

CLIENT ALERT

The National Fraud Enforcement Division Announces Fraud Whistleblower Incentive Program (WHIP)

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On October 20, 2026, the Department of Justice's ("DOJ" or the "Department") National Fraud Enforcement Division (the "Fraud Division" or the "Division") announced the Fraud Whistleblower Incentive Program ("WHIP" or the "Program").¹ WHIP is a three-year pilot program that authorizes discretionary rewards of \$10,000–\$30,000 for qualifying tips that lead to criminal charges.² The Program is currently limited to federal health care offenses and

¹ U.S. Dep't of Justice, Office of Public Affairs, Press Release No. 26-1231, Justice Department Announces Innovative Whistleblower Rewards Program to Combat Fraud (Oct. 20, 2026), <https://www.justice.gov/opa/pr/justice-department-announces-innovative-whistleblower-rewards-program-combat-fraud>.

² During a press conference, President Trump described WHIP as a commission-based system: "[Y]ou turn somebody in, you get a 1 [percent] commission" with "no limit." Donald J. Trump, President of the U.S., Remarks: *Donald Trump Announces a Fraud Whistleblower Initiative*, ROLL CALL (Oct. 20, 2026) <https://rollcall.com/factbase/trump/transcript/donald-trump-remarks-fraud-whistleblower-initiative-october-20-2026/>. However, as described in the subsequent written terms published by the National Fraud Enforcement Division, whistleblowers are eligible only for rewards of up to \$30,000. See U.S. Dep't of Justice, *National Fraud Enforcement Division Criminal Tip*

fraud on programs or benefits administered by eight federal agencies, but DOJ has signaled that it could expand in scope. Rewards are payable upon charges becoming public, and whistleblowers may retain eligibility for awards under other whistleblower programs, including the Department's Corporate Whistleblower Awards Pilot Program.³ DOJ describes WHIP as the "first ever" rewards program to compensate whistleblowers at the criminal charging stage.

This update describes the newly established Fraud Whistleblower Incentive Program, summarizes its implications for companies and counsel, and recommends action items.

Key Takeaways

- WHIP is a novel initiative offering qualified whistleblowers a reward at the outset of a prosecution. Historically, whistleblowers have received compensation only after final resolution of a resulting enforcement action. However, under WHIP, rewards of up to \$30,000 are payable when an indictment or criminal complaint is unsealed. The Division expressly seeks to incentivize "actionable tips with earlier rewards."
- Federal health care and benefits offenses are WHIP's focus. The Program covers federal health care offenses and fraud perpetrated against eight federal agencies and the programs they administer. The Division has placed a priority on prosecuting "hospice, home health care, day care, and special services fraud."
- There is no minimum loss threshold, and rewards are not tied to a successful conviction or recovery. The Program rewards whistleblowers regardless of the outcome of subsequent enforcement proceedings. If a qualified individual's tip leads to an unsealed criminal complaint or indictment, they are eligible for a reward.
- WHIP expands the pool of potential whistleblowers by lowering reporting barriers and offering the prospect of earlier, more certain payment. By offering discretionary rewards at the outset of a prosecution, including for schemes involving little to no loss, WHIP may induce individuals who would not otherwise pursue whistleblower claims to participate. Participants in the Program may also remain eligible for larger awards under different whistleblower programs.

Background: A New Tool for the Fraud Division

On October 20, 2026, President Trump and Vice President Vance publicly launched WHIP at a press conference in the Oval Office, encouraging members of the public to report fraud. Per the subsequent written terms issued by DOJ, WHIP is a three-year pilot program administered by the Fraud Division, with a \$25 million funding commitment

Rewards Pilot Program (Oct. 20, 2026), <https://www.justice.gov/fraud/national-fraud-enforcement-division-criminal-tip-rewards-pilot-program>.

³ See Willkie Farr & Gallagher LLP, *DOJ Launches Corporate Whistleblower Awards Pilot Program* (Aug. 5, 2024), <https://www.willkie.com/-/media/files/publications/2024/08/doj-launches-corporate-whistleblower-awards-pilot-program.pdf>.

from the Department of the Treasury. DOJ explicitly aims to generate more tips by offering these early-stage rewards and has stated that the Program “could, in the future, be expanded to include additional categories of fraud.”

