitted claims containing false information regarding the claimant's employment status and caused debit cards containing the unemployment insurance benefits to be mailed to addresses accessible to Hmaidan and her co-conspirators. Once Hmaidan obtained the debit cards, she and her co-conspirators used them to withdraw cash from ATMs.

## ***Fraud Involving Department of Veterans Affairs Education and Training Benefit Programs***

In 2025, the MGC Unit continued to prosecute fraud schemes targeting veterans' education and training programs administered by the U.S. Department of Veterans Affairs (VA). In March and April 2025, the MGC Unit charged Brian Matsudo, Marshall Scott, and Raheem Wells for participating in a scheme to defraud the VA of over \$9.1 million in Post 9/11 GI Bill benefits involving a massage therapy training school in Honolulu, Hawaii. Matsudo pleaded guilty in April 2025. In April 2025, Jeffrey Williams pleaded guilty to wire fraud for submitting fake documents to the VA to make it appear that veterans obtained employment in high-demand fields after completing his school's cybersecurity programs, fraudulently claiming approximately \$2.9 million in tuition payments from the VA. In June 2025, Joshua Blair, the owner and founder of Chattahoochee Scuba, a non-college degree school offering scuba training programs in Columbus, Georgia, pleaded guilty to submitting false and fraudulent claims for payment to the VA in connection with the VA's Post-9/11 GI Bill program.

# Market, Government, and Consumer Fraud Unit

## ***PROTECTING AMERICAN CONSUMERS***

In 2025, the MGC Unit continued to investigate and prosecute complex consumer and investment fraud schemes, including those orchestrated by transnational criminal organizations. These efforts were amplified by the addition of approximately 25 consumer fraud prosecutors from the former Consumer Protection Branch. The MGC Unit's efforts in this space focused on schemes to defraud Americans often targeting vulnerable or elderly citizens through unlawful pyramid or Ponzi investor networks, international telemarketing schemes, foreign scam centers, and other cyber-enabled crimes.

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### *Significant Charges*

#### ***United States v. Leo Govoni and John Witeck (M.D. Fla.)***

In June 2025, the MGC Unit charged two Florida men in connection with a fraudulent scheme to steal over \$100 million from a nonprofit organization that managed funds for people with special needs and disabilities. Leo Joseph Govoni co-founded the Center for Special Needs Trust Administration (CSNT), and John Witeck worked at CSNT as an accountant. From June 2009 through May 2025, Govoni, Witeck, and their co-conspirators allegedly solicited, stole, and misappropriated CSNT client-beneficiary funds and concealed their illegal activities through complex financial transactions and deceit, including sending fraudulent account statements with false balances to disabled victims. Govoni allegedly used stolen money to purchase real estate, travel via private jet, fund a brewery, make deposits into his personal bank accounts, and pay personal debts. Govoni is also alleged to have made false declarations to a bankruptcy court related to the CSNT bankruptcy proceedings, and he is alleged to have committed bank fraud related to a \$3 million mortgage refinance loan and to have laundered proceeds to pay off a home equity line of credit on his residence.

The Fraud Section partnered on this case with the U.S. Attorney's Office for the Middle District of Florida.

## ***United States v. Michael Shannon Sims and Juan Carlos Reynoso (D.P.R.)***

In July 2025, the MGC Unit charged Michael Shannon Sims and Juan Carlos Reynoso with conspiracy to commit wire fraud and conspiracy to commit money laundering for their participation in an international investment scheme that defrauded investors of over \$650 million over the course of years starting in 2019. As alleged in the indictment, Sims was a founder, strategic consultant, and promoter of OmegaPro and Reynoso led OmegaPro's operations in Latin America and parts of the United States. According to the indictment, Sims, Reynoso, and others operated and promoted OmegaPro as a multi-level-marketing scheme for investors to purchase "investment packages," which Sims, Reynoso, and others falsely promised would generate 300% returns over 16 months through foreign exchange trading by elite traders. Sims and Reynoso allegedly misled victims about the safety of their investment in OmegaPro and OmegaPro's licensure status, among other misrepresentations, and hosted lavish promotional events and trainings all over the world to convince investors of OmegaPro's legitimacy. The \$650 million raised from victims was collected in virtual currency wallets controlled by OmegaPro executives and then allegedly transferred to OmegaPro insiders and promoters to disperse the funds and obscure their origins.

The Fraud Section partnered on this case with the Computer Crimes and Intellectual Property Section and the U.S. Attorney's Office for the District of Puerto Rico.

