

Corporate Criminal Enforcement in the Trump II Administration: DOJ Policies & Case Studies

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WEBCAST AGENDA

01 Enforcement Structure and Landscape

02 Key DOJ Policy Updates

03 Core U.S. Enforcement Priorities in Context

04 Supreme Court Decisions

05 Takeaways and Q&A

ENFORCEMENT STRUCTURE AND LANDSCAPE

01

DOJ Key Leadership

DEPUTY ATTORNEY GENERAL
[TODD BLANCHE](#)



ATTORNEY GENERAL
[PAM BONDI](#)



CRIMINAL DIVISION ASSISTANT
ATTORNEY GENERAL
[A. TYSEN DUVA](#)



FRAUD SECTION CHIEF
[LORINDA LARYEA](#)



MONEY LAUNDERING, NARCOTICS,
AND FORFEITURE SECTION CHIEF
[MOLLY MOESER](#)



VIOLENT CRIME AND
RACKETEERING SECTION CHIEF
[DAVID L. JAFFE](#)



DOJ Structural Changes

Trump II Administration Reshaping DOJ to Align with Executive Priorities

- Restructuring within DOJ included **dissolution of specialized components**, including the Public Integrity Section, Money Laundering and Asset Recovery Section, Tax Division, and Consumer Protection Branch.
- Although the **Foreign Corrupt Practices Act (“FCPA”） Unit** has maintained its integrity as a standalone section, its **staff was reduced by more than 50%** to ~12 prosecutors.
- In January 2026, the Trump II Administration announced the creation of a **new Division for National Fraud Enforcement** “to combat the rampant and pervasive problem of fraud,” by focusing on “fraud targeting Federal government programs, Federally funded benefits, businesses, nonprofits, and private citizens nationwide.”

Increased Authority Delegated to U.S. Attorney's Offices

- Guidance from the Attorney General signaled her intent to empower U.S. Attorney's Offices to investigate and prosecute cases with less direct involvement by Main Justice.
 - The Attorney General temporarily suspended requirements that the National Security Division approve most terrorism and International Emergency Economic Powers Act (“IEEPA”) charges brought by U.S. Attorney's Offices, for the purpose of promoting “aggressive” prosecution of such offenses.
 - Guidance signaled an intent to decentralize prosecutorial decisions from Main Justice to U.S. Attorney's Offices to streamline cartel and transnational criminal organization (“TCO”)-related cases brought under the FCPA.
- 85% of the 74 corporate negotiated resolutions in 2025 involved a U.S. Attorney's Office—generally on par with 2024, when 93% of the 99 such resolutions did so.

SEC Leadership

Chairman Atkins was sworn into office on April 21, 2025.

- Atkins is familiar with the SEC—he was a Commissioner from 2002 to 2008.
- During his tenure, Atkins advocated for transparency, consistency, and the use of cost-benefit analysis at the agency.
- Atkins has stressed returning to the “familiar three-part mission enunciated by Congress in the Exchange Act”:
 - “Protecting investors”;
 - “[F]urthering capital formation”; and
 - “[S]afeguarding fair, orderly and efficient markets.”
- Speaking on SEC enforcement priorities, Atkins has called for enforcement priorities to return to the SEC’s core mission of investor protection with a focus on traditional fraud, holding accountable “those who lie, cheat, and steal.”



Judge Margaret “Meg” Ryan became Director of the SEC’s Division of Enforcement on September 2, 2025.

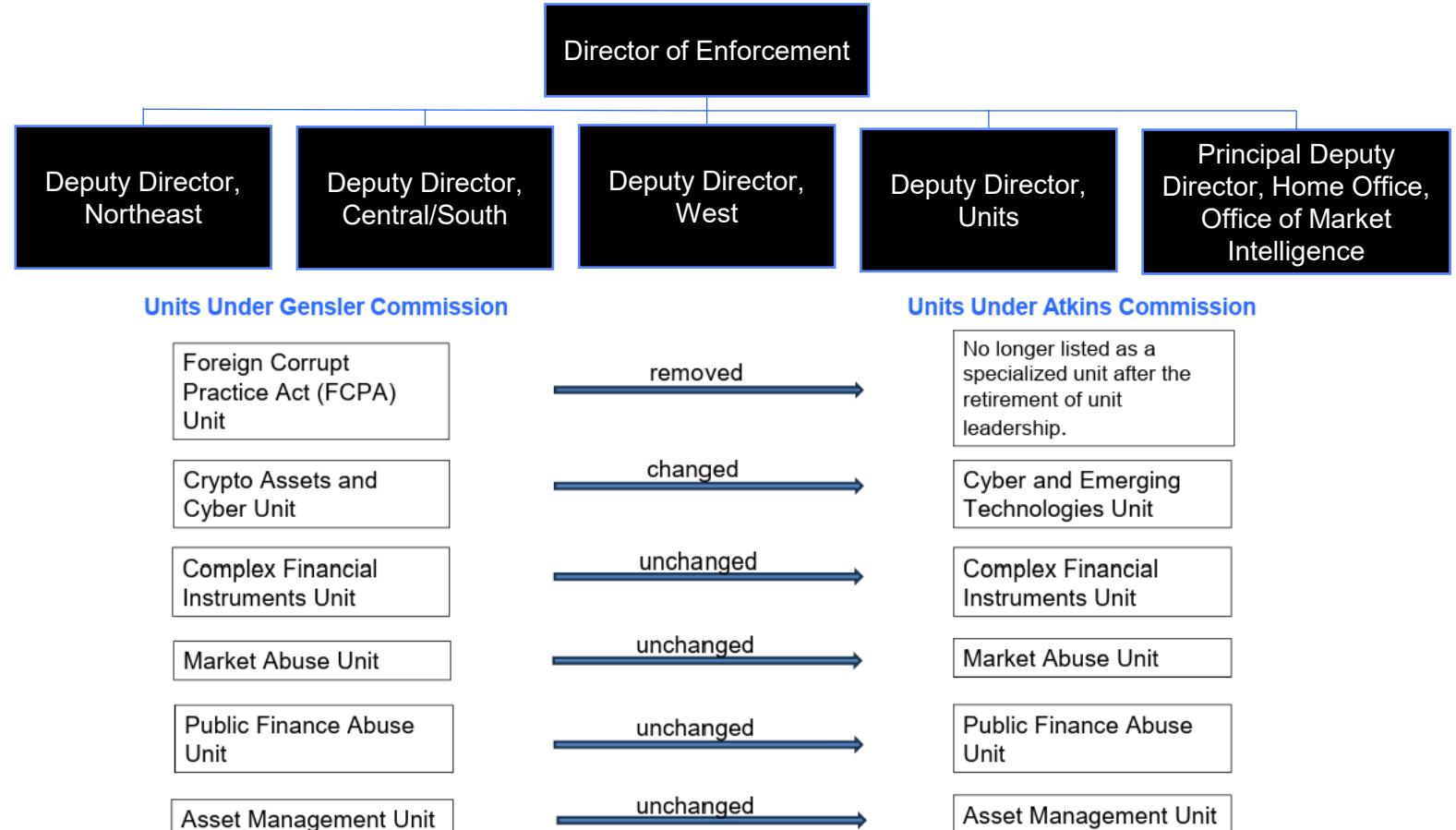
- Ryan is a former senior judge of the U.S. Court of Appeals for the Armed Forces. George W. Bush nominated her to the court in 2006.
- Before her tenure as a judge, Ryan was partner at two law firms and served as a law clerk to Supreme Court Associate Justice Clarence Thomas and Judge J. Michael Luttig of the U.S. Court of Appeals for the Fourth Circuit.
- Ryan has stated that she intends to ensure the Division “is true to the SEC’s mission in taking action on behalf of investors harmed by those who break the securities laws,” thereby providing “an effective deterrent against fraudulent and manipulative activities in our financial markets.”



