

New Timeline For Benefits Cases May Increase FCA Litigation

By **Amanda Robinson, Scott McBride and Kayla Kaplan** (June 24, 2026, 5:45 PM EDT)

The U.S. Department of Justice's Civil Division recently announced reforms designed to accelerate the review and enforcement of False Claims Act whistleblower matters alleging fraud against federally funded, state-administered benefits programs.[1] The announcement directly references and appears to be a part of the implementation of the administration's new Task Force to Eliminate Fraud, established in March, which is chaired by Vice President JD Vance.[2]

The announcement signals an intensified enforcement posture for matters involving public benefits programs, including state Medicaid programs and other taxpayer-funded assistance involving housing, food, medical care and cash assistance. Under the new protocol, the DOJ will prioritize review of newly filed qui tam complaints alleging state-administered benefits fraud.

Potential Impacts of the Fast-Track Review Process

The memorandum establishes a faster triage path for FCA matters involving alleged state-administered benefits fraud that the DOJ has identified as an enforcement priority.

Rather than allowing benefits fraud related qui tam actions to remain under seal for extended periods of time beyond the statutory 60-day period — which is the common practice in FCA cases and frequently stretches into multiple years — the DOJ has directed its attorneys to make earlier determinations about intervention, further investigation or dismissal pursuant to the government's authority under Title 31 of the U.S. Code, Section 3730(c)(2)(A).

The push for earlier intervention decisions may increase the number of benefits fraud FCA cases litigated by relators where the DOJ declines to intervene. Some cases may be unsealed earlier and move into active litigation before the DOJ completes a full merits investigation, potentially increasing litigation costs and strategic pressures on defendants at an earlier stage. The prospect of moving directly into litigation shortly after filing is likely to incentivize qui tam relators to pursue cases more than under the traditional model.

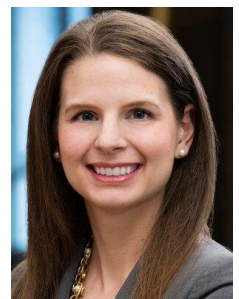
Generally, many qui tam actions remain under seal for extended periods while the government investigates and determines whether to intervene.



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For example, *U.S. ex rel. Compton v. HCR ManorCare Inc.*, a case pending in the U.S. District Court for the Eastern District of Pennsylvania, was under seal for nine years and has seen nearly 50 government motions to extend the seal period.

By contrast, a process that allows relators to proceed within months of filing may increase the likelihood that whistleblowers and their counsel remain committed to independently bearing the cost of pursuing claims on behalf of the government.

Earlier litigation may involve more recent conduct, witnesses and documentary evidence, which may enhance a relator's ability to investigate and prove the alleged misconduct. Although such cases may lack the imprimatur of DOJ intervention, they can nevertheless impose substantial discovery burdens, defense costs and business disruption on defendants from the outset.

Even when the DOJ determines in 60 to 120 days that further investigation is warranted, the new policy calls for an expedited 120-day investigative period. DOJ attorneys are directed to develop investigative plans promptly, issue subpoenas or civil investigative demands where appropriate, consider early witness interviews — potentially in lieu of documents — and evaluate enforcement options if recipients fail to meet response deadlines absent adequate justification.

In a program built around 60-day reviews and 120-day investigations, this will result in institutional pressure to keep cases moving, which will likely translate into greater resistance to defendant requests for open-ended extensions, and a greater willingness to use noncompliance as a factor when deciding whether to escalate enforcement activity.

At the same time, defendants may experience more targeted investigatory demands as a result, rather than broadly worded civil investigative demands that cover larger time periods, and more expansive programs and conduct than alleged in the underlying sealed complaint. The memorandum also anticipates that there will be less investigative focus on damages estimates, which may also reduce the scope of civil investigative demands.

The New Review Framework

For new *qui tam* actions alleging state-administered benefits fraud, the DOJ will seek to complete an initial review within 60 days when practicable, and in any event within 120 days. Following that review, DOJ attorneys are directed to make one of three determinations.

1. The DOJ may decline to intervene and permit the relator to proceed. Although nothing in the memorandum limits the DOJ's authority to intervene later if warranted — as statutorily permitted under Section 3730(c)(3) — the emphasis on relator-led litigation may reflect an effort to move qualifying cases more quickly while preserving DOJ resources and retaining the option to intervene later if warranted, such as upon the development of additional facts.

The memorandum also specifically references the DOJ's ability to oppose dismissals under the FCA's public disclosure bar, which may forewarn an uptick in such oppositions in cases subject to the expedited review framework.

2. The DOJ may determine that the allegations warrant further investigation, in which case the matter will proceed on an expedited investigative schedule.

3. The DOJ may seek dismissal under Section 3730(c)(2)(A) if the allegations lack adequate specificity or are legally deficient. The memorandum's express mention of the government's dismissal authority is in line with the DOJ's earlier emphasis on considering exercises of this authority in appropriate cases.[3]

The memorandum identifies several considerations that may support allowing a relator to proceed promptly, including whether the complaint alleges conduct that would violate the FCA if true, whether the allegations are corroborated by available information, whether the alleged scheme is not novel or complex, whether potential damages are below \$10 million, and whether aggravating factors are present, such as beneficiary harm, ongoing misuse of federal funds or concealment.

While the memorandum is currently limited to actions involving state-administered federally funded benefits programs, the same framework — if successful — could be extended by the DOJ to other types of qui tam actions.

Key Takeaways

Entities participating in state-administered federally funded benefits programs should expect faster government review and earlier litigation milestones in benefits-fraud FCA matters. This may include shorter sealing periods, earlier contact from DOJ or agency personnel, more rapid issuance of civil investigative demands or subpoenas, and increased use of agency data analytics to evaluate allegations.

The new framework may result in more relator-led FCA litigation. Companies should be prepared for earlier litigation activity initiated and driven by whistleblowers and their counsel. Although the DOJ may not take an active litigation role in such cases, defendants may nevertheless face significant discovery obligations, motion practice and litigation expense at a much earlier stage than is typical in FCA matters that traditionally have been subject to extensive seal periods.

Companies, providers, contractors, grantees and other recipients of state-administered federal benefits program funds should consider evaluating compliance controls related to eligibility determinations, billing practices, documentation, subcontractor oversight, beneficiary interactions, and the identification and escalation of potential overpayments or misconduct.

Because the DOJ has emphasized coordination with criminal prosecutors and affected agencies, allegations of benefits fraud may now trigger parallel civil, criminal, and administrative scrutiny earlier in the investigative process. Administrative remedies, including suspension or debarment, may arise even before FCA claims are fully resolved.

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[1] <https://www.justice.gov/opa/pr/civil-division-moves-fast-track-benefits-fraud-enforcement>.

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

[3] <https://www.morganlewis.com/pubs/2026/01/commercial-litigation-branch-head-outlines-doj-enforcement-priorities-reinforces-c2a-dismissal-authority>.