

Future FCA Enforcement Expectations in Light of New Administration Priorities and 2024 Recoveries

MAY 1, 2025

The annual False Claims Act (FCA) recovery statistics issued by the U.S. Department of Justice for Fiscal Year 2024, coupled with the Trump administration's focus on the elimination of waste, fraud, and abuse in government spending and apparent intentions to rely on the FCA to pursue other administration priorities, signal a likely increase in FCA investigations and actions throughout 2025 and beyond. Indeed, the FY 2024 statistics and related DOJ announcement underscore that the FCA remains a powerful tool for the DOJ to combat fraud in a wide range of industries receiving federal funds and, thus, a likely resource to be used by DOJ to pursue key priorities of the new administration.

The following article discusses expectations for FCA enforcement over the course of the next year and beyond based on an analysis of FY 2024 FCA activity and the priorities and goals of the new administration.

I. SUMMARY OF FY 2024 FCA ENFORCEMENT ACTIVITY

FCA Recoveries via Settlements and Judgments

The \$2.92 billion recovered in FY 2024 in settlements and judgments marked another year-over-year increase in FCA recoveries and was the 16th consecutive year wherein FCA recoveries exceeded \$2.2 billion.^[1] This total was driven by the 558 settlements and judgments reached in FY 2024—the second-highest total ever, behind last year's record 566 recoveries.^[2] The amount recovered in FY 2024 brings the total recovered since FY 2010—the first full year since the FCA's expansion through the 2009 Fraud Enforcement and Recovery Act amendments—to more than \$54.1 billion, an average of around \$3.6 billion per year since that time.^[3]

Record Number of New FCA Matters and DOJ's Continuing Reliance on Whistleblowers

FY 2024 marked the largest number of new FCA cases commenced in a single year since the DOJ began reporting this data. The 1,402 new matters (including government investigations, newly received referrals, and *qui tam* actions) represent an increase of 15% in the number of new matters initiated over the prior fiscal year, which itself had been a record.^[4]

Notably, in FY 2024, there was a record number of new matters—979—filed under the FCA's whistleblower, or *qui tam*, provisions that allow individual whistleblowers, also known as relators, to file lawsuits alleging false claims on

behalf of the government and share in any recovery (typically between 15% and 30%). The new *qui tam* matters docketed in FY 2024—an average of 18 new *qui tam* actions filed every week—were not only the largest number commenced in a single year, but they also constituted nearly 70% of the total new matters initiated and a 37% increase over the prior year. Relators’ significant role in FCA enforcement is also illustrated by the substantial figure that was recovered in FY 2024 from *qui tam* actions. Of the \$2.9 billion recovered by the DOJ, over \$2.4 billion—more than 82% of total recoveries—was secured in *qui tam* actions.^[5] Although a slight decrease from the prior year, this remains in line with historical trends, where recoveries in *qui tam* matters typically represent the majority of annual FCA recoveries. Relators’ share of awards also declined slightly in FY 2024 to just under \$404 million from the \$450 million awarded last year.^[6] This decrease is unlikely to deter whistleblowers and their attorneys from coming forward and reporting fraud related to government programs, particularly given what may be perceived as a “call to action” based on the new administration’s focus on ferreting out government waste, fraud, and abuse.

Although the number of government-initiated FCA actions declined by about 16% from the prior year, the recoveries in such actions increased substantially. Recoveries in government-initiated actions totaled just over \$502 million in FY 2024—a 38% increase over the prior fiscal year, representing 17% of the total recovered in FY 2024.

Pandemic-Related Fraud

The DOJ’s COVID-19 Fraud Enforcement Task Force continued to aggressively pursue FCA claims related to fraud targeting the pandemic-relief programs, including the Paycheck Protection Program (PPP), and hold accountable companies and individuals allegedly abusing these government programs. The DOJ announced that in FY 2024 it obtained more than 250 FCA settlements and judgments, totaling more than \$250 million, from cases involving fraud related to pandemic-related funding.^[7] Notably, in addition to various settlements with recipients of relief funding, the DOJ highlighted a substantial settlement with a now-bankrupt financial technology—or fintech—company. Specifically, the fintech settled claims that it submitted false claims for loan forgiveness, loan guarantees, and processing fees under the PPP and that it failed to implement proper fraud controls.^[8] As a result, the DOJ will receive a claim in the company’s bankruptcy proceeding of up to \$120 million.^[9] This settlement may portend additional actions against and recoveries from lenders and other facilitators of pandemic-relief loans, as the DOJ can be expected to expand its efforts to ferret out wrongdoing in connection with pandemic-relief programs to entities that approved and issued loans potentially in violation of the lending requirements as mandated by the various programs. Further, and as explained in more detail in Section II below, we can expect a general increase in FCA matters focusing on recouping pandemic relief funds obtained by fraudulent means as the new administration pursues its goal of ferreting out waste, fraud, and abuse impacting government programs.

