## GAO Report on Obamacare Fraud is Bad News for Future Medical Identity Theft

August 4, 2014 - Last month, the nonpartisan Government Accountability Office (GAO) ran a sting operation against the federal government's healthcare exchange. The goal of the sting was to determine how difficult it would be for consumers to commit fraud against the exchange and get a health insurance policy that included government subsidies to pay for it. As it turns out, it wasn't very difficult at all.

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GAO operatives made 18 attempts to have new health insurance policies issued from the federal exchange. They used made up social security numbers, names, dates of birth and false documentation. Eleven of the applications were approved. All of the approvals came from applications that were made online or over the phone.

Not only is the GAO report worrying for taxpayers, who are responsible for all subsidies offered through the exchange, but also for ID theft victims. That's because GAO investigators were making a concerted effort to pose as identity thieves who were attempting to establish insurance in the name of an ID theft victim.

Each application that was approved was accompanied with counterfeit documents. These counterfeits were apparently undetectable by either the government or the outside vendor hired by the exchange to review documents. According to one report, 'The Centers for Medicare & Medicaid Services told the GAO that the contractor whose job it was to review those documents 'is not required to authenticate documentation; the contractor told us it does not seek to detect fraud and accepts documents as authentic unless there are obvious alterations." This begs the obvious question. If nobody is going to verify supplied documents, what is the purpose of supplying them in the first place?

This GAO sting makes it very clear that an identity thief attempting to setup a medical insurance policy using stolen personally identifiable information faces little chance of being caught. And because the government is forcing insurers and medical providers to convert all of the paper records to electronic records, it is only a matter of time before an ID theft victim dies as a result of having inaccurate medical information in their file. byJim Malmberg

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