CLIENT ALERTS & INSIGHTS

From New Division to New Leadership: White House Appoints National "Fraud Czar"

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Featured Practices: White Collar, Government Investigations & Regulatory Compliance

Key Takeaways

- The White House's creation of a centralized, senior-level fraud enforcement role signals a shift toward more coordinated and accelerated federal fraud enforcement, particularly for matters involving federal programs and funds.
- The initiative does not change substantive fraud laws, but it materially affects how potential fraud issues may be identified, escalated and pursued across agencies, raising the likelihood of parallel civil, criminal and administrative scrutiny arising from the same underlying conduct.
- Healthcare organizations should expect increased coordination among the Department of Justice (DOJ), the Department of Health and Human Services Office of Inspector General (HHS OIG), Centers for Medicare & Medicaid Services (CMS), Department of the Treasury (Treasury), and other federal agencies, with less tolerance for compliance gaps that span billing, ordering, documentation and operational practices.
- Issues historically addressed through audits, repayments or administrative corrective action may now face faster escalation and broader enforcement attention, especially where conduct continued after the expiration of COVID-era flexibilities.
- Providers, laboratories, payors, management companies and investors should proactively reassess high-risk areas, including billing and coding practices, medical necessity documentation, standing orders, and ownership or compensation structures, to ensure defensibility in a more integrated enforcement environment.

Background

The White House has announced the creation of a new senior enforcement role focused on identifying, coordinating and advancing large-scale fraud matters across federal programs and the private sector, signaling a renewed emphasis on centralized fraud enforcement strategy rather than a shift in underlying legal standards.[1]

According to recent reporting[2], the Administration has appointed a seasoned investigator and prosecutor, Colin McDonald to serve in this newly created role, informally described as a national

“fraud czar.” In this capacity, McDonald would oversee national fraud enforcement strategy and coordinate fraud investigations across the Department of Justice, federal inspectors general and other enforcement agencies with a focus on accelerating case development and elevating high-impact matters for civil and criminal prosecution.3

The appointment signals that fraud involving federal programs and funds remains a top enforcement priority, with increased attention to how potential cases are identified, coordinated and advanced across agencies. The White House is reshaping fraud enforcement not by expanding statutory authority, but by elevating oversight and coordination to a highly centralized and visible level, applying greater political and institutional pressure to pursue significant fraud matters.

Unlike prior approaches that relied primarily on agency-specific enforcement initiatives, this structure reflects an effort to reduce fragmentation across agencies and accelerate decision-making in complex, multi-agency fraud matters.4

What This Means in Practice

Based on the Administration’s framing, the role is expected to emphasize:

- Large-dollar and systemic fraud schemes, including those involving federal healthcare programs, government contracting, disaster relief and pandemic-era funding;5
- Cross-agency coordination, particularly between DOJ, HHS-OIG, CMS, Treasury and agency inspectors general;6
- Accelerated case development, with an emphasis on referrals that can support criminal prosecution, False Claims Act actions or parallel proceedings;[7] and
- Greater visibility and public accountability, including messaging designed to highlight enforcement outcomes and deterrence.

For regulated entities, the practical effect is less tolerance for unresolved or lingering compliance issues that cut across billing, operational and documentation domains.

Implications for Healthcare and Other Regulated Industries

For healthcare providers, life sciences companies, laboratories, payors and private equity-backed platforms operating in highly regulated environments; this development is less about new legal exposure and more about enforcement posture and escalation risk.

Areas likely to receive heightened scrutiny include:

- Medicare and Medicaid billing and coding practices, particularly in areas with sustained audit activity (e.g., laboratory testing, telehealth, behavioral health, wound care and post-acute care);
- Use of standing orders, protocols and other ordering and documentation templates that may obscure individualized medical necessity or provider involvement;
- Ownership, management and compensation structures that raise fee-splitting, corporate practice of medicine, or referral-based risk; and

- Post-payment audits, repayments and corrective actions, especially where issues continued after the expiration of COVID-era flexibilities.

While the initiative does not expand statutory enforcement authority, it increases the likelihood that issues identified in audits or administrative reviews may escalate more quickly into coordinated enforcement actions involving multiple agencies and enforcement tools.

Conclusion

Organizations should view this development as an opportunity to stress-test existing compliance and risk-management frameworks in light of a more integrated federal enforcement environment. In particular, organizations may wish to reassess historically high-risk compliance areas through a combined civil-criminal lens, confirm that billing, ordering and documentation practices reflect current, rather than expired, regulatory requirements, and ensure that internal audit, repayment and self-disclosure processes are well-defined, timely and defensible. As enforcement coordination increases, organizations should also be prepared for faster escalation once potential issues are identified, particularly where multiple agencies may assert overlapping jurisdiction over the same conduct.

As with prior federal enforcement initiatives, early issue identification, disciplined corrective action and well-documented compliance decision-making remain the most effective tools for mitigating exposure in a heightened and more centralized enforcement environment.

Benesch's Healthcare+, White Collar, and Investigations teams continue to monitor these developments and advise clients on proactive compliance reviews, audit response strategies and enforcement preparedness.

If you have questions about how this development may affect your organization or would like assistance assessing specific risk areas, please contact your Benesch attorney.

[1] Christopher T. Grohman, *White House Announces Creation of New National Fraud Enforcement Division*, Benesch (Jan. 27, 2026), White House Announces Creation of New National Fraud Enforcement Division | Benesch, Friedlander, Coplan & Aronoff LLP.

2 Miranda Jeyaretnam, *Trump Names First-Ever 'Fraud Czar,' Raising Concerns of Politicized Investigations*, Time (Jan. 29, 2026), https://time.com/7358715/colin-mcdonald-trump-fraud-czar-investigator-prosecutor-white-house-political/ ; Courtney Bublé, *Trump Announces Pick For New Assistant AG for Fraud Role*, Law 360 (Jan. 28, 2026), Trump Announces Pick For New Assistant AG For Fraud Role - Law360.

[3] *See* Jeyaretnam, *supra* note 2.

[4] *See Fact Sheet: President Donald J. Trump Establishes New Department of Justice Division for National Fraud Enforcement*, The White House (Jan. 8, 2026), Fact Sheet: President Donald J. Trump Establishes New Department of Justice Division for National Fraud Enforcement - The White House.

[5] *See id.*

[6] *See id.*

[7] *See* David Isaak, et al., *The DOJ's New Division for National Fraud Enforcement*, Steptoe (Jan. 26, 2026), The DOJ's New Division for National Fraud Enforcement | Steptoe.