Department of Health and Human Services
Office of Inspector General
Office of Evaluation and Inspections

August 2026 | OEI-04-25-00280

North Dakota Medicaid Fraud Control Unit: 2025 Inspection

REPORT HIGHLIGHTS

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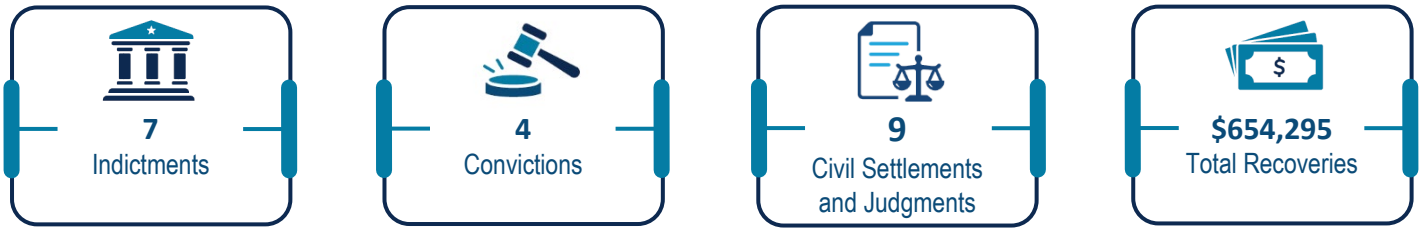
OIG administers the Medicaid Fraud Control Unit (MFCU or Unit) grant awards, annually recertifies each Unit, and oversees the Units' compliance with the requirements of the grant and adherence to 12 established performance standards reflecting practices identified by OIG and MFCUs that will improve Unit effectiveness. As part of this oversight, OIG conducts periodic onsite inspections of Units and issues public reports of its findings and observations.

ND MFCU Case Outcomes

With an average staff size of 7 and total expenditures of approximately $3 million during the review period, FY 2022 through FY 2024, the MFCU reported:



Performance Assessment

PERFORMANCE STANDARD	FINDINGS	RECOMMENDATIONS
PERFORMANCE STANDARD 1 **Compliance With Requirements**	Unit Director did not oversee all aspects of Unit's investigative work	Ensure that the Unit Director oversees all aspects of the Unit's investigative work
PERFORMANCE STANDARD 4 **Maintaining Adequate Referrals**	Few fraud referrals from the State Medicaid program's Provider Integrity Unit (PIU) and managed care organization (MCO) despite outreach	Build upon its efforts to increase the volume and quality of fraud referrals from the PIU and MCO
PERFORMANCE STANDARD 7 **Maintaining Case Information**	Case management system did not allow efficient case file access Unit did not consistently document relevant facts, information, and supervisory reviews	Implement a case management system that allows efficient access to case information Ensure that case files document all relevant facts, information, and supervisory reviews
PERFORMANCE STANDARD 10 **Agreement With Medicaid Agency**	Memorandum of understanding (MOU) did not reference *CMS Performance Standard for Referrals*, as required	Revise the Unit's MOU with the PIU to include reference to the *CMS Performance Standard for Referrals*
PERFORMANCE STANDARD 11 **Fiscal Control**	Inventory list was not fully accurate	Ensure that the Unit's inventory list is accurate

The Unit concurred with all six recommendations.

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BACKGROUND

OBJECTIVE

To assess the performance and operations of the North Dakota Medicaid Fraud Control Unit (MFCU or Unit).

The Office of Inspector General (OIG) administers the MFCU grant awards, annually recertifies each Unit, and oversees the Units' performance and operations in accordance with the requirements of the grant. As part of this oversight, OIG conducts periodic inspections of Units and issues public reports of its findings. For more information about MFCUs and OIG oversight of MFCUs, see OIG's website.

North Dakota MFCU

The North Dakota Unit is located within the Office of the Attorney General in Bismarck and has Statewide jurisdiction to prosecute Medicaid provider fraud and patient abuse and neglect cases. At the time of our onsite inspection in August 2025, the Unit employed nine staff:

- two attorneys (one of whom also served as the Director);
- three investigators (two Co-Chief Investigators and one investigator);
- two auditors (one Senior Auditor and one Nurse Auditor);
- one paralegal; and
- one administrative assistant.

During our review period of fiscal years (FYs) 2022–2024, the Unit spent approximately $3 million, with a State share of approximately $620,000.

Investigators in the Unit must be special agents in good standing from North Dakota's Bureau of Criminal Investigation (BCI), the statewide law enforcement agency. As such, in addition to MFCU requirements, these investigators are held to various BCI requirements and must use BCI systems while conducting MFCU work.

Referrals

The Unit receives Medicaid provider fraud and patient abuse or neglect referrals from several sources, including: the North Dakota Department of Health and Human

Services Provider Integrity Unit (PIU),[1] a managed care organization (MCO),[2] the State Survey and Certification Agency,[3] and local law enforcement. The Unit discusses new referrals at weekly intake meetings, during which the Director decides whether to open a case stemming from the referral.

