

CLIENT ALERT | April 8, 2026

# DOJ Establishes National Fraud Enforcement Division

***The National Fraud Enforcement Division centralizes existing DOJ fraud resources under a single leadership structure, with plans to rapidly expand prosecutorial capacity nationwide.***

## **Key Points:**

- The National Fraud Enforcement Division is dedicated to investigating and prosecuting fraud against “taxpayer dollars and taxpayer-funded programs.”
- The National Fraud Enforcement Division will target real and significant categories of alleged fraud, including healthcare fraud, tax fraud, benefits fraud, and schemes to misappropriate taxpayer dollars.
- The establishment of the National Fraud Enforcement Division further reinforces the administration’s and DOJ’s focus on fraud enforcement.

On April 7, 2026, Acting Attorney General Todd Blanche announced the creation of the National Fraud Enforcement Division (NFED or the Division), a new “litigating division” within the Department of Justice (DOJ). In a memorandum to DOJ, the Acting Attorney General acknowledged that while DOJ has a long history of fraud enforcement, it “has never adopted a comprehensive and coordinated approach to investigating and prosecuting fraud against taxpayer dollars and taxpayer-funded programs.”<sup>1</sup>

The NFED is the formal establishment of an initiative announced by the White House on January 8, 2026, when Vice President JD Vance stated that the administration was creating a new Assistant Attorney General position with “nationwide jurisdiction over the issue of fraud” that would be “run out of the White House” under his and President Trump’s supervision.<sup>2</sup> A White House fact sheet issued the same day described the mandate broadly, encompassing fraud targeting “Federal government programs, Federally funded benefits, businesses, nonprofits, and private citizens nationwide.”<sup>3</sup>

According to the April 7 memorandum, the NFED’s stated focus — combating fraud against taxpayer dollars and taxpayer-funded programs — is narrower than that previewed by the White House in January.<sup>4</sup> The Division will be led by new Assistant Attorney General Colin McDonald, who will report to senior DOJ leadership, a departure from Vice President Vance’s original announcement that the position would operate under White House supervision. The Division will, however, accept criminal referrals from the White House.<sup>5</sup>

## What the Division Will Do

The NFED's core mission is to investigate and prosecute those who steal or fraudulently misuse taxpayer dollars.<sup>6</sup> To that end, the Division will coordinate with benefit-administering agencies; partner with federal, state, tribal, and local law enforcement; and develop systems for identification and prosecution of fraud.<sup>7</sup> The NFED will also establish a National Fraud Detection Center, a prosecutor-led unit composed of data analysts from multiple federal agencies, dedicated to identifying fraud across government programs and generating leads for investigators and prosecutors.<sup>8</sup> Acting Attorney General Blanche asserted that the NFED's mandate is "primarily criminal," but added that the scope could be amended or expanded.<sup>9</sup>

## Impact on the Existing Fraud Section

Effective immediately, Acting Attorney General Blanche directed the NFED to assume "operational control" of the existing Criminal Division's Tax Section, Health Care Fraud Unit, and Market, Government, and Consumer Fraud Unit and to "establish the priorities and direct the allocation of resources within them."<sup>10</sup> The Acting Attorney General expects any criminal unit or section with a mission "similar" to that of the NFED to be brought into the Division within 30 days, subject to review by the Deputy Attorney General.<sup>11</sup> The April 7 memorandum does not directly address whether the Criminal Division's other existing fraud units will continue to operate independently, and the full scope of any reorganization remains to be seen.

## Expanding Prosecutorial Capacity

Beyond reorganizing existing resources, the Acting Attorney General directed DOJ to rapidly expand the NFED into a "robust litigating division capable of reaching any fraud—large or small—perpetrated against taxpayer dollars."<sup>12</sup> Within 21 days, each US Attorney's Office must designate an experienced prosecutor to be detailed to the NFED to carry out the Division's mission in each respective district.<sup>13</sup> The NFED is also directed to design and implement a hiring plan to "rapidly increase prosecutorial resources" nationwide.<sup>14</sup> The Criminal Division's Appellate Section, Money Laundering and Forfeiture Section, and filter teams will support NFED litigation.<sup>15</sup> The FBI was similarly directed to coordinate with NFED and increase the number of agents, analysts, and forensic accountants dedicated to fraud investigations.<sup>16</sup> DOJ's grant-making components are also directed to establish or refocus grant programs to enable state and local prosecutors to join the NFED's efforts as "Special Attorneys or Special Assistant U.S. Attorneys."<sup>17</sup>

## Looking Ahead

The NFED represents a meaningful structural shift in how DOJ organizes its fraud enforcement efforts. The Division will target real and significant categories of alleged fraud — healthcare fraud, tax fraud, benefits fraud, and schemes to misappropriate taxpayer dollars — and DOJ is moving quickly to stand it up with dedicated leadership, expanded prosecutorial resources, and aggressive consolidation timelines.

Latham & Watkins will continue to monitor the NFED's progress and provide updates as the Division becomes operational and its enforcement priorities come into sharper focus. For more information, contact our [White Collar & Defense Investigations](#) Practice.

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## Endnotes

- <sup>1</sup> Memorandum from Acting Attorney General Todd Blanche, Establishment of the National Fraud Enforcement Division (Apr. 7, 2026) at 1, available at <https://www.justice.gov/ag/media/1435311/dl?inline> (hereinafter the “Blanche Memorandum”).
- <sup>2</sup> C-SPAN, VP Vance Announces New Assistant Attorney General for Fraud Position (YouTube, Jan. 8, 2026), <https://www.youtube.com/watch?v=X4UhUJpPlko>.
- <sup>3</sup> The White House, Fact Sheet: President Donald J. Trump Establishes the Department of Government Fraud Enforcement to Protect American Taxpayers (Jan. 8, 2026), available at <https://www.whitehouse.gov/fact-sheets/2026/01/fact-sheet-president-donald-j-trump-establishes-new-department-of-justice-division-for-national-fraud-enforcement/>.
- <sup>4</sup> Blanche Memorandum, *supra* note 1, at 1.
- <sup>5</sup> The Justice Department, Acting Attorney General Todd Blanche Announces Establishment of National Fraud Enforcement Division (YouTube, Apr. 7, 2026), <https://www.youtube.com/watch?v=YKkgAjxne1Y> (hereinafter the “Blanche Press Conference”).
- <sup>6</sup> Blanche Memorandum, *supra* note 1, at 1.
- <sup>7</sup> *Id.*
- <sup>8</sup> *Id.* at 3.
- <sup>9</sup> Blanche Press Conference, *supra* note 5.
- <sup>10</sup> Blanche Memorandum, *supra* note 1, at 2.
- <sup>11</sup> *Id.*
- <sup>12</sup> *Id.* at 1.
- <sup>13</sup> *Id.* at 2-3.
- <sup>14</sup> *Id.* at 3.
- <sup>15</sup> *Id.* at 4.
- <sup>16</sup> *Id.*
- <sup>17</sup> *Id.* at 3.