U.S. Department of Justice

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Washington, D.C.

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MEMORANDUM

From: Colin M. McDonald
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COLIN MCDONALD Digitally signed by COLIN MCDONALD Date: 2026.08.12 16:13:58 -04'00'

To: All Fraud Division Personnel

Re: The Fraud Division's Enforcement Priorities

The National Fraud Enforcement Division (the "Fraud Division") has a clear mission: to prosecute fraud in the United States, no matter its size or complexity. This mission is critical to restoring public confidence in the federal government's ability to responsibly steward taxpayer dollars. The Government Accountability Office recently estimated that the federal government loses between $233 billion to $521 billion annually to fraud—with other models showing even higher annual losses. These shocking figures alone are worth our full and complete attention. And there is so much more at stake than simply dollars and cents: unabated fraud inflicts just as much damage to the hearts and souls of Americans as it does to their wallets.

Given the fraud epidemic gripping the country, President Donald J. Trump announced the creation of the Fraud Division earlier this year, calling on us to activate the tools of justice more than ever before to combat fraud. In only a few months, leveraging our broad mandate, an infusion of resources from across government, and state-of-the-art technology, the Fraud Division has stepped forward to lead in the whole-of-government effort to fight fraud. We will continue to work tirelessly and without fear or favor to ensure that fraudsters who undermine the financial integrity of the United States and defraud Americans are rapidly brought to justice. We will not rest until we have restored public confidence that the Department of Justice can and will vigorously protect Americans from fraudsters intent on stealing the wealth of America.

I am excited for the road ahead. Together, we will pursue the worst actors—those who prey on the vulnerable and exploit the generosity of Americans in pursuit of illicit profits. We will aggressively and efficiently prosecute crime, exercising reasoned judgment in pursuit of justice at every turn. We will accomplish this ambitious but surmountable task by targeting frauds that pose the greatest threats to the American public.

I. Leading the Fight Against Fraud

Since launching earlier this year, the Fraud Division has quickly established a nationwide footprint, prosecuting complex crimes representing billions of dollars in fraud. These immediate successes mark the beginnings of a sea change in fraud enforcement by the federal government. The Department is reorganizing substantial resources from other Department components to the Fraud Division, which will increase our headcount to approximately five hundred attorneys and staff by August 24, 2026. The Division will not stop there. With the support of Department leadership, we will continue to rapidly grow for the next two years. I have put in place an aggressive plan to significantly increase the number of Division personnel dedicated to fighting fraud.

As we deploy these considerable resources, we are building the most sophisticated, innovative, and data-driven white-collar law enforcement component in the world, uniquely positioned to fight fraud at every level. I am pleased to announce that the Fraud Division will consist of multiple specialized litigating sections consistent with the attached organizational chart. Fraud Division prosecutors will be supported by asset recovery attorneys and investigators, top-flight appellate counsel, a dedicated privilege review team, corporate enforcement experts, automated litigation support, a cross-disciplinary team of experts in data science, and cutting-edge technology and resources. We are organizing the Division to be lean, flat, and agile, reducing excessive bureaucratic oversight so that the Fraud Division's career prosecutors—deployed across the country to work in concert with United States Attorneys' Offices—can focus on following the facts and charging violations of the law.

Intent on attracting, training, and retaining exceptional white-collar prosecutors, the Fraud Division will have a robust talent development pipeline. New attorneys joining the Division will typically begin their careers with best-in-class training in our National Enforcement Section, where they will prosecute cases across the Division's portfolio. Our task force incubation program will empower and launch emerging leaders who bring new ideas to the fight against fraud.

Leveraging our expertise, we have set national priorities for fraud enforcement, working closely with United States Attorneys, the Civil and Criminal Divisions, federal law enforcement, executive agencies, and state and local partners to ensure the fraud-fighting apparatus is laser-focused on protecting the American people. We have already established new partnerships, breaking down data barriers and eliminating silos in pursuit of more efficient and effective fraud detection and prosecution.

II. COMBATING FRAUD IN ALL ITS FORMS

Fraud schemes exploit a variety of sectors—health care, defense, technology, tax, trade, and many others—harming vulnerable people and undermining trust in the American way of life. Reflecting technological innovation and economic expansion, fraud schemes have grown in complexity. Fraudsters perpetrating these schemes are not just isolated actors; they form criminal conspiracies, often spanning international borders. For the first time in history, the Department of Justice has a division dedicated to one mission: fighting fraud.

To ensure efficiency and maximize the effectiveness of the Division, we will continue to focus resources principally on prosecuting frauds that threaten the health, safety, security, and prosperity of Americans—especially the most vulnerable among us, including children, the elderly, and the sick or disabled. Fraud Division attorneys therefore will prioritize fraud involving (A) public trust and financial integrity, (B) health care, (C) internal revenue, (D) global trade and commerce, and (E) corporate misconduct.

A. Public Trust and Financial Integrity

The United States has the largest economy in the world. It generates enormous wealth and prosperity for its citizens and supports a robust government working to advance their interests. Unfortunately, far too many have abused the trust of the American people, stealing hundreds of billions of dollars a year, if not more. These schemes affect all aspects of daily life—public and private—and threaten our safety and security, draining our wealth and sowing distrust in society. The Fraud Division will work closely with federal law enforcement and other partners across the government to prioritize investigations and prosecutions of organizations and individuals who defraud our government, steal taxpayer dollars, corrupt our economy, or defraud Americans.

