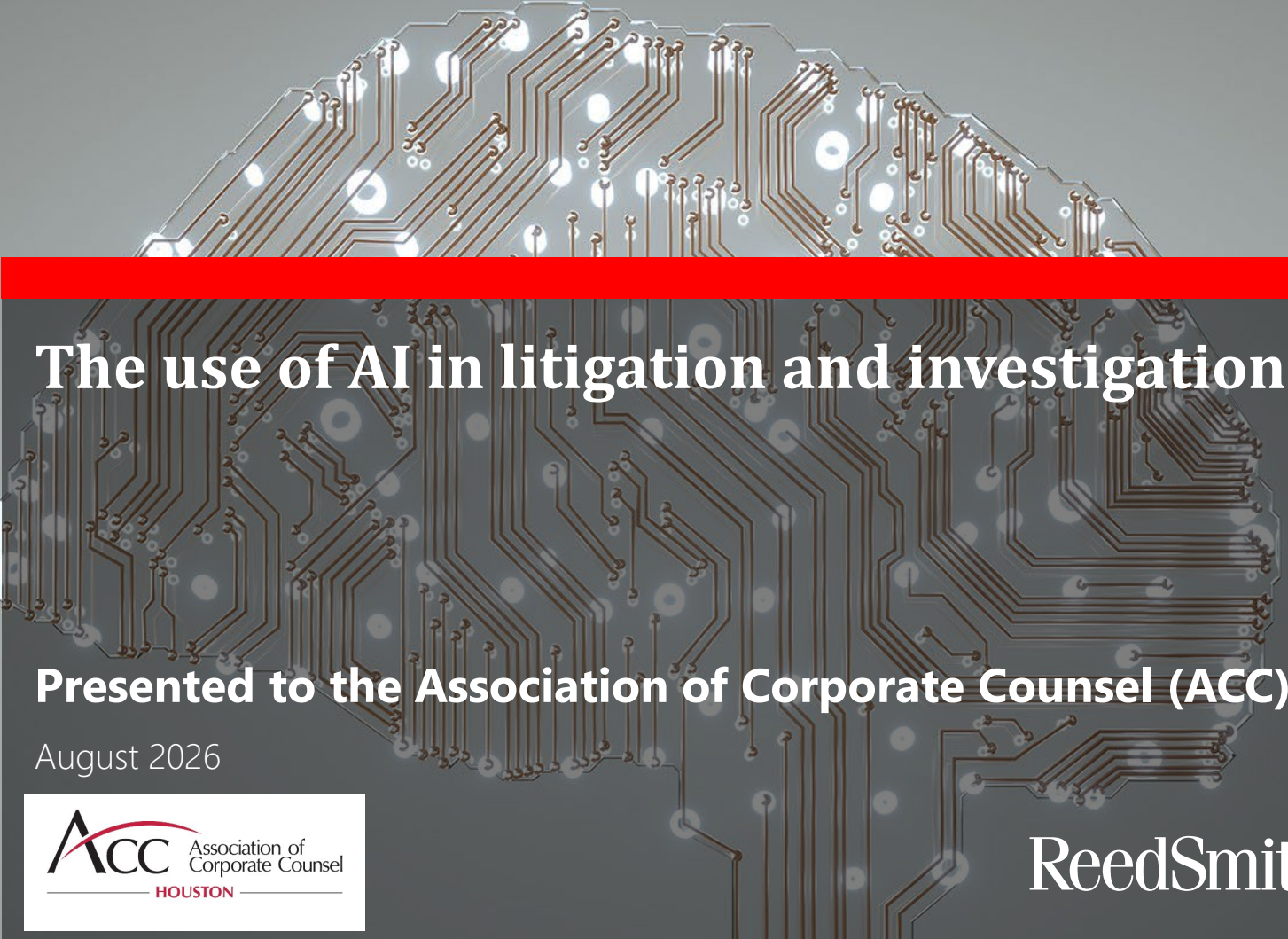




The use of AI in litigation and investigations

Presented to the Association of Corporate Counsel (ACC)

August 2026



ReedSmith

Agenda

1 How is the use of AI threatening companies?

2 How are our opponents using AI against us?

3 How are we using AI to meet challenges and innovate our legal practice?



U.S. Department of Justice's use of AI for investigations

- In a December 2024 report, the DOJ identified ways it uses AI to support law enforcement efforts.
- DOJ is beginning to deploy generative AI and noted concerns related to errors, bias, and privacy.
- Uses included: (1) identification and surveillance; (2) forensic analysis; (3) predictive policing; and (4) risk assessment.