SEC Structural Changes

Significant Modifications to Enforcement Structure

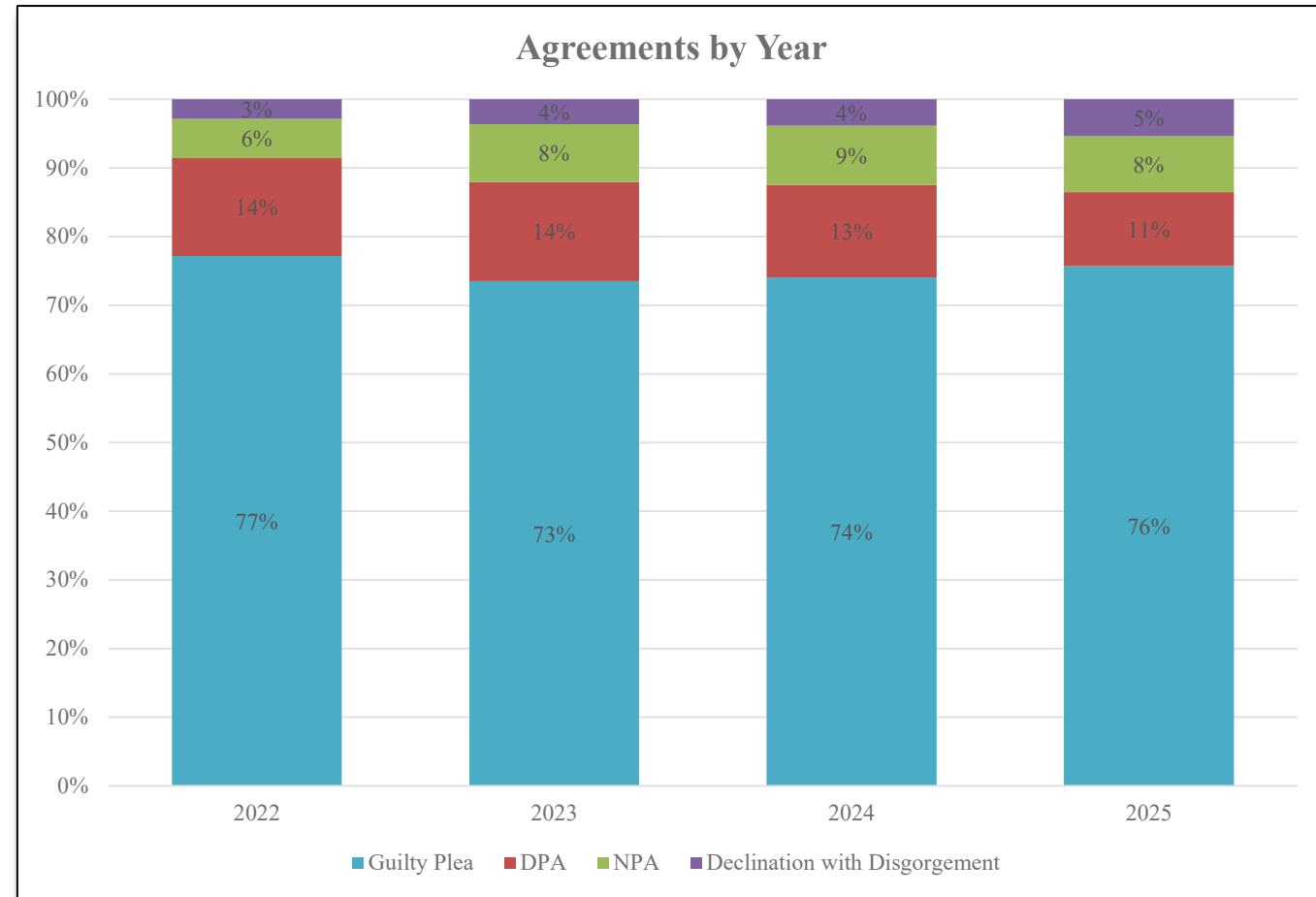
- Four new Deputy Directors and one Principal Deputy Director created.
- Enforcement Associates and Unit Chiefs report to Deputies.
- FCPA Unit removed as a specialized unit.
- Crypto Assets and Cyber Unit changed to Cyber and Emerging Technologies Unit.



By the Numbers Corporate Resolutions

Corporate Resolutions Statistics

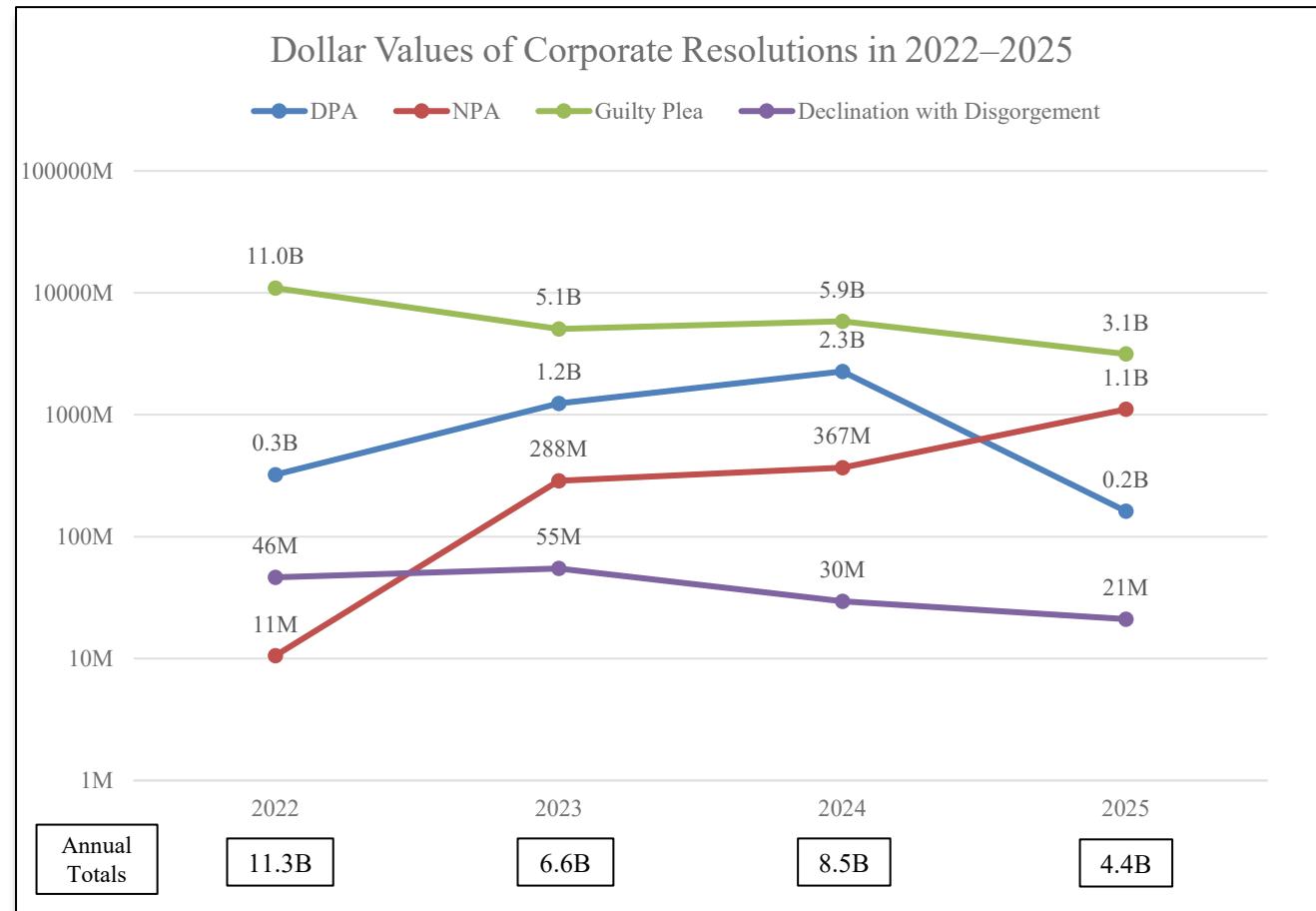
- DOJ has continued to use all forms of resolution (guilty pleas, deferred prosecution agreements (“DPAs”), non-prosecution agreements (“NPAs”), and declinations with disgorgement), and the relative proportion of guilty pleas to other forms of resolution has not changed significantly in recent years.



