



DEPARTMENT OF HEALTH AND HUMAN SERVICES  
**OFFICE OF INSPECTOR GENERAL**

WASHINGTON, DC 20201



July 1, 2026

Attorney General Gentner Drummond  
Office of the Oklahoma Attorney General  
313 NE 21st Street  
Oklahoma City, OK 73105

Director Charles Dickson  
Medicaid Fraud Control Unit  
Office of the Oklahoma Attorney General  
313 NE 21st Street  
Oklahoma City, OK 73105

Dear Attorney General Drummond and Director Dickson:

American taxpayers provide nearly half a billion dollars every year to State governments to fund State Medicaid Fraud Control Units (MFCUs or Units), which are obligated by Federal law to use that money to effectively fight Medicaid fraud and protect patients from abuse and neglect. Oklahoma receives approximately \$3.9 million per year from American taxpayers for these same purposes. Given this substantial investment in the Oklahoma MFCU, American taxpayers and the Federal Government expect the Unit and the Oklahoma Attorney General, to use the millions of Federal dollars to effectively fight Medicaid fraud and protect Medicaid patients from abuse and neglect.

The Department of Health and Human Services, Office of Inspector General (OIG) is conditionally recertifying the Oklahoma MFCU, subject to the special conditions described in this letter. This action reflects OIG's recognition of the Unit's potential and its obligation to ensure that every MFCU operates effectively, uses Federal funds appropriately, and consistently delivers results that protect the integrity of the Medicaid program. Although the Oklahoma MFCU has taken steps to address challenges that may impede its effectiveness, the Unit must take additional action to improve its performance across key operational and investigative areas. Additional improvement is necessary to ensure compliance with Federal requirements and ensure that the Unit operates at the standard taxpayers expect. Certain weaknesses persist, particularly in areas essential to the Unit's statutory responsibilities, such as the quantity and quality of fraud referrals, and cooperation with Federal partners.

OIG conducted an onsite inspection of the Oklahoma MFCU in February 2025 ([\*Oklahoma Medicaid Fraud Control Unit: 2025 Inspection\*](#), December 2025) (hereafter referred to as the "2025 onsite inspection report"). OIG's inspection covered the 3-year period of fiscal years (FYs) 2022–2024. In that review, OIG identified certain weaknesses involving the quantity of referrals, case progression, lack of a case management system, reporting adverse actions, and updates to its agreement with the State Medicaid agency that must be addressed to ensure that the Unit is effectively fighting fraud and patient abuse and neglect.

OIG takes seriously its responsibility to ensure that Units receiving these Federal funds are fulfilling the MFCU mission effectively. As part of that responsibility, OIG evaluates each Unit's performance, operational capacity, investigative outcomes, and overall adherence to statutory and regulatory requirements. This oversight is essential to maintaining public trust and ensuring that every MFCU contributes meaningfully to the broader fight against fraud, waste, and abuse within the Medicaid program.

OIG is conditionally recertifying the Oklahoma MFCU beginning July 1, 2026, subject to special conditions. This letter serves as written notice and explanation of OIG's determination to conditionally recertify the unit with a special condition. (42 CFR § 1007.17(d)(1)).

### **Statutory and Regulatory Background**

The Social Security Act (SSA) requires each State to demonstrate that it operates a MFCU that effectively carries out its statutory functions and responsibilities (SSA §§ 1902(a)(61) and 1903(q)). OIG, through delegations from the Secretary of Health and Human Services, is responsible for annually recertifying and funding each Unit (SSA §§ 1903(a)(6), (b)(3), and (q); 44 Fed. Reg. 47809, 47811 (Aug. 15, 1979)). To continue receiving Federal funding, a Unit must be certified. Under SSA §§ 1903(a)(6) and (q) and 42 CFR § 1007.19(d)(1), Federal funding is allowable only if a Unit has been certified and recertified annually by OIG.

OIG may approve or deny a Unit's annual recertification application and must provide written explanation for denials (42 CFR § 1007.17(d)(2)). When making recertification determinations, OIG evaluates whether the Unit has demonstrated that it effectively carries out the functions and requirements described in SSA § 1903(q), as implemented by 42 CFR part 1007. In making these determinations, OIG reviews the information described in 42 CFR §§ 1007.17(a) and (b) and considers the factors in 42 CFR § 1007.17(c).

OIG may impose special conditions or restrictions and may require corrective action, as provided in 2 CFR § 200.208, before approving a reapplication for recertification (42 CFR § 1007.17(d)(1)).