DOJ's "FOCUS" initiative for data miners

- Data miners have filed more than 45% of all *qui tam* complaints since fiscal year 2024.
- The "FOCUS" initiative is designed to "improve the DOJ's ability to prioritize working with the most successful data miners" filing *qui tam* complaints under the False Claims Act.
- The DOJ is inviting data miners to meet with the Civil Fraud Section to discuss their capabilities and outline why and how their data reveals potential fraud.



The screenshot shows the DOJ Office of Public Affairs website. The header includes the DOJ seal, the text "Office of Public Affairs U.S. Department of Justice", and navigation links: "Our Offices", "Find Help", "Contact Us", and a search bar. A secondary navigation bar lists: "About", "News", "Documents", "Internships", "FOIA", "Contact", and "Information for Journalists". The breadcrumb trail reads: "Justice.gov > Office of Public Affairs > News > Press Releases > Civil Division Announces FOCUS Initiative For Data Miners Filing Qui Tam Complaints".

The main content area is titled "News" on the left sidebar, which includes links for "All News", "Blogs", "Photo Galleries", "Podcasts", "Press Releases" (highlighted), "Speeches", and "Videos". Below this is a link for "Archived News".

The main article is a "PRESS RELEASE" titled "Civil Division Announces FOCUS Initiative for Data Miners Filing Qui Tam Complaints", dated "Thursday, April 30, 2026". It includes a "Share" button and a "For Immediate Release" badge from the "Office of Public Affairs".

The text of the press release states: "Today, the Justice Department is announcing an [anti-fraud initiative](#) that will materially strengthen its working relationship with whistleblowers. The Civil Division has experienced a rapid increase in the number of qui tam complaints filed in recent years. Much of this surge has been driven by companies or individuals who analyze publicly available government data for potential signals of fraud (data miners), rather than the insiders who have traditionally served as relators under the federal False Claims Act (FCA)."

It continues: "The Civil Division welcomes the contributions of data miners but will prioritize working with data miners that demonstrate an insightful application of sophisticated technological capabilities to regulatory frameworks to help identify potential fraud that would otherwise go undetected. To support the Civil Division's capacity to identify and partner with the best data miners, the Civil Division is launching the Fraud Oversight through Careful Use of Statistics (FOCUS) initiative."

Further text includes: "“Sophisticated data analytics have become an increasingly important means of identifying fraud trends and uncovering patterns of misconduct across federal programs,” said Assistant Attorney General Brett A. Shumate of the Justice Department’s Civil Division. “The FOCUS initiative reflects our commitment to ensuring that the Civil Division is engaging with the strongest and most effective partners in the war against fraud.”"

It concludes with: "“We are interested in hearing from data miners who believe they have developed particularly effective tools for detecting fraud against the government,” said Deputy Assistant Attorney General Brenna E. Jenny of the Justice Department’s Civil Division. “Participants should be prepared to explain what differentiates their approach, how they validate their findings, and why their methodology provides a reliable basis for identifying high-quality, actionable False Claims Act matters.”"

Whistleblowers also use AI

III. Summary of Concerns

Although I do not currently possess direct documentary proof of misconduct, I have observed **patterns and practices that reasonably raise concerns of potential financial improprieties**, including but not limited to:

1. Unusual Journal Entries and Adjustments

- Repeated last-minute adjustments without sufficient supporting documentation.
- Entries that materially impact reported results without clear business justification.

2. Pressure to Expedite or Bypass Controls

- Direct or indirect pressure to process transactions outside normal approval workflows.
- Requests to circumvent established review procedures.

3. Lack of Documentation

- Missing or incomplete backup for financial transactions that should ordinarily require substantiation.

4. Management Conduct Concerns

- A pattern of intimidation, excessive pressure, and discouragement of questions or independent review.