By the Numbers Corporate Resolutions

Dollar Values of Corporate Resolutions in 2022–2025

- Overall recoveries across categories, at \$4.4 billion, are down since 2024, when they totaled ~\$8.5 billion, continuing an overall downward trajectory since we began tracking all categories in 2022.



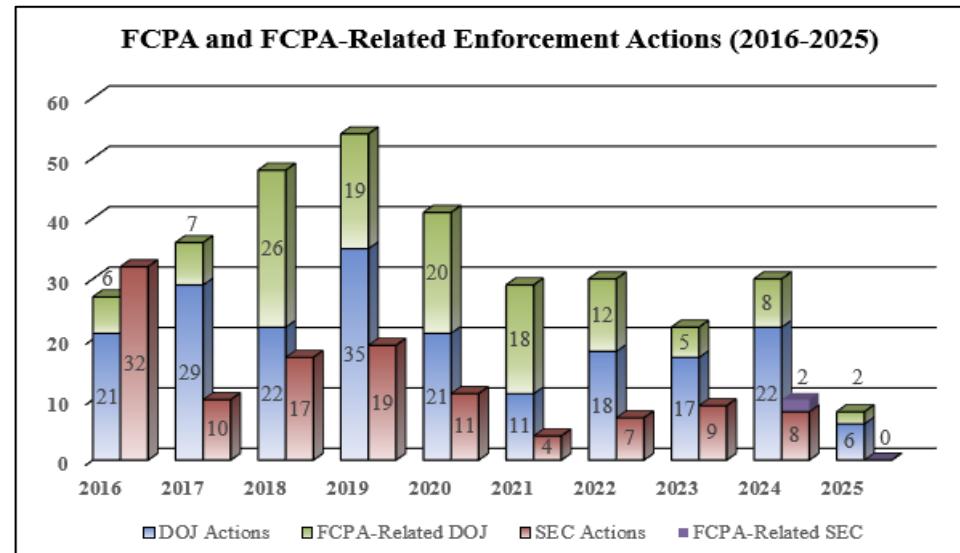
By the Numbers FCPA Enforcement

Four-Month Pause in FCPA Enforcement

- On February 10, 2025, President Trump issued an Executive Order temporarily “pausing [FCPA] enforcement” to re-assess its impact on U.S. business competitiveness.
- On June 9, 2025, Deputy Attorney Todd Blanche issued a memorandum providing new guidelines narrowing the scope of FCPA enforcement priorities consistent with President Trump’s Executive Order.

FCPA Enforcement Statistics

- During the **first Trump Administration**, **FCPA enforcement surged with 164 total DOJ/SEC actions**, which was 30% higher than the predecessor second term of President Obama (126 actions) and more than 90% higher than the successor term of President Biden (96 actions).
- During 2025, **DOJ brought only eight FCPA and FCPA-related enforcement actions** (three of which targeted corporations); the **SEC brought zero**.



KEY DOJ POLICY UPDATES

02

Executive Order on “Overcriminalization in Federal Regulations”

On May 9, 2025, President signed an Executive Order aimed at combatting “overcriminalization in federal regulations.”

- The stated purpose of the Executive Order is to prevent “abuse and weaponization” of criminal regulatory offenses against “unwitting individuals” who lack the “privileges [of] large corporations, which can afford to hire expensive legal teams to navigate complex regulatory schemes and fence out new market entrants.”

The Executive Orders states that “it is the policy of the United States” that “[c]riminal enforcement of criminal regulatory offenses is disfavored,” except as to “the enforcement of the immigration laws or regulations” or “laws or regulations related to national security or defense.”

- “Prosecutions of criminal regulatory offenses should focus on matters where a putative defendant is alleged to have known his conduct was unlawful.”
- The Executive Order “disfavor[s]” criminal enforcement of “strict liability offenses” for violations of regulations and states that “agencies should consider civil rather than criminal enforcement” in such instances, “if appropriate.”
- The Executive Order also provides that agencies promulgating regulations “should explicitly describe the conduct subject to criminal enforcement, the authorizing statutes, and the *mens rea* standard applicable to those offenses.”

Four Directives From the Executive Order on “Overcriminalization in Federal Regulations”

Report on Criminal Regulatory Offenses

- Each agency must identify in a public report all criminal regulatory offenses enforceable by the agency or DOJ, with the applicable *mens rea* standards and potential criminal penalties for each offense.
- The Executive Order “strongly discourages” criminal enforcement of any offense not identified in these reports.

Promote Regulatory Transparency

- In promulgating new rules, agencies must identify any potential criminal implications for a violation of the rule and “explicitly state a *mens rea*.”

Establish a Default *Mens Rea* for Criminal Regulatory Offenses

- Each agency, in consultation with the Attorney General, must “examine the agency’s statutory authorities and determine whether there is authority to adopt a background *mens rea* standard for criminal regulatory offenses that applies unless a specific regulation states an alternative *mens rea*.”

Publish Guidance on Criminal Referrals

- By June 23, 2025, agencies were required to publish guidance outlining the factors considered when referring regulatory violations to the DOJ for criminal enforcement.
- The Executive Order notes that agencies should consider factors such as the harm caused; the defendant’s gain; and whether the defendant had specialized knowledge, licensure, or general awareness of the unlawfulness of his or her conduct.

Executive Order Impact on Money Laundering Enforcement

DOJ Statements on Enforcement

April 2025 Blanche Memorandum “Ending Regulation by Prosecution”

- DOJ “will no longer pursue litigation or enforcement actions that have the effect of superimposing regulatory frameworks on digital assets.”
- Did not wholly reject enforcement actions for regulatory violations in the digital assets space; instead, it stated that such action should only be pursued if “there is evidence that the **defendant knew of the licensing or registration requirement** at issue and **violated such a requirement willfully**.”

August 2025 Galeotti Statements

- Prosecutors “are not regulators” and will not criminalize regulatory violations as crimes absent evidence of willfulness.

FinCEN’s Efforts to Clarify Regulatory Expectations and Reduce Regulatory Burden

- September and October 2025 FinCEN guidance reduces compliance burdens and prioritizes types of reporting most valuable to law enforcement.
- Cross-border information-sharing guidance clarifies what may be shared without violating confidentiality of Suspicious Activity Reports (“SARs”).
- SARs prioritization guidance confirms transactions near the \$10,000 currency transaction report threshold do not automatically require a SAR.

Regulator Efforts to Tailor and Clarify Regulatory Expectations

- November 2025 guidance from the Office of the Comptroller of the Currency revised the application of Bank Secrecy Act and anti-money laundering (“AML”) examination procedures for community banks and eliminated Money Laundering Risk reporting for community banks.
- July 31, 2025 interagency guidance clarified that banks and credit unions subject to the Customer Identification Program rule may obtain taxpayer identification numbers from third parties rather than directly from customers.

White Collar Enforcement Plan

On May 12, 2025, DOJ's Criminal Division announced it was "turning a new page" in its approach to white collar and corporate enforcement and issued the White Collar Enforcement Plan ("Enforcement Plan"), which:

- Establishes a comprehensive strategy for criminal enforcement of white collar cases, providing a roadmap of the Criminal Division's priorities with an "America First" and business-friendly emphasis;
- Explains that the Criminal Division will continue to combat a broad range of white collar crimes to advance the Trump II Administration's law enforcement priorities, some of which have traditionally not been emphasized;
- Instructs prosecutors to consider the impact of their investigations on businesses, rather than simply deterring violations of law; and
- Identifies three principles of criminal enforcement that will guide DOJ's efforts: **"focus, fairness, and efficiency."**

Enforcement Plan Focus

The Enforcement Plan lists ten high-impact areas that the Criminal Division will prioritize to investigate and prosecute “the most urgent criminal threats to the country.”

