

PRESS RELEASE

United States Attorney's Office in Chicago Creates New Section to Prosecute Criminal Healthcare Fraud Violations

Friday, August 22, 2025

For Immediate Release

U.S. Attorney's Office, Northern District of Illinois

CHICAGO — Andrew S. Boutros, United States Attorney for the Northern District of Illinois, today announced publicly the creation of a new section within the Office's Criminal Division dedicated to the prosecution of healthcare fraud, which is among the Department of Justice's top fraud enforcement priorities and the first time the Office has created such a section. The new Healthcare Fraud Section will consist of six federal prosecutors and will be led by Heidi Manschreck, who will serve as the inaugural Section Chief, and Prashant Kolluri, who will serve as the Section's inaugural Deputy Chief. Both prosecutors have dozens of years of combined experience investigating and prosecuting healthcare fraud cases. Assistant U.S. Attorneys Erin Kelly, Kate McClelland, Alejandro G. Ortega, and Kristin Pinkston have also been assigned to the Section full time. The work of this new section will be in addition to the healthcare fraud-related matters in this district that are being handled by the Healthcare Fraud Strike Force, which is part of the Fraud Section of the Department of Justice's Criminal Division. The Healthcare Fraud Strike Force, which is housed in the Chicago U.S. Attorney's Office, is led locally by Assistant Chief Patrick M. Mott and collaborates extensively with the Office.

The newly created Healthcare Fraud Section will be tasked with prosecuting defendants in all types of healthcare fraud, such as false and fraudulent claims submitted by transnational criminal organizations to America's health insurance programs; upcoding and unbundling schemes; scams by providers and individuals against Medicare and Medicaid; fraudulent billing; and illegal kickbacks, among many other healthcare-related frauds and schemes.

"Every year, healthcare fraud causes billions of dollars in losses to the federal government and private insurers and siphons off hard-earned tax dollars meant to provide care for people in need," said U.S. Attorney Boutros. "Since becoming U.S. Attorney, my Office has charged nearly \$2 billion in healthcare fraud schemes involving alleged criminal

conduct that has stretched across the country, and even transnationally. The newly created Healthcare Fraud Section that I've launched will bring greater focus, efficiency, and impact to our efforts in this important program area, which often involves the exploitation of patients through unnecessary and/or unsafe medical tests and procedures."

U.S. Attorney Boutros continued, "In addition, under the direct leadership of our Section Chief and Deputy Chief, our Healthcare Fraud Section and its team of federal prosecutors will continue to closely coordinate and collaborate with the Healthcare Fraud Strike Force, which is part of the Fraud Section of the Department of Justice's Criminal Division and has proven to be a highly effective and dynamic prosecutorial partner. Healthcare providers, gatekeepers, and others who criminally cheat the system will be vigorously investigated, prosecuted, and punished under federal law and pursuant to the Department's priorities."

In announcing the new Section, U.S. Attorney Boutros acknowledged the cooperation and determination of the Office's investigative partners, including the FBI, DEA, U.S. Department of Health and Human Services Office of Inspector General, U.S. Department of Labor's Office of Inspector General, U.S. Food and Drug Administration, U.S. Postal Inspection Service, and other federal, state, and local agencies.

The newly created Healthcare Fraud Section will also strengthen coordination with the Health Care Fraud Unit of the Department of Justice Criminal Division's Fraud Section, which has partnered with the U.S. Attorney's Office in Chicago and other districts across the country to combat healthcare fraud. Since March 2007, this program, currently comprised of nine strike forces operating in 27 federal districts, has charged more than 5,800 defendants who collectively have billed federal health care programs and private insurers more than \$27 billion. Recently, the Health Care Fraud Unit led and coordinated the National Health Care Fraud Takedown, which resulted in charges against more than 320 defendants nationwide for allegedly participating in various health care fraud schemes involving more than \$14.6 billion in intended losses. This was the largest national health care fraud enforcement action in Department of Justice history—and the largest ever in the Northern District of Illinois.

"The Health Care Fraud Unit and its U.S. Attorneys' Office partners continue to build on historic successes in health care fraud enforcement—protecting American taxpayer funds, ensuring programs for our most vulnerable citizens receive what they are due, and safeguarding patients from medically unnecessary procedures and false diagnoses," said Acting Assistant Attorney General Matthew Galeotti of the Justice Department's Criminal Division. "Beyond our proven track record of holding individuals accountable, the Health Care Fraud Unit is now for the first time focusing on corporate enforcement in the health care space to ensure that all culpable actors are held responsible. The Chicago U.S.

Attorney's Office has been an exceptional partner and our Health Care Fraud Unit Strike Force in the district is excited to partner with this new unit to increase our collective reach and enhance our ability to protect the American public from health care fraud."

"Healthcare fraud is not a victimless crime," said Mario M. Pinto, Special Agent in Charge of the U.S. Department of Health and Human Services, Office of Inspector General. "These complex schemes not only drain critical resources intended to provide care and protect some of our most vulnerable citizens, but can also lead to patient harm. The enhanced collaboration and focus this new section brings will enable federal and state law enforcement partners to strengthen our ability to identify and hold accountable those who seek to defraud our federal healthcare programs and keep patients safe."

"The DEA Chicago Field Division applauds U.S. Attorney Boutros's decision to launch the Healthcare Fraud Section," said Shane Catone, Special Agent in Charge of the DEA Chicago Field Division. "This will only enhance our capabilities to keep Americans safe from anyone who exploits financial, pharmaceutical, and criminal systems, in collaboration with our federal, state and local law enforcement and prosecutorial partners."

"FBI Chicago stands committed with our federal partners to find and prosecute all offenders who perpetrate fraud in our healthcare system and violate the trust of vulnerable people seeking care," said Douglas S. DePodesta, Special Agent-in-Charge of the Chicago Field Office of the FBI. "Together we are sending a clear message to those who steal from the U.S. taxpayers by committing healthcare fraud: you will be caught and you will face justice."

Updated August 22, 2025

Topic

HEALTH CARE FRAUD

Components

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