Cybersecurity Compliance

The DOJ once again made a point to highlight its continuing efforts to use the FCA to promote compliance with cybersecurity requirements by government contractors and grant recipients—an enforcement priority of the DOJ in recent years—stating that cybersecurity is “critical in safeguarding U.S. information and systems against threats posed by malicious actors.”^[10] The DOJ’s Civil Cyber-Fraud Initiative—launched in 2021 to “utilize the [FCA] to pursue cybersecurity related fraud by government contractors and grant recipients”—led to several notable recoveries this past fiscal year highlighted by the DOJ.^[11] For example, on May 1, 2024, the DOJ announced a \$2.7 million settlement with a staffing agency to resolve allegations that it failed to maintain adequate cybersecurity measures to protect personal health information and submitted false claims for government funds as a result.^[12] In an action that may result in future recoveries, in August 2024, the DOJ intervened in a *qui tam* action against an institution of higher education and its affiliated research organization for allegedly failing to meet the Department of Defense’s cybersecurity requirements.^[13] As explained in more detail in Section II below, we may see an increasing use of the FCA to promote cybersecurity given that the Trump administration has maintained earlier Biden administration executive orders aimed at improving cybersecurity, suggesting that cybersecurity will remain a high priority of the new administration.

Healthcare Industry

The healthcare industry continued to be a prime target for FCA enforcement, with 455 new matters targeting the industry, 370 of which were new *qui tam* matters.^[14] Yet FY 2024 saw a decrease in the total amount recovered from the healthcare industry over the prior year (a total of approximately \$1.675 billion recovered, down from the \$1.860

billion recovered in FY 2023) and the lowest recovery from the industry since 2009, when the government recovered approximately \$1.639 billion.^[15] There was also a decline in the percentage that healthcare recoveries represent of the total amount recovered (approximately 57.4% of total recoveries, down from approximately 66.7% of total recoveries last year).^[16] These declines may be the result of the government allocating more resources to the protection of government funds expended in other industries, as discussed below. That said, the healthcare industry can expect continued FCA scrutiny and large recoveries in the years ahead, especially given the government's identification of healthcare fraud, fraud targeting Medicare Part C, and the opioid epidemic as enforcement priorities.^[17] Indeed, in the early days of FY 2025, the DOJ announced a settlement with the largest generic drug manufacturer in the United States for \$450 million based on allegations that it had engaged in two schemes in violation of the Anti-Kickback Statute (AKS) and the FCA.

In 2024, as in past years, the FCA was used to pursue matters involving a wide array of healthcare providers, goods, and services, including drug and medical device manufacturers, provider networks, nursing facilities, physicians, research organizations, pharmacy benefits managers, and hospice organizations. FY 2024 also saw significant FCA cases against and settlements with healthcare entities and individuals in relation to the opioid crisis, including a pharmacy and drug store chain, an opioid manufacturer, and a physician. For example, a pharmacy and drug store chain and its affiliates agreed to pay \$7.5 million and to provide the federal government with rights to a \$401.8 million general unsecured claim in the company's bankruptcy case for allegedly dispensing unlawful prescriptions for controlled substances, including "excessive quantities of opioids."^[18] In another notable settlement, an opioid manufacturer, which is also in bankruptcy, agreed to provide a general, unsecured claim of \$475.6 million to the government to resolve allegations that it used an "aggressive scheme" to market its opioid drug to high-volume prescribers of opioids.^[19] The DOJ also entered a consent judgment with a physician in Ohio who allegedly issued opioid prescriptions without a legitimate medical basis and received kickbacks from a drug manufacturer.^[20]