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## ***United States v. Brent Seaman (M.D. Fla.)***

In November 2025, the MGC Unit charged Brent Seaman with operating a years-long investment fraud scheme through his companies, the Accanito Capital Group and Accanito Holdings. As alleged in the indictment, Seaman obtained approximately \$36 million from victims, many of whom were local Florida residents known to Seaman personally. From at least June 2019 to November 2022, Seaman allegedly defrauded investors by making false and fraudulent representations regarding his prior trading success, the performance of past investments, the use and investment of the victim-investors' funds, guaranteed rates of return, the status of the purported investment, his management of the purported investment, and the terms of their investments. Rather than investing these funds as promised, Seaman allegedly used new victim-investor funds to repay old victim-investors in a Ponzi-style investment scheme, lost a substantial portion of investments in currency trading, and enriched himself through the purchase of jewelry, cars, other luxury and personal items, and to pay off credit card debt.

The Fraud Section partnered on this case with the U.S. Attorney's Office for the Middle District of Florida.

# Market, Government, and Consumer Fraud Unit

## *Significant Trials*

### ***United States v. Philip Priolo (E.D.N.Y.)***

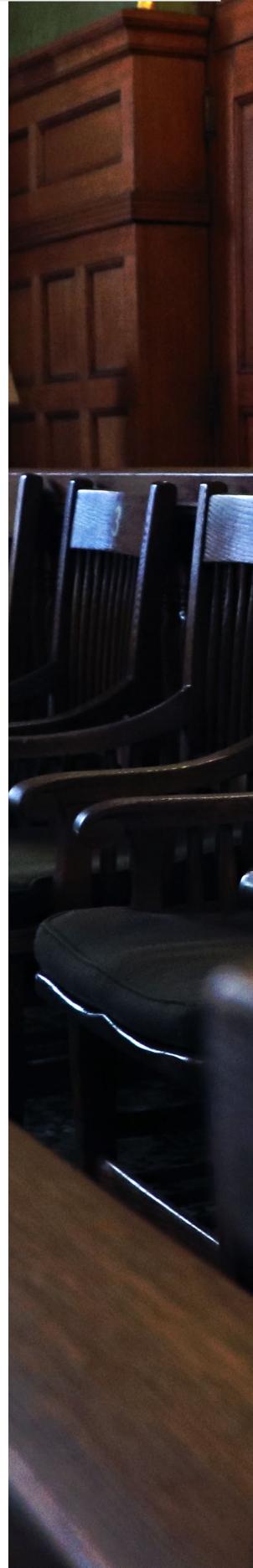
In March 2025, a federal jury convicted Philip Priolo for operating a mass mailing fraud scheme that tricked thousands of victims, many of whom were elderly, into sending money in response to fake prize notices. From March 2015 to December 2016, Priolo and his co-conspirators mailed millions of prize notices that falsely represented that the victims had been specifically chosen to receive a large cash prize, which they would receive if they paid a fee. Victims who paid the requested fee, however, did not receive the promised cash prize. Although the notices appeared to be personalized correspondence, they were mass-produced, boilerplate documents that were bulk mailed to recipients whose names and addresses were on mailing lists. In November 2025, a federal court sentenced Priolo to 42 months in prison and ordered him to pay a \$1.25 million fine.

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### ***United States v. Oluwasegun Baiyewu, et al. (D.P.R.)***

In August 2025, a federal jury convicted Oluwasegun Baiyewu of a money laundering conspiracy. Baiyewu's four codefendants had previously pleaded guilty. Baiyewu and others conspired to launder funds from different internationally organized fraud schemes, including romance, pandemic relief unemployment insurance fraud, and business email compromise scams. The five defendants worked together to profit from efforts to "clean" money from scams involving victims—many of whom were older Americans—in California, Illinois, Washington, and Nevada, and business email compromise schemes affecting victim companies in Puerto Rico and Missouri. After receiving the proceeds, the defendants or their co-conspirators conducted hundreds of transactions with the funds to, among other things, purchase used cars that were shipped overseas to Nigeria. These fraud schemes disproportionately impacted elderly or otherwise vulnerable Americans.

The Fraud Section and the United States Attorney's Office for the District of Puerto Rico prosecuted this case.