1. “Waste, fraud, and abuse, including **health care fraud** and **federal program and procurement fraud** that harm the public fisc”;
2. “**Trade and customs fraud**, including tariff evasion”;
3. “**Fraud perpetrated through [variable interest entities]**, including, but not limited to, offering fraud, ‘ramp and dumps,’ elder fraud, securities fraud, and other market manipulation schemes”;
4. “**Fraud that victimizes U.S. investors, individuals, and markets** including, but not limited to, Ponzi schemes, investment fraud, elder fraud, servicemember fraud, and fraud that threatens the health and safety of consumers”;
5. “Conduct that **threatens the country’s national security**, including threats to the U.S. financial system by gatekeepers, such as financial institutions and their insiders that commit **sanctions violations** or enable transactions by **Cartels, TCOs, hostile nation-states**, and/or **foreign terrorist organizations**”;
6. “**Material support by corporations to foreign terrorist organizations**, including recently designated Cartels and TCOs”;
7. “**Complex money laundering**, including Chinese Money Laundering Organizations, and other organizations involved in laundering funds used in the manufacturing of illegal drugs”;
8. “**Violations of the Controlled Substances Act** and the **Federal Food, Drug, and Cosmetic Act (FDCA)**, including the unlawful manufacture and distribution of chemicals and equipment used to create counterfeit pills laced with fentanyl and unlawful distribution of opioids by medical professionals and companies”;
9. “**Bribery and associated money laundering** that impact U.S. national interests, undermine U.S. national security, harm the competitiveness of U.S. businesses, and enrich foreign corrupt officials”; and
10. “As provided by the **Digital Assets DAG Memorandum**: crimes (1) involving **digital assets that victimize investors and consumers**; (2) that **use digital assets in furtherance of other criminal conduct**; and (3) **willful violations that facilitate significant criminal activity**. Cases impacting victims, involving cartels, TCOs, or terrorist groups, or facilitating drug money laundering or sanctions evasion shall receive highest priority.”

Enforcement Plan Fairness

Additional Paths to Avoid or Mitigate Corporate Criminal Enforcement

- The Enforcement Plan reiterated foundational principles for corporate charging decisions identified in the Justice Manual, but also emphasized that, in many cases, prosecution of individuals will suffice to “vindicate U.S. interests,” leaving civil or administrative remedies to address misconduct at the corporate level.
- The Enforcement Plan also directed a re-review of certain existing agreements between the Criminal Division and companies, to determine whether to terminate those agreements early, and suggested that the duration of future resolutions would be shorter.

Recognition of Compliance and Law-Abiding Companies and More Certain Paths to Specific Results

- The Enforcement Plan recognizes that “it is critical to American prosperity to promote policies that acknowledge law-abiding companies and companies that are willing to learn from their mistakes.”
- Consistent with this message, DOJ revised the Corporate Enforcement and Voluntary Self-Disclosure Policy (“CEP”) in May 2025 “[t]o ensure fairness and individualized assessments,” with a focus on benefits for companies that self-disclose and cooperate.
- DOJ likewise simplified the CEP to allow companies to better anticipate outcomes when self-reporting.

Enforcement Plan Efficiency

Streamlining Investigations

- In May 2025, Matthew Galeotti, then-Head of the Criminal Division, stated that businesses have been deterred from utilizing benefits of self-reporting misconduct to governmental authorities by the possibility of “lengthy drawn-out investigations that are ultimately detrimental to companies[.]” He argued that this deterrence of self-reporting diverts DOJ resources away from “tackling the most significant threats facing our country.”
- The Enforcement Plan instructs the Criminal Division to take all reasonable steps to minimize the length and collateral impact of its investigations and to ensure that “bad actors” are quickly brought to justice.
- In June 2025, Galeotti notably maintained that the Criminal Division is committed to making quick charging decisions, and that companies can do their part to promote efficiency by working closely with Criminal Division teams to narrow disagreements and exhaust discussions before reaching out to DOJ leadership.

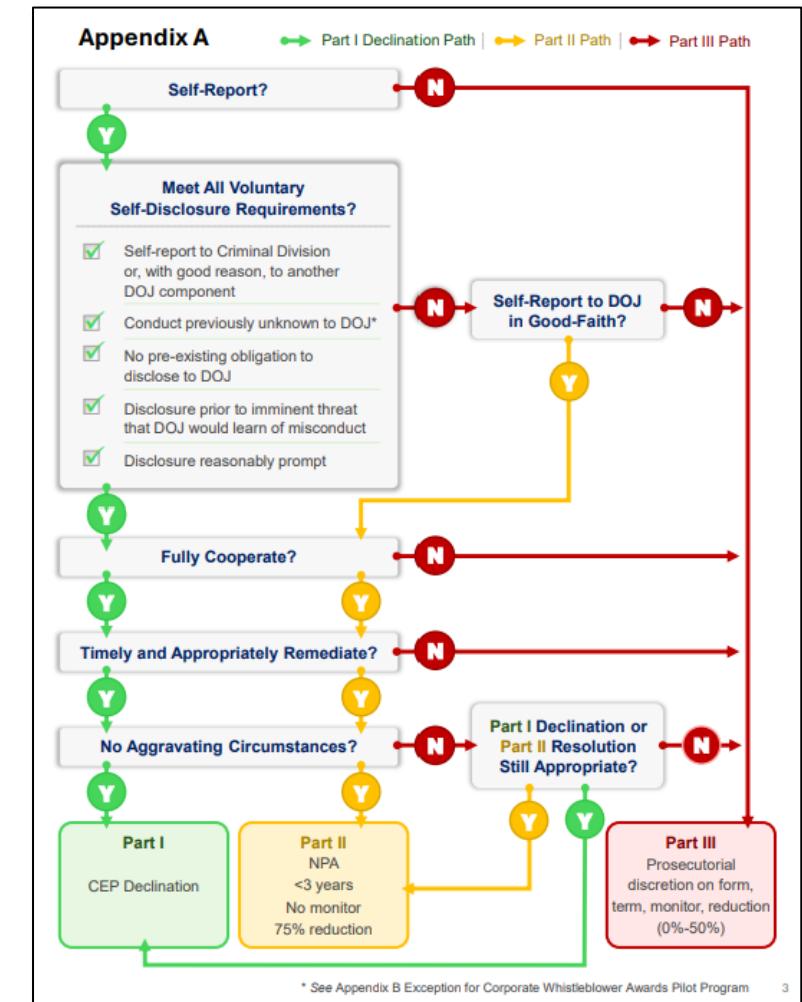
Limited Use of Monitors

- In addition to taking reasonable steps to minimize length and impact of investigations, the Enforcement Plan instructs the Criminal Division to utilize independent compliance monitors only when necessary and that use of those monitors should be narrowly tailored. DOJ provided more information on this directive in a separate memorandum covered later in our discussion.

Revisions to Corporate Enforcement Policy (“CEP”)

Revised Criminal Division Corporate Enforcement and Voluntary Self-Disclosure Policy (May 12, 2025)

- CEP revised “[t]o ensure fairness and individualized assessments,” with a focus on enhanced and predictable benefits for companies that self-disclose and cooperate.
- Under the CEP, the Criminal Division is to make a “case-by-case analysis about the appropriate disposition” and consider all forms of corporate criminal resolutions: NPAs, DPAs, and guilty pleas.
- Updated CEP simplified to allow companies to better anticipate outcomes when self-reporting, with an emphasis on “[s]elf-disclosure [as the] key to receiving the most generous benefits the Criminal Division can offer.”



“Part I” CEP Resolutions: Four-Part Test for Declinations

Under the updated CEP, the Criminal Division will decline to prosecute a company for criminal conduct when all four criteria are met:

1) Voluntary Self-Disclosure

- The company voluntarily self-disclosed the misconduct;
- The conduct was not already known to DOJ;
- “[N]o preexisting obligation to disclose the misconduct”;
- Disclosure made “prior to an imminent threat of disclosure or government investigation”; and
- Disclosure made “within a reasonably prompt time.”

