

White House Announces National Fraud Enforcement Division: Top Points

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In this article, the authors discuss the creation by the White House of a new division within the U.S. Department of Justice for the purpose of “national fraud enforcement.”

The White House announced the “upcoming creation” of a new division within the U.S. Department of Justice (DOJ) for the purpose of “national fraud enforcement.” The division will be led by a new Assistant Attorney General (AAG) who will be responsible for directing DOJ in its “efforts to investigate, prosecute, and remedy fraud affecting the Federal government, Federally funded programs, and private citizens.” The division will oversee criminal and civil fraud enforcement nationwide, coordinating with U.S. Attorney’s Offices and other federal agencies.

The new division is also expected to help develop and set national enforcement priorities and propose legislative and regulatory reforms to address systemic vulnerabilities and may influence future federal funding and compliance requirements. The move comes as federal authorities initiate funding freezes in several states and expand multi-agency investigations into alleged misuse of federal funds.

Overview of the New Department of Justice Division

The White House, in a fact sheet¹ announcing the new changes, explained that the division was being created to “combat the rampant and pervasive problem of fraud in the United States.” To do so, the to-be-created division for national fraud enforcement “will

enforce the Federal criminal and civil laws against fraud targeting Federal government programs, Federally funded benefits, business, nonprofits, and private citizens nationwide.”

This explanation raises a variety of questions given the existence of an already sizable Fraud Section² within the DOJ’s Criminal Division. The extant Fraud Section, as well as U.S. Attorneys’ Offices throughout the country, currently play central roles in investigating and prosecuting a wide range of fraud cases, including alleged federal program and procurement frauds, as well as cases involving securities fraud, healthcare fraud, other white-collar crime, and civil violations such as False Claims Act (FCA) cases (focusing specifically on frauds targeting the U.S. government). These efforts encompass thousands of fraud cases annually, including hundreds of healthcare fraud prosecutions (including a 2025 takedown³ involving 324 defendants and approximately \$15 billion in alleged losses) and roughly a thousand FCA cases in 2024 (yielding about \$3 billion in settlements).⁴

Thus, how the existing Fraud Section will interact or work with the newly announced division for national fraud enforcement is unclear. Indeed, from the limited information released to date, it is hard to glean how the revised organizational structure being proposed will change how DOJ will pursue fraud causes.

Priorities of the New Division and New Assistant Attorney General

Similar questions exist as to whether the types of cases the division will pursue will differ. The White House explained in its published fact sheet that the new AAG will “oversee multi-district and multi-agency fraud investigations; provide advice, assistance, and direction to the U.S. Attorney’s Offices on fraud-related issues; and work closely with Federal agencies and Department components to identify, disrupt, and dismantle organized and sophisticated fraud schemes across jurisdictions.” In addition, the AAG for the division for national fraud enforcement will help to develop and implement policies related to fraud enforcement, remedying vulnerabilities, and preventing future exploitations. The White House fact sheet emphasized “fraud targeting federal government programs” and “federal benefits” as well as businesses and “nonprofits” receiving federal funds. There is nothing new about the DOJ pursuing these

types of fraud cases, although priorities and resources always ebb and flow. In fact, even under the current Administration, the DOJ's Criminal Division had already identified these same types of cases among its highest white-collar enforcement priorities.⁵

While the fact sheet seemed focused largely on these traditional enforcement priorities, Vice President Vance provided additional context in a special press briefing⁶ announcing the new division. According to Vance, the position of the new AAG was created to end “nationwide fraud of broader left-wing networks.” He went on to say that “[w]e are going to get tougher at the people who are defrauding the U.S. by inciting violence against our law enforcement officers. This new AAG position is going to kick that into high gear.” The concerns announced by Vance are not specifically addressed in the White House's fact sheet. This focus on political violence—with a spotlight on nonprofit organizations—was a feature of the administration's National Security Memorandum-7.⁷

Related Events

The announcement of the new DOJ division and new AAG position comes after recent increased media attention to a long-running story of substantial federal program fraud in Minnesota. The White House fact sheet explains how the administration is addressing “Minnesota's fraud epidemic.” For example, the Department of Health and Human Services (HHS) has frozen childcare payments and started requiring a justification, receipt, or photo evidence for all childcare-related payments nationwide. The Department of Housing and Urban Development is investigating suspected housing-assistance fraud. The Small Business Administration has halted all annual grant payments to Minnesota and has suspended 6,900 borrowers in the state due to approximately \$400 million in suspected fraudulent activity.

Moreover, the fact sheet emphasizes pending criminal fraud prosecutions in Minnesota, which the White House notes have already resulted in roughly 100 indicted defendants (dating back to 2022) and reportedly may amount to a staggering \$9 billion in fraud. Although the focus of the fact sheet is largely on Minnesota, the White House states that “HHS cut off an additional \$10 billion in five Democrat-run states, including Minnesota” (on January 9, 2026, this welfare funding freeze was blocked⁸ by a two-week

emergency injunction ordered by U.S. District Judge for the Southern District of New York Arun Subramanian).

Practical Impacts

The creation of the new AAG position and DOJ division for national fraud enforcement could result in increased investigations and prosecutions for suspected instances of fraud involving federal funds. Given Vice President Vance's comments, there seems to be a particular emphasis on entities (including specifically non-profit organizations) perceived to be affiliated with the "left-wing networks."

So what does this announcement portend? Entities receiving federal funds or participating in federal programs should anticipate increased scrutiny, potential audits, and coordinated enforcement actions. Organizations should monitor developments closely and consider these following actions:

- Review and strengthen internal compliance and fraud prevention controls;
- Conduct a privileged risk audit of activities involving federal funds, including a risk assessment and review of internal controls;
- Review and enhance monitoring of hotline complaints (or consider implementing hotline protocols if needed);
- Ensure physical facilities have clear instructions (and training) on how to respond to law enforcement inquiries (formal or informal) or search warrants ("dawn raids"); and
- Establish a communications plan and coordinate with external counsel and public relations professionals to manage media inquiries, stakeholder messaging, and rapid response scenarios in the event of law enforcement or congressional scrutiny.

Notes

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1. <https://www.whitehouse.gov/fact-sheets/2026/01/fact-sheet-president-donald-j-trump-establishes-new-department-of-justice-division-for-national-fraud-enforcement/>.

2. <https://www.justice.gov/criminal/criminal-fraud>.

3. <https://www.justice.gov/opa/pr/national-health-care-fraud-takedown-results-324-defendants-charged-connection-over-146>.

4. <https://www.justice.gov/archives/opa/pr/false-claims-act-settlements-and-judgments-exceed-29b-fiscal-year-2024>.

5. <https://www.justice.gov/criminal/media/1400046/dl?inline>.

6. <https://readlion.com/breaking-vance-announces-new-ag-position-to-end-nationwide-fraud/>.

7. <https://www.whitehouse.gov/presidential-actions/2025/10/national-security-presidential-memorandum-nspm-8/>.

8. <https://www.politico.com/news/2026/01/09/judge-blocks-trumps-welfare-fund-freeze-00720936>.