Notably, the Program marks the third significant announcement from the Fraud Division this month. As we discussed in previous client alerts, on October 1, 2026, Assistant Attorney General Colin M. McDonald issued Directive 26-12, which set out the Division’s corporate enforcement priorities and instructed its leadership to develop programs rewarding whistleblowers. A week later, Directive 26-13 established the Division’s prosecutorial methodology.⁴ WHIP implements Directive 26-12’s call for a whistleblower incentive program, and, taken together, the three announcements reflect DOJ’s efforts to rapidly develop the Fraud Division.

How the Program Works

Qualifying Tips and Covered Offenses

WHIP rewards whistleblowers for previously unknown information (i.e., not publicly available or known to DOJ), or information materially adding to DOJ’s existing knowledge, that results in criminal charges involving the following categories:

- **Federal Health Care Offenses:** Federal health care crimes and related offenses involving health care benefits programs.
- **Federal Benefits Programs:** Fraud on programs or benefits administered by the Departments of Agriculture, Labor, Health and Human Services, Housing and Urban Development, Education, Veterans Affairs, and War or by the Small Business Administration. The Department places emphasis on “hospice, home health care, day care, and special services fraud.”

Notably, the initial misconduct need not be directed at a federal agency; provided that some loss would ultimately fall on a covered federal program. Tips related to state, local, or tribal programs reimbursed by a covered federal program may qualify. The Department is also encouraging whistleblowers to report misconduct ineligible for a reward by noting that, if DOJ’s investigation into the original misconduct also uncovers misconduct in an area eligible for a WHIP reward, the whistleblower can receive such a reward.

⁴ See Willkie Farr & Gallagher LLP, *The National Fraud Enforcement Division Announces Corporate Investigative Priorities* (Oct. 5, 2026), <https://www.willkie.com/-/media/files/publications/2026/10/the-national-fraud-enforcement-division-announces-corporate-investigative-priorities.pdf>; Willkie Farr & Gallagher LLP, *The National Fraud Enforcement Division Announces Comprehensive Fraud Enforcement Methodology* (Oct. 13, 2026), <https://www.willkie.com/-/media/files/publications/2026/10/the-national-fraud-enforcement-division-announces-comprehensive-fraud-enforcement-methodology.pdf>.

Whistleblower Eligibility

A whistleblower is eligible for a reward if the whistleblower:

- Is a natural person. Companies and other entities do not qualify.
- Is not an employee or contractor of any law enforcement organization, a close relative of such a person, or an elected or appointed foreign government official.
- Did not meaningfully participate in the reported criminal activity (i.e., direct, plan, initiate, or knowingly profit).
 - However, DOJ may, in its discretion, grant a reward to a meaningful participant who was among the least culpable individuals involved in the misconduct.
 - The Department also considers an individual's management role. These considerations account for decision-making authority, failure to detect and prevent misconduct, role in establishing the corporate culture, and inaction in the face of warning signs. The Department may deny a reward to an otherwise eligible whistleblower on these grounds.
- Voluntarily provides truthful and complete original information, not derived from someone otherwise ineligible for the Program.
 - Voluntary participation occurs before an official inquiry or request by law enforcement. Importantly, employees may remain eligible for a reward despite a subpoena issued to their employer; provided that they are not personally obligated to respond.
 - Original information does not include information obtained through communications subject to the attorney-client privilege. Nor is information original if it is obtained by officers, directors, or compliance personnel pursuant to an internal misconduct report.⁵ The exclusion also applies to information obtained by outsiders who provide compliance and internal auditing services. The Program's FAQs clarify that more than one whistleblower can receive a reward, but only if each provides separate original and nonpublic information; if two whistleblowers provide identical information, only the first whistleblower to report misconduct is eligible for a reward.⁶
- Cooperates with the Department in any resulting civil or criminal investigation and enforcement action, including by providing testimony and evidence in interviews, before a grand jury, or at trial.

⁵ However, if 120 days or more have elapsed from the date that misconduct was internally reported, the information provided by these individuals may be considered "original."