2) Full Cooperation

- The company **fully** cooperates with the Criminal Division’s investigation.

3) Remediation

- The company timely and appropriately remediates the conduct.

4) Lack of Aggravating Circumstances

- Aggravating circumstances involve “the nature and seriousness of the offense, egregiousness or pervasiveness of the misconduct within the company, severity of harm caused by the misconduct, or criminal adjudication or resolution within the last five years based on similar misconduct by the entity engaged in the current misconduct.”

- **All CEP declinations will be made public; and**
- **Require the company to forfeit illicit gain / make victim restitution.**

“Part II” and “Part III” CEP Resolutions

“Part II” CEP Resolutions

- In instances of “**near-miss self-disclosures**” or where there are “**aggravating circumstances**,” the Criminal Division will:
 - Resolve the case via NPA (absent egregious or multiple aggravators);
 - With a term of less than three years;
 - Not demand an independent compliance monitor; and
 - Provide a reduction of up to 75% from the low-end of the U.S. Sentencing Guidelines Range.

“Part III” CEP Resolutions

- In cases where companies meet some but not all CEP “Part I” factors (e.g., cooperate and remediate but without voluntary disclosure), Criminal Division prosecutors retain discretion to determine the appropriate terms of resolution.
- Maximum 50% discount for cooperation and remediation, with a presumption that the discount be applied from the low-end of the U.S. Sentencing Guidelines Range for companies that fully cooperate and remediate.

Updated Monitorship Guidance Four Factors

White Collar Enforcement Plan

- Criminal Division to utilize independent compliance monitors only “when they are necessary (i.e., when a company cannot be expected to implement an effective compliance program or prevent recurrence of the underlying misconduct without such heavy-handed intervention.”
- “When imposed, monitorships must be narrowly tailored to achieve the necessary goals while minimizing expense, burden, and interference with the business.”

Updated Memorandum on Selection of Monitors in Criminal Division Matters

- Coincident with the Enforcement Plan and CEP, on May 12, 2025, the Criminal Division released an Updated Memorandum on Selection of Monitors in Criminal Division Matters, which requires prosecutors to consider four factors when weighing the possibility of imposing a monitorship:
 - Risk of recurrence of criminal conduct that significantly impacts U.S. interests;
 - Availability and efficacy of other independent government oversight;
 - Efficacy of compliance program and culture of compliance at the time of resolution; and
 - Maturity of controls and ability to independently test and update compliance program.

Updated Monitorship Guidance Tailored Oversight

Updated Memorandum on Selection of Monitors in Criminal Division Matters

- Even if a monitor is appropriate, the memorandum requires that **prosecutors tailor the monitorship to be cost efficient and effective**.
 - Company counsel must present **three to five monitor candidates** for consideration, which is an increase from prior iterations of this guidance.
 - After a monitor is approved, the Criminal Division must **ensure the costs are proportionate** to the severity of the underlying conduct, the company's profits, and the company's size and risk profile.
 - There will be a **cap on hourly rates**, and the monitor will be required to submit a **budget for the entire monitorship** at the time it submits its first work plan to the Criminal Division and company for review.
 - The monitor will also attend at least **two meetings a year** with the company and the government to **ensure alignment**.

No New Independent Compliance Monitorships in 2025

- The **Criminal Division did not impose a monitorship** in any corporate criminal resolution in 2025.
- **U.S. Attorney's Offices**, which are not held to Criminal Division policies, **also did not impose monitorships in 2025**, although at least two **"independent consultant" arrangements**, and other forms of independent monitoring were imposed.
- Consistent with historical practice, structured **self-reporting** was by far the most common method of continued monitoring imposed in connection with corporate resolutions in 2025.

Early Termination of Post-Resolution Obligations

White Collar Enforcement Plan

- The Enforcement Plan directed the Fraud Section and Money Laundering and Asset Recovery Section (now the Money Laundering, Narcotics and Forfeiture Section) to re-review all existing agreements between the Criminal Division and companies to **determine whether to terminate those agreements early**.
- Factors relevant to early termination include, but are not limited to:
 - Duration of the post-resolution period;
 - Substantial reduction in the company's risk profile;
 - Extent of remediation and maturity of the corporate compliance program; and
 - Whether the company self-reported the misconduct.

The Criminal Division Publicly Terminated Several Resolutions Early

- The Division filed **motions to dismiss criminal cases** against **ABB Ltd.**, **Honeywell**, and **Stericycle, Inc.** months before their respective expirations because the companies had **complied with their obligations** under their DPAs.
- The Division **terminated its NPA** with **Albemarle Corporation** more than a year early, concluding that the **terms of the agreement had been satisfied**.
- In its **“sole discretion”** after **“assess[ing] the facts and circumstances,”** the Division terminated the independent monitorships (FCPA and commodities markets) of Swiss commodity trader **Glencore** 15 months early.
- The Division also dismissed its monitorship of **NatWest Markets Plc**, requiring instead a period of **“enhanced self-reporting.”**

DOJ Internal Guidance on Victim Compensation

Guidance on Coordinating Corporate Resolution Penalties in Parallel Criminal, Civil, Regulatory, and Administrative Proceedings

- On June 5, 2025, DOJ released guidance to Criminal Division prosecutors focusing on victim compensation when deciding whether and how to credit penalties in multi-agency and multi-jurisdiction resolutions.
- The stated goal of the Criminal Division is to “**vindicate victims’ rights** when resolving such cases” and “prosecutors must **seek to maximize recoveries for and assistance to victims of crime.**”
- The memorandum notes that “Criminal Division prosecutors **will not credit payments to other authorities when a company does not meaningfully attempt to coordinate resolutions.**”
- When making crediting decisions, the memorandum instructs prosecutors to:
 - “not credit penalties imposed by other domestic authorities by forgoing either (a) restitution or (b) forfeiture that could be used for remission to compensate those victims, **unless other authorities have an effective mechanism to compensate victims of the underlying crime**”; and
 - “not credit penalties imposed by other domestic authorities from criminal penalties that would otherwise be used for general victim support through mechanisms such as the CVF, **unless those other authorities use their penalties to similarly support victims.**”

Victim Compensation: Penalty Credits

Crediting Calculus

- In situations where “the only payments available for crediting are criminal penalties that would otherwise be used to provide general victim assistance through deposit in the CVF,” then “prosecutors must seek to balance” **three key considerations**.

Three Key Considerations

1. “The interest in providing **general assistance** to victims of crime through such deposits”;
2. “The **interests of jurisdictions** where the misconduct occurred, where the effects of the misconduct are most acutely felt, or who have other equities in the investigation”; and
3. “The **advancement of other critical Department and Division goals.**”

Looking to the Future

- It is **unclear** how significantly this guidance will impact future corporate resolutions.
 - The Criminal Division has a stated **focus on prosecuting cases with individual victim losses.**
- The memorandum at least implicitly suggests that DOJ may be **less inclined to credit payments** to other agencies or regulators in individual victim cases, resulting in **greater overall penalties** and **reduced flexibility** in negotiating resolution payment offsets.

CORE U.S. ENFORCEMENT PRIORITIES IN CONTEXT

03

DOJ Criminal Division: Enforcement Priorities

- The **White Collar Enforcement Plan** identifies **high-impact areas** that the Criminal Division will target for investigation and prosecution.
- When analyzed, the high-impact areas can be conceptualized as the following **criminal enforcement priorities**:
 - Healthcare, procurement, investor, and consumer fraud
 - Foreign bribery impacting U.S. national interests and competitiveness
 - National security
 - Tariffs and customs
 - Money laundering
 - Fraud cases with individual victim losses
 - Federal Food, Drug, and Cosmetic Act
 - Focus on China
 - Digital assets
- DOJ also **expanded the Whistleblower Awards Pilot Program** to cover additional tip categories aligned with these priorities, including cartels, transnational crime, immigration violations, terrorism-related conduct, sanctions evasion, and fraud involving trade, tariffs, customs and procurement.