Investigations and Prosecutions

Once the Unit opens a referral as a case, the Director assigns it to an investigator. Thereafter, the entire Unit meets monthly to discuss active cases and ensure that supervisory review occurs at least every 90 days. An investigator serves as the team's central point of contact and coordinates various investigative activities such as interviewing witnesses. The attorney assigned to the case provides legal expertise and secures evidence necessary for trial. The investigator and attorney may also work with the Senior Auditor and Nurse Auditor, as appropriate. Once investigative activities are completed, the Director determines whether to file the case as a criminal or civil matter, close it, or refer it to another agency, as warranted.

North Dakota Medicaid Program

As of September 2024, the North Dakota Medicaid Program served approximately 101,000 enrollees.[4] Approximately 25 percent of North Dakota Medicaid enrollees were enrolled in the State's MCO.[5] In FY 2024, North Dakota's Medicaid expenditures were approximately $1.5 billion.[6]

Prior OIG Inspection and Recertification

This is the first inspection of the North Dakota MFCU since OIG certified it in October 2019. OIG recertified the North Dakota MFCU on October 1, 2025.

[1] The North Dakota Department of Health and Human Services is the Medicaid single State agency. Within the North Dakota Department of Health and Human Services, the PIU is responsible for executing North Dakota's Medicaid program integrity activities.

[2] According to the MCO contract, fraud referrals are to be made to the PIU and then immediately provided to the Unit by the PIU.

[3] The State Survey and Certification agency is known as the Health Facilities Unit within the North Dakota Department of Health and Human Services.

[4] Centers for Medicare & Medicaid Services (CMS), "State Medicaid and CHIP Applications, Eligibility Determinations, and Enrollment Data." Accessed on May 25, 2026.

[5] Kaiser Family Foundation, *Total Medicaid MCO Enrollment | KFF State Health Facts*, July 1, 2024. Accessed on May 26, 2026.

[6] OIG, *MFCU Statistical Data for FY 2024*. Accessed on December 22, 2025.

Methodology in Brief

OIG conducted the onsite inspection of the North Dakota MFCU in August 2025. Our inspection covered the 3-year period of FYs 2022–2024. We based our inspection on an analysis of data and information from seven sources: (1) Unit documentation; (2) financial documentation; (3) structured interviews with the Unit's key stakeholders; (4) structured interviews with the Unit's managers and other staff; (5) a review of a random sample of 66 case files from the 152 case files that were open at some point during the review period;[7] (6) a review of all convictions submitted to OIG for program exclusion and all adverse actions submitted to the National Practitioner Data Bank (NPDB) during the review period; and (7) an onsite review of Unit operations in the Unit's office. See the Detailed Methodology for more information about our methods.

In examining the Unit's operations and performance, we applied the published performance standards, but we do not report whether the Unit adhered to every performance indicator for every standard.[8]

Standards

We conducted this study in accordance with the *Quality Standards for Inspection and Evaluation* issued in 2020 by the Council of the Inspectors General on Integrity and Efficiency. These inspections differ from other OIG evaluations in that they support OIG's direct administration of the MFCU grant program, but they are subject to the same internal quality controls as are other OIG evaluations, including internal and external peer review.

[7] We focused our review on "nonglobal" case files. "Global" cases involve the U.S. Department of Justice and a group of State MFCUs. Global cases are facilitated by the National Association of Medicaid Fraud Control Units. Because we wanted to assess the Unit's cases, specifically, we focused our review on nonglobal cases.

[8] As part of its oversight, OIG evaluates Units' adherence to a set of performance standards. The most recent version of the MFCU performance standards is published at 89 Fed. Reg. 76431 (September 18, 2024). The previous version of these standards, which was applicable during the review period for this inspection, can be found at 77 Fed. Reg. 32645 (June 1, 2012). The 2024 and 2012 performance standards are largely the same with respect to the findings of this report. The performance standards were originally published at 59 Fed. Reg. 49080 (September 26, 1994).

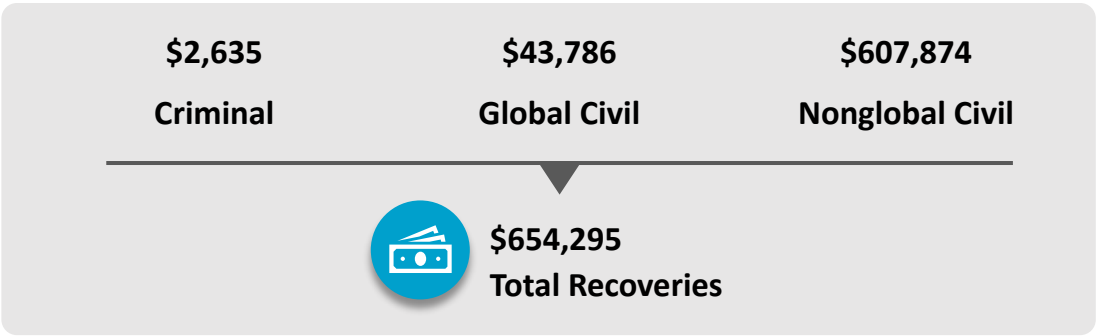
PERFORMANCE ASSESSMENT

Case Outcomes

In FYs 2022–2024, the Unit reported seven indictments, four convictions, and nine civil settlements and judgments.[9]

Of the four convictions reported by the Unit, one involved provider fraud and three involved patient abuse or neglect.

In FYs 2022–2024, the Unit reported approximately $650,000 in combined criminal and civil recoveries.



