

ALERT MEMORANDUM

DOJ Fraud Division Sets Corporate Enforcement Priorities and an Aggressive Investigative Playbook

October 15, 2026

The U.S. Department of Justice's National Fraud Enforcement Division (the "Fraud Division" or the "Division") issued two memoranda in October that together show how it intends to pursue companies: (i) an October 1 memorandum setting corporate enforcement priorities and charging factors (the "October 1 Memo") and (ii) an October 7 memorandum describing how prosecutors should investigate and charge fraud (the "October 7 Memo" and, together with the October 1 Memo, the "October Memos").

The October Memos do not replace the DOJ's Principles of Federal Prosecution of Business Organizations, and the October 1 Memo cautions against "overbroad corporate enforcement." But companies that touch government funds, health care, tax, customs, or trade should expect investigations that are aggressive, cover more potential charges, and may disrupt operations before any charge is filed.

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The October 1 Corporate Priorities Memo

Four Priority Areas

The October 1 Memo prioritizes: (1) health care fraud; (2) fraud affecting public trust or the financial integrity of markets; (3) tax evasion; and (4) tariff evasion, including importing goods made with forced labor. These priorities reach a wide range of companies such as government contractors, pharmaceutical and medical-device makers, importers, financial institutions, recipients of federal grants or program funds, public companies, and firms that trade in U.S. securities.

Centralized Corporate Enforcement

The October 1 Memo also routes all Fraud Division corporate matters through its Corporate Enforcement Section (CES), which advises prosecutors, participates in resolution negotiations, and has primary responsibility for monitoring compliance with corporate resolutions. (CES is distinct from the Criminal Division's White Collar and Corporate Enforcement Section, formerly the Fraud Section.)¹ For companies, this means DOJ corporate enforcement specialists may be involved from the outset of an investigation, and companies already under a resolution may see a new set of reviewers assessing their compliance reports. Centralization may also promote more consistency in the Division's corporate enforcement decisions.

Ten Charging Factors

Prosecutors must give "great weight" to ten factors when deciding whether to charge a company or how to resolve a case, including management involvement, concealment, duration, safety or national-security impacts, harm to government programs, multi-district scope, harm to 25 or more victims or \$25 million or more in loss, and ties to foreign adversaries or immigration offenses. These are not thresholds or safe harbors, but they signal what the Division views as

aggravating circumstances and offer a useful lens for assessing a company's own exposure.

Whistleblower Incentives

The Division will develop programs rewarding whistleblowers, including participants in the misconduct. Employees may therefore have more reason to go directly to the DOJ, so internal reporting channels should be functioning and responsive.

The October 7 Enforcement Memo

The October 7 Memo directs prosecutors to use every available criminal and civil tool from the outset of an investigation, including considering broad charging theories, aggressive investigative techniques, and pre-charge asset restraints.

Broader Charging Theories

The October 7 Memo directs prosecutors to consider every offense a scheme may implicate, not just the most apparent fraud charge, including tax offenses (with referral to IRS Criminal Investigation), mail, wire, and bank fraud, and identity theft.

Securities Fraud and Data-Driven Detection

The October 7 Memo also expands the Division's focus on securities fraud tied to government programs and contracts. For public companies that receive government funds or hold government contracts, the same conduct may be pursued both as fraud against the government and as securities fraud if it was misstated in public disclosures. The Division also expects to find these cases on its own by cross-referencing government, market, billing, and customs data, without a whistleblower or agency referral.

Pre-Charge Asset Restraints

Fraud Division prosecutors must work with the Division's Asset Recovery Section throughout an investigation and may use pre-charge tools including:

- bank and cryptocurrency account restraints, seizure letters, and civil forfeiture;

¹ See Cleary Gottlieb Alert Memorandum, "Justice Department Shuffles Enforcement To Fraud Division With

New Regulations and Priorities" (Aug. 20, 2026), available [here](#).

- seizure of websites, domains, online accounts, and other digital property; and
- civil injunctions under 18 U.S.C. § 1345, prejudgment attachment, garnishment, and receivership.

interrupted payments, and seized domains, including prompt assessment of lender, contractual, and disclosure consequences.

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As a result of this new direction, a company may first learn of an investigation through a frozen account, interrupted payment, or seized domain, events that can also trigger lender defaults, contractual notice obligations, and disclosure questions.

Cooperators and Undercover Operations

Fraud Division prosecutors are also directed to make greater use of cooperating witnesses and undercover operations, which are often utilized before targets know of any investigation.

What Companies Should Do Now

Companies operating in the Division's priority areas should consider the following steps:

- **Reassess risk against the Division's priorities.** Refresh risk assessments for health care billing, government funds, tax, customs and tariffs, and supply-chain exposure, using the ten charging factors as a guide.
- **Use data the way the government does.** Assess whether a company's compliance analytics can detect the billing, customs, and financial anomalies the Division is now mining for leads.
- **Strengthen internal reporting and oversight.** Test hotline responsiveness, review anti-retaliation policies, and ensure management and boards receive timely reporting on significant fraud risks.
- **Prepare for a compressed self-disclosure window.** The DOJ may learn of misconduct before a company finishes an internal review, so companies should be ready to investigate, preserve information, remediate, and decide on disclosure quickly, and should scope investigations for tax, securities, and other overlapping exposure.
- **Plan for pre-charge disruption.** Establish escalation procedures for frozen accounts,