



HOUSE OF REPRESENTATIVES

September 23, 2025

Via Electronic Mail

Director Sheen Wu
Oregon Department of Justice
Medicaid Fraud Control Unit
1162 Court St NE
Salem, OR 97301

Inspector General Juliet T. Hodgkins
U.S. Department of Health & Human Services
Office of Inspector General
330 Independence Ave SW
Washington, DC 20201

Re: Request for Investigation into Oregon Medicaid Fraud and Oversight Failures

Dear Director Wu and Inspector General Hodgkins,

As a member of the Oregon House of Representatives, I am compelled to bring to your attention deeply troubling reports of possible Medicaid fraud, mismanagement, and systemic oversight failures within Oregon's Medicaid program. Recent investigative reporting has revealed a case so serious that it demands immediate state and federal scrutiny.

Key Facts from Recent Reporting

- *Uplifting Journey LLC*, founded in late 2023 by an individual using the name "Julius Maximo," received more than **\$2.3 million in Medicaid reimbursements** in less than a year. The company operated a Lake Oswego halfway house later tied to alleged members of the **Tren de Aragua gang**, one of whom is now facing charges in Washington State for kidnapping, torture, robbery, and attempted murder.
- Despite multiple red flags — including repeated police calls to the property, violent criminal charges, and reports of fraud — the **Oregon Health Authority (OHA)** appears to have taken no effective action. Its offices certified the company, processed daily reimbursement claims, and then offered contradictory statements about whether any enrollment agreement even existed.
- Shortly after the violent crimes, Uplifting Journey abandoned both its halfway house and its Portland office, leaving behind only trash bags and mattresses. No clear effort has been made to recover the \$2.3 million in taxpayer funds.

- Meanwhile, “Julius Maximo” registered a **second company, Restorative Journey (Life Restoration Missions LLC)**, which was also approved for Medicaid reimbursement by OHA. The company received its first Medicaid payment **the day after the attempted murder tied to Uplifting Journey**. Other “managing employees” listed in its filings appear to have little or no verifiable connection to Oregon.
- OHA has declined to say whether it is investigating, and instead directed the reporter who uncovered this case to file a complaint through its own fraud hotline — despite already having been alerted to the matter.
- My understanding is that **OHA enrollment alone is sufficient for a provider to bill Medicaid fee-for-service (FFS)**, yet the enrollment process checks only basic information — NPI, license, tax ID, ownership disclosure, and similar items. Behavioral health programs such as Uplifting Journey are also required to hold a Certificate of Approval (COA). While I have seen the enrollment form for Uplifting Journey, I am not aware of any COA having been issued.
- I also understand that **Uplifting Journey, and possibly dozens of other behavioral health providers, were enrolled by OHA and billed Medicaid through Coordinated Care Organizations (CCOs) without undergoing the credentialing process** required under OAR 410-141-3510 (Provider Contracting and Credentialing).

Concerns Beyond This Case

This situation illustrates more than one bad actor exploiting a loophole. It raises urgent, systemic questions:

- How did OHA certify and continue payments to a company with so little verifiable substance, even as police, neighbors, and prosecutors raised alarms?
- Why was a second company tied to the same individual approved for Medicaid reimbursement almost immediately, without rigorous vetting?
- How many other similar entities may be exploiting weaknesses in Oregon’s provider enrollment, contracting, and reimbursement systems?
- Has OHA instituted any controls to prevent recurrence, or sought recovery of the \$2.3 million already paid?
- Since OHA is solely responsible for enrollment and oversight of FFS Medicaid, what systems are in place to assure behavioral health providers are truly qualified, beyond the minimal enrollment criteria?
- As Uplifting Journey was not merely a sole practitioner but an operating program, would it not have been required to hold a Certificate of Approval (COA) under ORS 430.637? Did it have one?

- Is it common practice for CCOs to contract with behavioral health providers who have not been credentialed, despite the OAR requirements?

Request for Action

I respectfully urge your offices to:

1. **Open a joint investigation** into Uplifting Journey, Restorative Journey, and any related entities to determine whether Medicaid fraud, false claims, or misuse of funds has occurred.
2. **Audit OHA's provider enrollment and reimbursement processes** to determine whether they meet federal and state program integrity requirements.
3. **Identify systemic vulnerabilities** that may allow similar fraudulent or abusive entities to gain certification and bill Medicaid.
4. **Pursue recovery of funds** and enforcement actions where appropriate, including referral for prosecution if criminal conduct is confirmed.
5. **Recommend reforms** to ensure Oregon's Medicaid program is safeguarded from further abuse.

The people of Oregon — particularly our most vulnerable citizens who depend on Medicaid for care — deserve better stewardship of their tax dollars and stronger protection from fraud. This case has shaken public confidence and highlights the urgent need for independent oversight.

Thank you for your attention to this urgent matter. My office stands ready to provide documentation, coordinate legislative oversight, and support your investigation in any way necessary.

Respectfully,



Representative Ed Diehl
Oregon State Representative – House District 17

cc:

Dr. Sejal Hathi, Director, Oregon Health Authority
Sen. Deb Patterson, Chair, Senate Committee on Health Care
Rep. Rob Nosse, Chair, House Committee on Health Care

References:

Investigative articles from Jeff Eager at Oregon Roundup:

Office of \$2.3M Oregon Medicaid provider with alleged gang ties closed

<https://oregonroundup.substack.com/p/office-of-23m-oregon-medicaid-provider>

OR ignores possible Medicaid fraud

<https://oregonroundup.substack.com/p/or-ignores-possible-medicaid-fraud>

OR paid Medicaid mogul's 2nd company too

<https://oregonroundup.substack.com/p/or-paid-medicaid-moguls-2nd-company>