⁶ U.S. Dep't of Justice, *Criminal Tip Rewards Pilot Program – FAQs* (Oct. 20, 2026), <https://www.justice.gov/fraud/criminal-tip-rewards-pilot-program-faqs>.

Rewards at the Charging Stage

At DOJ's discretion, a qualified individual may be compensated up to \$30,000 when their tip leads to an unsealed criminal complaint or indictment involving a covered offense. Compensation does not hinge on a successful conviction or recovery, nor is there a minimum loss amount. However, the rewards may not end there. Participants may remain eligible for other federal whistleblower awards and may file a False Claims Act *qui tam* action.

Direct Communication With Employees

In evaluating the appropriate penalty for corporate and individual wrongdoers, DOJ may consider efforts by them to impede a whistleblower's communications, including enforcing or threatening to enforce certain confidentiality agreements. Such interference may reduce cooperation credit and/or create potential obstruction liability. The Department may also communicate directly with officers, directors, agents, or employees of a company that has counsel, without the consent of the company's counsel, provided that the individual initiates contact regarding a covered criminal offense.

Action Items

WHIP is the latest in a series of initiatives from the newly formed National Fraud Enforcement Division, and it departs significantly from traditional whistleblower awards programs. Although the Program's priorities center on hospice, home health care, day care, and special services fraud, its reach can extend to any company with financial ties to a covered federal program. Companies should therefore understand WHIP as part of the Division's rapidly evolving criminal enforcement agenda. As the Division continues to implement new programs to carry out its expansive mandate, companies can take several steps now:

- Prepare for WHIP, or similar initiatives, to expand in scope. Currently, WHIP is limited to the administration's health care and benefits fraud priorities. However, as the Fraud Division takes shape, companies should anticipate similar initiatives targeting other forms of misconduct. Companies should consider how their compliance policies would interact with WHIP or a similar program affecting their industry.
- Identify exposure to covered programs. Companies should be aware of their financial connections to covered agencies, including state, local, or tribal programs that rely on federal reimbursements. Businesses that never interact directly with the federal government may still be within WHIP's scope.
- Prepare for compressed decision timelines and engage counsel early. Because only the first whistleblower may be eligible for a reward, employees may report to DOJ before reporting internally. This may leave companies with less time to investigate before DOJ becomes aware of misconduct. Crucially, even if a whistleblower makes both an internal report and a WHIP tip, the company can remain eligible for a declination if it self-discloses within the 120-day timeframe described by the Corporate Enforcement and Voluntary Self-Disclosure Policy.⁷ Thus, companies should consider establishing, in advance, a framework

⁷ U.S. Dep't of Justice, *Corporate Enforcement and Voluntary Self-Disclosure Policy* (Mar. 10, 2026), <https://www.justice.gov/dag/media/1430731/dl>. See also Willkie Farr & Gallagher LLP, *One Size Fits All: DOJ's First Department-Wide*

for evaluating internal reports and deciding whether to self-disclose. Decisions to self-disclose are inherently fact-specific, and, while DOJ does much to promote the benefits of self-disclosure, there are also significant risks and costs associated with disclosing to the Department. See our recent alert [The National Fraud Enforcement Division Announces Comprehensive Fraud Enforcement Methodology](#) for further discussion on this topic.

- Evaluate confidentiality agreements, employment agreements, severance and termination agreements, and other similar contracts containing confidentiality provisions. Per the written terms of the Program, companies cannot impede communication between employees and DOJ, related to covered criminal conduct.⁸ Nor can companies retaliate against whistleblowers. Doing so could jeopardize potential cooperation credit and may lead to obstruction liability for both the company and its responsible officers.

Corporate Enforcement Policy (Mar. 13, 2026), <https://www.willkie.com/-/media/files/publications/2026/03/one-size-fits-all-doj-s-first-department-wide-corporate-enforcement-policy.pdf>.

⁸ Companies in general should exercise caution in trying to restrict contractually the ability of employees to communicate with enforcement authorities, as other statutes and regulations also punish such restrictions. For example, the Securities and Exchange Commission's Rule 21F-17, which implements whistleblower protections included in the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, prohibits "any action to impede an individual from communicating directly with the [SEC] staff about a possible securities law violation." 17 C.F.R. § 240.21F-17.

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