These practices, individually and collectively, create a **reasonable belief that financial reporting risks, internal control weaknesses, or regulatory compliance violations may exist.**

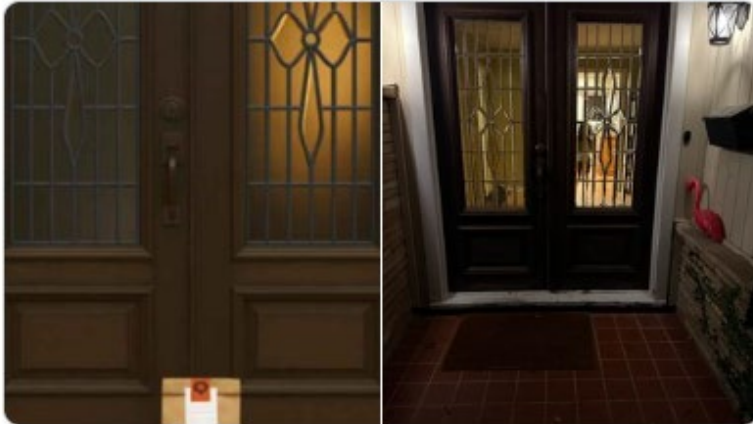
Beware of deepfakes



Byrne Hobart ✓
@ByrneHobart · Follow



Amazing. DoorDash driver accepted the drive, immediately marked it as delivered, and submitted an AI-generated image of a DoorDash order (left) at our front door (right).



9:01 PM · Dec 26, 2025



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King Sukuna 🍌🔥
@King_Sukunaaa

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Editing my pictures so I can get my money back on DoorDash 🍷



3

9:21 AM · Apr 4, 2025 · 1.1M Views

An X user brags about doctoring a hamburger photo for a refund.

X/King_Sukunaaa

Source: The New York Post

Beware of deepfakes

The New York Times

Woman Spent Five Months in Jail After A.I. Linked Her to Bank Fraud Case

The police chief in Fargo, N.D., acknowledged “missteps” but stopped short of apologizing to Angela Lipps, a Tennessee resident who said she had never been to North Dakota before she was arrested.

Listen · 6:04 min

Share full article



Angela Lipps outside her home in Elizabethton, Tenn., before she was arrested in July 2025. She spent five months in jail in Tennessee and North Dakota before she was released on Dec. 24. Angela Lipps

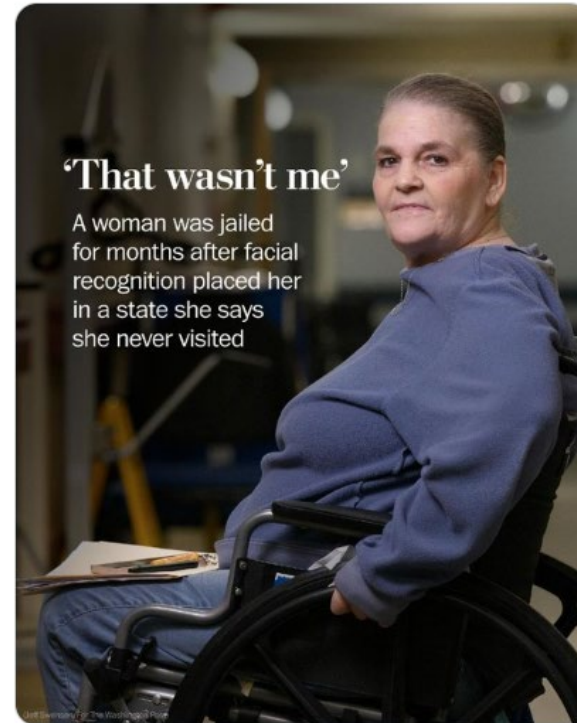
Source: [The New York Times](#)



The Washington Post

@washingtonpost

Kimberlee Williams, an Oklahoma resident, was jailed for six months after facial recognition technology identified her as a suspect in a Maryland fraud case — a state she told investigators she had never visited. [wapo.st/3OqbxuP](https://www.wapo.st/3OqbxuP)



‘That wasn’t me’

A woman was jailed for months after facial recognition placed her in a state she says she never visited