Prosecuting government procurement fraud is a critical priority. Contracting fraud schemes, including defective pricing, bid rigging, self-dealing, bribery, product substitution, and billing frauds, corrupt our government, reduce the quality of services provided to the American people, and often threaten our national security and military readiness.

Prosecutors must also focus on protecting the financial integrity of our government programs. Benefit and grant programs—from student loans to child care, veterans' benefits to nutritional supplements, and disaster relief to small business programs—help drive our economy and provide support to our most vulnerable citizens. Fraudsters stealing from these programs, particularly those impacting children, can severely hurt families by reducing access to services, creating financial burdens, and undermining trust in public assistance programs. For too long, lax oversight allowed bad actors—often foreign nationals—to exploit these programs for personal enrichment at the expense of hard-working Americans and their financial security. That era has come to an end.

The Fraud Division will bring to justice those who abuse the public trust for their own benefit. And we will vigorously protect the vibrancy of the American economy, prosecuting those who cheat our markets and compromise the financial integrity of American consumers.

B. Health Care

The United States provides the best and most innovative health care in the world. But health care spending remains a growing financial burden, made much worse by rampant fraud on government and private insurers. National health care expenditures are expected to grow from over $3 trillion a year to over $7 trillion, and estimates are that between 3–10% of that amount is lost to fraud. Home health aide and hospice scams directly impact vulnerable elderly Americans and erode patient care. Kickbacks and companies that cut corners to deceive regulators about the nature of health care services or products deny patients the ability to make informed health care decisions and degrade the dignity of American consumers. The illegal prescribing and dispensing of opioids and other controlled substances results in addiction and devastates American families and communities. These problems are made worse when profiteers put corporate profits above patient care.

The Fraud Division will use cutting-edge data analysis to target exploitative health care fraud schemes, including in telemedicine programs, Medicare or Medicaid fraud, controlled substance diversion, home health and hospice schemes, and companies and individuals that deceptively market unsafe products and services. The Fraud Division will prosecute defendants who orchestrate schemes that result in the loss of hundreds of millions of dollars, the distribution of thousands of controlled substance pills, and complex money laundering, tax, and other associated financial crimes relating to health care. By supercharging the historically successful Health Care Fraud Strike Force model with greater resources, data analytics support, and best-in-class technology, the Fraud Division will prosecute the most significant cases involving health care in the United States.

C. Internal Revenue

Criminal tax enforcement is an integral part of the Fraud Division's mandate to protect the public fisc. The federal government trusts Americans to voluntarily comply with their tax obligations. Yet, unscrupulous actors abuse this trust. For example, unethical return preparers include false claims on individuals' tax returns and often charge higher fees to do so. Others conceal their income or otherwise falsify information on their returns. Abusive promoters line their pockets while selling their unsuspecting clients on illegal tax schemes. In each instance, these wrongdoers lie to the IRS, cheat the federal government out of lawful revenue, and steal money that would otherwise fund national priorities.

Additionally, many fraudsters who steal money from government programs and the American people simultaneously violate our internal revenue laws. The Fraud Division will therefore continue to foster intra-division and interagency coordination to enable seamless collaboration, creating an all-tools response to fraud enforcement.

Moreover, as part of this strengthened posture, the Fraud Division will deploy the full arsenal of criminal tax tools paired with data analytics, financial forensics, and nationwide coordination. This ensures that tax-related fraudsters face swift and certain accountability. The Division will use these capabilities to identify tax misconduct earlier, pursue tax offenders more efficiently, and deliver meaningful deterrence in service of the American taxpayer.

D. Global Trade and Commerce

America is the center of the global economy, connecting the world through trade and foreign commerce. The integrity of our domestic markets and the security of our borders depend on the fair enforcement of our trade laws. When corporations or individuals engage in trade fraud and customs evasion, they undermine American industry, deprive the public fisc of vital external revenue, fund foreign adversaries, and compromise our national values.

To address these vulnerabilities, the Fraud Division will lead the Department's coordinated criminal enforcement strategy, targeting trade and customs violations and supply chains polluted by forced labor. Through the cross-agency Trade Fraud Task Force, prosecutors will focus on systemic, high-impact noncompliance that threatens our economic and national security. This includes prioritizing the investigation and prosecution of, among others, illicit transshipment schemes, country-of-origin fraud, the undervaluation of imported goods designed to evade duties, sanctions evasion, and foreign forced labor schemes.

E. Corporate Misconduct

Businesses frequently engage in fraud and other economic crimes, eager to benefit financially from the criminal conduct of their employees. The Department has long prioritized prosecuting corporate misconduct, and the Fraud Division will treat such wrongdoing no differently, holding accountable organizations that flaunt the law and rewarding those that voluntarily self-disclose, cooperate, and remediate.

The Fraud Division has a strong pipeline of ongoing corporate matters. Prosecutors will prioritize anti-fraud corporate enforcement and work closely with our Corporate Enforcement Section. Corporate enforcement experts will ensure that appropriate resources are committed to combating fraud by corporations and that prosecutors fairly and consistently apply the Department's policies concerning the prosecution of organizations.

III. The Fraud Division Drives a Unified Approach to Combating Fraud

This Administration's whole-of-government approach to combating fraud is critical to advancing U.S. interests. The Fraud Division will continue to leverage its unique position as a leader in this fight to systematically target, prosecute, and imprison fraudsters who dare steal from Americans and their government. With the Division's expansive mission and national presence, we are aggressively and meticulously repairing the damage inflicted on our social fabric by criminal fraudsters. The future of America is bright, and I am excited to work with you in the pursuit of truth, accountability, and justice for the United States.

National Fraud Enforcement Division