

Trump Order Signals Tougher Benefits Fraud Probes

By **Amanda Robinson, Alexander Hastings and Justin Weitz** (April 10, 2026, 5:50 PM EDT)

President Donald Trump issued Executive Order No. 14395 on March 16, establishing a new federal taskforce to strengthen the government's ability to prevent, detect and address fraud in federally funded benefit programs administered through state and local partners.

The initiative directs agencies to enhance front-end eligibility and identity verification, expand intergovernmental data sharing, adopt more uniform anti-fraud safeguards, and increase civil enforcement — signaling greater U.S. Department of Justice and agency attention to civil fraud remedies, including False Claims Act matters, as program integrity efforts are coordinated across the executive branch.

The executive order establishes a task force within the Executive Office of the President to coordinate a national anti-fraud strategy across programs providing housing, food, medical care and cash assistance.[1]

It assigns leadership to the vice president and the chair of the Federal Trade Commission, with participation from specified executive departments and agencies, plus other agencies, inspectors general or Executive Office of the President components as determined by the chair. The taskforce is instructed to hold regular meetings, coordinate strategy and provide frequent updates to the president through the chair.

Scope, Agency Involvement and Focus on State-Level Fraud

The executive order appears to assign the taskforce a broad mandate across major federally funded benefit programs, and directs agencies to strengthen eligibility verification, adopt prepayment integrity controls, expand information sharing, and disrupt fraud networks and facilitators.

The executive order further contemplates a diverse range of remedial actions, including suspension, termination, repayment, exclusion and debarment, and directs consideration of proactively pausing certain categories of funding, as appropriate, until adequate controls are in place.

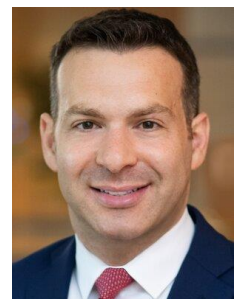
The executive order seems to be a response to apparent concerns about fraud and abuse in federal benefit programs and alleged self-dealing political actors that have used benefit programs to solidify



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control, noting that vulnerabilities may exist in specific states, including Minnesota, California, Illinois, New York, Maine and Colorado.

This effort further seems to align with the U.S. Government Accountability Office's recent estimate that the federal government loses \$233 billion to \$521 billion annually to fraud.[2]

Anti-Fraud Strategies and Standards: Data Sharing, Prepayment Controls and Implementation

Agencies are directed to identify the transactions and processes most susceptible to fraud, coordinate, and adopt minimum anti-fraud requirements. The executive order emphasizes a central theme of shifting toward robust prepayment controls and eligibility verification, moving agencies away from pay-and-chase models. The executive order provides a few specific implementation deadlines:

- Within 30 days, agencies must identify their most fraud-prone programs and processes;
- Within 60 days, the taskforce will coordinate adoption of minimum anti-fraud requirements — including screening, proof of identity, risk controls and enhanced documentation standards;
- Within 90 days, agencies must provide measurable implementation plans outlining how the adopted controls will be operationalized and enforced.

The executive order further mandates expanded information and data sharing among federal, state, local, tribal and territorial agencies to facilitate detection of fraud networks and rapid referral for civil, criminal and administrative action.

Agencies are encouraged in that regard to leverage third-party contractors to maximize efficiency, and are authorized to use new data access arrangements as models, such as the U.S. Department of the Treasury's access to Social Security data, to detect high-risk trends and enable swift disruption of fraud schemes.

Increased FCA, Whistleblowers and Enforcement

The executive order directs the DOJ to "promote the meritorious pursuit by private persons of civil actions," under Title 31 of the U.S. Code, Section 3730(b), and to ensure prompt review of such actions, signaling a potential increase in FCA litigation and whistleblower activity. This initiative appears to be designed to accelerate both civil and criminal investigations tied to eligibility representations, provider enrollment, documentation and related certifications.

The executive order further directs agencies to disrupt fraud networks, strengthen audit and compliance monitoring, and deploy the full range of remedial measures — including suspension, termination, repayment, exclusion, and debarment of providers, contractors and grantees — underscoring a renewed resolve to deploy the full range of the government's broad enforcement arsenal to address program integrity risks.

Investigations and Oversight: Data Sharing and Parallel Enforcement

The executive order emphasizes interagency and intergovernmental information sharing and permits the chair to involve inspectors general. As such, the agency deliverables and cross-agency coordination envisioned by the executive order likely will generate assessments, standards and implementation plans

that commonly attract oversight interest.

Organizations participating in federally funded programs may encounter more frequent data requests from agencies and inspectors general aligned to the taskforce's program integrity objectives.

This emphasis on intergovernmental data access may increase referrals and the velocity of parallel reviews. However, implementation may vary across programs depending on statutory authorities and state participation.

Implications and Recommendations

Because the executive order reaches across all major federally funded benefit programs, it may have significant implications for a number of key areas.

Government Contracts

Contractors and other program partners should prepare for updated terms and conditions that incorporate minimum anti-fraud requirements, identity and eligibility verification obligations, documentation standards, and enhanced audit and monitoring protocols.

An additional level of due diligence by funding partners at the federal, state and local levels may be introduced before funding is released, and additional data may be requested throughout the funding agreement lifecycle.

Additionally, funding partners may pause or condition funding where indicators suggest ongoing or potential risk factors exist, heightening payment interruptions or increased scrutiny.

Whistleblowers, Qui Tam and False Claims Act

Organizations should reinforce internal reporting and nonretaliation frameworks, and ensure prompt, well-documented inquiry protocols. The executive order's instruction to the DOJ to promote civil actions underscores the need for strong internal reporting channels and effective remediation processes to mitigate FCA exposure.

Government Investigations

Expanded intergovernmental data sharing and prepayment analytics could increase referrals and accelerate parallel civil, criminal and administrative proceedings. Entities should ensure that investigative playbooks and escalation procedures are calibrated to simultaneous inquiries across multiple agencies.

Global Employment and Immigration

For entities participating in or interfacing with benefit-funded programs, minimum anti-fraud requirements may affect workforce-related compliance practices, including training on eligibility and documentation, assignment of front-end verification responsibilities, and oversight of staffing vendors and intermediaries.

To the extent relevant to program administration, employers and service providers should evaluate

identity verification and escalation protocols for suspected eligibility or identity fraud.

Tax-Exempt Organizations

Tax-exempt entities participating in, supporting or partnering with federally funded benefit programs may encounter heightened scrutiny of governance, documentation and internal controls.

These organizations may need to strengthen eligibility verification processes, enhance compliance monitoring, and ensure that grant funded activities are supported by defensible records — particularly where they operate as service providers, intermediaries or subrecipients.

Administrative Law Considerations

The executive order primarily establishes coordination mechanisms, priorities and timelines; many operational changes will depend on subsequent agency action, guidance and program-specific implementation. The order also provides that implementation must be consistent with applicable law and available appropriations, and does not create a private right of action.

Conclusion

The establishment of the taskforce signals a potential shift toward increased oversight and scrutiny in benefits programs. Given the executive order's strict deadlines, provisions for broad agency participation, and an emphasis on data sharing and prepayment controls, the taskforce's activities are likely to affect a range of entities that receive government funding.

Organizations would be well advised to assess their compliance posture and prepare for the potential of increased oversight, enforcement and investigative activity under this renewed federal strategy.

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[1] <https://www.whitehouse.gov/presidential-actions/2026/03/establishing-the-task-force-to-eliminate-fraud/>.

[2] <https://www.gao.gov/products/gao-24-105833>.