

DOJ Establishes National Fraud Enforcement Division to Centralize and Expand Fraud Enforcement

April 13, 2026

On April 7, 2026, the Acting Attorney General issued a memorandum establishing the Department of Justice's new National Fraud Enforcement Division (the "NFED"), a centralized unit dedicated to investigating and prosecuting fraud involving taxpayer dollars and government programs.¹ The creation of the NFED reflects a broader initiative by the current administration to increase enforcement against fraud affecting federal programs, including through the recently announced Executive Order establishing the President's Task Force to Eliminate Fraud. The NFED's establishment also coincides with a proposed expansion of enforcement resources, including a budget request for DOJ seeking additional funding for the new division.

The April 7 memo and proposed DOJ budget indicate that the NFED is intended to conduct investigations and bring prosecutions as an active operational entity. While certain aspects of the NFED take effect immediately, some key questions regarding its ultimate scope, structure, and impact remain unanswered.

Overview of the National Fraud Enforcement Division. The April 7 memorandum establishes the NFED as a centralized fraud enforcement division with a mandate to "zealously investigate and prosecute those who steal or fraudulently misuse taxpayer dollars." The NFED is intended to consolidate DOJ fraud enforcement efforts—particularly those involving government funds and benefit programs—while coordinating federal, state, and local authorities and leveraging enhanced tools and resources, including data-driven detection capabilities, to identify and pursue fraud schemes. The memorandum emphasizes that DOJ historically has not employed a "comprehensive and coordinated approach" to fraud against taxpayer-funded programs and frames the NFED as addressing that gap.

Immediate structural changes. The memorandum directs several organizational and operational changes that take effect immediately.

¹ Acting Attorney General, Memorandum for the Department of Justice, "Creation of the National Fraud Enforcement Division" (Apr. 7, 2026), <https://www.justice.gov/ag/media/1435311/dl?inline>.

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- First, the NFED assumes operational control over key Criminal Division components, including the Tax Division’s criminal enforcement functions, the Health Care Fraud Unit, and the Market, Government, and Consumer Fraud Unit. This consolidation is intended to centralize expertise and reduce duplication across DOJ components.
 - Second, the memorandum establishes a nationwide enforcement model by requiring each U.S. Attorney’s Office to designate a prosecutor to be detailed to the NFED, ensuring participation and coordination across all districts. It also requires U.S. Attorney’s Offices to report on existing fraud investigations and directs them to ensure that such matters are adequately staffed and prioritized.
 - Third, the NFED is directed to coordinate closely with investigative and civil authorities, including the FBI (with an emphasis on leveraging agents, analysts, and forensic accountants), DOJ’s Civil Division (through a designated liaison), and state and local prosecutors, including through the potential use of Special Assistant U.S. Attorneys.

Forward-looking implementation and open questions. Although the memorandum implements certain changes immediately, several of its most consequential aspects remain subject to further review and development. Within 30 days, DOJ leadership is to determine which additional units would be incorporated into the NFED, applying a presumption that similarly situated components should be consolidated. At the same time, the memorandum does not immediately integrate civil fraud enforcement—such as False Claims Act authority—into the NFED, instead reserving the right to issue further directives. It therefore leaves open whether DOJ ultimately will unify civil and criminal fraud enforcement within a single structure.

The memorandum directs DOJ to review the Justice Manual, existing guidance, and relevant statutes and to recommend changes that could expand fraud enforcement tools or authorities. In addition, the NFED is tasked with developing a plan to “rapidly and substantially increase prosecutorial resources,” although the memorandum does not specify headcount targets or funding allocations.

Connection to broader administration priorities. The NFED is part of a whole-of-government initiative to combat fraud in federal programs. In March 2026, the administration issued an Executive Order establishing a Task Force to Eliminate Fraud, which is charged with coordinating anti-fraud efforts across federal agencies, including by strengthening eligibility verification, identifying systemic fraud risks, and enhancing

interagency coordination and data sharing.² The NFED is directed to work closely with this Task Force, including in establishing a National Fraud Detection Center to generate investigative leads.

This initiative also is reflected in the administration's FY 2027 budget request, which includes targeted funding increases to support anti-fraud efforts across agencies. These include \$30 million requested for DOJ to support the NFED and fund additional prosecutors, \$119 million requested for the Department of Agriculture to combat fraud in food assistance programs, and \$30 million requested for the Department of Housing and Urban Development to strengthen fraud detection and oversight in housing programs. Together, these requests underscore a broader emphasis on increasing enforcement resources focused on safeguarding government funds.

Implications for companies. The creation of the NFED signals a continued and intensified focus on combatting fraud involving government programs. The centralized structure and required participation of U.S. Attorney's Offices augur more consistent and coordinated enforcement activity nationwide, potentially increasing the likelihood that issues identified in one jurisdiction will be pursued more broadly. The planned National Fraud Detection Center and enhanced interagency data sharing may increase proactive identification of potential fraud, including through data analytics rather than traditional whistleblower or referral channels.

Consistent with recent DOJ policy trends, the NFED's structure and anticipated resource expansion may facilitate a greater focus on individual prosecutions and complex, large-scale fraud schemes. Companies that participate in federal programs—including government contractors, health care providers, financial institutions, and entities receiving federal funds—may face increased scrutiny, particularly if alleged misconduct involves billing or reimbursement practices, eligibility or certification representations, or the use of federal grants, loans, or subsidies.

Key takeaways. The NFED represents a significant organizational development within DOJ and reflects a broader emphasis on protecting taxpayer-funded programs. Although many aspects of the initiative—including its ultimate scope, resources, and interaction with civil enforcement—remain unknown, DOJ leadership clearly intends the new Division to play an active operational role. Companies should closely monitor developments, particularly as DOJ completes its ongoing review of enforcement structures and authorities over the coming months.

² Exec. Order No. 14395, "Establishing the Task Force to Eliminate Fraud" (Mar. 16, 2026), <https://www.whitehouse.gov/presidential-actions/2026/03/establishing-the-task-force-to-eliminate-fraud/>

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