

April 2026

False Claims Act enforcement round-up and look ahead

The False Claims Act (FCA) remains a cornerstone of federal civil fraud enforcement, with the US Department of Justice (DOJ) reporting record-breaking recoveries and expanding its focus beyond healthcare. The following highlights summarize the key developments and trends in FCA enforcement for fiscal year 2025 and offer a look ahead for organizations navigating this evolving regulatory landscape.

What you need to know:

- **Historic recoveries and whistleblower activity:** In FY 2025, FCA settlements and judgments exceeded \$6.8 billion, with whistleblowers filing a record number of qui tam cases, underscoring their vital role in enforcement.
- **Healthcare dominates, but scope expands:** While healthcare accounted for over 80% of recoveries, FCA enforcement now increasingly targets areas such as cybersecurity compliance, trade fraud, misuse of pandemic relief funds, and civil rights violations.
- **Enhanced collaboration and data analytics:** New interagency working groups and task forces, along with greater use of data analytics and artificial intelligence, signal a shift toward faster, more coordinated, and analytically driven investigations across federal and state agencies.

Record whistleblower activity and state FCA enforcement

FCA enforcement continues at a historic pace, reinforcing its role as one of the federal government's most powerful civil fraud tools. In fiscal year 2025, the DOJ reported more than \$6.8 billion in FCA settlements and judgments, the highest single year recovery in the statute's history. Total recoveries since 1986 exceed \$85 billion, underscoring sustained enforcement momentum.¹

¹ <https://www.justice.gov/opa/pr/false-claims-act-settlements-and-judgments-exceed-68b-fiscal-year-2025>

Healthcare once again accounted for the majority of recoveries, totaling approximately \$5.7 billion, or more than eighty percent of the annual total. Enforcement activity focused on compliance with government healthcare reimbursement requirements, pharmaceutical pricing and marketing practices, medically unnecessary services, and alleged kickback arrangements. Many matters relied on data driven analyses of claims, reimbursement methodologies, and underlying financial records.

In parallel, the DOJ and the US Department of Health and Human Services (HHS) established the DOJ HHS False Claims Act Working Group to strengthen cross agency coordination in healthcare enforcement. The working group brings together DOJ, HHS, Centers for Medicare and Medicaid Services, and the Office of the Inspector General leadership to accelerate investigations and referrals in priority areas such as Medicare Advantage, drug and device pricing, barriers to patient access, defective medical devices, and kickbacks. The reboot reflects an increased emphasis on data analytics, inter agency collaboration, and faster case development.²

At the same time, the DOJ has signaled that the FCA is no longer “healthcare-only” and continues to expand FCA enforcement beyond traditional healthcare matters into areas where federal funds, procurement, or obligations to pay the United States are involved. Recent cases reflect an increased scrutiny of cybersecurity and data security compliance, misuse of pandemic related relief funds, evasion of customs and tariff duties, trade fraud, and opioid related conduct. Greater inter agency coordination, enhanced use of data analytics and artificial intelligence, and task force-based investigations signal a continued shift toward faster and more analytically intensive enforcement.

Accordingly, in May 2025, the DOJ established the Civil Rights Fraud Initiative, which will utilize the False Claims Act to investigate and, as appropriate, pursue claims against any recipient of federal funds that knowingly violates federal civil rights laws.³ Furthermore, in August 2025, the DOJ and the Department of Homeland Security (DHS) established a joint Trade Fraud Task Force dedicated to trade compliance and addressing potential violations of the FCA. The task force targets individuals and entities that knowingly evade their obligation to pay the United States, including cases involving tariff and duty avoidance, as well as smuggling prohibited goods into the American economy.⁴

Fiscal year 2025 also set a new record for whistleblower activity. Relators filed 1,297 qui tam actions, while the DOJ independently initiated 401 new investigations.⁵ Qui tam cases continued to account for the vast majority of FCA recoveries in FY 2025, reflecting the central role that whistleblowers play in driving enforcement activity. Separately, 2025 also saw increased enforcement of state FCA statutes, particularly in healthcare and Medicaid-related matters, with several states expanding into non-healthcare matters tied to state funds.

² <https://www.justice.gov/opa/pr/doj-hhs-false-claims-act-working-group>

³ <https://www.justice.gov/opa/pr/justice-department-establishes-civil-rights-fraud-initiative>

⁴ <https://www.justice.gov/opa/pr/departments-justice-and-homeland-security-partnering-cross-agency-trade-fraud-task-force>

⁵ <https://www.justice.gov/opa/pr/false-claims-act-settlements-and-judgments-exceed-68b-fiscal-year-2025>

Looking ahead: FCA enforcement in 2026

Collectively, these developments suggest ongoing FCA enforcement activity into 2026, with an expanding focus beyond healthcare. Organizations operating in regulated or government funded environments should prepare for increased scrutiny of financial data, reimbursement methodologies, and internal controls. Early evaluation of data, documentation, and compliance practices may help organizations better understand potential areas of exposure and respond more effectively to FCA related inquiries, investigations, or litigation.

Recommendations for organizations

As FCA enforcement continues to evolve and remain a central focus for both state and federal regulators, organizations with potential exposure should consider the following:

- **Assess and evaluate your existing compliance program** with a focus on conducting proactive risk assessments, establishing reporting mechanisms to facilitate allegations of wrongdoing and providing continuous training for employees.
- **Conduct internal reviews** using data analytics to identify potential risk areas, anomalies or outliers that may be indicative of fraud or wrongdoing.
- Evaluate whether you possess the necessary internal capabilities to **conduct thorough, fact-driven internal investigations**, including leveraging data-driven approaches that can withstand rigorous regulatory scrutiny.

If your organization determines that external expertise would be beneficial, please contact Rachel Berk and Frank Esposito in CRA's Risk, Investigations & Analytics Practice.

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