

DOJ Announces Establishment of COVID-19 Fraud Enforcement Task Force

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Key Takeaways:

- The establishment of the COVID-19 Fraud Enforcement Task Force will likely lead to an uptick in investigations and prosecutions of COVID-19 related fraudulent activity.
- The Task Force is expected to focus its efforts on combatting fraud related to various pandemic relief programs, including the Paycheck Protection Program (PPP), the Economic Injury Disaster Loan (EIDL) program, and the Pandemic Unemployment Assistance (PUA) program, among others.

On May 17, 2021, Attorney General Merrick Garland directed the U.S. Department of Justice (DOJ) to establish the COVID-19 Fraud Enforcement Task Force, a coordinated, cross-agency initiative that will strengthen efforts to prevent and prosecute those seeking to profit illicitly from the COVID-19 pandemic. In announcing the Task Force's creation, the DOJ highlighted the following objectives: (1) helping federal agencies responsible for administering COVID-19 relief programs to increase fraud prevention by providing information gathered on fraud trends and tactics; and (2) bolstering investigations and prosecutions of domestic and international criminals exploiting pandemic relief programs for personal gain, and recovering stolen funds.^[1] Following recent settlements and plea agreements involving COVID-19 relief program fraud, the Task Force underscores the DOJ's prioritization of initiatives to root out fraudulent activity related to programs established under the Coronavirus Aid, Relief, and Economic Security (CARES) Act^[2] using "every available federal tool,"^[3] including criminal-fraud statutes and the False Claims Act (FCA).

Led by Deputy Attorney General Lisa Monaco, the Task Force convened its first meeting on May 28.^[4] The Task Force is composed of eight DOJ entities, including both the Criminal and the Civil Division, the Executive Office for United States Attorneys, and the Federal Bureau of Investigation. The Task Force also includes key interagency partners, such as the Offices of Inspector General of the Labor, Treasury, and Homeland Security Departments and the Small Business Administration. Through what the DOJ described as a "whole-of-government enforcement effort," the Task Force aims to "thwart those who treat the pandemic as an opportunity for illegal profit."^[5] The DOJ explained that the Task Force will "augment[] and incorporate[] existing coordination mechanisms within the [DOJ] and will continue to work in close coordination with other efforts underway throughout the federal government."^[6] The DOJ also noted that over the past year, it has "led an historic enforcement initiative to detect and disrupt

COVID-19 related fraud, charging nearly 600 defendants to date with crimes involving over \$600 million in 56 federal districts around the country.”^[7]

With enhanced interagency coordination and DOJ resources, the establishment of the Task Force is expected to lead to an uptick in investigations and prosecutions across a broad range of pandemic-related fraudulent activity. In his memo to Deputy Attorney General Monaco and those participating in the Task Force, Attorney General Garland explained that “the Task Force will help us: (1) to identify cross-governmental resources, investigative techniques, and information for uncovering fraud schemes and the actors who perpetrate them; (2) to harness what we have learned about COVID-19 related and other types of fraud from past efforts; and (3) to deter, detect, and disrupt future fraud wherever it occurs.”^[8] In view of these stated goals, the Task Force is likely to pursue an increasing number of actions to hold accountable those who engage in schemes to fraudulently obtain Pandemic Unemployment Assistance (PUA) benefits and Paycheck Protection Program (PPP) loans,^[9] among other CARES Act programs. This is especially true in view of the significant number of PPP loans approved since the program’s inception and the substantial amount of funds made available under the many CARES Act programs. Indeed, during its first meeting last week, the Task Force’s discussion of its “priority goals” included “increased efforts to combat fraud related to COVID-19 relief programs like the [PPP], the Economic Injury Disaster Loan (EIDL) program, as well as unemployment insurance benefits.”^[10] It also discussed efforts to combat health care fraud.^[11] In closing, Deputy Attorney General Monaco underscored that a “well-informed public is the strongest weapon in preventing fraud,”^[12] foreshadowing the role that FCA whistleblowers could play in helping the Task Force achieve its enforcement goals.

If you have additional questions or need further assistance, please reach out to **Suzanne Jaffe Bloom** (Co-Chair, White Collar, Regulatory Defense & Investigations), **Amandeep Sidhu** (Partner, White Collar, Regulatory Defense & Investigations), or your Winston & Strawn relationship attorney.

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^[1] See DOJ Press Release, “Attorney General Announces Task Force to Combat COVID-19 Fraud” (May 17, 2021), available at <https://www.justice.gov/opa/pr/attorney-general-announces-task-force-combat-covid-19-fraud> (last visited May 27, 2021).

^[2] The CARES Act was enacted on March 27, 2020, to provide economic assistance to individuals and businesses struggling with the impacts of the COVID-19 pandemic. See “About the CARES Act and the Consolidated Appropriations Act,” U.S. Dep’t of the Treasury, available at <https://home.treasury.gov/policy-issues/coronavirus/about-the-cares-act> (last visited May 27, 2021).

^[3] See DOJ Press Release, “Attorney General Announces Task Force to Combat COVID-19 Fraud” (May 17, 2021), available at <https://www.justice.gov/opa/pr/attorney-general-announces-task-force-combat-covid-19-fraud> (last visited May 27, 2021).

^[4] See DOJ Press Release, “Deputy Attorney General Convenes Inaugural Meeting of the COVID-19 Fraud Enforcement Task Force” (May 28, 2021), available at <https://www.justice.gov/opa/pr/deputy-attorney-general-convenes-inaugural-meeting-covid-19-fraud-enforcement-task-force> (last visited May 28, 2021).

^[5] See “COVID-10 Fraud Enforcement Task Force FACT SHEET,” available at <https://www.justice.gov/opa/press-release/file/1394716/download> (last visited May 27, 2021).

^[6] See *id.*

^[7] See *id.*

^[8] See Memorandum from the Attorney General on COVID-19 Fraud Enforcement Task Force (May 17, 2021), available at <https://www.justice.gov/opa/press-release/file/1394721/download> (last visited May 27, 2021).

^[9] The PUA and PPP are part of the CARES Act, enacted on March 27, 2020. The PUA provides financial assistance to individuals who cannot work due to the COVID-19 pandemic, but do not qualify for traditional unemployment insurance benefits. See “Unemployment Insurance Relief During COVID-19 Outbreak,” U.S. Dep’t of Labor, available at <https://www.dol.gov/coronavirus/unemployment-insurance> (last visited May 27, 2021). The PPP is a loan program administered by the U.S. Small Business Administration (SBA), designed to provide “direct incentive for small businesses to keep their workers on payroll.” See “Paycheck Protection Program,” U.S. Small Business Admin., available at <https://www.sba.gov/funding-programs/loans/covid-19-relief-options/paycheck-protection-program> (last visited May 27, 2021).

¹⁰¹ See DOJ Press Release, “Deputy Attorney General Convenes Inaugural Meeting of the COVID-19 Fraud Enforcement Task Force” (May 28, 2021), available at <https://www.justice.gov/opa/pr/deputy-attorney-general-convenes-inaugural-meeting-covid-19-fraud-enforcement-task-force> (last visited May 28, 2021).

¹¹¹ See *id.*

¹¹² See *id.*

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