Source: OIG Analysis of Unit statistical data, FYs 2022–2024.
Note: "Global" civil recoveries derive from civil settlements or judgments in global cases, which are cases that involve the U.S. Department of Justice and a group of State MFCUs and are facilitated by the National Association of Medicaid Fraud Control Units.

[9] OIG provides information on MFCU operations and outcomes but does not require or otherwise establish specific case outcome thresholds that MFCUs must meet. MFCU investigators and prosecutors should apply professional judgment and discretion in determining what criminal and civil cases to pursue.

Performance Standard 1: Compliance With Requirements

A Unit conforms with all applicable statutes, regulations, and policy directives.

Finding: The Unit Director did not oversee all aspects of the Unit's investigative work.

Federal regulation requires MFCUs' professional employees to be under the direction and supervision of the Unit Director.[10] While the Unit Director provided general supervision over all Unit employees, including the investigators, some of the investigative work was overseen by a supervisory officer from North Dakota's Bureau of Criminal Investigation (BCI)—outside of the MFCU. Specifically, this BCI agent was responsible for approving the MFCU's investigative documents in the BCI case management system. In doing so, the BCI officer performed administrative or technical tasks, moving the Unit's investigative work forward in the BCI system. However, Unit investigators noted that the BCI officer would sometimes provide feedback on investigative documents before moving them through the case management system, resulting in the BCI officer acting in a supervisory capacity over the Unit's investigators instead of the Unit Director.

OIG found two additional areas of noncompliance with requirements. See Performance Standard 8 and Performance Standard 10.

Performance Standard 2: Staffing

A Unit maintains reasonable staff levels and office locations in relation to the State's Medicaid program expenditures and in accordance with staffing allocations in its approved budget.

Observation: The Unit maintained staffing levels in accordance with its approved budget.

During FYs 2022–2024, the Unit's staff grew from six to nine employees. During this time period, the Unit was approved for the additional staff and generally filled the required positions.

Performance Standard 3: Policies and Procedures

A Unit establishes written policies and procedures for its operations and ensures that staff are familiar with, and adhere to, policies and procedures.

Observation: The Unit's policies and procedures lacked certain details, which contributed to findings in other Performance Standards.

During FYs 2022–2024, the Unit generally maintained policies and procedures that reflected current operations and practices, but these policies and procedures

[10] 42 CFR § 1007.13(d)(4).

sometimes did not include certain details, leading to findings in the Performance Standards noted below:

- The Unit's policies and procedures did not provide sufficient guidance on how to use the various case management systems and where to find the case files in each system. Although the policies and procedures had high-level descriptions of each tracking system, we had difficulty locating various case files in our review, and Unit staff reported challenges with the various systems. In addition, the Unit's policies and procedures did not address how the Unit should document periodic supervisory reviews for nonglobal cases. These issues may have resulted in some cases having limited documentation (see the findings under Performance Standard 7).
- In addition, the Unit's policies and procedures did not detail how, when, and by whom the equipment inventory should be updated. Rather, the policies and procedures stated that equipment inventory is "updated regularly" (see the finding under Performance Standard 11).

Beneficial Practice

In addition to the Unit's policies and procedures, Unit staff developed "guidelines" that included additional details associated with their respective roles. These guidelines helped capture Unit best practices and could serve as resources for onboarding new staff. For example, the Unit had guidelines for investigative and audit practices. Unlike policies, which are formal rules or directives that must be followed, guidelines provide flexible processes to help staff carry out their tasks efficiently and consistently. The Unit designed these guidelines to support MFCU personnel in maintaining a standard approach across various activities.

Performance Standard 4: Maintaining Adequate Referrals

A Unit takes steps to maintain an adequate volume and quality of referrals from the State Medicaid agency and other sources.

Finding: The Unit received few fraud referrals from the PIU and MCO, despite outreach.

Federal regulations require that the State Medicaid agency and MCO submit fraud referrals to the Unit.[11, 12] In addition, Performance Standard 4(A) states that the Unit should take steps to ensure that the State Medicaid agency and MCO refer suspected provider fraud to the Unit. However, of the 45 fraud referrals the Unit reported receiving from all referral sources during FYs 2022–2024, only 6 originated in the PIU and 2 originated in the MCO. Referrals from the PIU and MCO are an essential

[11] 42 CFR § 455.21.

[12] 42 CFR § 438.608(a)(7).

component of a Unit's ability to investigate and prosecute Medicaid provider fraud. See Appendix A for a list of referrals by source.

The Unit took steps to encourage referrals from these partner agencies. For example, the Unit met monthly with the PIU and quarterly with the MCO. The Unit reported using these meetings to discuss potential referrals, even if a referral had not yet been submitted. Outside of these meetings, the Unit reported communicating informally with the PIU nearly every week. Additionally, the Unit provided training on data mining to the PIU and feedback on the quantity and quality of the PIU's referrals. The PIU provided positive feedback about these engagements with the Unit.

Although the Unit communicated with the MCO on a consistent basis and maintained positive working relationships, we found that the Unit's educational outreach to the MCO could be improved. Performance Standard 4(B) states that a Unit should provide periodic feedback on the volume and quality of referrals it receives. However, the MCO reported that the Unit did not provide feedback to the MCO regarding the volume and quality of its referrals, nor did any training occur between the Unit and the MCO to learn about each other's operations. The Unit reported that it did not have any issues with the quality of the referrals it received from the MCO but that the MCO and the Unit have different definitions of fraud. Unit staff also reported not having much knowledge about how the MCO determines what to refer to the MFCU. This may have limited the number of referrals the Unit received from the MCO.

