

Congress of the United States
Washington, DC 20515

August 31, 2026

T. March Bell
Inspector General
U.S. Department of Health and Human Services
330 Independence Avenue SW
Washington, DC 20201

Dr. Mehmet Oz
Administrator
Center for Medicare & Medicaid Services
7500 Security Boulevard
Baltimore, Maryland 21244

RE: Urging Transparency into and Accountability for Unlawful Diversion of Medicaid Funds in Florida

Dear Inspector General Bell and Administrator Oz:

On May 15, 2025, we wrote a letter urging your agencies to investigate whether the \$10 million settlement scheme from Centene to the Hope Florida Foundation at the direction of the State of Florida in 2024 violated federal law and complied with the Centers for Medicare and Medicaid Services (CMS) legal and regulatory framework.¹ Federal law requires that Medicaid proceeds be used solely for health services authorized by law and for the benefit of those served by Medicaid, but \$8.5 million in funding was quickly redirected to political committees supporting a Governor DeSantis-led campaign against a ballot amendment to legalize recreational marijuana use in Florida. Recent press reports have brought new information to light regarding the settlement that we believe requires further investigation and clarity by federal agencies.

Earlier this year, a grand jury in Florida concluded that the DeSantis administration misappropriated \$10 million in taxpayer money to Hope Florida Foundation and that the funds “were misappropriated as part of a sophisticated scheme to fund political activities.” The inquiry followed allegations raised through a Florida House Republican-led investigation. These findings and gross abuse of taxpayer dollars demand immediate federal action.

The grand jury concluded that “these funds were misappropriated as part of a sophisticated scheme to fund political activities.”² The report provides important context on the timing of these financial transactions during the deadly Hurricanes Helene and Milton, and suggests the State may have taken advantage of the chaos and confusion on the ground for purely political gain while Floridians were reeling from the destruction and devastation of sequential natural disasters. The expedited nature of the movement of unusually large amounts of money

¹ https://castor.house.gov/uploadedfiles/5.15.25_hope_florida_letter.pdf

² <https://www.cbsnews.com/miami/news/grand-jury-report-hope-florida/?source=email>

moving through various entities, and the quick disbursement to their final destination during the 2024 election appears to be illegal and morally wrong.

We learned several new items from the grand jury report, including an alarming money trail that funneled \$8.5 million in taxpayer dollars into a political action committee (PAC) controlled by James Uthmeier, then Florida Governor Ron DeSantis' chief of staff and now Florida's Attorney General. Uthmeier's PAC then transferred \$7 million directly to the Republican Party of Florida and \$1.23 million to the Florida Freedom Fund, another Uthmeier-controlled PAC.

We also learned that the repayment schedule for the settlement required Centene to wire transfer the \$10 million to the Hope Florida Foundation within seven days, while allowing Centene a year and 45 days to repay the remaining \$57 million to the State. The grand jury report noted that "The Centene settlement itself seems rushed as it materialized rapidly after years of inactivity. Then, once reached, it took a mere 7 days to fund. We believe the rush was due to the impending election which was just 45 days away."

Unfortunately, reports from the grand jury conclude that "Despite our finding that the money was misappropriated, we find insufficient evidence to charge anyone criminally...Nobody will take responsibility for deciding the \$10 million of taxpayer money would go to Hope Florida...or had any memory of who made it. We recognize that this would be an impediment to criminal prosecution. While we can't provide who is responsible, **we can plainly see that taxpayer money was misused for political purposes** and we would like to see changes made to prevent this from happening again" (emphasis added). An inability to pursue state criminal prosecution because public officials profess memory lapses and CMS has recouped the federal share associated with the settlement does not eliminate the federal government's independent responsibility to protect Medicaid and taxpayer dollars from abuse.

Federal interest is not theoretical. In February 2026, Florida Agency for Health Care Administrator Secretary Shevaun Harris confirmed that Florida calculated and returned the federal share using the full \$67 million settlement – not \$57 million – while characterizing the action as an "abundance of caution."³ That accounting undercuts the claim that the \$10 million was independent of the Medicaid recovery.

Section 1903(d)(2)(A) of the Social Security Act and 42 C.F.R. Part 433 require states to account for Medicaid overpayment recoveries and return the federal share; states report recoveries through Form CMS-64. HHS OIG regularly audits state reporting of Medicaid settlements and judgments. Reimbursement would not by itself cure the diversion of a Medicaid recovery through private entities for partisan political expenditures, identify the responsible officials or make Florida's taxpayers whole.

³ <https://floridaphoenix.com/2026/02/23/desantis-administration-confirms-it-reimbursed-feds-for-10m-hope-florida-payment/>

While we thank you for your previous response and confirmation that CMS has recouped all federal share associated with the full \$67 million settlement, we believe further questions remain, particularly given the new information that has come to light. We kindly request the answers to the following questions:

1. Did CMS or HHS OIG take any steps to ensure Medicaid and taxpayer dollars are protected following our May 15, 2025 letter, or was the matter simply considered resolved upon recouping the funds despite what the grand jury described as “a sophisticated scheme to divert taxpayer dollars for political purposes?”
2. For CMS: In the grand jury report, Mr. Weida confirmed that the State decided to reimburse the federal government’s share of the full \$67 million settlement. Please detail all conversations between CMS and the State of Florida about this settlement and the recoupment of the federal share. Given the grand jury testimony, identify any false, incomplete or misleading statement made to CMS concerning the settlement, source of funds, federal share or intended use of the \$10 million in taxpayer dollars.
3. For HHS OIG: In response to our letter, OIG stated that they had no role in overseeing the terms of the settlement agreed to between the State of Florida and Centene. Given this new information, can you confirm that the State of Florida did not violate federal law and fully complied with the Centers for Medicare and Medicaid Services (CMS) legal and regulatory framework?
4. Did the settlement provision directing \$10 million to a private foundation – and the subsequent transfers to politically active nonprofits and committees – comply with the Social Security Act, 42 C.F.R. Parts 433 and 438, Form CMS-64 instructions, Florida’s approved Medicaid state plan and all federal award conditions?
5. Will CMS review other Florida Medicaid-related settlements for third-party carveouts, donations or unreported recoveries?
6. Will this be used as precedent for other states when determining how to use recouped settlement funding in the future? Will CMS adopt guidance or controls to prevent the routing of Medicaid-related taxpayer dollars to a private entity without enforceable restrictions, robust public reporting or appropriations through legislation?

The grand jury report ends with recommendations to enact legislation to prevent this from happening again, including rules for taxpayer funding, consequences for violating the law, and measures to ensure taxpayer funds are tracked and monitored. They write that “taxpayer money should have been treated as such instead of being allocated for partisan political purposes and without transparency.” We urge CMS and OIG to seriously consider the new information brought to light in this case and to provide full transparency into any federal government involvement with the State.

Sincerely,

Kathy Castor

Kathy Castor
MEMBER OF CONGRESS

Darren Soto

Darren Soto
MEMBER OF CONGRESS