# Market, Government, and Consumer Fraud Unit

## *Significant Pleas and Sentencings*

### ***United States v. Travis Ford (N.D. Okla.)***

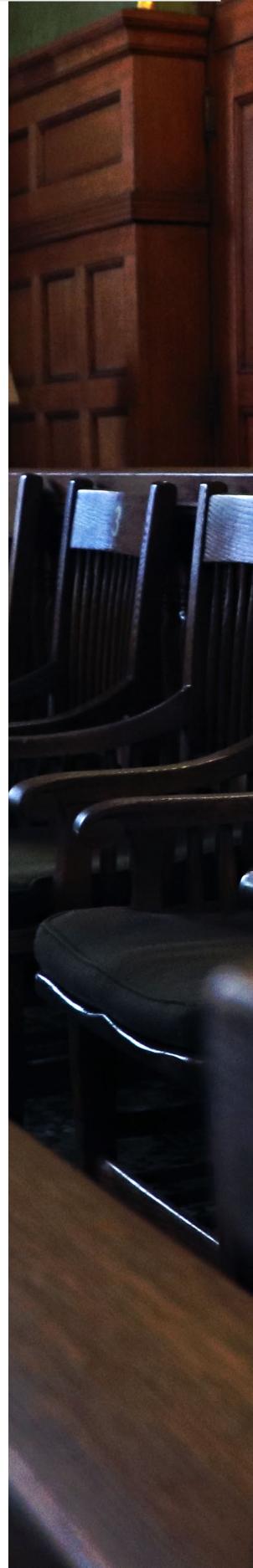
In November 2025, a federal court sentenced Travis Ford, a former Oklahoma cryptocurrency investment CEO, founder, and head trader, to 60 months in prison for a \$9.4 million investment fraud scheme perpetrated on approximately 2,800 victim investors. Ford was also ordered to forfeit over \$1 million in ill-gotten gains and pay over \$170,000 in restitution. Ford pleaded guilty in January 2025, and, according to court documents, admitted that in 2023 he solicited investments through his company website and also through other social media and internet-based promotion activities from victims. Ford held himself out as a sophisticated trader able to deliver high returns and promised returns of 1-2% per day, totaling approximately 547% per year. Instead, Ford misappropriated and diverted victim funds for his own benefit and that of his co-conspirators.

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### ***United States v. Elchonon (“Elie”) Schwartz (N.D. Ga.)***

In May 2025, a federal court sentenced Elchonon (“Elie”) Schwartz, the former CEO of a New York commercial real estate investment firm, to 87 months in prison for a \$63 million investment fraud scheme involving two commercial real estate properties. Schwartz was also ordered to pay over \$45 million in restitution. Schwartz pleaded guilty in February 2025, and, according to court documents, admitted that from May 2022 through June 2023, he solicited investments in two commercial real estate properties through a crowdfunding commercial real estate investing website. Schwartz further admitted that he falsely represented to investors that he would only use the investment proceeds to invest in each property and that he had a fiduciary duty to safeguard the funds and not commingle or use the money in a way that did not benefit each investment. Contrary to the representations he made to investors regarding the use of investor funds, Schwartz misappropriated and converted investor funds for his own use, including to purchase luxury watches and to invest in stocks and options in Schwartz’s personal brokerage account.

The Fraud Section and the U.S. Attorney’s Office for the Northern District of Georgia prosecuted this case.



## ***United States v. David Cornejo Fernandez (S.D. Fla.)***

In September 2025, a federal court sentenced David Cornejo Fernandez to 80 months in prison for his participation in transnational fraud schemes that victimized vulnerable consumers in the United States. Fernandez was also ordered to pay more than \$3 million in restitution. In July 2025, Cornejo pleaded guilty to facilitating fraudulent schemes that stole millions of dollars from thousands of Spanish-speaking victims across the United States. According to court documents, Cornejo provided Internet-based telephone lines, caller-ID spoofing services, and recording capabilities to a network of fraudulent call centers in Peru. Relying on Cornejo's services, those call centers defrauded and extorted thousands of Spanish-speaking victims by falsely threatening them with court proceedings, fines, and other consequences if they did not pay for English-language products. Cornejo and his co-conspirators ultimately caused losses to more than 8,800 victims across the United States.

With his sentencing, 13 defendants have now been convicted and sentenced in connection with an investigation into transnational fraud schemes that defrauded and threatened Spanish-speaking U.S. consumers. Collectively, these defendants were responsible for defrauding more than 30,000 U.S. consumers.

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## ***United States v. Kimberly Stamps (D. Nev.)***

In September 2025, Kimberly Stamps pleaded guilty to conspiracy to commit mail and wire fraud for engaging in a prize notice fraud scheme that defrauded thousands of elderly consumers across the United States and abroad. According to court documents, Stamps was the owner and operator of a mass-mailing prize notice scheme that mailed millions of fraudulent prize notices. The prize notices convinced her victims that they had been individually selected to receive a large cash prize, which they would receive if they paid a \$20 to \$50 fee. In reality, no victim received a large cash prize from Stamps or her co-conspirators. Instead, victims received a "report" describing sweepstakes opportunities or a trinket of minimal value. After victims responded to a fraudulent prize notice mailing, Stamps and her co-conspirators inundated them with additional fraudulent mailings. Stamps and her co-conspirators used the scheme to steal more than \$15 million from victims, many of whom were elderly or vulnerable.