The Unit also took steps to educate other partner agencies about its mission and to encourage referrals. For example, the Unit Director spoke at the North Dakota Long-Term Care Association's annual conference to explain how the Unit and the association could work together. The Unit also gave presentations to various committees in the North Dakota legislative branch to educate legislators on the types of cases the MFCU investigates and how it receives referrals. The goal of these presentations was to educate members who would then bring information about MFCUs back to their districts.

Despite these efforts, Unit staff reported that partner agencies continue to be surprised when learning about the Unit and what it does. Unit staff acknowledged that additional outreach was needed by the Unit to increase awareness and noted that the Unit had plans for additional outreach in the future.

Performance Standard 5: Maintaining Case Progression

A Unit takes steps to maintain a continuous case flow and to complete cases in an appropriate timeframe based on the complexity of the cases.

Observation: The Unit Director verbally approved the opening of cases.

According to Performance Standard 5(B), supervisors should approve the opening and closing of all investigations. During our review period of FYs 2022–2024, the Unit

met weekly to discuss cases, including whether to open new cases. The Director reported attending these meetings and verbally approving the opening of new cases via these meetings. As of September 18, 2024, Performance Standard 5 requires supervisors to document the approval to open and close all investigations. We found that nearly half of the case files during our review period (i.e., generally prior to the implementation of this new performance standard) did not contain documentation of supervisory approval to open a case.

Performance Standard 6: Case Mix

A Unit's case mix, as practicable, covers all significant provider types and includes a balance of fraud and, where appropriate, patient abuse and neglect cases.

Observation: The Unit's case mix included both fraud and patient abuse and neglect cases and covered a range of provider types.

Of the Unit's 152 nonglobal cases that were open during our review period, 43 percent involved provider fraud (66 cases), and 57 percent involved patient abuse and neglect (86 cases). The Unit's cases covered 32 provider types, including assisted living facilities, personal care services, and family practice.

Performance Standard 7: Maintaining Case Information

A Unit maintains case files in an effective manner and develops a case management system that allows efficient access to case information and other performance data.

Finding: The Unit's electronic case management system did not allow the Unit to efficiently access case information.

The Unit stored case files and tracked case information using multiple repositories, such as electronic tracking databases, shared drives, local storage, and paper case files. In addition to the MFCU's own case management systems, the Unit also uses BCI's electronic case management system.

The various systems make it difficult to efficiently access case information. Unit staff reported challenges with the various case management systems. Specifically, Unit staff reported that the Unit's case management systems are pieced together, which made it difficult to locate case information. Staff reported that they are doing the best they can with what the Unit has, but having a unified system would improve the Unit's operations. During our onsite inspection, we also had difficulty finding various case files across the Unit's systems.

Difficulty navigating the systems may partially result from the Unit not having policies and procedures detailing where to locate case files in the various systems. Instead, the Unit's policies and procedures provided only high-level descriptions of each system.

Finding: The Unit did not consistently document relevant facts, information, and supervisory reviews in its case files.

Having case files spread across multiple systems may have contributed to over one-third of cases not containing all relevant facts, information, and significant documents. According to Performance Standards 7(B) and 7(C), case files should include all relevant facts, information, and significant documents and justify the opening and closing of cases. However, we found that 35 percent of the Unit's case files did not include such documentation. Specifically:

- Eight percent of cases were missing information or documentation from referral receipt to case opening.
- Eleven percent of cases did not have documentation justifying the decision to open the case.
- Twenty-four percent of cases did not have appropriate investigative documentation (e.g., interview summaries, investigative reports).[13]

While 35 percent of cases were missing relevant facts, information, and significant documents in at least one of the three areas listed above, 8 percent of cases lacked such information in two areas.

Performance Standard 7(A) notes that MFCU supervisors should periodically conduct case file reviews consistent with the MFCU's policies and procedures and that the reviews are to be noted in the case files. The Unit's policies and procedures state that supervisory reviews for global cases should occur at least every 90 days and that nonglobal cases should be discussed monthly during the Unit's continuous case flow meetings. Unit staff organized each month's case flow meeting agenda to ensure that supervisory reviews of nonglobal cases occur as frequently as every 30 days and that reviews of global cases occur at least every 90 days.[14] Despite this policy, we found that 13 percent of nonglobal case files lacked documentation of supervisory reviews using either the 30-day or 90-day timeframe.[15, 16] The Unit's policies and procedures did not address the practice of documenting supervisory reviews for nonglobal cases.

[13] Cases without documentation were often conducted by an investigator who no longer worked for the Unit. As a result, we could not pose follow-up questions to the investigator to obtain any documentation missing from the case files.

[14] Unit staff discuss both civil and criminal cases at these monthly case flow meetings.

[15] Nine percent of case files had supervisory reviews documented, but they occurred more than 90 days apart. Four percent of cases had no supervisory review documented.

[16] We did not review any global case files.

Performance Standard 8: Cooperation With Federal and Other State Authorities on Fraud Cases

A Unit cooperates with OIG and other Federal agencies in the investigation and prosecution of Medicaid and other health care fraud.

