

United States Senate

WASHINGTON, DC 20510

February 11, 2026

The Honorable Brett A. Shumate
Assistant Attorney General, Civil Division
U.S. Department of Justice
950 Pennsylvania Avenue, NW
Washington, DC 20530

Dear Assistant Attorney General Shumate:

I am writing to encourage the Department of Justice (DOJ) to investigate and pursue civil remedies to recover Affordable Care Act (ACA) marketplace subsidies paid to insurance companies due to fraudulent, unauthorized, or improper enrollment in insurance plans. When an improper enrollment occurs due to fraudulent broker or agent activity, the broker or agent receives a commission from the insurance company, and the insurer receives a direct ACA subsidy payment from the federal government. As a result, every improper enrollment directly harms the American taxpayer.

As you are aware, President Biden's expansion of ACA subsidies in 2021 under the American Rescue Plan Act allowed \$0 premiums in silver plans on the ACA marketplace, emboldening certain brokers and agents who sought to profit from enrolling as many consumers as possible onto ACA insurance plans, even without consumer consent. In fact, Centers for Medicare & Medicaid Services (CMS) received approximately 275,000 complaints between January and August 2024 that consumers were enrolled in a plan or had their plans changed without their consent.¹

While I am encouraged by the DOJ's recent criminal convictions of certain brokers and agents in connection with fraudulent enrollment schemes, the federal government has a duty to ensure that the associated ACA marketplace subsidies paid directly to insurance companies are properly recouped. In April 2025, a Florida executive pled guilty to submitting fraudulent applications to enroll consumers in fully-subsidized ACA insurance plans, costing the federal government at least \$133.9 million in fraudulent subsidies paid to insurers.² Then, in November 2025, a president of a brokerage firm and a marketing company executive were convicted in a \$233 million, years-long, fully-subsidized ACA marketplace insurance plan fraudulent enrollment

¹ *Patient Protection and Affordable Care Act: Preliminary Results from Ongoing Review Suggest Fraud Risks in the Advance Premium Tax Credit Persist* GAO report. <https://www.gao.gov/products/gao-26-108742>.

² *Executive Vice President of Insurance Brokerage Pleads Guilty in \$133M Affordable Care Act Fraud Scheme.* <https://www.justice.gov/opa/pr/executive-vice-president-insurance-brokerage-pleads-guilty-133m-affordable-care-act-fraud>.

scheme.³ Under this scheme, the federal government paid at least \$180 million in subsidy payments directly to insurers.⁴

At the end of last year, the Government Accountability Office (GAO) published its preliminary report on its review of ACA marketplace subsidy fraud, concluding that significant fraud risks persist.⁵ In the report, the ACA marketplace approved all of GAO's fictitious applicants in plan year 2024 and 18 of its 20 fictitious applicants in plan year 2025. Additionally, GAO identified risks related to potential misuse of social security numbers and unauthorized enrollments. Most concerning, GAO could not identify evidence of reconciliation for over \$21 billion in ACA marketplace subsidies in tax year 2023.⁶

I'm encouraged by the reconstitution of the HHS-DOJ False Claims Act Working Group, which shows this administration's commitment to combat healthcare fraud and to restore integrity to the federal healthcare system. The DOJ has a responsibility to ensure taxpayer funds are not misused and to enforce federal civil fraud remedies, when necessary. Accordingly, I request the following information:

- Following criminal convictions for ACA fraudulent enrollments, what current mechanisms exist for the DOJ to pursue recovery of federal funds paid to insurance companies that were tied to fraudulent ACA marketplace enrollments?
- Is the DOJ currently pursuing or considering pursuing False Claims Act or unjust enrichment cases against insurance companies to recover the improper ACA subsidy payments paid to insurers?
- If not, what other remedies are available to recover the improper ACA subsidy funds paid to insurers?
- Since April 1, 2021, when enhanced ACA tax subsidies under the American Rescue Plan Act went into effect, how many civil matters has DOJ opened relating to:
 - fraudulent or unauthorized ACA marketplace enrollments;
 - subsidy-eligibility misrepresentations; or
 - identity misrepresentations.

I urge you to evaluate civil remedies to recover ACA subsidy payments made to insurance companies due to waste, fraud, and abuse. Americans deserve to know that their taxpayer dollars are not being spent in furtherance of fraudulent ACA marketplace enrollment schemes.

³ President of Insurance Brokerage Firm and CEO of Marketing Company Convicted in \$233M Affordable Care Act Enrollment Fraud Scheme. <https://www.justice.gov/opa/pr/president-insurance-brokerage-firm-and-ceo-marketing-company-convicted-233m-affordable-care>.

⁴ *Id.*

⁵ Patient Protection and Affordable Care Act: Preliminary Results from Ongoing Review Suggest Fraud Risks in the Advance Premium Tax Credit Persist. <https://www.gao.gov/products/gao-26-108742>.

⁶ *Id.*

Sincerely,



John Cornyn
United States Senator



Marsha Blackburn
United States Senator



Thom Tillis
United States Senator



Ashley Moody
United States Senator



Eric S. Schmitt
United States Senator



John Kennedy
United States Senator



Steve Daines
United States Senator



Tommy Tuberville
United States Senator



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