## ***United States v. Ehis Lawrence Akhimie (S.D. Fla.)***

In September 2025, a federal court sentenced Ehis Lawrence Akhimie to 97 months in prison for operating a transnational inheritance fraud scheme that defrauded elderly and vulnerable victims in the United States. Akhimie was also ordered to pay \$6.9 million restitution. Akhimie pleaded guilty in July 2025. According to court documents, Akhimie and his co-conspirators sent personalized letters to elderly victims in the United States over the course of several years. The letters falsely claimed that the sender was a representative of a bank in Spain and that the recipient was entitled to receive a multimillion-dollar inheritance left for the recipient by a family member who had died overseas years before. Akhimie and his co-conspirators told a series of lies to victims, including that they had to send money to cover delivery fees, taxes, and other payments before they could receive their purported inheritance and to avoid questioning from government authorities. Akhimie and his co-conspirators collected the victims' payments through a complex web of U.S.-based former victims, whom the defendants convinced to receive the money and forward it to the defendants or persons associated with them. Victims who sent money never received any purported inheritance funds. Akhimie admitted to defrauding more than 400 victims out of over \$6 million, many of whom were elderly or otherwise vulnerable. Akhimie was the eighth defendant sentenced to prison in connection with the scheme.

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## ***United States v. Roger Roger (W.D.N.C.)***

In July 2025, a federal court sentenced Roger Roger to 188 months in prison for carrying out a years-long telemarketing scheme that defrauded victims in the United States from a call center in Costa Rica. Roger was also ordered to pay more than \$3.3 million in restitution and to forfeit more than \$4.2 million. According to court documents and evidence presented at trial, Roger led a fraudulent telemarketing scheme in which co-conspirators, who falsely posed as U.S. government officials, contacted victims in the United States to notify them that they had won a substantial "sweepstakes" prize. After convincing victims, many of whom were elderly, that they would receive a significant financial reward, co-conspirators told victims that their supposed prize was contingent upon making several up-front payments. Co-conspirators used a variety of means to conceal their true identities, including Voice Over Internet Protocol technology, which made it appear as though they were calling from Washington, D.C., and other locations in the United States. The evidence at trial showed that Roger and his co-conspirators stole over \$4 million from hundreds of victims. This case represented the culmination of multiple Fraud Section prosecutions focused on this ring of Costa Rican telemarketing fraudsters.

# Corporate Enforcement and Compliance Unit

The CEC Unit supports all aspects of the Fraud Section's corporate criminal enforcement practice, including working with and advising prosecution teams on the structural, monetary, and compliance components of corporate resolutions; evaluating corporate compliance programs; determining whether an independent compliance monitor should be imposed as part of a corporate resolution; and overseeing post-resolution matters, including the selection and oversight of monitors and compliance and reporting obligations. In 2025, the Unit participated in more than 50 corporate resolution-related presentations and conferrals, oversaw compliance with obligations under corporate resolution agreements for approximately 38 corporate defendants, including four monitorship obligations through Q1 2025 and two that remain ongoing, and worked with trial teams on 12 corporate enforcement actions, including two Corporate Enforcement Policy Voluntary Self-Disclosure Part I Resolutions and three corporate indictments. The CEC Unit also: (1) provides advice and assists in drafting and revising the Fraud Section's, Criminal Division's, and Department's corporate criminal enforcement policies; (2) responds to and proactively develops legislative proposals; (3) participates in global anticorruption bodies; (4) provides crime victim assistance to the litigating units; and (5) handles FOIA matters for the Section.

👉 <https://www.justice.gov/criminal/criminal-fraud/corporate-enforcement-compliance-and-policy-unit>

## **Corporate Criminal Enforcement Practice**

The CEC Unit works closely with case teams during all stages of the corporate criminal resolution process. The Unit takes the lead role in evaluating a company's compliance program and internal controls and works closely with case teams in formulating an appropriate offer, obtaining approval, negotiating the corporate resolution, finalizing the resolution papers, and overseeing compliance with the obligations of agreements post-resolution.



# Corporate Enforcement and Compliance Unit

## ***Corporate Compliance Matters***

Since the hiring of its first compliance attorney in 2015, the Fraud Section has steadily grown its corporate enforcement and compliance expertise and in 2021 established what is now the CEC Unit as a centralized unit assisting in corporate resolution matters across the Section. The CEC Unit has enhanced the Fraud Section's expertise in corporate enforcement, compliance, and monitorship matters. As of December 2025, the CEC Unit has three dedicated compliance and monitorship experts who work closely together with Fraud Section prosecutors in assessing factors relevant to corporate resolutions, including evaluating companies' compliance programs and determining whether an independent compliance monitor should be imposed as part of a corporate resolution or what level of compliance reporting obligations should be imposed on the company.