Observation: The Unit did not always report adverse actions and convictions to Federal partners within required timeframes, but the Unit corrected this issue during our review period.

MFCUs are required to report any adverse actions resulting from investigations or prosecutions of health care providers to the NPDB within 30 days of the final adverse action.[17, 18] We found that the Unit did not report five of the seven adverse actions during our review period to the NPDB within the required 30 days. These five late submissions ranged from 29 to 594 days late.

The Unit Director stated that these delays were due to a misunderstanding of the requirements. We confirmed that the Unit's policies were updated before our onsite inspection with instructions on how and when to submit adverse actions to the NPDB. Additionally, the two most recent submissions during FYs 2022–2024 were both submitted within 30 days, indicating that the updated policies have been implemented to effectively ensure timely reporting.

Federal regulation also requires Units, for the purpose of excluding convicted parties from Federal health care programs, to transmit information on all convictions to OIG within 30 days of sentencing, or "as soon as practicable" if the Unit encountered delays in receiving the necessary information from the court.[19] Of the Unit's four submissions to OIG, one was submitted late. This conviction was submitted 28 days after the required 30-day reporting period, and Unit staff reported that it was delayed due to staff error. Following this late submission, the Unit implemented additional processes to ensure that it submits information to OIG in the required timeframe. Additionally, both submissions following the late submission were reported within 30 days, indicating that the Unit implemented its updated policies to effectively ensure timely reporting.

[17] 45 CFR § 60.5. Examples of adverse actions include, but are not limited to, health care-related criminal convictions and civil judgments (but not civil settlements), and program exclusions. See SSA §§ 1128E(a) and (g)(1).

[18] The NPDB is intended to restrict the ability of physicians, dentists, and other health care practitioners to move from State to State without disclosure or discovery of previous medical malpractice and adverse actions.

[19] 42 CFR § 1007.11(g). Also, Performance Standard 8(F) states that Units should transmit convictions to OIG within 30 days of sentencing. The 2024 updated Performance Standard 8(G) reflects the regulatory language at 42 CFR § 1007.11(g).

Performance Standard 9: Program Recommendations

A Unit makes statutory or programmatic recommendations, when warranted, to the State government.

Observation: The Unit made program recommendations to the Provider Integrity Unit agency during FYs 2022–2024.

Performance Standard 9 states that Units should make program or statutory recommendations, when warranted, to the State government. The Unit reported that, during FYs 2022–2024, it made several program recommendations to the PIU to improve its audit procedures and expand the use of data analytics for identifying potential fraud schemes. As a result of these recommendations, the PIU established a Data Mining Working Group and implemented a new, repeatable data analysis framework created by the Unit. Further, the Unit recommended updates to documentation and provider signature requirements based on Centers for Medicare and Medicaid Services (CMS) standards. In response, the PIU made several manual revisions. In addition to these implemented recommendations, the Unit made other recommendations to the PIU and is actively monitoring the status of them.

Performance Standard 10: Agreement With Medicaid Agency

A Unit periodically reviews its memorandum of understanding (MOU) with the State Medicaid agency to ensure that it reflects current practice, policy, and legal requirements.

Finding: The Unit's MOU with the PIU did not reference the *CMS Performance Standard for Referrals*, as required.

According to Performance Standard 10(E), the MOU should incorporate by reference the *CMS Performance Standard for Referrals of Suspected Fraud From a State Agency to a Medicaid Fraud Control Unit*.[20] We found that the Unit's MOU with the PIU did not reference the *CMS Performance Standard for Referrals*.

Observation: The Unit did not update its MOU with the PIU for more than 5 years, contrary to requirements, but has since corrected the issue.

According to Federal regulations and its MOU with the PIU, the MFCU should review and, as necessary, update the MOU no less frequently than every 5 years to ensure that the agreement reflects current law and practice.[21] While the Unit was in the process of updating the MOU during our data collection in August 2025, the original MOU from 2019 was still in place, meaning that the current MOU was past due for updates. However, during follow-up with the Unit, we confirmed that it updated the MOU in November 2025.

[20] The *CMS Performance Standard for Referrals* defines minimum criteria for information a State Medicaid agency should provide to a MFCU as part of a referral of suspected provider fraud.

[21] 42 CFR § 1007.9(d)(3)(v).

Performance Standard 11: Fiscal Control

A Unit exercises proper fiscal control over Unit resources.

Finding: The Unit's inventory list was not fully accurate.

According to Performance Standard 11(B), the Unit should maintain an equipment inventory that is updated regularly to reflect all property under the Unit's control. During our onsite inspection, we found that the Unit's inventory list was not accurate. Most notably, an investigator's vehicle that was in the Unit's possession was not captured on the inventory list. Further, we purposively selected 30 items from the MFCU's inventory list and found that 7 items did not have accurate serial numbers.

The Unit's policies and procedures do not detail how, when, and by whom the inventory list should be updated; they only say that "the Unit maintains an equipment inventory that is updated regularly to reflect all properties under the Unit's control."

Performance Standard 12: Training

A Unit conducts training that aids the mission of the Unit.

Observation: Unit staff generally met the Unit's training requirements.

According to the information we reviewed, professional staff completed training that aided in the mission of the Unit, including training provided by the National Association of Medicaid Fraud Control Units and OIG. The Unit's training guidelines require each professional discipline to take 40 hours of training annually. The Unit complied with this policy for all professional staff employed during the entire fiscal years in our review.

