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DOJ Fraud Division Announces Growth Plan and Five Enforcement Priorities

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Key Takeaways

- **Five Priority Areas:** The Fraud Division will principally focus on public trust and financial integrity, health care, internal revenue, global trade and commerce and corporate misconduct.
- **Rapid Growth and Specialized Resources:** The Division expects to reach approximately 500 attorneys and staff by Aug. 24, 2026, and to continue expanding over the following two years. Specialized sections will emphasize nationwide coordination, sophisticated data analytics, advanced investigative technology and a robust talent-development pipeline.
- **Heightened Health Care Focus:** DOJ plans to intensify enforcement involving telemedicine, Medicare and Medicaid, home health and hospice services, controlled-substance diversion and the deceptive marketing of unsafe products and services, with particular attention to conduct affecting vulnerable patients.
- **Compliance and Policy Readiness:** Organizations should assess compliance controls, monitoring systems, escalation procedures, third-party oversight and investigation-response protocols while also tracking potential congressional oversight, funding disputes and anti-fraud legislation.

On Aug. 13, Colin M. McDonald, Assistant Attorney General (AAG) for the National Fraud Enforcement Division (the Division), issued a memorandum describing the Division's enforcement priorities and presenting an updated organizational chart. The Division will principally direct resources toward fraud that threatens the “health, safety, security and prosperity of Americans,” with particular attention to conduct affecting children, the elderly and people who are sick or disabled.

The announcement reinforces a more unified and nationally coordinated fraud-enforcement model that uses data analytics, advanced technology and cross-agency information sharing to identify, investigate and prosecute fraud.

Expanded Enforcement Capacity and Organizational Structure

AAG McDonald reports that the Division has established a nationwide footprint and is expected to grow to approximately 500 attorneys and staff by Aug. 24, 2026. DOJ is reallocating personnel to support that near-term staffing target and plans to continue rapidly growing the Division over the following two years.

The memorandum describes a specialized, technology-enabled structure in which dedicated litigation sections will be supported by asset-recovery attorneys and investigators, appellate counsel, privilege-review teams, corporate-enforcement specialists, automated litigation support, data scientists and advanced investigative technologies. The specialized sections are also intended to support a robust talent-development pipeline.

The Division's enforcement structure includes dedicated sections focused on health care fraud, public trust and financial integrity, tax, global trade and commerce, national enforcement, fraud detection, corporate enforcement, asset recovery, appellate matters and other specialized functions. These sections will be supported by strategic analysis, information technology, litigation support, victim services and other resources. Division prosecutors are expected to work nationwide in coordination with U.S. attorneys' offices, other DOJ components, federal agencies and state and local partners.

Five Main Enforcement Priorities

The memorandum outlines five main enforcement priorities:

1. Public Trust and Financial Integrity: The Division identifies government-procurement fraud as a key priority, including defective pricing, bid rigging, self-dealing, bribery, product substitution and billing schemes. It will also focus on fraud involving benefit and grant programs, including student loans and small-business programs, as well as conduct that corrupts markets or otherwise compromises consumers' financial integrity.

2. Health Care: The memorandum estimates that 3% to 10% of U.S. health care expenditures are lost to fraud and notes that national health care spending is expected to grow from approximately $3 trillion to $7 trillion annually. Against that backdrop, the Division plans to use cutting-edge data analysis to target schemes involving:

- Fraud in telemedicine, Medicare and Medicaid programs;
- Home health and hospice schemes;
- Controlled-substance prescribing and dispensing diversion; and
- Kickbacks and other conduct involving the deceptive marketing of unsafe health care products and services.

The Division also intends to pursue large-scale schemes involving substantial financial losses, the unlawful distribution of controlled substances and related money laundering, tax and other financial crimes. To strengthen these efforts, DOJ plans to "supercharge" the Health Care Fraud Strike Force model with greater resources, enhanced data-analytics support and best-in-class technology.

3. Internal Revenue: Criminal tax enforcement is an integral Division priority. Targeted conduct includes false claims prepared on individual tax returns, concealment of income or other falsification and abusive tax schemes promoted to clients. The Division plans to combine criminal tax tools with data analytics, financial forensics and nationwide coordination, including in matters where fraud against government programs or private victims also creates tax exposure.

4. Global Trade and Commerce: Through a coordinated criminal-enforcement strategy and the Trade Fraud Task Force, the Division plans to target trade and customs violations and supply chains involving forced labor, illicit transshipment, country-of-origin fraud, undervaluation of imported goods to evade duties, sanctions evasion and foreign forced-labor schemes.

5. Corporate Misconduct: The Division identifies corporate misconduct as a principal enforcement priority. It will hold organizations accountable for fraud and other economic crimes while rewarding companies that voluntarily self-disclose, cooperate and remediate. A dedicated Corporate Enforcement Section will support consistent application of DOJ policies concerning organizational prosecutions.

The Division's expansion also has implications beyond individual investigations and enforcement actions, as its staffing, funding and enforcement priorities are likely to intersect with congressional oversight and broader legislative efforts to address fraud, waste and abuse.

Broader Federal and Congressional Context

The announcement fits within a broader whole-of-government focus on identifying and combating fraud. The Administration and Congress have pursued related but distinct executive, oversight and legislative efforts, including the Administration's request that Congress permanently authorize the White House Task Force to Eliminate Fraud. The Division's staffing commitment further signals the executive branch's intent to make anti-fraud enforcement a significant and sustained federal priority.

A change in control of either chamber of Congress could result in additional hearings and oversight concerning DOJ's enforcement approach, allocation of resources and coordination with other federal agencies and state and local partners. A divided Washington could also increase scrutiny of DOJ's ability to redirect funding from other priorities toward expanded anti-fraud efforts.

With health care affordability and fraud increasingly linked in congressional debate, stakeholders should also be prepared for anti-fraud proposals to emerge as potential offsets or policy riders in year-end legislative negotiations, including during the lame-duck session.

Practical Implications for Organizations

The memorandum signals a more proactive, coordinated and data-driven enforcement environment. Organizations and individuals should reassess controls involving procurement and government-program claims, health care practices, tax reporting, trade and sanctions compliance, and third-party oversight. Particular attention should be given to monitoring systems, escalation procedures, document preservation, internal-investigation protocols and decision-making around voluntary self-disclosure, cooperation and remediation.

Early coordination among legal, compliance, internal audit, tax, trade, business and public-policy teams will be particularly important where conduct may implicate multiple enforcement priorities or where operational decisions could be affected by congressional oversight, budget negotiations or new anti-fraud proposals.

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