

High Court Declines to Narrow Reach of Federal Fraud Law

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The US Supreme Court has decided that using deceptive means to induce a business transaction may still be a crime even if the defendant doesn't seek to cause economic loss, a departure from earlier decisions that have narrowed the scope of federal fraud statutes.

"I was a little surprised to see this outcome," Bracewell's **David Shargel** told *Law360*.

"The decision could broaden the scope of future fraud prosecution," Shargel said. But he questioned whether its application might be limited to cases involving dishonest practices related to government contracts.

"In a way, the decision aligns with the DOJ updated enforcement priorities that were issued earlier this month, which, among other things, emphasized that the department is going to be focused on prosecuting frauds that harm government programs," Shargel said.

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