RECOMMENDATIONS

To address the findings in this report, we recommend that the North Dakota Unit:

Ensure that the Unit Director oversees all aspects of the Unit's investigative work

To ensure that all employees are under the direction and supervision of the Unit Director, the Director should oversee all aspects of the Unit's investigative work, including by reviewing and approving all investigative documents, or alternatively, one of the Director's direct reports (e.g., a Chief Investigator) could take on these responsibilities. The Unit should subsequently update its policies and procedures to reflect these new supervisory roles and responsibilities.

Build upon its efforts to increase the volume and quality of fraud referrals from the PIU and MCO

The Unit should expand upon its efforts to communicate and collaborate with the PIU and MCO. As a part of this, the Unit should consider cross-training with the PIU and MCO, establish a consistent definition of fraud, and provide guidance on what constitutes a quality referral. Additionally, the Unit should provide periodic feedback to the MCO on the quality of its referrals, including the types of referrals the Unit would like to receive and helpful information to include. The Unit should also consider memorializing its efforts in an MOU or other document with the PIU and MCO.

Implement a case management system that allows efficient access to case information

The Unit should take steps to obtain a new case management system that allows efficient access to case files. If the Unit must still use the BCI system in addition to this new case management system, it should update its policies and procedures to delineate the purpose and associated practices for each system.

Ensure that case files document all relevant facts, information, and supervisory reviews

The Unit should ensure that case files document all relevant facts, information, and supervisory reviews. In doing so, the Unit should update its policies and procedures to clarify what must be included in case files and in what systems they should be stored.

Revise the Unit's MOU with the PIU to include reference to the *CMS Performance Standard for Referrals*

In accordance with Performance Standard 10(E), the Unit should revise its MOU with the PIU to reference the *CMS Performance Standard for Referrals of Suspected Fraud From a State Agency to a Medicaid Fraud Control Unit*.

Ensure that the Unit's inventory list is accurate

The Unit should develop procedures for conducting thorough checks of its physical inventory. In doing so, the Unit should ensure that the vehicle we identified during our onsite inspection is added to its inventory list and that all other applicable equipment purchased by the Unit is accurately reflected on the list, to include accurate serial numbers. These procedures should be captured in Unit policy, including information on how, when, and by whom the inventory list should be updated.

UNIT COMMENTS AND OIG RESPONSE

The North Dakota MFCU concurred with six of our recommendations.

First, the Unit concurred with our recommendation to ensure that the Director oversees all aspects of the Unit's investigative work. The Unit reported that it is working with the North Dakota Bureau of Criminal Investigation to determine who will assume responsibility for the review and approval of investigative reports.

Second, the Unit concurred with our recommendation to build upon the Unit's efforts to increase the volume and quality of fraud referrals from the PIU and MCO. The Unit reported that it has engaged State Medicaid Agency leadership about how to strengthen the relationship between the two agencies. The Unit is confident that the number of referrals can be maximized through continued collaboration.

Third, the Unit concurred with our recommendation to implement a case management system that allows efficient access to case information. The Unit reported that it launched a new case management system in June 2026. This new system allows the Unit to manage and organize files, track statistical information that the Unit must report to OIG, and document case developments (e.g., supervisory approval).

Fourth, the Unit concurred with our recommendation to ensure that case files document all relevant facts, information, and supervisory reviews. The MFCU reported that its new case management system includes a "case review" component for Unit staff to document case developments, team collaboration, and supervisory reviews.

Fifth, the Unit concurred with our recommendation to revise the Unit's MOU with the PIU to include reference to the *CMS Performance Standard for Referrals*. The Unit reported that it executed a new MOU in June 2026 that references the *CMS Performance Standard for Referrals*.

Finally, the Unit concurred with our recommendation to ensure that the Unit's inventory list is accurate. The Unit reported that it updated its inventory list and is in the process of modifying its inventory policy to ensure that the inventory list remains accurate.

We appreciate the steps the Unit has taken and plans to take to address the recommendations in this report. We believe that these steps will improve the Unit's adherence to performance standards and program requirements and will strengthen its operations. To close these recommendations, the Unit should submit to OIG documentation of its implementation of each recommendation within 6 months of the issuance of this report.

For the full text of the Unit's comments, see Appendix C.

DETAILED METHODOLOGY

OIG conducted the onsite inspection of the North Dakota MFCU in August 2025. Our inspection covered the 3-year period of FYs 2022–2024 and included follow-up with the MFCU, as needed, after our onsite review to clarify procedures and obtain additional documentation.

We collected and analyzed data from the seven sources described below to identify any opportunities for improvement and instances in which the Unit did not adhere to the performance standards or was not operating in accordance with laws, regulations, or OIG guidance. We also used the data sources to make observations about the Unit's case outcomes as well as the Unit's operations and practices concerning the performance standards.

In examining the Unit's operations and performance, we applied the published performance standards, but we do not report whether the Unit adhered to every performance indicator for each standard.

Review of Unit Documentation

Before the inspection, we reviewed the recertification analysis for FYs 2022–2024, which involved examining the Unit's recertification materials, including (1) the Unit Director's recertification questionnaires; (2) the Unit's MOU with the State Medicaid agency; (3) the PIU director's questionnaires; and (4) the OIG Special Agent in Charge questionnaires. We also reviewed the Unit's policies and procedures manual and the Unit's self-reported case outcomes and referrals included in its annual statistical reports for FYs 2022–2024.