*"The Criminal Division must be **laser-focused on the most urgent criminal threats** to the country. ... [and] will prioritize investigating and prosecuting corporate crime in areas that will have the greatest impact in protecting American citizens and companies and promoting U.S. interests."*

May 12, 2025 Memorandum re:
"Focus, Fairness, and Efficiency in the Fight Against White Collar Crime"
Matthew Galeotti, Former Head of Criminal Division

Focus on Healthcare Fraud

Enforcement Focus on Healthcare Fraud Affecting Federal Programs

- DOJ's White Collar Enforcement Plan identifies "**rampant health care fraud**," as well as program and procurement fraud, as a top priority, with the Criminal Division pledging to lead efforts to **hold accountable those exploiting federal programs for personal gain**.
 - This emphasis aligns with President Trump's recent Executive Orders targeting healthcare and procurement fraud.
 - DOJ has signaled that misuse of federal healthcare funds will remain a core criminal enforcement priority.
- In 2025, **nearly all corporate healthcare fraud resolutions** involved alleged fraud against **Medicare and Medicaid**, including submission of fraudulent claims and improper diversion of federal funds.
- Corporate healthcare fraud enforcement increased in 2025—with **seven** corporate criminal resolutions in 2025 (compared to **four** in 2024 and **one** in 2023).

On June 30, DOJ announced the results of its **2025 National Health Care Fraud Takedown**—the largest in DOJ history—bringing **criminal charges against 324 defendants across 50 federal districts**, along with civil charges and settlements totaling **tens of millions of dollars**, following a coordinated nationwide enforcement effort involving DOJ, federal agencies, and state authorities.

Corporate Healthcare Fraud Case Studies

KBWB Operations

- In January 2025, KBWB Operations LLC, an operator of skilled nursing facilities, **pledaded guilty** to health care fraud and conspiracy in the U.S. District Court for the Western District of Wisconsin.
- DOJ alleged KBWB diverted Medicare and Medicaid funds for unauthorized personal and owner expenses, falsely certified regulatory compliance, failed to meet staffing and vendor payment obligations, and mishandled resident and payroll funds.
- The company was **ordered to pay over \$8.4 million in forfeiture and \$146 million in restitution** (\$76.7 million to Medicare/Medicaid).

Dune Medical / Prospect Health

- In October 2025, Dune Medical Supply, LLC and Prospect Health Solutions, Inc., durable medical equipment companies under common ownership, **pledaded guilty** to Medicare fraud in the U.S. District Court for the Middle District of North Carolina.
- DOJ alleged that the companies submitted over \$100 million in fraudulent Medicare claims for durable medical equipment that beneficiaries neither requested nor received.
- Pursuant to their plea agreements, **the companies agreed to forfeit a combined \$16.3 million.**

Troy Health

- On August 14, 2025, Troy Health, Inc. entered into an 18-month **NPA** with the Fraud Section of DOJ's Criminal Division and the U.S. Attorney's Office for the Middle District of North Carolina to resolve allegations of Medicare fraud.
- DOJ alleged that Troy Health fraudulently enrolled Medicare beneficiaries without their knowledge or consent, using unauthorized access to personal data and deceptive sales practices.
- Troy received credit for cooperation and remediation, though DOJ noted shortcomings in its early cooperation and document preservation.
- Troy agreed to pay a **\$1.43 million** penalty, reduced based on a demonstrated inability to pay the total criminal penalty and forfeiture.

Healthcare Fraud Enforcement Initiatives

Expanded Healthcare Fraud Enforcement Infrastructure

- In July 2025, DOJ and the Department of Health and Human Services (“HHS”) jointly announced the renewal of the **DOJ-HHS False Claims Act (“FCA”) Working Group**.
 - Under the Working Group, HHS will refer priority FCA matters to DOJ, including Medicare Advantage, drug and device pricing, kickbacks, barriers to patient access, and manipulation of electronic health records.
- In September 2025, DOJ announced an expansion of its **Health Care Fraud Unit’s New England Strike Force** to surge additional enforcement resources in the District of Massachusetts.
 - The added resources are intended to accelerate detection, investigation, and prosecution of complex healthcare fraud, particularly in Boston, a major healthcare and life sciences hub.
 - As of FY 2025, the District’s Health Care Fraud Unit and Affirmative Civil Enforcement Unit had recovered more than \$450 million in fraudulently obtained funds.
- DOJ has signaled that its **aggressive fraud enforcement posture will continue into 2026**, including through the formation of a new **DOJ Division for National Fraud Enforcement**.
 - The Fact Sheet accompanying the announcement of the new Division stated that the Trump II Administration has already taken steps to address what it described as Minnesota’s “fraud epidemic,” including involvement by DOJ and other federal agencies in multiple active, ongoing, and extensive investigations into alleged fraud across a range of Minnesota programs.

FCPA Enforcement: The “Pause”

Executive Order Pausing FCPA Enforcement (E.O. 14209)

- On February 10, 2025, President Trump signed an Executive Order “[Pausing \[FCPA\] Enforcement to Further American Economic and National Security](#).”
 - Concluding the FCPA had been “stretched beyond proper bounds and abused in a manner that harms the interests of the United States,” the Executive Order sought to “restore proper bounds on FCPA enforcement and preserve Presidential foreign policy prerogatives.”
 - An accompanying “fact sheet” argues the pause would promote America’s “strategic commercial advantages around the world” and ensure that American companies are not “less competitive” nor “harmed” in international markets by prohibitions on engaging in practices that are “common among international competitors.”
- The [core directives](#) from the Executive Order included the following:
 - Directed DOJ to [cease initiation of new FCPA investigations or enforcement actions during a 180-day period](#) (with option to extend), absent exception by the Attorney General.
 - Following the resumption of enforcement, investigations and enforcement actions must follow [revised enforcement guidelines](#) and be “specifically authorized by the Attorney General.”
 - Directed the Attorney General to [review past FCPA actions](#) to “determine whether additional actions, including remedial measures,” should be taken.

FCPA Enforcement: The FCPA Guidelines

Guidelines for FCPA Investigations and Enforcement

- On June 9, 2025, DOJ issued **updated FCPA enforcement guidelines** in a memorandum from Deputy Attorney General Todd Blanche to the Head of the Criminal Division, ending the 180-day “pause” two months early.
- The June 9 Blanche Memo provides a non-exhaustive list of factors the Criminal Division must weigh in deciding whether to pursue FCPA cases, with no single factor being determinative.
- The **four guiding factors** include:
 - **Nexus to cartels or TCOs**, including utilizing money launderers who also laundered money for, or bribes paid to foreign officials who also received bribes from, cartels and TCOs;
 - **Economic injury to specific, identifiable U.S. persons** who sought to compete in the market on non-corrupt terms;
 - **National security or critical infrastructure** implications; or
 - Strong indicia of **corrupt intent by specific individuals**.

“The Criminal Division will enforce the FCPA — firmly but fairly — by bringing enforcement actions against conduct that directly undermines U.S. national interests without losing sight of the burdens on American companies that operate globally.”

June 10, 2025 Remarks
by Matthew Galeotti,
then-Head of Criminal
Division

FCPA Corporate Enforcement Case Studies

Liberty Mutual

- On August 7, 2025, DOJ's FCPA Unit and the U.S. Attorney's Office for the District of Massachusetts issued a **declination with disgorgement** to Liberty Mutual Insurance Company.
- Allegations that, between 2017 and 2022, Liberty Mutual's Indian branch paid ~\$1.47 million in bribes to officials at six state-owned banks in India to induce the officials to refer customers.
- DOJ credited Liberty Mutual's voluntary disclosure and significant compliance enhancements.
- There were no aggravating factors and Liberty Mutual agreed to **disgorge \$4.7 million** in relevant profits.