Defense Industry

The reported recoveries from alleged military-procurement fraud dropped significantly in FY 2024 to \$93 million, down 83% from the \$556 million recovered in FY 2023. The prior year's total was the second-largest amount recovered since 2006 and was largely due to one \$377 million settlement reached with a government contractor for alleged improper billing. Although somewhat more in line with typical totals, the FCA recoveries from the defense industry in FY 2024 were still below average, as recoveries in the sector averaged \$186 million per year since 1987.^[21] Recoveries in FY 2025 will likely mark a return to high levels, as the government already announced a \$428 million settlement with a defense contractor—the second-largest FCA procurement recovery ever—for allegations of false certification and misrepresentations during negotiations with the government.^[22]

Other Activities and Industries Targeted

The DOJ continued to use the FCA to pursue fraud claims against defendants in a widening array of industries beyond the healthcare and defense industries, recovering over \$1.1 billion in connection with such claims in FY 2024.^[23] That figure, the fourth highest since 1987 and a notable 211% increase from last year's total, represents the DOJ's reliance on the FCA as an effective tool in its investigation and enforcement activities targeting individuals and entities in many different fields doing business with the government.^[24]

For example, an oil and gas company paid \$34.6 million to settle allegations that it knowingly underpaid mineral royalties owed for its lease on federal land. In addition, the City of Los Angeles paid \$38.2 million to resolve a complaint that the city received funds from the Department of Housing and Urban Development for multifamily affordable-housing units while failing to comply with federal accessibility laws. The DOJ warned that the settlement with the City of Los Angeles "demonstrates [its] commitment to ensuring municipalities receiving federal funds comply with federal law."

II. FCA ENFORCEMENT EXPECTATIONS FOR 2025 AND BEYOND

The year ahead will undoubtedly be marked by significant FCA enforcement activity and legal developments. Issues to watch closely in 2025 include (i) increasing use of the FCA to implement the new administration's priorities and missions; and (ii) legal challenges to the FCA's *qui tam* provisions.

USE OF THE FCA FOR ADVANCING CERTAIN PRIORITIES OF THE NEW ADMINISTRATION

Eliminating Waste, Fraud, and Abuse in Government Programs and Spending

The new Trump administration has made clear its intention to focus on controlling “wasteful spending” and “bring[ing] accountability and transparency to federal spending, ensuring taxpayer dollars are spent wisely and effectively.”^[25] This focus is illustrated by a recent directive to federal agencies to provide justification for each payment of certain government contracts and grants, review existing contracts and grants, and build a centralized technological record of payments under those contracts and grants.^[26] Given that the FCA is one of the most powerful tools for addressing fraud in government programs and recovering government funds obtained via fraud, along with offering the possibility of imposing substantial penalties, it seems likely that the new administration will employ the FCA aggressively to pursue one of its primary missions of uncovering and punishing government waste, fraud, and abuse. One ripe area for significant recoveries of federal funds is in connection with the various pandemic relief programs, which suggests that we will continue to see the FCA used to pursue those who obtained or provided access to pandemic relief funds based on fraud. Further, given the reduction in the federal government workforce, there may be increasing reliance on whistleblowers to bring *qui tam* actions and perhaps a reluctance for the DOJ to move to dismiss such actions.

Eliminating “Unlawful” DEI

Similarly, the current administration has signaled its intention to rely on the FCA to carry out certain of its objectives, including its mission to eliminate what it has described as unlawful diversity, equity, and inclusion (DEI) programs.^[27] As discussed in an earlier [Winston alert](#),^[28] President Trump’s January 21, 2025 executive order titled “[Ending Illegal Discrimination and Restoring Merit-Based Opportunity](#)” mandates two new terms in all future federal contracts and grants:

1. Each agency head will require federal contractors and grant recipients to agree that “[their] compliance in all respects with all applicable Federal anti-discrimination laws is material to the government’s payment decisions for purposes of” the FCA.^[29]
2. Federal contractors and grant recipients must also certify that they do “not operate any programs promoting DEI that violate any applicable Federal anti-discrimination laws.”^[30]

These newly mandated provisions—assuming they are ultimately upheld in the face of court challenges—will likely make it easier for the government and relators to allege and prove an FCA violation and signal an intention to use the FCA to achieve the administration’s goals of ending what is viewed by the administration as “illegal” DEI policies.^[31]