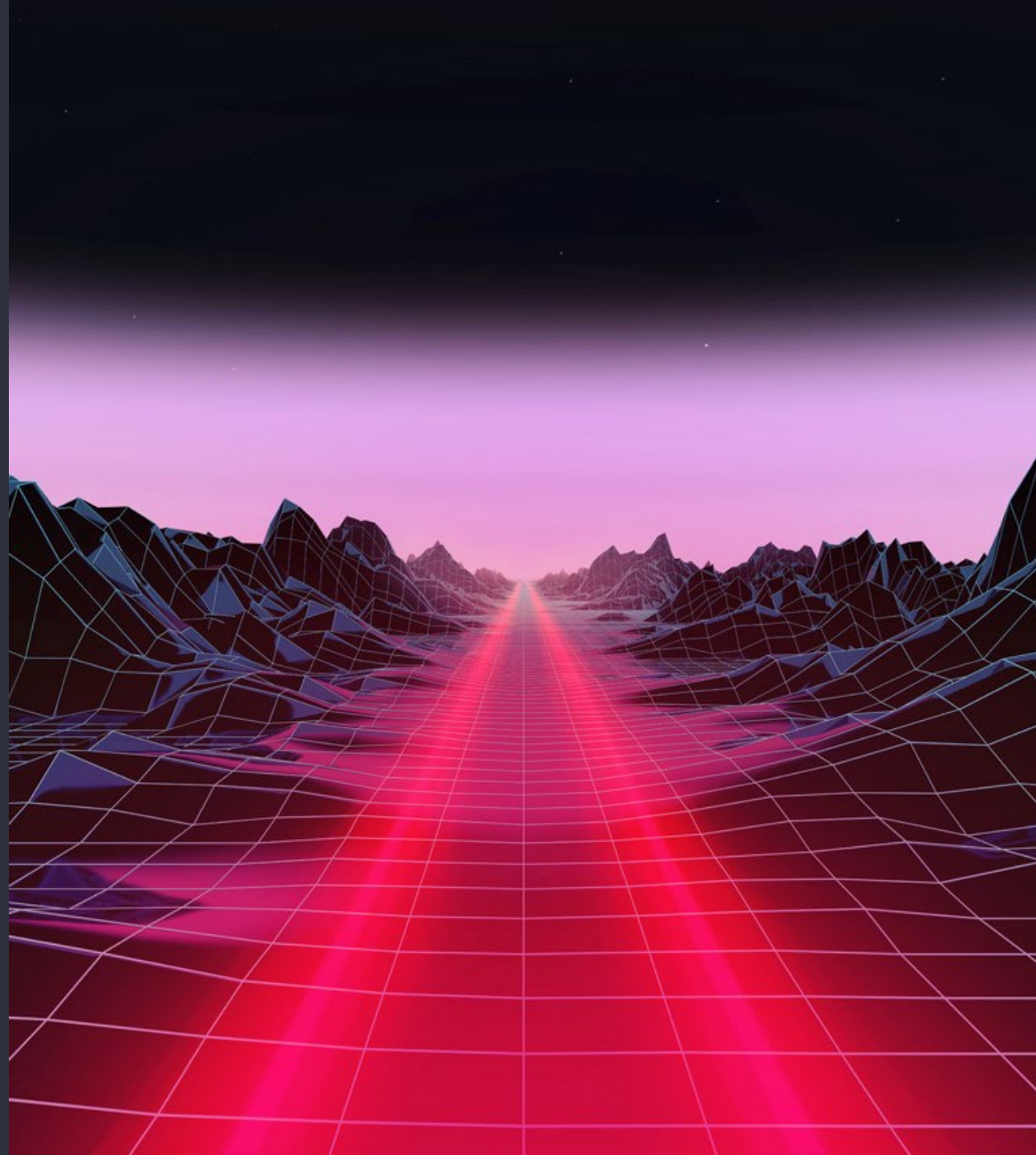
10:01 AM · Apr 18, 2026 · 34.4K Views

Source: The Washington Post