TIGO Guatemala

- On November 10, 2025, Comunicaciones Celulares S.A., d/b/a TIGO Guatemala ("TIGO"), entered into a **two-year DPA** with DOJ's FCPA Unit and the U.S. Attorney's Office for the Southern District of Florida.
- Allegations that TIGO paid bribes to Guatemalan legislators to support favorable laws and policies, using the services of a banker who also laundered money for narcotics traffickers and who used cash from illegal drug sales to pay bribes.
- TIGO agreed to pay a **\$60 million criminal fine plus approximately \$58.2 million in forfeiture**. The fine reflects a **50% discount** off the low end of the Guidelines range, reflecting TIGO's "near miss" self-disclosure, cooperation, and remediation.

Smartmatic

- On October 16, 2025, DOJ announced a **superseding indictment** charging UK voting-machine company SGO Corporation ("Smartmatic") with FCPA bribery and money laundering offenses.
- Allegations that Smartmatic paid more than \$1 million in bribes to a Philippine official to influence the purchase of voting machines for the 2016 Philippine elections.
- First FCPA indictment of a corporate defendant since 2010.
- DOJ had already charged three Smartmatic executives and the Philippine government official.
- Smartmatic has pleaded not guilty, claiming the case is politically motivated following its 2020 election-related defamation litigation.

Focus on National Security

DOJ Elevated National Security Matters as a Core Criminal Enforcement Priority

- These matters include **terrorism, sanctions evasion, and export-control violations.**
- On her first day in office, the Attorney General temporarily suspended National Security Division pre-approval requirements for most terrorism and IEEPA charges to facilitate more aggressive prosecution (the 90-day suspension has since expired).
- DOJ's May 12, 2025 Guidance reaffirms a focus on national security offenses, including conduct implicating **cartels and TCOs** operating in **Mexico and the Western Hemisphere**.
- Senior DOJ officials have also emphasized enforcement tied to threats posed by **"rogue nation-states,"** including **North Korea and Iran.**

Case Studies

- DOJ announced several corporate resolutions reflecting this enforcement focus, with two declinations and three guilty pleas announced in 2025 that involved companies admitting to violating U.S. export controls and sanctions laws.

National Security Case Study

Universities Space Research Association (Declination)

- In April 2025, the Counterintelligence and Export Control Section of DOJ's National Security Division and the U.S. Attorney's Office for the Northern District of California issued a **declination** to Universities Space Research Association ("USRA") following its voluntary self-disclosure of export control violations by a former employee.
 - DOJ alleged the **employee illegally exported aviation software to a Chinese university on the Commerce Department's Entity List**; the individual was later sentenced to 20 months' imprisonment.
- DOJ declined to prosecute USRA for potential violations of IEEPA, Export Control Reform Act, the Export Administration Regulations, the FCA, false statements, wire fraud, and obstruction.
- In its declination letter, DOJ:
 - Cited the company's timely voluntary self-disclosure, exceptional and proactive cooperation, which materially assisted the prosecution of the individual, as well as prompt remediation, including termination of the employee and discipline of a supervisory employee; and
 - Credited that USRA received no unlawful gains and had already paid restitution, including repayment of the employee's salary to NASA and funds embezzled to the U.S. Treasury.
- In addition to the national security focus, this resolution reflects other DOJ's enforcement priorities—**corporate declinations for self-disclosure and cooperation** paired with criminal prosecution of individuals.

Focus on Tariffs and Customs Enforcement

Tariffs and Customs are a Focus of the Trump II Administration, including DOJ

- DOJ has signaled increased reliance on the **FCA** (its primary civil fraud tool) to police **customs and tariff compliance** through civil and criminal actions.
- DOJ's **updated whistleblower program** now expressly incentivizes reporting of **trade, tariff, and customs violations**, creating a robust pipeline for new investigations.
- In August 2025, DOJ announced the launch of a new **Trade Fraud Task Force**, aimed at increasing enforcement actions against parties who unlawfully import prohibited goods or seek to evade tariffs and other duties.
- DOJ indicated the Task Force was launched in furtherance of the administration's "America First Trade Policy." The task force is intended to pursue:
 - Civil enforcement under the Tariff Act of 1930 and the FCA.
 - Criminal prosecutions under Title 18 trade fraud and conspiracy provisions.

Enforcement in 2025

- While DOJ has signaled an intent to expand criminal enforcement in this area, **corporate criminal cases remain limited**, although civil and whistleblower-driven matters may lead to more near-term activity.

Customs Violations Case Study

MGI International (Declination with Disgorgement)

- In November 2025, the Fraud Section of DOJ's Criminal Division and the U.S. Attorney's Office for the District of New Hampshire issued a declination letter to global resin distributor MGI International and its subsidiaries, to resolve allegations of **criminal trade fraud**.
- DOJ alleged that, from approximately March 2021 through April 2024, a senior MGI executive directed subordinates to make **false statements to U.S. Customs and Border Protection** regarding manufacturer and country of origin information for resin imported from China, to **evade customs duties**.
- DOJ **declined prosecution** of MGI under its CEP, citing the company's self-disclosure, cooperation, and remediation. The companies agreed to disgorgement of ~\$3.9 million, but no additional payment was required as DOJ credited \$6.8 million MGI previously paid to resolve related FCA liability pursuant to a civil settlement with DOJ in July 2025.
- By contrast, MGI's Chief Operating Officer was criminally charged in connection with the scheme and agreed to plead guilty to conspiracy to smuggle goods into the United States.
- The resolution reflects DOJ's enforcement priorities emphasizing **voluntary self-disclosure, FCA/customs overlap, and individual prosecutions**, even where companies receive declinations.

Focus on Money Laundering and Financial Gatekeepers

DOJ Signals Increased Focus on Money Laundering Enforcement and Scrutinizing Gatekeepers

- DOJ's Enforcement Plan emphasizes the Criminal Division's focus on **complex money laundering schemes**, particularly those that **implicate U.S. sanctions, TCOs, and national security interests**.
- Under DOJ's updated whistleblower program, tips relating to money laundering and AML compliance violations by financial institutions and their employees remain eligible for monetary awards, encouraging a steady pipeline of investigations.
- In 2025, the U.S. government resolved four money laundering-related corporate investigations, of which three were concluded before issuance of the May 12, 2025 Guidance Documents.
- Recent prosecutions reflect heightened scrutiny of **financial "gatekeepers"**—including banks, money services businesses, and other intermediaries—where DOJ alleges **willful blindness, deficient controls, or failure to register or maintain effective AML programs**.
- These developments underscore DOJ's expectation that AML programs be **risk-based, sanctions-integrated, and tailored to emerging threats**, including narcotics trafficking, cartel activity, and sanctions evasion.

Case Studies: Willful Failure to Implement Adequate AML Program

Former President of First National Bank of Lindsay

- In December 2025, DOJ announced the [indictment of the former President and CEO of the now-closed Oklahoma bank](#) for failure to implement an adequate AML program in violation of the Bank Secrecy Act, among other charges.
- The allegations against him included that he:
 - Caused the bank to issue loans that were never repaid;
 - Provided false records to both the Office of the Comptroller of the Currency and the bank's Board of Directors to overstate the performance of the loans;
 - Failed to file any suspicious activity reports on his own fraudulent activity; and
 - Advised customers to make cash deposits below \$10,000 to avoid relevant reporting requirements.
- The defendant had also served as the bank's CFO and Bank Secrecy Act Officer at various points between February 2007 and September 2024.

Paxful Holdings

- In December 2025, Paxful Holdings, the parent company of a now-ceased, peer-to-peer bitcoin exchange, [agreed to pay a \\$4 million criminal fine](#) for willfully failing to enforce and maintain AML policies on its exchange.
- The allegations against the platform included that it:
 - Marketed itself as not requiring know-your-customer ("KYC") information;
 - Allowed customers to use the platform without submitting necessary KYC information;
 - Presented fake AML policies to third parties; and
 - Failed to file suspicious activity reports where appropriate.
- According to DOJ, the platform's alleged failings allowed for rampant money laundering, sanction violations, and other criminal activity via the platform.