Review of Unit Financial Documentation

Before the onsite inspection, we analyzed the Unit's response to a questionnaire about internal controls and conducted a desk review of the Unit's financial status reports. We also selected a purposive sample of 30 items on the Unit's inventory list to confirm the existence and ownership of equipment while we were onsite.

Interviews With Key Stakeholders

In July 2025, we interviewed key stakeholders, including officials in the MCO, PIU, and United States Attorney's Office. We also interviewed a Special Agent from OIG's Office of Investigations. We focused these interviews on the Unit's relationship and interaction with the stakeholders, as well as opportunities for improvement. We used the information collected from these interviews to develop subsequent interview questions for Unit management and other staff.

Interviews With Unit Management and Other Selected Staff

We conducted structured interviews with the Unit's management and other selected staff in August 2025. Of the Unit management, we interviewed the Director and two chief investigators. Of the other selected staff, we interviewed one attorney, one investigator, one auditor, and one nurse auditor. In addition, we interviewed the supervisor of the Unit—the Chief Deputy Attorney General. We asked these individuals questions related to (1) Unit operations; (2) Unit practices that contributed to the effectiveness and efficiency of Unit operations and/or performance; (3) opportunities for the Unit to improve its operations and/or performance; (4) clarification regarding information obtained from other data sources; and (5) the Unit's training and technical assistance needs.

Review of Case Files

To craft a sampling frame, we requested that the Unit provide us with a list of cases that were open at any time during FYs 2022–2024 and include the status of each case; whether the case was criminal, civil, or global; and the dates on which the case was opened and closed, if applicable. The total number of cases was 234.

We excluded all global cases from our review of the Unit's case files because global cases are civil false claims actions that typically involve multiple agencies, such as the U.S. Department of Justice and a group of State MFCUs. We excluded 82 global cases, leaving 152 case files.

We then selected a simple random sample of 66 cases from the population of 152 cases. We reviewed the 66 case files for adherence to the relevant performance standards and compliance with statutes, regulations, and OIG guidance. During the review of the sampled case files, we consulted MFCU staff to address any apparent issues with individual case files, such as missing documentation.

Review of Unit Submissions to OIG and the NPDB

We also reviewed all four convictions submitted to OIG for program exclusion and all seven adverse actions submitted to the NPDB for FYs 2022–2024. We also assessed the timeliness of the submissions to OIG and the NPDB.

Onsite Review of Unit Operations

During the onsite inspection, we observed the workspace and operations of the Unit's office in Bismarck. We observed the Unit's offices and meeting spaces; security of data and case files; location of select equipment; and general functioning.

APPENDICES

Appendix A: Unit Referrals by Source for Fiscal Years 2022–2024

Referral Source	FY 2022		FY 2023		FY 2024		3-Year Total		
	Fraud	Abuse or Neglect	Fraud	Abuse or Neglect	Fraud	Abuse or Neglect	Fraud	Abuse or Neglect	Total
Adult Protective Services	0	7	0	9	2	4	2	20	22
HHS-OIG	1	0	2	0	2	0	5	0	5
Law enforcement—other	0	0	3	3	4	0	7	3	10
Long-Term Care Ombudsman	0	0	0	1	0	0	0	1	1
Managed care organizations	0	0	0	0	2	0	2	0	2
Medicaid agency (PIU)	0	1	2	0	4	0	6	1	7
Medicaid agency (other)	0	0	5	11	0	3	5	14	19
Private citizen	1	1	2	2	0	0	3	3	6
Provider	0	0	0	1	1	1	1	2	3
State survey and certification agency	0	0	0	5	0	1	0	6	6
State agency—other	0	0	1	1	1	0	2	1	3
Other	3	0	7	5	2	1	12	6	18
Subtotal	**5**	**9**	**22**	**38**	**18**	**10**	**45**	**57**	**102**
Total	**14**		**60**		**28**		**102**		

Source: OIG analysis of North Dakota MFCU case files, 2025.

Appendix B: Point Estimates and 95-Percent Confidence Intervals of Case File Reviews

Estimate Description	Sample Size	Point Estimate	95-Percent Confidence Interval	
			Lower	Upper
Percentage of all cases that lacked documentation of supervisory reviews every 90 days	53	13.2%	6.6%	23.7%
Percentage of all cases closed at the time of OIG's review	66	86.4%	77.6%	92.1%
Percentage of all cases that did not have documentation of supervisory approval to open	66	47.0%	36.8%	57.2%
Percentage of all cases that did not have all relevant facts, information, and significant documents	66	34.8%	25.7%	44.7%
Percentage of all cases missing information or documentation from referral receipt to opening	66	7.6%	3.3%	15.1%
Percentage of all cases that did not have documentation justifying the decision to open the case	66	10.6%	5.3%	18.4%
Percentage of all cases that did not have appropriate investigative documentation	66	24.2%	16.4%	33.6%

Source: OIG analysis of North Dakota MFCU case files, 2025.