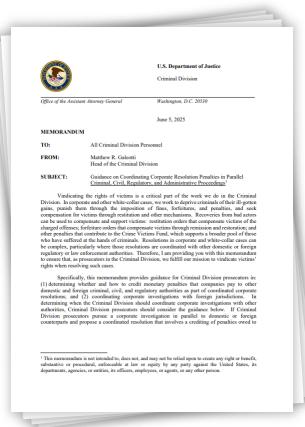
The CEC Unit advises prosecution teams on post-resolution matters, including the selection and oversight of monitors and compliance and reporting obligations. The Unit also provides training on compliance and monitorship matters to prosecutors within and outside the Fraud Section and educates the business community on these topics through speaking engagements and policy guidance.



# Corporate Enforcement and Compliance Unit

## **White Collar & Corporate Criminal Enforcement Policy**

The CEC Unit is responsible for responding to a high volume of incoming regulatory proposals, and proactively developing the Section's statutory and regulatory proposals. Additionally, over the past several years, Fraud Section and CEC Unit representatives have worked with Criminal Division and Department leadership to develop, revise, and implement corporate enforcement policies aimed at providing greater transparency concerning the Department's approach to corporate criminal enforcement, such as the CEP, the Memorandum on Selection of Monitors in Criminal Division Matters, and policies relating to coordinated resolutions in parallel criminal, civil, regulatory, and administrative proceedings. The goal of these policies is to provide incentives and clear guidance to help responsible companies invest in compliance and understand that if they respond appropriately to misconduct, including by self-disclosing, remediating, and cooperating, the Department will treat them fairly and consistently.

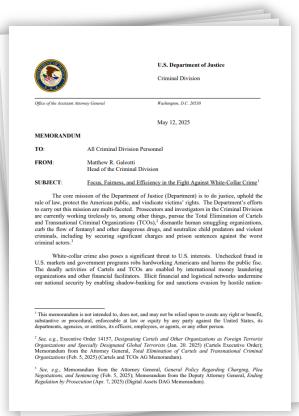


## **Guidance on Coordinating Corporate Resolution Penalties in Parallel Proceedings**

In June 2025, the Head of the Criminal Division published guidance for criminal prosecutors on determining whether and how to credit monetary penalties that companies pay to other domestic and foreign criminal, civil, and regulatory authorities as part of coordinated corporate resolutions, and coordinating corporate investigations with foreign jurisdictions. The Policy instructs prosecutors to prioritize compensation to victims of the underlying crime. The Criminal Division will not generally credit payments that reduce criminal fines paid into the CVF, except in circumstances such as when a foreign authority has a more effective mechanism to compensate victims of the underlying crime.

👉 <https://www.justice.gov/criminal/media/1402751/dl?inline>

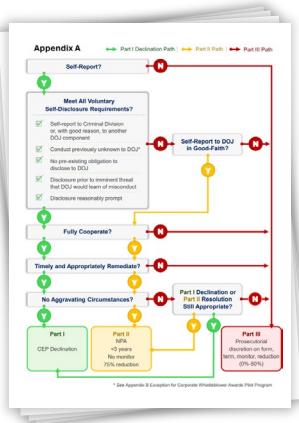




## Memorandum on Focus, Fairness, and Efficiency in the Fight Against White-Collar Crime

In May 2025, the Head of the Criminal Division published a memorandum outlining the Criminal Division's plan for prosecuting white-collar cases. Specifically, it outlined the Division's enforcement priorities and policies for prosecuting corporate and white-collar crimes under the new Administration. In pursuing these cases, the Criminal Division is guided by three core tenets: focus, fairness, and efficiency. The Memorandum also sets out key priority areas for the Criminal Division to focus on in order to have the greatest impact in protecting American citizens and companies and promoting U.S. interests.

