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False Claims Act | International Trade Advisory & Enforcement Update

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## Getting Serious About Tariff Evasion – New Trade Fraud Task Force Continues Trend of DOJ’s Top-Down Generation of Investigative Targets

*The Trade Fraud Task Force seeks to enhance information sharing between DOJ civil and criminal prosecutors, Customs and Border Protection, and Homeland Security Investigations to identify instances of customs fraud for DOJ to pursue as civil and criminal enforcement actions.*

On August 29, 2025, the Department of Justice (DOJ) launched the Trade Fraud Task Force that will coordinate efforts between DOJ’s Civil and Criminal Divisions and the Department of Homeland Security (DHS) to bring enforcement actions against importers who unlawfully evade tariffs and other customs duties, as well as against parties who unlawfully import prohibited goods.<sup>[1]</sup> This is the latest sign that, amid legal battles over the legality of President Trump’s tariffs, DOJ remains deeply committed to using all available legal tools to police customs and tariff compliance. It is also the latest example of this Administration’s top-down approach to generating investigative targets.

The Trade Fraud Task Force seeks to enhance information sharing between DOJ civil and criminal prosecutors, Customs and Border Protection (CBP), and Homeland Security Investigations (HSI) to identify instances of customs fraud for DOJ to pursue as civil and criminal enforcement actions. On the civil side, DOJ will continue its recent trend of enforcement of

customs fraud and tariff evasion under the False Claims Act (FCA) and Tariff Act of 1930. According to DOJ, criminal prosecutions will be focused on violations of trade fraud and conspiracy provisions of Title 18 of the U.S. Code.

In announcing the Trade Fraud Task Force, DOJ explained that enforcement in this area is a necessary component of implementing President Trump's "America First Trade Policy." In particular, DOJ emphasized that its enforcement efforts are focused on protecting "law abiding businesses in the United States" who are "at a competitive disadvantage" as compared to "nefarious importers and their co-conspirators." The announcement follows prior announcements by DOJ political leadership of enhanced enforcement efforts tied to White House priorities, suggesting that the Administration will be proactive in identifying and investigating companies with significant import activities, regardless of having particularized suspicions or allegations of wrongdoing.

In an effort to spur civil and criminal cases, DOJ is actively encouraging whistleblowers to report alleged customs violations to the Criminal Division's Corporate Whistleblower Program and to file lawsuits under the *qui tam* provisions of the FCA. In particular, DOJ welcomed "referrals and cooperation from the domestic industries that are most harmed by unfair trade practices and trade fraud."

## Implications

DOJ's Trade Fraud Task Force is the latest in a string of announcements from DOJ emphasizing customs enforcement. For example, in May of this year, the head of the DOJ's Criminal Division [announced](#) that the pursuit of cases involving trade and customs fraud is one of the Division's top priorities. Additionally, as we have previously reported [here](#) and [here](#), DOJ has long employed the FCA to combat customs fraud but with increasing frequency in recent months.

Deliberate and consistent information sharing between DHS and DOJ will make it easier for DOJ to pursue these types of cases. CBP maintains a wealth of information regarding import items and associated transaction values and applicable duties. In combination with the resources dedicated by HSI to conduct internal reviews of this data, this Trade Fraud Task Force makes clear that it is the federal government's intention to analyze this data for the purpose of detecting patterns of tariff evasion that the Administration believes would undermine its trade policy. DOJ already has significant experience partnering with other agencies to mine complex data in support of potential civil and criminal actions, particularly in the FCA space—a trend which the Trade Fraud Task Force could bolster.

We expect the Administration to be proactive and aggressive in utilizing this data to open new criminal and civil investigations of companies reliant on imports, regardless of whether there are other indicia of wrongdoing. Indeed, this has already been the approach taken by the new Trump Administration in 2025. Since the spring, DOJ has issued announcements of a number of other enforcement priorities—for example, in taking on "discriminatory practices" under corporate DEI policies, "ending sanctuary jurisdictions," and investigating the provision of gender-affirming care for minors—that have been immediately followed by the issuance of dozens of subpoenas across broad swaths of industry, in addition to other aggressive investigative actions. We expect a similar approach to be taken in the wake of the Trade Fraud Task Force announcement.

Moreover, DOJ's appeal to would-be whistleblowers—who, based on historical activity, we expect to be predominantly U.S.-based competitors to importers of goods subject to high tariffs—will add even more leads for new DOJ investigations in this area. That is particularly because, under the FCA, whistleblowers can be awarded as much as 30% of any recovery, plus attorney's fees, on top of whatever incidental competitive advantages might be gained. In the first Trump Administration, a significant percentage of new customs-related FCA investigations originated from such complaints by competitors; with the current Administration announcing its eagerness to take such cases, we expect a resurgence of this phenomenon in the coming months and years.

The Trade Fraud Task Force, therefore, is an alarm bell to import-reliant industries insofar as it further reinforces and operationalizes the current Administration's goal of imposing and enforcing high tariffs, and it signals that the Task Force will be aggressive in searching for and pursuing all manner of potential non-compliance with customs laws. In particular, we expect the Task Force will focus on violations most strongly tied to supporting President Trump's trade policy such as misrepresenting the (i) country of origin, (ii) classification, or (ii) value of imported goods, as well as the misuse of various cost mitigation strategies such as bonded warehouses and free trade zones.

The Task Force will also help the Criminal Division deliver on its desire to prioritize criminal investigations and enforcement actions related to customs and tariff fraud. As with previous actions, the announcement of the Trade Fraud Task Force underscores the importance for importers—particularly those touching tariff sensitive commodities such as textiles, steel, solar, aluminum, and automobile parts—to develop and maintain robust mechanisms to comply with customs requirements and duties.

Parties dealing with complex supply chains such as those underpinning electronics and pharmaceuticals should also take steps to mitigate risk via contractual measures with counterparties. Most important, in the case of possible violation, conducting timely internal investigations and carefully weighing the decisions to submit self-disclosure will be critical to navigating the current trade enforcement regime.

[1] *Departments of Justice and Homeland Security Partnering on Cross-Agency Trade Fraud Task Force*, Press Release, Department of Justice, available at: <https://www.justice.gov/opa/pr/departments-justice-and-homeland-security-partnering-cross-agency-trade-fraud-task-force>.

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