

# Cost of Fraud

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According to the Department of Justice Health Care Fraud Report for Fiscal Year 1997, \$1.2 billion was awarded or negotiated as a result of criminal fines, civil settlements, and judgments in healthcare fraud matters. And \$517 million of that amount came from the settlements of three cases—all concerning clinical laboratory billing practices. The Department of Justice collected \$785 million in fiscal year 1997 and returned \$665 million to the Medicare Trust Fund, \$31 million for the federal share of Medicaid, \$55 million to other federal agencies, and \$33 million in qui tam (whistleblower) plaintiffs. Criminal investigations increased 13 percent and prosecutions increased 15 percent in FY 1997. The 217 cases in which criminal convictions were determined was a record high—22 percent higher than the 177 convictions obtained in FY 1996.

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**Source:** *Journal of AHIMA* 70:1 (January 1999)

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