👉 <https://www.justice.gov/criminal/media/1400046/dl?inline>



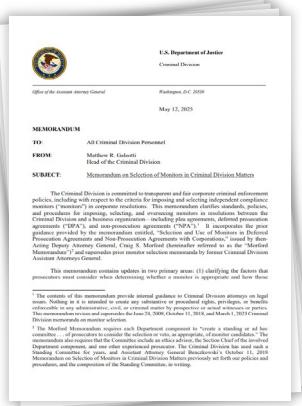
## Corporate Enforcement Policy

In November 2017, the FCPA Corporate Enforcement Policy was formally adopted and incorporated into the DOJ's Justice Manual, which was updated in November 2019. (JM 9-47.120). Criminal Division leadership announced in 2019 that the Policy applies to all corporate cases in the Criminal Division and by September 2022, the Department required all components to have a policy addressing voluntary self-disclosure ("VSD"). In January 2023, Criminal Division leadership issued a revised CEP to incorporate additional incentives for VSDs. In 2024, the Criminal Division revised the CEP to detail VSD requirements for eligibility for a presumption of a declination and other considerations provided to companies that fail to meet VSD requirements but demonstrate good faith intent to disclose and cooperate. In 2025, the Department revised the CEP to, among other things, describe the path to a declination based on a timely VSD, cooperation, and remediation. It also lists considerations for resolutions for "Near Miss" VSDs, when a company fully cooperates and appropriately remediates but is ineligible for a Part I resolution. This year, the Fraud Section entered into three CEP VSD Part I resolutions.

Fraud Section CEP VSD (Part I) Resolutions are available on the Fraud Section's website.

👉 <https://www.justice.gov/criminal/criminal-fraud/vsd-resolutions-part-1>

# Memorandum on Selection of Monitors in Criminal Division Matters



In May 2025, the Head of the Criminal Division issued a Revised Memorandum on the Selection of Monitors in Criminal Division Matters, which sets forth principles for monitor selection and the Criminal Division's monitor selection process. This Memorandum clarified the factors that prosecutors must consider when determining whether a monitor is appropriate and how those factors should be applied, and ensuring that when a monitor is necessary, how to appropriately tailor the scope of a monitor's review and mandate to address the risks of reoccurrence of the underlying criminal conduct and unnecessary costs. This Memorandum revises and supersedes the March 2023 and the October 2018 Criminal Division memorandum on monitor selection.

👉 <https://www.justice.gov/criminal/media/1400036/dl?inline>

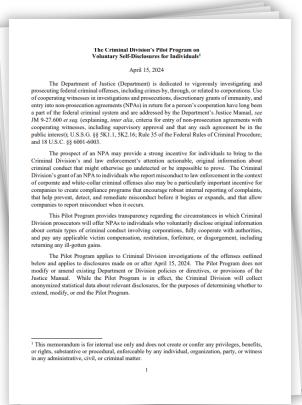
## Evaluation of Corporate Compliance Programs Guidance (ECCP)



The Fraud Section first published the ECCP in 2017 and revised and reissued it with Criminal Division leadership in 2019, 2020, 2023, and September 2024. The ECCP sets forth a framework based on three fundamental questions for prosecutors to evaluate corporate compliance programs. Prosecutors must ask (i) is the corporation's compliance program well designed? (ii) is the program being applied earnestly and in good faith? In other words, is the program adequately resourced and empowered to function effectively? and (iii) does the corporation's compliance program work in practice?

👉 <https://www.justice.gov/criminal/criminal-fraud/page/file/937501/dl?inline=>

## Pilot Program on Voluntary Self-Disclosure for Individuals



In April 2024, the Department launched the Pilot Program on Voluntary Self-Disclosures for Individuals which details the circumstances in which the Department will offer non-prosecution agreements to individuals who voluntarily disclose original information about certain types of criminal conduct involving corporations, fully cooperate with authorities, and pay applicable victim compensation, restitution, or disgorgement, before a final disposition, the full scope of which is set forth below. The Pilot Program is open to individuals who have not previously been interviewed or interrogated by the Department.

👉 <https://www.justice.gov/criminal/media/1347991/dl?inline>

# Pilot Program for Compensation Incentives and Clawbacks

In March 2023, the Department launched the Pilot Program on Compensation Incentives and Clawbacks that requires companies that enter criminal resolutions to implement and report on compliance-related criteria in their compensation and bonus system during the term of such resolutions. The program also allows for possible fine reductions based on corporate efforts to recoup compensation for culpable employees. In November 2024, the Criminal Division provided a report on the pilot program at the mid-point of the term:

👉 <https://www.justice.gov/criminal/corporate-enforcement-note-compensation-incentives-and-clawback-pilot>

 <https://www.justice.gov/criminal/criminal-fraud/file/1571941/dl>

# Memorandum on Evaluating a Business Organization's Inability to Pay a Criminal Fine or Criminal Monetary Penalty

In October 2019, the Assistant Attorney General for the Criminal Division issued a Memorandum on Evaluating a Business Organization's Inability to Pay a Criminal Fine or Criminal Monetary Penalty.

