

Government Watchdog on Alert for COVID-19 Fraud

Article By:

Sarah K. diFrancesca

As the impact of the coronavirus continues to grow and develop, government watchdogs are on high alert for fraud and scams that may arise.

The Chairman of the Board of Directors of the National Whistleblower Center sent a [letter](#) to Attorney General William Barr asking him to establish a nationwide task force to monitor and investigate fraud under the False Claims Act (FCA). The letter acknowledges the deterrent effect of the FCA, which will be critical to combat fraud associated with federal funding related to the coronavirus, including federal health care programs like Medicare and Medicaid. The letter suggests that the task force should (i) ensure a “prompt and aggressive federal response” to any allegations of fraud related to the coronavirus; (ii) initiate investigations based on a whistleblower’s “disclosure statement” rather than waiting until a formal complaint is filed in federal court; (iii) prioritize the investigation of cases related to the coronavirus; (iv) promptly prosecute cases with merit; and (v) promptly notify whistleblowers for cases lacking merit.

Attorney General Barr also issued a [memorandum](#) to all U.S. Attorney’s offices regarding the priorities of the U.S. Department of Justice (DOJ) related to COVID-19. This memorandum follows an [announcement](#) by the DOJ that it “stands ready to make sure that bad actors do not take advantage of emergency response efforts, health care providers, or the American people during this crucial time.” Specifically, the DOJ is tasked with “prioritiz[ing] the detection, investigation, and prosecution of all criminal conduct related to the current pandemic.” The memorandum acknowledges that the DOJ is aware of individuals selling fake cures for the coronavirus, distribution of phishing emails purportedly from the World Health Organization (WHO) and Centers for Disease Control and Prevention (CDC), and malware applied to mobile apps designed to track the spread of the virus.

U.S. Attorney’s offices have begun making announcements regarding their attention to these scams, including announcing the appointment of COVID-19 fraud coordinators and fraud-reporting hotlines.^[1] Similarly, at the state level, the New York Attorney General has issued letters ordering companies [to stop marketing coronavirus treatments; selling toothpaste, dietary supplements, creams and other products as treatments to prevent and cure the coronavirus; and price-gouging on health and safety products.](#)

^[1] See,

e.g., <https://www.justice.gov/usao-dc/pr/us-attorney-and-attorney-general-district-columbia-announce-covid-19-scam-prevention>; <https://www.justice.gov/usao-dc/pr/statement-us-attorney-district-columbia-covid-19-scam-prevention-measures>; <https://www.justice.gov/usao-edpa/pr/statement-us-attorney-william-m-mcswain-us-attorney-s-office-operations-during-0>; <https://www.justice.gov/usao-wdpa/pr/us-attorney-brady-appoints-experienced-prosecutor-fight-covid-19-fraud>.

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