### **Basis for Conditionally Recertifying With Special Conditions**

OIG conditionally recertifies the Unit subject to special conditions. OIG evaluated whether the Unit demonstrated that it effectively carries out its statutory functions and responsibilities as required by in SSA §§ 1903(q) and 1902(a)(61) and as implemented in 42 CFR part 1007. OIG considered the following factors and information and determined that the Unit is not effectively carrying out its statutory functions and requirements.

### **Findings Under Each of the Five Certification Factors in 1007.17(c)(1)-(5)**

1. Compliance With Regulations (42 CFR § 1007.17(c)(1)): The Oklahoma MFCU generally complied with applicable laws and regulations.

2. Compliance With Policy Transmittals (42 CFR § 1007.17(c)(2)): The Oklahoma MFCU generally complied with OIG policy transmittals.

3. Adherence to Performance Standards (42 CFR § 1007.17(c)(3)): OIG has determined that the Oklahoma MFCU is not adhering to the MFCU Performance Standards as published in the *Federal Register* (89 Fed. Reg. 76431, September 2024). OIG assesses a Unit's adherence to all performance standards when assessing recertification of MFCUs. To explain the results of that assessment, OIG provides the following information as examples of the Unit's adherence under four of those performance standards.

- Performance Standard 2: Staffing

The Oklahoma MFCU employs a total number of professional staff commensurate with the State's total Medicaid program expenditures. In the FY 2025 annual statistical report, the Unit reports that it has 34 approved staff positions and that 29 of them are filled as of the end of FY 2025. OIG's analysis predicts a staff of 25 based on Oklahoma Medicaid expenditures of \$10.76 billion annually.

- Performance Standard 4: Referrals

In FY 2025, the Oklahoma MFCU reported receiving 168 fraud referrals from several different sources. For most MFCUs, the State Medicaid agency Program Integrity Unit (PIU) is the primary source of referrals. However, in Oklahoma the PIU referrals account for 1 percent of the Unit's referrals. In FY 2025, a total of 2 of 168 fraud referrals came from the PIU. In FY 2024, the Unit received 220 fraud referrals and only 6 came from the PIU. In FY 2023, the Unit received 196 referrals and only 3 came from the PIU. Although the PIU referrals increased in FY 2025, the overall low number of referrals that the Unit receives from the PIU raises concerns that the MFCU is not receiving all cases of suspected fraud from the PIU as required by Medicaid regulations for PIUs. The Oklahoma MFCU should assess why so few of its referrals are from the PIU and ensure that the Unit receives all suspected cases of fraud.

- Performance Standard 5: Case Progression

The Unit has previously struggled with effectively managing the progress of some of its cases but the Unit reports making improvements. In the 2025 onsite inspection report, OIG found that 16 percent of cases open during FYs 2022–2024 had significant delays in the investigation. However, the Unit Director reported that, in spring 2025, the Unit hired its first intake officer, who helps the Unit screen referrals for viability. The Unit Director also reported that MFCU leadership continues to elevate levels of scrutiny of cases that might be slow to start or that have periods of inactivity. In its FY 2025 recertification information, the Unit reports that approximately 3 percent (9 of 330) of the Unit's cases have been open for more than 3 years.

- Performance Standard 8: Cooperation

The Oklahoma MFCU has a decent working relationship with OIG's Office of Investigations (OI) and other Federal partners but there is room for improvement. Unit investigators and OI agents meet quarterly at local Health Care Task Force meetings with other Federal partners

and State agencies. However, OI reported that cooperation is mostly done on an investigator-by-investigator basis and can be highly variable. To collaborate more regularly, OI proposed monthly meetings with Unit leadership and investigators but those have not occurred. Additionally, OI has requested information from the Unit, such as a list of active cases, but did not receive a response. The Oklahoma MFCU has room to improve its cooperation and should assess ways to establish more regular methods of communication between OI and the Unit.

4. Effectiveness investigating and prosecuting fraud (42 CFR § 1007.17(c)(4)): The Oklahoma MFCU is not always using its resources effectively to investigate cases of possible fraud in the administration of the Medicaid program, the provision of medical assistance, or the activities of providers of medical assistance under the State Medicaid plan, and to prosecute cases or cooperate with the prosecuting authorities. The Unit should improve its effectiveness by addressing the issues with its referrals and cooperation with Federal partners, plus implementing the recommendations from the 2025 onsite inspection report. Among the factors that OIG has considered in assessing the Unit's effectiveness in investigating and prosecuting fraud are the Unit's case outcomes as reported in the annual statistical report and how the Unit compares with similar-sized peers.

The Oklahoma MFCU's fraud convictions increased from FY 2024 to FY 2025, from four to nine convictions. For the last 3 years, the Oklahoma MFCU reported a total of 19 fraud convictions and ranked 11th out of 15 similarly situated Units. Additionally, in FY 2025, the Oklahoma MFCU had 15 fraud indictments, 12 civil settlements and judgments, and total monetary recoveries of more than \$2.9 million, which mostly consist of civil recoveries. Addressing the Unit's issues with referrals and cooperation with Federal partners will help the Unit improve its use of resources to effectively investigate and prosecute fraud.

