



FOCUS Initiative for Data Miners Filing Qui Tam Complaints

The size and complexity of federal benefits programs and the lack of consistent controls to prevent their exploitation have resulted in widespread waste, fraud, and abuse at the expense of the American taxpayer. On April 7, the Department of Justice launched the first-ever National Fraud Enforcement Division (NFED) to investigate and prosecute those who steal or fraudulently misuse taxpayer dollars. The Department is committed to coordinating with agencies who administer benefits programs to combat fraud to the fullest extent possible. At the same time, the 342 million American citizens play an important role in amplifying the Department's resources and helping to identify potential fraud that might otherwise go undetected. The Department welcomes the help of American taxpayers to pursue fraud involving taxpayer dollars through False Claims Act (FCA) qui tam complaints, and through this work the Civil Division will support the NFED's anti-fraud work.

The Department received a record number of FCA qui tam complaints (980) in Fiscal Year 2024—a figure then dwarfed by the nearly 1,300 qui tam complaints received in Fiscal Year 2025. So far in Fiscal Year 2026, the Department has already received over 780 qui tam complaints, putting the Department on pace for another record. Much of this recent increase has been driven by companies or individuals who analyze publicly available government data for potential signals of fraud (data miners), rather than relying on inside information known personally by the person filing the qui tam. Since Fiscal Year 2024, data miners have filed more than 45% of all qui tam complaints. The Department's experience with data miners, as well as the Department's own data analytics, have informed its views on best practices for partnering with data miners. The Department is announcing the Fraud Oversight through Careful Use of Statistics (FOCUS) initiative, to improve the Department's ability to prioritize working with the most successful data miners.

The quality of data-driven FCA inquiries is heavily dependent on the quality of the underlying data and the analytics applied to it. Building an FCA case through data is most effective when analysts can isolate signals within datasets that correlate strongly to fraudulent conduct. When the Department employs data analytics, it is committed to thoughtfully analyzing relevant data—much of it non-public—to identify such signals. The best data miners do the same thing with public or otherwise available data and information. Many will also take advantage of the most frontier artificial intelligence (AI) models and capabilities to further isolate and discover signals of fraud from large public datasets.

For example, data miners have been particularly active with respect to pandemic assistance loans. The Small Business Administration (SBA) has publicly released certain

data about these loan recipients, which fueled qui tam complaints filed by data miners. The Department has also itself initiated cases in this space by leveraging more detailed, non-public data from SBA and other sources, and its work is ongoing. In total, there have been approximately 840 settlements and judgments relating to SBA pandemic-relief programs, totaling more than \$850 million in settlements and judgments. More than three-quarters of those settlements and judgments have been with defendants in DOJ-initiated FCA cases, suggesting a lower overall success rate for these qui tams relative to Department-originated FCA complaints. While only the government may access non-public data, data miners can increase the quality and success of their qui tams by ensuring that they utilize only focused data analytics that identify reliable data signals with a reasonable correlation to fraud.

To ensure the effective use of enforcement resources, the Department will prioritize high-quality data miner qui tam actions and offers the following guidance to relators and counsel:

- In recent years, approximately 22% of all qui tams were pursued by the government, resulting in financial recoveries for taxpayers. Traditionally, the most successful relators have identified a clear and material violation of a statutory, regulatory, or contractual obligation, and provided the government with a cogent investigative roadmap of facts to corroborate, witnesses to interview, and evidence to obtain. Although data miners generally do not provide insider information, the best data miners provide valuable leads through high-quality, reliable, and predictive data analyses and signals and a thorough understanding of the relevant legal obligations.
- Data miners should be mindful of the heightened pleading standard of Rule 9(b) of the Federal Rules of Civil Procedure that applies to complaints alleging fraud. That standard includes the obligation to state with particularity the circumstances constituting fraud.
- When considering whether to file a qui tam complaint, the best data miners will assess potential alternative explanations for the observed conduct and be able to articulate how the data, in combination with other available evidence, suggests both scienter and falsity.
- Data miners should also take steps to adequately understand program eligibility requirements and relevant regulatory frameworks and articulate them in their complaints. Data miners should look to partner with others who can aid their understanding of program eligibility requirements and regulatory frameworks.

As part of the FOCUS initiative, the Department invites data miners to meet with the Civil Fraud Section to discuss their capabilities and outline why and how their data signals reliably correlate to fraud. Such meetings are not a pre-filing requirement, but the Department will prioritize working with data miners who have demonstrated an investment in pre-filing diligence and commitment to analytical rigor, familiarity with program rules, and legally sufficient allegations. The Department recognizes that the dissemination of

advanced agentic and AI capabilities allows for new players in the space, and thus welcomes meetings with both established and new data miners alike who demonstrate rigor and diligence. In particular, the Department will prioritize working with data miners who demonstrate an insightful application of sophisticated technological capabilities to regulatory frameworks to help identify potential fraud that would otherwise go undetected. By doing so, the Department will allocate its resources to the most promising avenues for combating fraud and recovering taxpayer dollars.

Data miner relators interested in meeting with the Department may reach out to FOCUS.dataminers@usdoj.gov.