White Collar Defense & Investigations Update

June 2026

DOJ Announces Unprecedented Federal-State Fraud Partnership in Ohio, Takeaways for Ohio General Counsel

The Announcement

On June 4, 2026, the U.S. Department of Justice announced a first-of-its-kind federal-state partnership with Ohio to enhance the detection and prosecution of fraud across the state. The announcement was accompanied by criminal charges against nine defendants for more than $42 million in alleged fraud, asset seizures totaling millions of dollars, and the creation of a new FBI "Most Wanted Fraudsters" list. For Ohio-based companies, particularly those operating in health care, government contracting, and consumer-facing industries, this development signals a significant escalation in enforcement activity that warrants immediate attention.

Why Ohio, Why Now?

Ohio serves as the headquarters for 28 Fortune 500 companies and five Fortune 100 companies. Several major federal facilities are located in Ohio, resulting in a concentration of government contractors and companies that interact with the federal government. Ohio also features robust state-level enforcement initiatives. For example, the Office of the Ohio Attorney General has dedicated a specialized Medicaid Fraud Control Unit (MFCU) to investigate and prosecute fraud, waste, and abuse of Ohio Medicaid funds.

Cracking down on fraud, waste, and abuse of public funds remains the Trump Administration’s number one stated enforcement priority. To further that goal, Ohio has been selected as the inaugural state for the DOJ's new Fraud Division–State Partnership model, an approach the government intends to replicate nationwide. Acting Attorney General Todd Blanche stated that "Ohio is leading the charge in the fight against fraud, and some states should take notice." Ohio-based companies are now subject to enhanced federal-state coordination, data sharing, and prosecutorial resources that did not previously exist.

Enhanced Methods of Investigation and Enforcement

The DOJ's Fraud Division, working with Ohio state officials, announced several mechanisms designed to accelerate fraud detection and prosecution.

Data Sharing Agreement with the Ohio Secretary of State. The DOJ's Fraud Division now has access to Ohio's corporate registrant data. This data will be used for "proactive data analysis to quickly identify ownership links between clinics, labs, and billing entities that fraudsters use to obscure control over health care fraud and other fraud schemes." Companies with complex corporate structures or multiple related entities should expect heightened scrutiny of ownership relationships and intercompany billing arrangements.

Cross-Designation of State Prosecutors. The Ohio Attorney General's Medicaid Fraud Control Unit and the Ohio Auditor's Office will cross-designate or detail prosecutors to the DOJ's Health Care Fraud Strike Forces and U.S. Attorney's Offices. This arrangement—already used in cases announced yesterday—means state investigators will have direct access to federal grand juries, federal search warrant authority, and federal sentencing exposure.

Monthly Federal-State Deconfliction. State and federal partners will now coordinate monthly on new Medicaid fraud investigations to ensure coordinated enforcement. This formalized process, combined with referrals through the Health Care Fraud Data Fusion Center, means companies can expect parallel state and federal investigations to proceed in tandem rather than independently.

Creation of the Southern District of Ohio Fraud Task Force. The U.S. Attorney for the Southern District of Ohio, Dominick S. Gerace II, announced the establishment of this task force, stating that it injects "an even greater sense of urgency into our efforts to hold fraudsters accountable for pilfering taxpayer resources."

The Government's Message: No Fraud Scheme is Beyond Reach

The tone of the government's statements leaves no doubt about the aggressive posture Ohio-based organizations should anticipate.

Assistant Attorney General Colin M. McDonald stated bluntly: "The days of oversight lagging and accountability lacking are now over." U.S. Attorney David M. Toepfer for the Northern District of Ohio warned that "[t]he days of deception are over" and pledged to prosecute "to the full extent of the law."

CMS Administrator Dr. Mehmet Oz characterized the partnership as "a national fraud-fighting model" that "identifies bad actors faster" by combining "advanced data analytics, and unprecedented information sharing."

What This Means for Ohio Companies

The Risk Environment Has Changed. This partnership represents a fundamental shift in fraud enforcement in Ohio. The combination of federal prosecutorial resources, state-level investigative knowledge, advanced data analytics, and streamlined information sharing creates an enforcement apparatus that is faster, more coordinated, and more aggressive than anything Ohio companies have previously faced.

Healthcare Companies Face Acute Exposure. The government's access to Ohio corporate registrant data, combined with CMS participation through the Health Care Fraud Data Fusion Center, means healthcare providers—particularly those with complex billing arrangements, multiple related entities, or Medicaid billing—should assume their corporate structures and billing patterns are being analyzed.

PPP and Government Program Recipients Remain in the Crosshairs. The continued prosecution of COVID-era relief fraud years after the programs closed demonstrates the government's long memory and sustained commitment to pursuing these cases. Companies that received PPP loans or other government benefits should ensure their records remain intact and defensible.

Parallel Proceedings Are Now the Norm. With state prosecutors embedded in federal task forces and monthly deconfliction meetings, companies facing government inquiry should expect coordinated state and federal activity. The cross-designation of state prosecutors means that a matter that begins as a state investigation can rapidly escalate to federal prosecution with substantially higher penalties.

Recommended Action for GCs of Ohio Companies

This new enforcement landscape makes early engagement of experienced outside white collar counsel essential, not optional, for Ohio organizations facing potential exposure. This is not a compliance issue that can be managed in-house. Given these developments, the General Counsel of Ohio companies should conduct an immediate risk assessment to identify areas of vulnerability**.** In particular, companies that participate in government programs, contract with the government, are involved in healthcare billing, or made pandemic-era loan applications should engage white collar defense counsel now. Early engagement can meaningfully reduce potential liability, inform strategy, and help avoid missteps that could increase exposure. Our White Collar Defense & Investigations group can help you navigate this heightened risk environment and has substantial experience in the following key areas:

Navigating Parallel Proceedings. The formalized federal-state coordination announced yesterday creates procedural and strategic complexities that require counsel experienced in both federal and Ohio state criminal practice. A single misstep in one proceeding can create cascading consequences in the other.

Understanding Government Data Capabilities. The government's new access to Ohio corporate registrant data, combined with CMS analytics and the Health Care Fraud Data Fusion Center, means companies need counsel who understand how the government builds cases from data and who can identify and address vulnerabilities before they become indictments.

Responding to Subpoenas and Search Warrants. The government's announcement included references to asset seizures and bank account freezes executed simultaneously with charges. Companies need counsel who can respond rapidly to government processes while preserving privileges and strategic options.

Internal Investigations. Organizations that identify potential issues should conduct privileged internal investigations before the government comes calling. Outside counsel can help structure these investigations to maximize privilege protections while generating the factual record necessary to make informed decisions about voluntary disclosure or remediation.

Voluntary Disclosure Considerations. In appropriate circumstances, voluntary disclosure to the government can yield significant benefits, including reduced penalties and favorable resolutions. DOJ’s partnership model and monthly deconfliction meetings will hasten the government’s understanding and discovery of activities that companies could self-disclose, decreasing a company’s time to act before self-disclosure is too late. Experienced counsel can help organizations evaluate whether disclosure is advisable and, if so, how to approach it strategically.

Conclusion

The June 4th announcements represent a fundamental shift in federal fraud enforcement, with Ohio at its center. The combination of data-sharing with Ohio state agencies, cross-designated prosecutors, monthly deconfliction meetings, and new federal enforcement infrastructure means that Ohio companies, even those that believed they were acting in good faith, face real and immediate exposure to criminal prosecution, civil liability, and financial consequences.

FOR MORE INFORMATION

For questions about this alert or more information about your organization’s specific situation, please contact:

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