



NEWS RELEASE

**Arizona House of Representatives
Majority Leader Michael Carbone (R-25)
Representative Selina Bliss (R-1)**

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FOR IMMEDIATE RELEASE

House Republicans Call on Governor Hobbs to Join Federal Anti-Fraud Data-Sharing Partnership

Six states have already agreed to help federal investigators uncover fraud

STATE CAPITOL, PHOENIX – Arizona House Majority Leader Michael Carbone and State Representative Selina Bliss, Chairman of the House Health and Human Services Committee, today called on Governor Katie Hobbs to act immediately to bring Arizona into a new federal-state data-sharing partnership designed to identify Medicaid and other public-benefit fraud.

The U.S. Department of Justice’s National Fraud Enforcement Division announced today that state agencies in Alabama, Florida, Georgia, Louisiana, Mississippi, and South Carolina have entered into voluntary data-sharing agreements with the federal government.

The agreements give federal investigators access to publicly available corporate-registration and public-benefit payment data. Investigators can use the information to identify connections between business entities and benefit payments and cut through the shell companies, layered structures, and complex financial trails used to conceal large-scale fraud schemes.

“Arizona families work hard and pay their taxes, and they have every right to expect that not one dollar of their money ends up in the pocket of a fraudster,” said Majority Leader Carbone. **“Six states have already signed up to help catch the criminals stealing from taxpayers and from the people these programs are supposed to serve. There is no good reason Arizona should not be next, and no good reason for Governor Hobbs to wait.”**

Arizona is already a major focus of federal health care fraud enforcement. The Justice Department recently established a West Coast Health Care Fraud Strike Force covering Arizona, Nevada, and Northern California, and federal officials report disrupting more than \$1 billion in fraud schemes in Arizona and neighboring western states since 2024.

Arizona has been publicly identified by federal prosecutors as the [sixth-riskiest state in the nation for health care fraud](#).

Federal prosecutors charged a Pakistani citizen in connection with an alleged [\\$650 million Medicaid fraud scheme involving substance-abuse treatment clinics in Arizona](#). The state’s Medicaid system was also at the center of one of the largest health care fraud schemes in recent U.S. history, involving sober living homes and behavioral health providers and costing taxpayers approximately \$2.5 billion.

“Arizona’s most vulnerable families should not pay the price for fraud and inaction,” Majority Leader Carbone said. **“Arizona taxpayers have already lost billions of dollars, and the Justice Department has given states a practical way to identify suspicious payments and business connections earlier. Governor Hobbs should begin the process today.”**

Majority Leader Carbone proposed limiting any Arizona agreement to a two- or three-year memorandum of understanding that preserves state control and allows Arizona to evaluate the results.

“Every dollar siphoned off by fraudsters is a dollar that does not reach an Arizona family who needs it,” said Chairman Bliss. **“We have seen billions lost to sober living scams and phantom behavioral health clinics right here in our state, and Arizona has been named one of the riskiest states in the country for this kind of abuse. Joining this data-sharing partnership is a common-sense step that can help investigators catch fraud before it grows into another multibillion-dollar scandal.”**

“Arizona has already paid an enormous price for fraud,” Majority Leader Carbone said. **“Governor Hobbs can act now to help prevent the next scandal. If she chooses to leave Arizona on the sidelines, she should explain why.”**

Michael Carbone is a Republican member of the Arizona House of Representatives serving Legislative District 25 which includes portions of Yuma, Maricopa, and La Paz Counties. He also serves as House Majority Leader. Follow him on X at @MichaelCarbone.

Selina Bliss is a Republican member of the Arizona House of Representatives, serving Legislative District 1 in Yavapai County, and Chairman of the House Health and Human Services Committee. Follow her on X at @SelinaBliss.

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