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# Program Memorandum

## Intermediaries/Carriers

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Department of Health and Human  
Services (DHHS)

HEALTH CARE FINANCING  
ADMINISTRATION (HCFA)

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Transmittal AB-00-56

Date: JUNE 2000

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### CHANGE REQUEST 1160

**SUBJECT: Memorandum of Understanding (MOU) between the Office of Inspector General and the Department of Justice - Sharing Fraud Referrals**

This memorandum is to inform Medicare contractors of the agreement between the Office of Inspector General's Office of Investigations (OI) and the Department of Justice's Federal Bureau of Investigation (FBI). Specifically, this new agreement seeks to improve the sharing of health care fraud referrals between the OI and the FBI. **It is not intended to increase or alter the current process under which contractors currently refer cases to the OI.** Medicare contractors will continue to follow the manual instructions in the Medicare Carrier's Manual (MCM) §14008, and the Medicare Intermediary's Manual (MIM) §3955, in referring all cases to the OI.

Upon receipt of fraud referrals, the OI regional field offices are required to perform one or more of the following:

- o Open an investigation;
- o Return the matter to the contractor for further development;
- o Forward the referral to the local FBI office or other law enforcement agency for investigation; or
- o Close the case with no action necessary and refer case back to contractor for administrative action.

Although the OI regional field offices are also required to share information concerning complaints and fraud cases with the FBI, there was no standardized process for sharing this information prior to the new MOU between the two law enforcement agencies.

### **NEW PROCEDURES FOR LAW ENFORCEMENT**

Under the new MOU between the OI and the FBI, the OI will provide a copy of the contractor fraud referral and all related information within 5 working days to the FBI Headquarters. The referral information received from the Medicare contractor includes all the relevant information to the potential fraud case. The OI will copy the contractor fraud referral to the FBI and will notify the FBI of any action they will take on the referral. The OI field offices will no longer forward health care fraud referrals directly to the local FBI field office. The OI will notify Medicare contractors of its decision on the contractor fraud referral, with specific instructions on all matters related to the referral, within 90 calendar days.

You should follow manual instructions in the MCM §14008, and the MIM §3955, to follow-up with the OI to determine their decision after the 90 calendar day period. You are encouraged to have a continuous dialogue with law enforcement during case development and to discuss fraud referrals at periodic meetings. If the OI does not give you a definite answer after the 90 calendar day period, you may contact the regional office to help you obtain the information you need.

The FBI will notify you of their action on the contractor fraud referral within 45 calendar days from the day the FBI receives the referral from the OI. However, if you have not received feedback at the end of the 45 calendar day period, you should contact the applicable local FBI field office for a status. You should not contact the FBI Headquarters for a status of the fraud referral. In the case of multiple providers or servicing contractors, the FBI will notify the Medicare contractor that initiated the referral as to the decision.

**The *effective date* for this Program Memorandum (PM) is November 1, 1999.**

**The *implementation date* for this PM is 30 days from issuance.**

**These instructions should be implemented within your current operating budget.**

**This PM may be discarded after July 31, 2001.**

**If you have any questions, contact Glenn Smith (410) 486-6570 or at [GSmith1@hcfa.gov](mailto:GSmith1@hcfa.gov).**