Beware of deepfakes



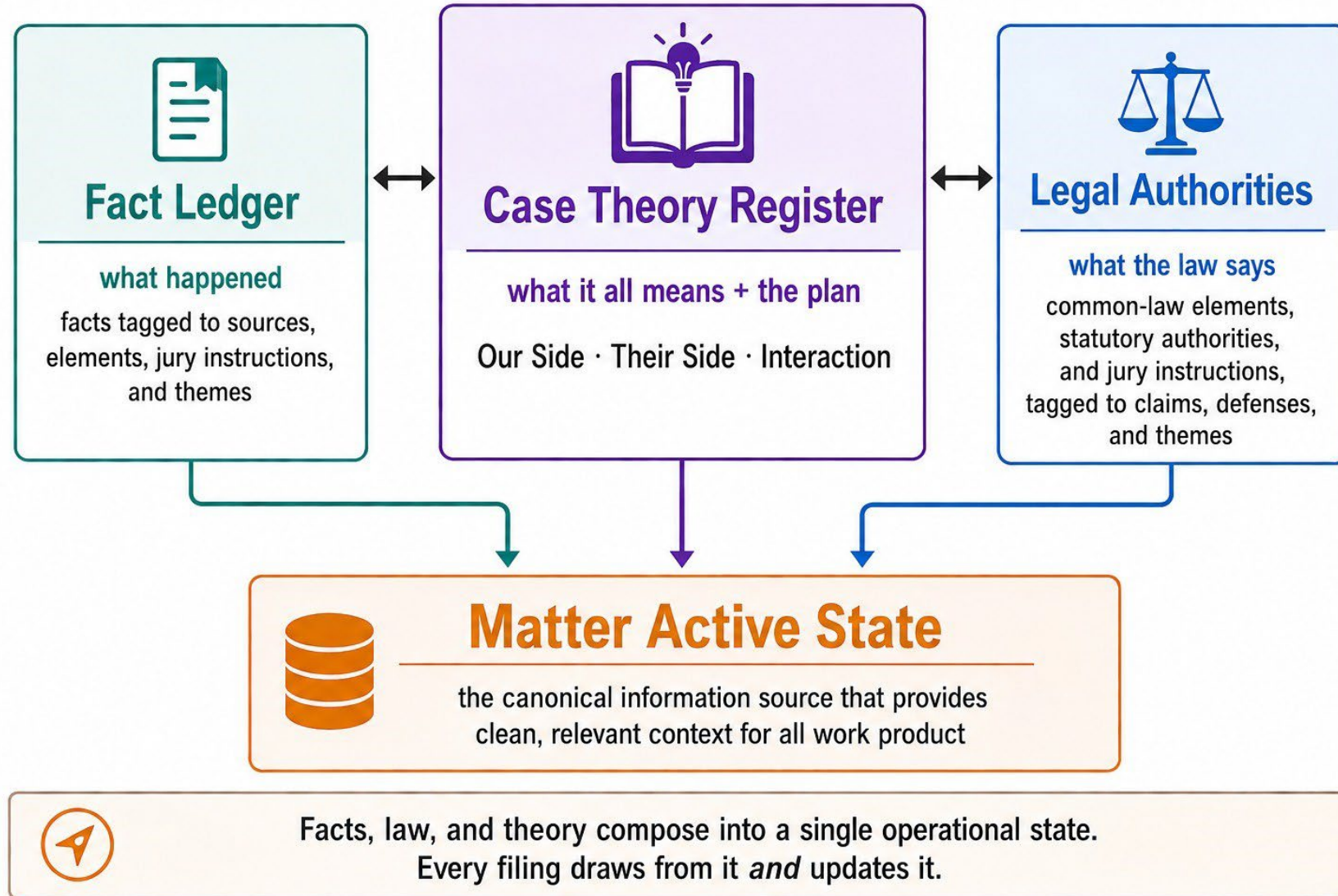
**How are our opponents using AI
against us?**