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August 3, 2026

Ann Maxwell
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Office of Inspector General Office of Evaluations and Inspections
Medicaid Fraud Policy and Oversight Division
U.S. Department of Health and Human Services
Room 5660 – Cohen Building
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Re: OEI-04-25-00280 – North Dakota Medicaid Fraud Control Unit: 2025 Inspection

Dear Deputy Maxwell:

Thank you for sharing HHS-OIG's draft report, *North Dakota Medicaid Fraud Control Unit: 2025 Inspection*, OEI-04-25-00280, dated July 2026. We have reviewed the report and your recommendations.

Since HHS-OIG's inspection in August 2025, our MFCU has undergone significant changes, including the founding Director leaving in September 2025 to be sworn in as a North Dakota District Court Judge. Although change can be challenging, the MFCU has taken the opportunity to evaluate and modify practices and procedures to increase efficiency and productivity. As a result, I am pleased to report that the issues raised in HHS-OIG's report have either been resolved or significant progress has already been made towards addressing the issue. Therefore, the MFCU concurs with HHS-OIG's six recommendations, and the remainder of this letter outlines the MFCU's efforts to contend with each recommendation.

Recommendation 1: Ensure that the Unit Director oversees all aspects of the Unit's investigative work.
Finding: The Unit Director did not oversee all aspects of the Unit's investigative work.
Response: The MFCU concurs with this recommendation, which was specific to the process of approving our investigators' reports. As our investigators are special agents with the North Dakota Bureau of Criminal Investigations (NDBCI), they utilize NDBCI's software program, ACISS, to draft reports. Final approval of those reports has been overseen by a supervisory NDBCI agent,

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who is not assigned to MFCU. Prior to the finding by HHS-OIG, this process had already been identified as an area for improvement. As such, the MFCU and NDBCI are taking the necessary steps for MFCU to assume responsibility for review and approval of the investigative reports, as both parties agree that such a change is beneficial to the operations of each entity. The next step is for MFCU staff to receive the requisite training, and preliminary steps have been taken to accomplish that goal in the coming months.

Recommendation 2: Build upon the Unit's efforts to increase the volume and quality of fraud referrals from the PIC and MCO.
Finding: The Unit received few fraud referrals from the PIU and MCO, despite outreach.
Response: The MFCU concurs with this recommendation and continues to work with the PIU and MCO to increase referrals. While the quality of referrals from the PIU and MCO has been excellent, it is unclear why there have not been more referrals to MFCU, particularly from the MCO. The MFCU, with the support of the Attorney General's Office, has initiated discussion with the North Dakota Department of Health and Human Services leadership about further strengthening the relationship between the agencies, including increasing the number of referrals MFCU receives. To that end, MFCU also continues to evaluate and propose different strategies to the Department. Given the positive and cooperative relationship between MFCU and the PIU and the MCO, the MFCU is confident the number of referrals can be maximized through mutual refinement of current practices and policies in the coming months.

Recommendation 3: Implement a case management system that allows efficient access to case information.
Finding: The Unit's case management system did not allow the Unit to efficiently access case information.
Response: The MFCU has satisfied this recommendation. On June 1, 2026, eProsecutor, a web-based case management system, was launched by the Attorney General's Office for use by each division, including MFCU. Development of eProsecutor has been underway for quite some time to afford each division the opportunity to offer opinions and preferences for use of the system. For MFCU, eProsecutor not only allows for the management and organization of documents and files, but it also has been modified to track statistical information to fulfill the MFCU's reporting requirements (e.g. the Annual Statistical Report), and to document case developments (e.g. investigative actions and supervisory approval). The information entered is accessible to all MFCU staff, who have undergone training and who continue to offer suggestions for modifications to the program as we adjust to use of this new system. Development of guidelines will be ongoing during this transition time.

Recommendation 4: Ensure that case files document all relevant facts, information, and supervisory reviews.
Finding: The Unit did not consistently document relevant facts, information, and supervisory reviews in its case files.
Response: The MFCU has satisfied this recommendation. MFCU's newly launched software program, eProsecutor, includes a "case review" component for MFCU staff to document case developments, team collaboration, and supervisory reviews. Establishing best practices and policies for use of the program for this purpose is ongoing during this transitionary time.

Recommendation 5: Revise the Unit's MOU with the PIU to include reference to the *CMS Performance Standard for Referrals.*
Finding: The Unit's MOU with the PIU did not reference the CMS Performance Standard for Referrals, as required.
Response: The MFCU has resolved this issue. On June 30, 2026, the MFCU and the North Dakota Department of Health and Human Services executed a Memorandum of Understanding which references the *CMS Performance Standard for Referrals*.

Recommendation 6: Ensure the Unit's inventory list is accurate.
Finding: The Unit's inventory list was not fully accurate.
Response: The MFCU has satisfied this recommendation. The MFCU's inventory list has been reviewed and updated. The current inventory policy is being modified to ensure continued accuracy.

Again, thank you for the opportunity to respond to the draft report and the time and effort put into OIG's inspection of the North Dakota Medicaid Fraud Control Unit. As the Director, I am pleased that nearly all issues raised have been resolved or are currently being addressed. On behalf of our team, we are committed to ensuring compliance with all regulatory requirements going forward and look forward to continued collaboration with OIG.

Please do not hesitate to contact me if you should have any follow-up questions.

Sincerely,

JMBinder

Jessica J. Binder

cc: Keith Peters, OIG via email
Claire Ness, Chief Deputy Attorney General

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