 <https://www.justice.gov/opa/speech/file/1207576/download>

## **“Anti-Piling On” Policy**

In May 2018, the Deputy Attorney General announced a new Department policy regarding coordination of corporate resolution penalties in parallel and/or joint investigations and proceedings arising from the same misconduct. This policy, which has come to be known as the “Anti-Piling On” Policy, was formally adopted and incorporated into the DOJ’s Justice Manual (JM 1-12.100) and was developed with the input and assistance of the Fraud Section.

👉 <https://www.justice.gov/opa/speech/file/1061186/download>

## ***Participation in Global Anti-Corruption Bodies***

The United States is a party to several international anti-corruption conventions, including the OECD Anti-Bribery Convention, the United Nations Convention against Corruption, and the Inter-American Convention Against Corruption. Under these conventions, member countries undertake commitments to adopt a range of preventive and criminal law enforcement measures to combat corruption. The conventions incorporate review processes that permit other parties to monitor the United States' anti-corruption laws and enforcement to ensure that such enforcement and legal frameworks are consistent with the United States' treaty obligations.

The Fraud Section, and the CEC Unit and FCPA Unit in particular, play an integral role in working with the State Department and other U.S. agencies to ensure that the United States is meeting its treaty obligations. Aside from participating in meetings related to foreign bribery and corruption hosted by the OECD, the United Nations, and other intergovernmental bodies and liaising with these bodies throughout the year on anti-corruption matters, the Fraud Section has actively participated in the reviews of other countries pursuant to anti-bribery conventions. The Fraud Section also has taken a leading role in the OECD Working Group on Bribery's Law Enforcement Officials Group meetings, where prosecutors discuss best practices with law enforcement authorities from around the world.

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## ***Crime Victim and Witness Assistance and FOIA Requests***

The CEC Unit also oversees the Fraud Section's crime victim and witness assistance program and handles all incoming FOIA requests to the Fraud Section.



# Litigation Unit

The Litigation Unit provides litigation support, training, and assistance during pretrial, trial, and post-trial proceedings for the Fraud Section. The attorneys in the Litigation Unit work with each of the Fraud Section's four litigating units to provide feedback and advice as teams prepare for trials. The Unit helps to supervise the most complex matters in the Fraud Section and, if necessary, will join the prosecution team if particularly sensitive matters arise. In addition, the Litigation Unit also advises the Section Chief and Front Office on matters of Departmental policy and practice.

## Appellate Litigation

The Litigation Unit is responsible for managing the Fraud Section's appellate docket, defending the convictions secured by the Section's litigating units on appeal. In 2025, the appellate attorneys in the Litigation Unit, in coordination with the Appellate Section of the Criminal Division, oversaw 144 criminal appeals pending in 12 Courts of Appeals across the country, with 54 new notices of appeals filed. Over the course of the year, Fraud Section prosecutors filed 8 appellate merits briefs and presented oral argument in 3 different appeals.

**2025**



## Training and Support

Prior to every trial, the Litigation Unit meets with the trial team to discuss the trial presentation strategy and moot the opening statements. Intensive "trial workshops" are offered to teams preparing for more complex trials. In addition, the Litigation Unit coordinates with Fraud Section management to plan and execute training for Section prosecutors, including a new attorney boot camp, a one-week trial advocacy course, annual Section-wide training, and periodic "brown-bags" on a range of topics.

# Endnotes

<sup>1</sup> The summary statistics in this document exclude sealed cases. With respect to all charged individual cases referenced in this document, individual defendants are presumed innocent until proven guilty beyond a reasonable doubt in a court of law.

<sup>2</sup> Includes certain charges brought, pleas entered, and alleged fraud loss under seal in prior years that were unsealed in 2025.

<sup>3</sup> Includes certain charges brought and pleas entered under seal in prior years that were unsealed in 2025.

<sup>4</sup> The summary statistics in this document provide approximate dollar amounts for all referenced corporate resolutions that were announced in calendar year 2025. Documents related to all Fraud Section corporate resolutions are available on our website at:

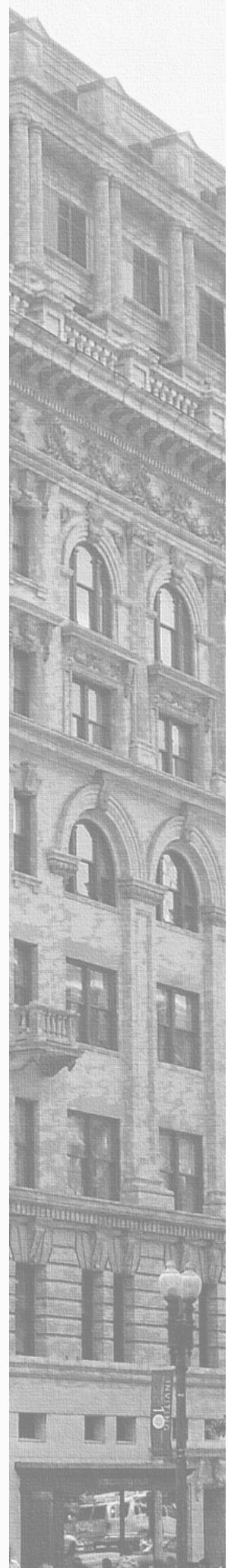
👉 <https://www.justice.gov/criminal-fraud>.

