

DOJ Fraud Division Announces New Corporate Enforcement Priorities

October 6, 2026

On October 1, 2026, Assistant Attorney General Colin M. McDonald, head of the Department of Justice's new National Fraud Enforcement Division, issued Directive 26-12, titled "[Corporate Enforcement in the Fight Against Fraud](#)" (memorandum). The memorandum expands on the Division's initial set of priorities set forth in an [August 13, 2026 memorandum](#), rearticulate these priorities, and set criteria for new and ongoing investigations against companies, while granting increased oversight responsibilities to the new [Corporate Enforcement Section](#), formerly known as the Criminal Division's "Fraud Section." The memorandum directs Division prosecutors to "take an aggressive, all-tools approach to investigating and prosecuting our health care, government, tax, and trade fraud priorities," while also committing to "firmly guard against overbroad corporate enforcement—rightly dividing between shades of corporate malfeasance—lest interfere with legitimate business operations."

Priorities for opening new investigations

In addition to reinforcing the Division's commitments to [DOJ's Corporate Enforcement and Voluntary Self-Disclosure Policy](#), the memorandum directs Division prosecutors to prioritize the following substantive areas when opening new investigations:

- Fraud schemes involving the healthcare industry, including healthcare fraud, distribution of controlled substances and violations of the Federal Food, Drug, and Cosmetic Act.
- Fraud schemes involving the public trust or financial integrity of Americans and markets related to procurement, government contracts and other government functions.
- Fraud schemes involving significant evasion of internal or external revenue.
- Fraud schemes involving tariff evasion, importation of goods or services, or forced labor, echoing DOJ's [increased focus on trade fraud](#) and the establishment of the cross-agency Trade Fraud Task Force.

Notably, these directives do not extend to cases originating from a US Attorney's Office that are not also supervised by the Division, although the Corporate Enforcement Section may still assist US Attorney's Offices on fraud matters where helpful to the DOJ's overall mission.

Criteria applying to determinations in ongoing investigations

The memorandum instructs Division prosecutors to "place great weight" on certain factors when determining the appropriate outcome in an ongoing investigation, including when deciding whether to bring charges or negotiate plea or other agreements, such as deferred prosecution agreements or nonprosecution agreements:

- Corporate management's knowledge of or involvement in the scheme.
- Efforts to conceal the fraud from government agencies or auditors, or to impede or obstruct government oversight.
- The length of the scheme, and particularly whether the length exceeded three years.
- Whether the conduct threatened the safety and security of Americans, including military readiness, or caused substantial financial hardship to one or more taxpayer-funded programs or government functions.
- The scope of the conduct, including whether it affected multiple taxpayer-funded programs or government functions, three or more federal districts, or 25 or more victims, or whether it caused losses of \$25 million or more.
- Whether the conduct involves the exfiltration of American dollars to support foreign adversaries or involves immigration offenses.

Promoting DOJ-wide collaboration and whistleblower incentives

Beyond elaborating on the Division's priorities, the memorandum also emphasizes collaboration across the Division's various sections, including the new Corporate Enforcement Section. The memorandum specifically requires Division prosecutors to report any ongoing corporate investigations to the Corporate Enforcement Section by October 8, 2026, and to promptly notify the Corporate Enforcement Section of any new investigations and major developments in ongoing

cases – suggesting the Corporate Enforcement Section may have input on whether to continue ongoing cases or pursue new investigations.

In addition, the Corporate Enforcement Section will now assume “primary responsibility” for evaluating compliance with corporate criminal resolutions, including monitoring compliance with deferred prosecution or other agreements, in an effort to “assess compliance with corporate resolutions consistently across the Division.” The extent to which the Corporate Enforcement Section will work with regulatory agencies, such as the US Food and Drug Administration (FDA), on resolutions that include technical regulatory requirements remains to be seen.

Finally, the memorandum encourages Division leadership to “design and implement policies and programs” that will incentivize voluntary self-reporting and whistleblower reporting of misconduct. This directive follows on recent announcements of voluntary self-disclosure programs throughout the country, including in the [Southern District of New York](#).

Key takeaways

- The Division is leveraging “an infusion of resources, state-of-the-art technology, and data analytics” through the National Fraud Detection Center and partner components in investigating and prosecuting corporate fraud.
- While continuing to follow existing DOJ policies, the Division will prioritize fraud involving the healthcare industry, market integrity, government contracts, tax evasion and tariff evasion. That said, this broad directive could reach the behavior of other entities involved in providing related services, such as financing, payment processing or other similar services. The division of responsibilities with this new office and the Civil Division’s Enforcement and Affirmative Litigation Branch, as well as the US Attorney’s Offices, remains unclear.
- The Corporate Enforcement Section will gain increased oversight responsibilities of new and ongoing Division matters, including monitoring compliance with deferred prosecution or other resolutions. For resolutions involving the Federal Food, Drug, and Cosmetic Act, this could represent a significant change, particularly for resolutions that involve compliance with technical FDA regulatory requirements.
- Management’s knowledge or involvement in misconduct remains a key factor in prosecutors’ decisions to bring charges or negotiate resolutions.
- The Division continues to incentivize and encourage corporate self-disclosure and whistleblower reporting. Companies and individuals should work closely with counsel to determine whether and how to self-report to the Division.

Contributors



Andrew Goldstein

[Bio](#)



Melissa Gohlke

[Bio](#)



Amanda Main

[Bio](#)



Sonia Nath

[Bio](#)



Vince Sampson

[Bio](#)



Tara Levens

[Bio](#)

developments. Prior results do not guarantee a similar outcome. Do not send any confidential information to Cooley, as we do not have any duty to keep any information you provide to us confidential. This content may have been generated with the assistance of artificial intelligence (AI) in accordance with our [AI Principles](#), may be considered Attorney Advertising and is subject to our [legal notices](#).

Copyright © 2026