5. Effectiveness investigating and prosecuting patient abuse and neglect (42 CFR § 1007.17(c)(5)): The Oklahoma MFCU is using its resources effectively to review and investigate, refer for investigation or prosecution, or criminally prosecute complaints alleging abuse or neglect of patients or residents in health care facilities receiving payments under the State Medicaid plan and, at the Unit's option, in board and care facilities. Among the factors that OIG has considered in assessing the Unit's effectiveness in investigating and prosecuting patient abuse and neglect are the Unit's case outcomes as reported in the annual statistical report and how the Unit compares with similar-sized MFCUs.

The Oklahoma MFCU's convictions related to patient abuse and neglect decreased from FY 2024 to FY 2025, from 11 to 8 convictions. However, for the last 3 years, the Oklahoma MFCU reported 27 convictions related to patient abuse and neglect and ranked fifth out of 15 similarly situated Units. Additionally, in FY 2025, the Oklahoma MFCU reported 75 investigations and 6 indictments related to patient abuse and neglect.

### **Effect of Conditional Recertification With Special Conditions**

OIG is granting conditional recertification subject to special conditions. To remove these special conditions and be recertified, the Unit must take the following corrective actions as detailed in the Enclosure.

Upon successful completion of the corrective actions, OIG will remove the special conditions. If the Oklahoma MFCU fails to take the required action, OIG may pursue additional certification actions or financial remedies, as necessary (see 42 CFR § 1007.17 and 2 CFR § 200.339).

If you have any questions regarding your Unit's conditional recertification, please call me at (202) 619-3148.

Sincerely,

A handwritten signature in blue ink, appearing to read "T. March Bell". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

T. March Bell  
Inspector General

Enclosure

**Enclosure: Special Conditions for Corrective Action**

OIG imposes the following special conditions on the Oklahoma MFCU Federal grant. The Oklahoma MFCU must take corrective actions to come into compliance with the MFCU performance standards (42 CFR § 1007.17(c)(3)). Upon OIG’s notification determination that to the Unit that it has taken the actions necessary to comply with its regulatory requirements made sufficient progress for the corrective actions listed below, OIG will remove the special conditions and recertify the Unit. Outlined below is an initial list of corrective actions. It should not be interpreted as an all-inclusive list. OIG will continue to work with the Oklahoma MFCU to identify all actions necessary for it to meet its obligations under the law.

1. Referrals

The Unit must take steps to address the referral deficiencies described in this letter. Specifically, within 30 days of the date of this letter, the Unit must provide to OIG a root-cause analysis of the low referrals and an action plan that details the steps the Unit will take to address the quantity and quality of its referrals. The action plan must specify the referral entities with which the Unit will schedule regular meetings (at least monthly) and a description and targeted timeline for providing training or other information to the specified referral entities to encourage referrals. In addition, within 6 months of the date of this letter, the Unit must provide to OIG a progress report that details the steps the Unit has taken in accordance with its action plan and the number or percentage increase in referrals from each referral source over the last 6-month period. OIG may provide feedback to the Unit on the action plan and progress report, as necessary. To remove the special conditions, the Unit must do more than merely submit a plan for improvement and a progress report; it must also demonstrate significant progress toward addressing the referral deficiencies described in this letter.

2. Coordination with OI

The Unit must take steps to improve coordination with OIG’s Office of Investigations (OI). Specifically, within 30 days of the date of this letter, the Unit must provide to OIG a coordination plan that details the steps the Unit will take to improve coordination with OI. The plan must include a schedule of regular meetings with OI to occur at least monthly, and the Unit must include coordination procedures (e.g., joint cases, deconfliction) in the Unit’s policies and procedures manual. In addition, within 6 months of the date of this letter, the Unit must provide to OIG a progress report that details the steps the Unit has taken in accordance with its coordination plan. OIG may provide feedback to the Unit on the coordination plan and progress report, as necessary. To remove the special condition, the Unit must do more than merely submit a plan for improvement and a progress report; it must also demonstrate significant progress toward addressing the deficiencies related to coordination with OI described in this letter.

3. Implement Recommendations

Implement the three unimplemented recommendations in the 2025 onsite inspection report for the Oklahoma MFCU, which are:

- Update policies and procedures manual to address certain aspects of operations.

- Build on efforts to increase the volume and quality of fraud referrals from the PIU and managed care organizations.
- Take steps to ensure reporting of all convictions and adverse actions to Federal partners within the appropriate timeframes.