Israeli accused of stealing dead patients' identities in $27 million Medicare hospice scam

Oren David Shachar, an Israeli citizen in Los Angeles, allegedly ran four hospice firms that billed Medicare for patients who were not terminally ill or already dead, in a nationwide fraud takedown involving over $6.5 billion in false claims



Daniel Edelson, New York | 06.24.26 | 00:26

An Israeli citizen living in California has been arrested and charged in a $27 million Medicare fraud case, after federal prosecutors said he ran hospice companies that billed the U.S. government for patients who were not terminally ill, and in some cases for people who were already dead.

The defendant, Oren David Shachar, 59, of Van Nuys in Los Angeles, is accused of operating at least four hospice care companies: Gentle Touch Hospice Care Inc. in Valley Glen, Oxford Hospice Care Inc. in Montclair, Art of Hospice Inc. in Encino and Holly Trinity Hospice in Glendale.


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Oren David Shachar

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Hospice care is meant for terminally ill patients, usually when treatment is no longer intended to cure the disease but to ease suffering and improve quality of life at the end of life. Medicare is the U.S. government health insurance program mainly serving people over 65 and some younger people with disabilities.

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According to a 16-count federal indictment unsealed in Los Angeles, Shachar conspired with marketers and submitted false claims for hospice services that were medically unnecessary because the patients

were not terminally ill, or were never provided because the patients had already died.

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Prosecutors say proceeds from the alleged fraud helped fund a lavish lifestyle, including the purchase of a Rolls-Royce Phantom worth about half a million dollars.

Shachar, Abraham Shin, 66, of Corona, and Jeannie Choi, 57, of Torrance, are charged with conspiracy to commit health care fraud, health care fraud, aggravated identity theft, monetary transaction in criminally derived property over $10,000 and violations of the Anti-Kickback Statute.

Shachar and Shin were arrested June 18, appeared in federal court in Los Angeles and were released on bond. They are scheduled to go to trial on August 11. Choi was arrested Monday and was expected to make her initial court appearance in Los Angeles.

The defendants are presumed innocent unless proven guilty beyond a reasonable doubt in court.

One of the central allegations in the indictment is that Shachar used personal information belonging to dead people. Prosecutors said Shin and Choi sold him living and deceased patients' personal identifying information in 2025 to help him continue the alleged fraud.

The indictment says Shachar submitted fraudulent Medicare claims from February 2021 to March 2026 through the hospice companies he owned and operated. Prosecutors said the claims were not payable because the services were medically unnecessary, were not provided or were tied to illegal kickbacks paid to marketers and beneficiaries.



Shachar's Rolls-Royce Phantom (Photo: United States District Court)

In living-patient cases, prosecutors said Shachar paid beneficiaries to remain enrolled in his hospices, even when they were not eligible for hospice care. The payments were allegedly part of a system meant to keep patients inside the companies long enough to continue billing Medicare.

If convicted of all charges, Shachar, Shin and Choi would face decades in federal prison.

Shachar's case was part of a broader Justice Department health care fraud takedown, but federal officials in Los Angeles singled out the alleged hospice scheme as one of the major local cases. In the greater Los Angeles area, federal prosecutors brought criminal charges against 10 defendants accused of defrauding government-funded health programs or abusing their positions as doctors to illegally prescribe controlled substances.

Nationwide, the operation led to charges against 455 defendants, including 90 doctors and other licensed medical professionals, over alleged health care fraud and opioid abuse schemes involving more than $6.5 billion in false claims and significant patient harm, including death.

The Justice Department said the takedown included cases in 56 federal districts and 45 U.S. states and territories, with 50 state Medicaid Fraud Control Units participating, the most in the department's history.

Authorities also seized more than $182 million in cash, luxury vehicles, jewelry and other assets.

"This year's National Health Care Fraud Takedown represents the greatest whole-of-government effort to combat health care fraud in our Nation's history," Acting Attorney General Todd Blanche said.

First Assistant United States Attorney Bill Essayli said public health programs are meant to support vulnerable people, not enrich those who defraud them.



Oren David Shachar

"Public health programs are intended to support the elderly, the ill, the needy, and other vulnerable members of our communities," Essayli said. "It is not there to enrich fraudsters. Today's announcement highlights our determination to hold anyone who defrauds our nation's health system criminally accountable. We will find you. We will arrest you. And we will seek long prison sentences."

Patrick Grandy, assistant director in charge of the FBI's Los Angeles Field Office, said the alleged conduct in the health care fraud cases went beyond financial crime.

"Taking advantage of grieving families at the moment they are mourning a loss and siphoning hundreds of millions of dollars from programs meant to provide real medical care, are harms that go far beyond

fraud," Grandy said. "These actions inflict deep emotional pain and drain resources that taxpayers and vulnerable patients rely on."

The Los Angeles-area crackdown also included Christina Mareik, 61, of Whittier, who was arrested June 17 on a federal complaint charging her with health care fraud. Prosecutors said she participated in a scheme that submitted nearly $270 million in fraudulent claims to Medi-Cal, California's Medicaid program, for expensive prescription drugs containing low-cost generic ingredients that were not medically necessary and, in many cases, were not provided.

From May 2022 to April 2023, authorities said Mareik helped facilitate bogus prescriptions that led Medi-Cal to pay more than $178 million. She is free on $100,000 bond and is scheduled to be arraigned July 23. If convicted, she would face up to 10 years in federal prison.

Brenda Lee Lopez, 63, of Norwalk, was charged in a separate $9 million laboratory testing scheme to defraud Medicare. Prosecutors said she prepared false orders for urinary tract infection tests, respiratory pathogen panels and oral toxicology screens using the names and forged signatures of four medical providers. Some beneficiaries were dead at the time of testing, according to the indictment.



Acting Attorney General Todd Blanche (Photo: REUTERS/Adam Gray)

Lopez allegedly received about $335,000 from the laboratory in exchange for referrals, much of which she spent at a casino and used to pay others who assisted her in the scheme.

Lynn Galbraith, 59, of Anaheim, the owner of Azure Hospice Care Inc. in Garden Grove, was charged separately with health care fraud. Prosecutors said she submitted about $2.27 million in fraudulent claims to Medicare for hospice services from April 2021 to February 2024, and Medicare paid about $2.14 million.

The operation also targeted opioid-related abuse. Three physicians, Wisam Khader, 36, of Irvine, Patrick Murphy, 40, of Irvine, and Justin Evans, 37, of Lakewood, Colorado, were charged with conspiring to distribute controlled substances. Prosecutors said they wrote nearly 90 prescriptions to one another for drugs including amphetamine, oxycodone, buprenorphine, diazepam, morphine and pregabalin, outside the course of professional practice and without a legitimate medical purpose.

Dr. Eugene Richard Dorsey, 83, of Orange, a psychiatrist, was charged in another case with health care fraud. Court documents say he falsified psychiatric reports so claimants could improperly qualify for federal workers' compensation, resulting in overpayments of about $1.83 million.

Federal officials said the national operation also included international cooperation, with defendants apprehended and returned to the United States from Kyrenia, Estonia and the Philippines in separate health care fraud cases.

For investigators, the Shachar case stands out because of the alleged use of hospice companies, kickbacks and personal information belonging to living and dead patients to draw millions of dollars from a program meant to care for the terminally ill.

The case also places an Israeli citizen at the center of one of the Los Angeles-area cases in a nationwide U.S. crackdown that officials described as the largest coordinated health care fraud enforcement action in American history.

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