



TRENDLINE PERSPECTIVES

OVERVIEW OF THE DEPARTMENT OF JUSTICE'S MEMORANDUM LAUNCHING THE CIVIL RIGHTS FRAUD INITIATIVE

Background

On May 19, 2025, Deputy Attorney General Todd Blanche of the U.S. Department of Justice (DOJ) issued a [press release](#) and [memorandum](#) launching the Civil Rights Fraud Initiative, a new enforcement effort that uses the [False Claims Act \(FCA\)](#) as its “primary weapon” to hold recipients of federal funds accountable for knowingly violating civil rights laws.

The False Claims Act is a civil war era federal statute that seeks to prevent fraud against taxpayers and the federal government. The DOJ Initiative represents a significant policy step that intensifies scrutiny on federal contractors and grantees while prioritizing the Department’s use of the FCA as an enforcement tool to combat civil rights abuses. While the memorandum does not change existing civil rights laws, it establishes the FCA as a key enforcement strategy to combat “illegal DEI discrimination” by encouraging active reporting, interagency collaboration, and whistleblower participation in enforcing the Administration’s executive orders.

[EO 14173: Ending Illegal Discrimination and Restoring Merit-Based Opportunity](#) is specifically referenced in the memo.¹ This executive order requires all federal contracts and grants to include a certification that recipients do not operate “any programs promoting DEI that violate applicable Federal anti-discrimination laws,” and seeks to make compliance with such laws a material term to payment. It also directs DOJ to target key sectors for DEI-related enforcement and recommend strategies to end “illegal DEI discrimination” in the private sector.

In response to the executive orders directive, the memo presents at least one strategy that the Department of Justice plans to leverage as it implements the executive order’s directive to end “illegal DEI discrimination and preferences.” Federal contractors and recipients of federal grants are strongly encouraged to consult with legal counsel and review their compliance programs to ensure alignment with civil rights obligations and avoid potential legal liability and reputational harm.

¹ [Executive Order 14151: “Ending Radical and Wasteful Government DEI Programs and Preferencing”](#) signed by President Trump on January 20, 2025 is also relevant for purposes of the memo.



Key Provisions of the DOJ Memo Launching the Civil Rights Fraud Initiative

Below is a summary of key provisions and priorities outlined in the DOJ memorandum launching the Civil Rights Fraud Initiative.

- **Purpose and Policy Direction**
 - **Establishes the Civil Rights Fraud Initiative:** The memorandum announces the DOJ's intent to use the False Claims Act to investigate and, where appropriate, pursue entities that knowingly violate federal civil rights laws while receiving federal funds.
 - **Led by DOJ's Civil and Civil Rights Divisions:** The Initiative is jointly led by the Civil Division's Fraud Section and the Civil Rights Division. This collaboration is designed to ensure robust investigation and prosecution of discriminatory practices committed by federally funded entities.
- **Nationwide Coordination and Enforcement**
 - **Unified Federal & State Action:** The Initiative calls for a team of attorneys from the Civil Division and Civil Rights Division, increased interagency coordination with the DOJ's Criminal Division, and other federal departments, as well as state attorneys general to support a comprehensive enforcement strategy.
 - **US Attorney Offices to Identify Attorney Leads:** The memo directs each of the 93 United States Attorney's Offices across the country to identify an Assistant United States Attorney to advance the Initiative.
 - **Maximizing Enforcement Impact:** By aligning federal and state efforts, the Initiative seeks to streamline investigations, share resources, and enhance accountability across jurisdictions.
- **Encouraging Whistleblowing and Public Reporting**
 - **Supports Reporting to the Federal Government:** The memorandum urges individuals with knowledge of civil rights violations by federal fund recipients to report such misconduct to appropriate authorities.
 - **Promotes Qui Tam - Whistleblower Actions:** The DOJ encourages whistleblowers to file *qui tam* lawsuits under the FCA. These legal actions allow private citizens to sue on behalf of the government and potentially share in any recovered funds, offering strong incentives to expose wrongdoing.



The DOJ Civil Rights Fraud Initiative: Implications for Federal Contractors and Grant Recipients

The Civil Rights Fraud Initiative signals the DOJ's intensified commitment to enforcing illegal DEI programs in the private sector through the strategic use of the False Claims Act. While it does not alter existing law, the Initiative may increase risk for federal contractors and grantees. The Initiative raises substantial questions around what is considered "illegal DEI discrimination," and the likelihood of the government or whistleblower being able to establish the elements of a FCA claim. Nonetheless, by encouraging whistleblowers, fostering interagency collaboration, and emphasizing proactive compliance, DOJ has prioritized enforcing the President's executive orders to ensure that federal dollars are not used to subsidize "illegal DEI discrimination" or programs.

Below are a few considerations:

- **No Change to Existing Laws:** The Initiative does not amend any civil rights statutes but introduces a more aggressive enforcement framework using the FCA.
- **Legal Liability for "Knowing" Violations:** FCA penalties apply if a contractor or grantee "knowingly" violates civil rights laws. However, even allegations may result in costly legal proceedings, making preventive compliance essential.
- **Compliance Programs and Risk Mitigation:** Contractors and grantees should consider implementing or strengthening civil rights compliance programs, provide internal training, and conduct regular audits to minimize legal risk.
- **Ongoing Monitoring and Documentation:** Entities receiving federal funds should remain vigilant in documenting their compliance efforts and addressing any potential gaps to protect against claims of discriminatory practices.