

DOJ Shakes Things up With New National Fraud Enforcement Division

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Callan Stein was quoted in the April 13, 2026 *Report on Medicare Compliance* article, "[DOJ Shakes Things up With New National Fraud Enforcement Division.](#)"

- The phrase "robust litigating division" in the April 7 memo on the new U.S. Department of Justice (DOJ) National Fraud Enforcement Division (NFED) speaks volumes to attorney Callan Stein. It hints at more cases against people involved in fraud schemes, not just their organizations, evoking the decade-old DOJ Individual Accountability Policy.
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- "They talk about the new division being a litigating division. It wouldn't surprise me if one of the major goals is to litigate more cases against individuals," both criminally and civilly, said Stein, with Troutman Pepper Locke.
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- "This is on the surface an announcement that's qualitatively different from what we usually see," Stein said. For example, it sounds like money is no object. A new hiring plan will allow DOJ to "rapidly and substantially increase prosecutorial resources across the country to combat fraud against taxpayer-funded programs," the memo said. DOJ also will transfer employees to NFED, and every U.S. attorney's office will designate "an experienced prosecutor to be detailed-in[1]place" to the division. "That's an acknowledgment that to deliver on all the promises they're making, they will have to staff up again," Stein said.
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- Even with DOJ's grand plans for a war on fraud, its resources are stretched thin, Curley said. Many experienced attorneys have left DOJ, and "it's well known there's a significant strain from a resource standpoint at DOJ, especially on the civil enforcement side." There's a question mark around attracting talent, which historically wasn't a heavy lift for DOJ, Stein noted. "There's no question there are prosecutors who have been with DOJ for a long time who are leaving. A lot of them will be difficult to replace and you may see more of that because [the memo] talks about pulling people from U.S. attorneys' offices into this division," he said. "If someone is on the fence about staying or leaving DOJ, this is the type of thing that could tip the scale."
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- The new enforcement division also shouldn't materially affect compliance programs, Stein said. "The compliance program in place should already account for this." But he urges people to take letters from auditors and investigators, such as unified program integrity contractors, very seriously. "What was once viewed as routine audits or administrative processes may not be treated that way going forward in this division," Stein said. "It will be easier for the routine to quickly become the nonroutine."
- The memo sets the stage for larger, multidistrict fraud cases and more parallel civil and criminal investigations, Stein said. It's unclear how this would affect the DOJ-HHS False Claims Act Working Group and other task forces. "I don't think the priorities of the task forces will change," he said. "It's just they will be part of this bigger machine that in theory will provide better resources and better coordination and lead to bigger and more sustained cases." But whether all this will come to fruition is anyone's guess, Stein said. "The memo makes broad, sweeping assertions and then it remains to be seen how they work themselves out."

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