Promoting Cybersecurity

Executive orders issued under the Biden administration aimed at strengthening, promoting, and improving the nation’s cybersecurity are among the few Biden-era executive orders that have not been rescinded by President Trump, signaling that the new administration will continue to focus on cybersecurity.^[32] One such executive order, among other things, directs the Federal Acquisition Regulation Council to consider regulation and contract language that would require software providers to submit to the federal government certain attestations to their products’ security.^[33] The executive order also encourages the National Cyber Director to refer attestations that fail validation to the Attorney General “for action as appropriate.” This portends the use of the FCA to address failure to meet the certification requirements related to cybersecurity.^[34] Indeed, as recently as February 18, 2025, the DOJ secured an \$11.2 million settlement with a St. Louis-based managed healthcare services provider for falsely certifying compliance with cybersecurity requirements in a contract with the Department of Defense to administer TRICARE health benefits to servicemembers and their families. Acting Assistant Attorney General Brett A. Shumate remarked that “[the government] will continue to pursue knowing violations of cybersecurity requirements by federal contractors and grantees to protect Americans’ privacy and economic and national security.”

Promoting Priorities Related to International Trade and Tariffs

The new administration's focus on international trade and tariffs signals that the FCA may be increasingly used to combat customs fraud and tariff evasion. Perhaps a once remote concern for businesses that do not directly, or indirectly, receive government funding, the current administration's focus on international trade and tariffs should raise the alarm for any business with international supply chains. In fact, on March 25, 2025, the DOJ announced an \$8.1 million settlement with a California-based importer of wood flooring to resolve allegations that the company violated the FCA by knowingly and improperly evading customs duties on wood flooring from China. Because importing merchandise into the United States requires making certifications to the government, tariff and customs duty noncompliance may expose companies and individuals to increased FCA liability given the new administration's enforcement priorities.

LEGAL CHALLENGE TO FCA'S WHISTLEBLOWER PROVISIONS

Another issue to watch is the ongoing legal challenges to the FCA's *qui tam* provisions. The Florida federal court's decision last year in *Zafirov v. Florida Medical Associates, LLC* holding that the FCA's *qui tam* provisions are unconstitutional is currently on appeal before the Eleventh Circuit.^[35] If the court of appeals upholds the district court's finding that the *qui tam* provisions violate the Appointments Clause of the U.S. Constitution, the resulting circuit split will likely end up before the U.S. Supreme Court. Further, any decision by the Eleventh Circuit or the Supreme Court could galvanize Congress to respond with an amendment to the FCA, as the *qui tam* provisions have traditionally enjoyed bipartisan support.

III. KEY TAKEAWAYS

First, given the consistent significant recoveries from FCA matters—as shown by the current 16-year streak of annual recoveries exceeding \$2 billion—the FCA shows no signs of slowing down as a primary tool to combat fraud targeting government funds. Indeed, Fiscal Year 2025 is already off to a strong start, with the government's announcement of two significant settlements totaling over \$850 million reached at the outset of the current fiscal year.

Second, we can expect an increase in FCA investigations and related actions aimed at recovering government funds obtained via fraud targeting government programs—for example, pandemic relief programs, Medicare, and other federal grant, subsidy, and procurement programs, particularly given the administration's stated focus on ferreting out fraud, waste, and abuse in government spending.

Third, the FCA will be increasingly used against entities in a widening array of industries for the purpose of carrying out various administration priorities and objectives, including those related to the elimination of unlawful DEI, promoting cybersecurity, and international trade and tariffs, by conditioning receipt of federal funds on compliance with certifications related to compliance with administration policies and directives.

Fourth, despite the recent legal challenges to the FCA's *qui tam* provisions, the fact that a record number of *qui tam* actions were filed in the past two fiscal years suggests that relators will continue to play a leading role in combatting fraud. Indeed, given that the vast majority of 2024 recoveries once again resulted from *qui tam* actions, whistleblowers and their counsel are likely to be motivated to continue bringing FCA claims by the prospect of securing significant dollar amounts as a share of the government's recoveries. Whistleblowers and their counsel may also be motivated to bring FCA claims by the new administration's focus on efforts to identify and eliminate waste, fraud, and abuse in government spending.

If you have any questions regarding this or related subjects or if you need assistance, please contact the authors of this article (Suzanne Jaffe Bloom, Co-Chair of Winston's White Collar and Government Investigations (GIEC) Practice; Benjamin Sokoly, Of Counsel, GIEC; Christopher Parker and Jeremy Chu, Associates, GIEC) or your Winston & Strawn relationship attorney. You can also visit our [Government Investigations, Enforcement, & Compliance Practice](#) webpage and our [Government Program Fraud, False Claims Act & Qui Tam Litigation Playbook](#) for more information on this and related subjects.