<sup>5</sup> Includes resolution brought by both HSU and the HCF Unit.

<sup>6</sup> Includes resolution brought by both HSU and the HCF Unit.

<sup>7</sup> As used in this document and in Fraud Section corporate resolution papers, the terms “Total Global Monetary Amount,” “Total U.S. Monetary Amount,” and “Total U.S. Criminal Monetary Amount” are defined as follows:

- “**Total Global Monetary Amounts**” are the total enforcement action amounts payable to both: (1) U.S. criminal and civil authorities; and (2) foreign criminal and civil authorities.
- “**Total U.S. Monetary Amounts**” are the total enforcement action amounts payable to U.S. criminal and civil authorities.
- “**Total U.S. Criminal Monetary Amounts**” are the total criminal enforcement amounts payable: (1) to Department of Justice; and (2) through mandatory or permissive restitution or other compensation funds, pursuant to a plea agreement, Deferred Prosecution Agreement (DPA), or Non-Prosecution Agreement (NPA). The Total U.S. Criminal Monetary Amount may include any combination of the following monetary components: criminal fine, criminal monetary penalty, criminal forfeiture, criminal disgorgement, restitution, and other compensation payments.



# Endnotes

<sup>8</sup> Reflects total monetary amounts paid after reductions based on inability to pay analysis.

<sup>9</sup> Includes companies for which compliance with reporting obligations were evaluated in 2025.

<sup>10</sup> Austal USA and Glencore International AG and Glencore Ltd. had their respective monitorships ended in 2025, but were subsequently replaced with different self-reporting requirements.

<sup>11</sup> Includes market cap for parent companies where resolution is with subsidiary.

<sup>12</sup> Includes market cap for parent companies where resolution is with subsidiary.

<sup>13</sup> Includes market cap for parent companies where resolution is with subsidiary.

<sup>14</sup> Glenn Leon served as Section Chief until March 2025, departing to serve in the Office of the Deputy Attorney General.  
Laryea was announced as Chief of the Fraud Section in January 2026.

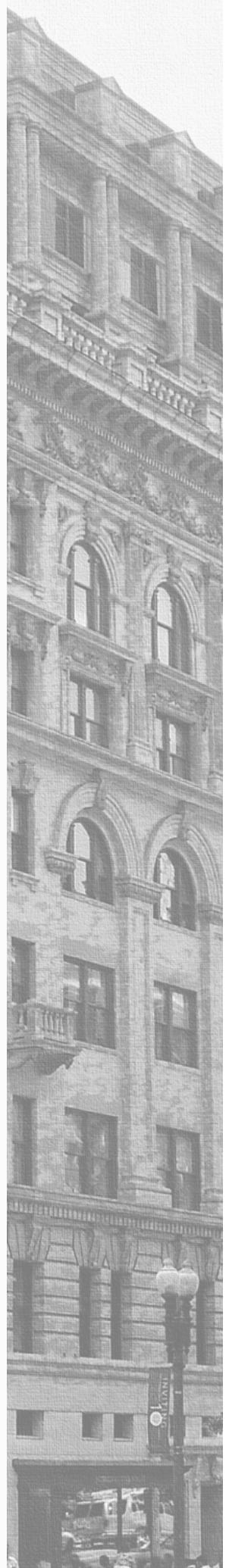
<sup>15</sup> Dustin Davis previously served as Chief of the HCF Unit, which is now held by Jacob Foster.

<sup>16</sup> Anna Kaminska served as MIMF Chief until April 2025, departing to serve in the Office of the Assistant Attorney General.

<sup>17</sup> Andrew Gentin was Chief of the CEC Unit until September, when he departed for a role in private practice.

<sup>18</sup> These corporate resolutions include cases investigated by HSU trial attorneys in 2025 prior to the Unit's incorporation into the Fraud Section.

<sup>19</sup> These cases include those investigated by HSU trial attorneys in 2025 prior to the Unit's incorporation into the Fraud Section.





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