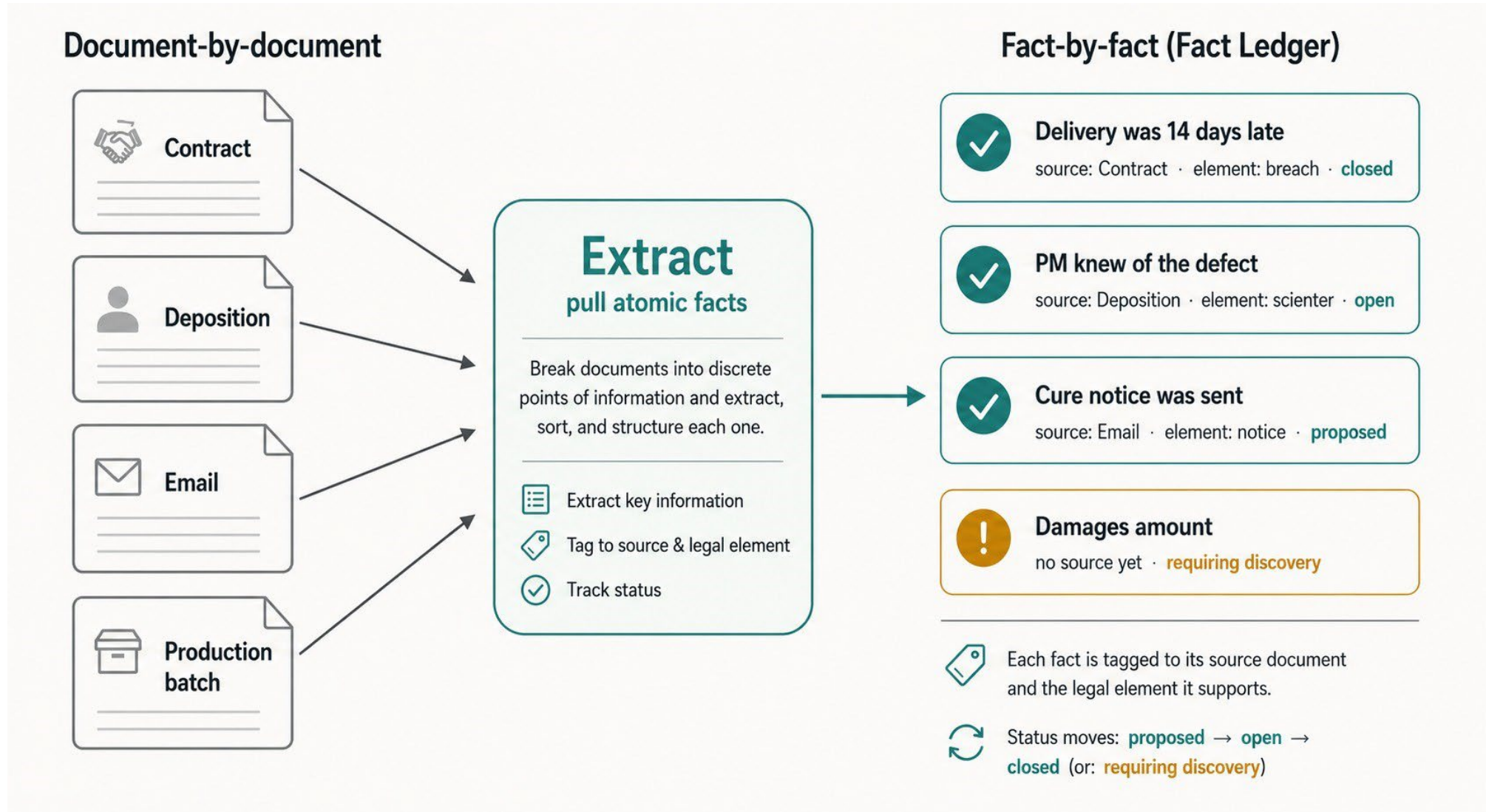
Pairing AI tools and getting to gold faster