[1] See DOJ Press Release, *False Claims Act Settlements and Judgments Exceed \$2.9B in Fiscal Year 2024* (Jan. 15, 2025), <https://www.justice.gov/opa/pr/false-claims-act-settlements-and-judgments-exceed-29b-fiscal-year-2024>

("2024 FCA Recoveries Press Release"); see *also* DOJ Fraud Statistics – Overview, October 1, 1986 – September 30, 2024, <https://www.justice.gov/opa/media/1384546/dl> ("DOJ Fraud Statistics").

[2] See 2024 FCA Recoveries Press Release.

[3] See DOJ Fraud Statistics.

[4] See *id.*

[5] See *id.*

[6] See *id.*

[7] 2024 FCA Recoveries Press Release.

[8] *Id.*

[9] *Id.*

[10] *Id.*

[11] DOJ Press Release, Deputy Attorney General Lisa O. Monaco Announces New Civil Cyber-Fraud Initiative (Oct. 6, 2021), <https://www.justice.gov/archives/opa/pr/deputy-attorney-general-lisa-o-monaco-announces-new-civil-cyber-fraud-initiative#:~:text=The%20Civil%20Cyber%2DFraud%20Initiative,involving%20government%20programs%20and%20operations.>

[12] 2024 FCA Recoveries Press Release.

[13] *Id.*

[14] See DOJ Fraud Statistics.

[15] *Id.*

[16] *Id.*

[17] See 2024 FCA Recoveries Press Release.

[18] *Id.*

[19] *Id.*

[20] *Id.*

[21] See *id.*

[22] 2024 FCA Recoveries Press Release.

[23] See DOJ Fraud Statistics.

[24] See *id.*

[25] White House, *Fact Sheet: President Donald J. Trump Requires Transparency for the American People About Wasteful Spending* (Feb. 18, 2025), <https://www.whitehouse.gov/fact-sheets/2025/02/fact-sheet-president-donald-j-trump-requires-transparency-for-the-american-people-about-wasteful-spending/>.

[26] Exec. Order No. 14222 (Feb. 26, 2025).

[27] Exec. Order No. 14151 (Jan. 20, 2025).

[28] Winston & Strawn Blog, *Understanding and Addressing Increased FCA Exposure Risks Resulting from DEI-Focused Executive Order* (Jan. 31, 2025), <https://www.winston.com/en/blogs-and-podcasts/investigations-enforcement-and-compliance-alerts/understanding-and-addressing-increased-fca-exposure-risks-resulting-from-dei-focused-executive-order>.

[29] Exec. Order No. 14151 § 3(b)(iv)(A) (Jan. 20, 2025).

[30] *Id.* § 3(b)(iv)(B).

[31] Winston & Strawn Blog, *Understanding and Addressing Increased FCA Exposure Risks Resulting from DEI-Focused Executive Order* (Jan. 31, 2025), <https://www.winston.com/en/blogs-and-podcasts/investigations-enforcement-and-compliance-alerts/understanding-and-addressing-increased-fca-exposure-risks-resulting-from-dei-focused-executive-order>.

[32] Exec. Order No. 14144 (Jan. 16, 2025); Exec. Order No. 14028 (May 12, 2021).

[33] Exec. Order No. 14144 (Jan. 16, 2025).

[34] *Id.*

[35] *United States ex rel. Zafirov v. Fla. Med. Assocs., LLC*, No. 24-13581 (11th Cir. Jan. 8, 2025).

10+ Min Read

Authors

[Suzanne Jaffe Bloom](#)

[Benjamin Sokoly](#)

[Christopher M. Parker](#)

[Nag Young Chu](#)

Related Topics

False Claims Act (FCA)

Department of Justice (DOJ)

Government Program Fraud

Health Care

Cyber Security

Trump Administration

Related Capabilities

Government Investigations, Enforcement & Compliance

Private Equity

Financial Services Litigation

Government Program Fraud, False Claims Act & Qui Tam Litigation

International Trade

Health Care

Energy

Government Contracts & Grants

Technology, Media & Telecommunications

Retail & Luxury

Financial Services

Related Professionals



Suzanne Jaffe Bloom



Benjamin Sokoly



Christopher M. Parker



Nag Young Chu

This entry has been created for information and planning purposes. It is not intended to be, nor should it be substituted for, legal advice, which turns on specific facts.