AI operating model for litigation

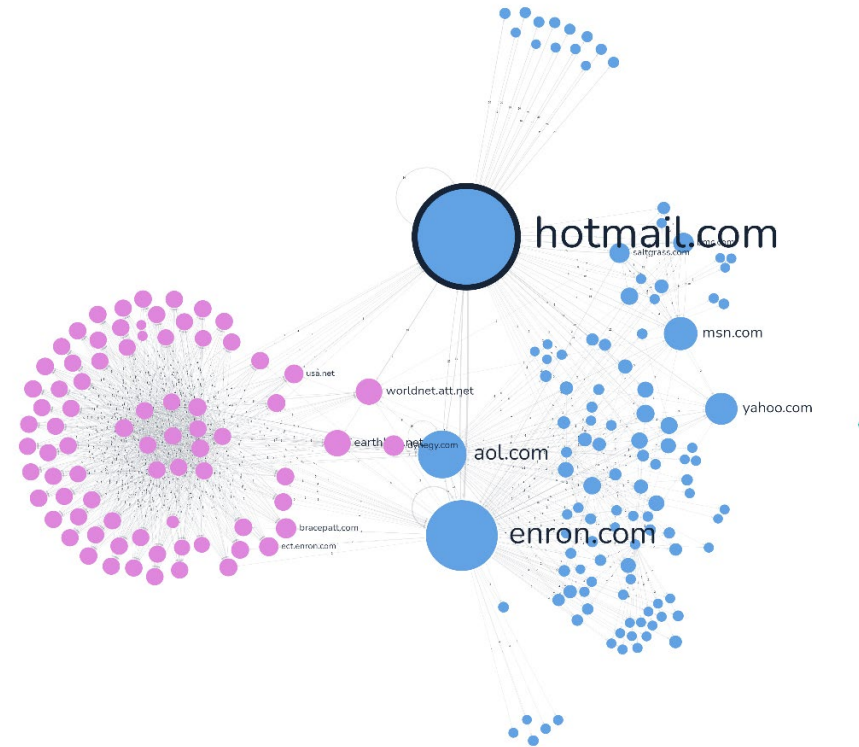
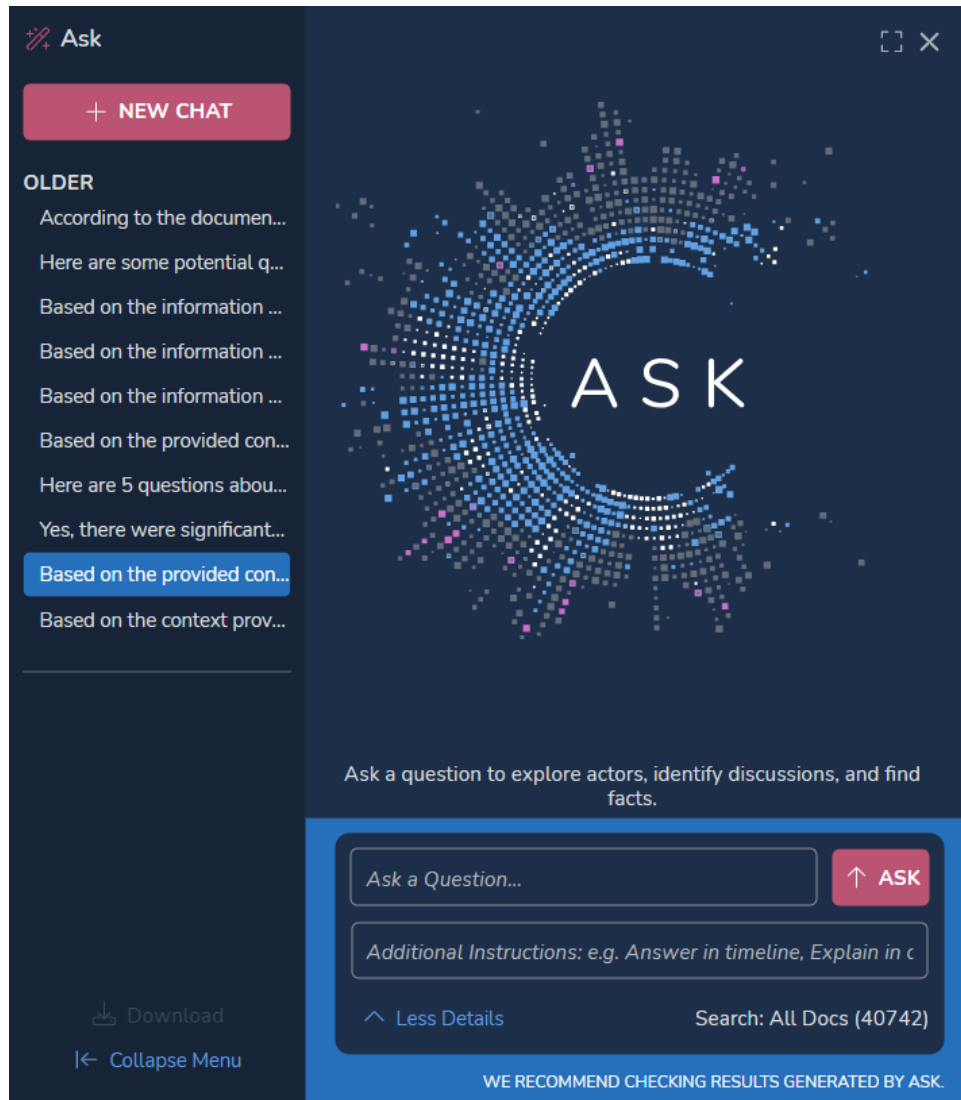


Atomizing facts



Internal investigations

How are we using AI to meet challenges and innovate our legal practice?



How are we using AI to meet challenges and innovate our legal practice?



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