Case Study: Multi-Agency Action Where Priorities Converge

Prince Group

- In October 2025, DOJ and the Office of Foreign Asset Controls (“OFAC”) announced coordinated criminal, civil, and administrative actions against the Prince Group, a Cambodian-based multinational business conglomerate allegedly operating forced-labor scam compounds.
- DOJ alleged that trafficked individuals were made to perpetrate “pig butchering” cryptocurrency investment fraud schemes, generating billions of dollars in investment dollars worldwide. The schemes involved gaining victims’ trust online and then deceiving them into investing in fake crypto assets.
- DOJ unsealed a **criminal indictment** charging alleged chairman **Chen Zhi**, alleging that the Group’s public-facing real estate, banking, and hospitality businesses masked a large-scale criminal and money laundering enterprise.
- DOJ also filed a **civil forfeiture action** seeking ~127,000 Bitcoin (valued at ~\$15 billion), alleging sophisticated laundering techniques including wallet layering, “spraying,” and “funneling.”
- OFAC **designated Prince Group as a TCO**, sanctioning **146 associated individuals and entities** across its global network.

Focus on Fraud with Individual Victim Losses

The Criminal Division is Meant to Prioritize Vindication of Victims

- The Enforcement Plan tasked the Criminal Division with vindicating the rights of victims impacted by white collar and corporate crime, including by seeking forfeiture to compensate victims.
- DOJ has emphasized prioritizing cases involving:
 - Senior-level or otherwise culpable actors;
 - Demonstrable victim losses; and
 - Efforts to obstruct justice.
- DOJ identified a set of **victim-driven fraud offenses** as enforcement priorities, including Ponzi schemes, investment fraud, elder fraud, and market manipulation.

2025 Enforcement Trends

- In 2025, the majority of fraud cases involving individual victim losses continued to be brought **against individuals**, with **corporate defendants involved in only a minority of cases**.
- Of the limited corporate cases identified, two—**Gotbit Consulting** and **CLS Global**—involved schemes in which the companies artificially inflated the value of crypto assets, resulting in demonstrable investor losses.

Fraud with Individual Victim Losses Case Study

BofA Securities, Inc. – Declination with Disgorgement

- In September 2025, DOJ **declined to prosecute** BofA Securities, Inc. (“BSI”) for market manipulation activity allegedly committed by two former traders on BSI’s U.S. Treasuries desk between November 2014 and April 2020.
- The declination followed DOJ’s consideration of the factors set forth in the updated CEP, particularly BSI’s timely self-disclosure of the alleged violations, full cooperation, and comprehensive remediation, including termination of employees, internal reviews, compliance enhancements, and external testing of controls.
- The declination follows a guilty plea in April 2022 by the one the traders involved in the scheme.
- As part of the resolution, BSI agreed to **disgorge ~\$1.97 million** and to contribute **~\$3.6 million to a victim compensation fund**.
- The resolution demonstrates both DOJ’s victim-centered approach, as well as its incentives for early self-disclosure and remediation under the updated CEP.

Focus on FDCA Enforcement

DOJ Intends to Enforce the Federal Food, Drug, and Cosmetic Act (“FDCA”)

- As part of DOJ’s broader reorganization, **criminal enforcement of FDCA violations** was reassigned from the Civil Division’s Consumer Protection Branch to the Criminal Division’s **Health and Safety Unit**, formed in December 2025.
- DOJ’s Enforcement Plan highlights the Criminal Division’s intent to pursue **corporate prosecutions** for the unlawful manufacture and distribution of **chemicals and equipment used to produce counterfeit fentanyl-laced pills**, under both the FDCA and the Controlled Substances Act.
- DOJ has also signaled a focus on **upstream actors** whose conduct facilitates the production or distribution of illicit opioids.

Enforcement Trends

- Perhaps due to the DOJ adjusting to the reorganization of the prior Consumer Protection Branch, enforcement in the FDCA space appears to have dropped significantly since 2024, with four criminal resolutions involving FDCA violations in 2025, compared to approximately 14 in 2024.
- Corporate criminal enforcement involving controlled substances has also been limited thus far, though there have been recent criminal indictments in this space.

Focus on China

Renewed Focus on China

- Throughout 2025, the Criminal Division Consistently Emphasized a Renewed Focus on criminal conduct related to China.
 - The Enforcement Plan highlighted criminal activity involving China-connected companies and entities, including variable interest entities and sophisticated money laundering operations.
 - Senior DOJ officials reiterated this focus in public remarks, including a September 2025 Association of Certified Anti-Money Laundering Specialists speech referencing enforcement against Chinese money-laundering organizations.

Enforcement Trends

- Enforcement actions targeting Chinese companies and China-affiliated entities **increased modestly** compared to 2024.
- Violations of **export controls** accounted for a majority of DOJ resolutions in 2025 involving China-related conduct.
- Several of these cases involved exports of **highly sensitive software or hardware** to Chinese universities or entities with military affiliations, underscoring increased scrutiny of transactions involving China-based end users.

Focus on China: Case Studies

Cadence Design Systems, Inc.

- In July 2025, Cadence Design Systems, Inc., a multinational electronic design automation (“EDA”) technology company, **entered into a plea agreement** with the Counterintelligence and Export Control Section of DOJ’s National Security Division and the U.S. Attorney’s Office for the Northern District of California.
- The agreement resolved allegations of export control violations relating to the sale of certain technology to a university in the People’s Republic of China.
- Cadence agreed to pay a **\$72.5 million criminal fine**, reflecting a discount for cooperation and remediation, of which DOJ agreed to credit \$24.8 million paid to the U.S. Department of Commerce, Bureau of Industry and Security in a parallel civil settlement. Cadence also agreed to a **forfeiture of \$45.3 million** and a three-year organizational probation term.

Hao Global LLC

- In October 2025, Hao Global LLC and its owner **pledged guilty** to federal export control and smuggling offenses in the U.S. District Court for the Southern District of Texas.
- The charges arose from a scheme to unlawfully export advanced Nvidia graphics processing units to the People’s Republic of China.
- DOJ alleged misclassification and evasion of export licensing requirements involving more than \$50 million in wire transfers originating from the PRC to help fund the scheme and the transfer at least \$160 million in graphics processing units to the People’s Republic of China.
- Sentencing in this case is scheduled for February 18, 2026.

Focus on Digital Assets and Market Manipulation

DOJ Will Focus on Criminal Conduct Involving Digital Assets

- In April 2025, Deputy Attorney General Blanche's **Ending Regulation by Prosecution** memorandum addressed digital assets, stating that DOJ will not pursue enforcement actions that effectively **impose regulatory frameworks on digital assets through criminal prosecution**.
- Blanche's Memo, the Enforcement Plan, and the updated whistleblower program nonetheless emphasize DOJ's continued focus on **criminal conduct involving digital assets**, particularly:
 - Schemes involving digital assets that victimize investors and consumers
 - Use of digital assets in furtherance of other crimes
 - Willful violations that facilitate significant criminal activity
- DOJ leadership clarified in August 2025 remarks that DOJ will not charge regulatory violations as crimes in cases involving digital assets "in the absence of evidence that a defendant knew of the specific legal requirement and willfully violated it."

Case Studies: Crypto-Currency “Market Makers” Plead Guilty

Gotbit Consulting, LLC

- In March 2025, Gotbit, a financial services firm, **pledaded guilty to wire fraud and conspiracy to commit market manipulation**.
- DOJ alleged Gotbit provided **market manipulation services**—including artificial volume and price inflation—for crypto tokens traded on platforms accessible to U.S. investors.
- DOJ also charged two of Gotbit’s directors in the scheme, and Gotbit’s CEO, who also pleaded guilty in March 2025, was sentenced to eight months in prison to be followed by one year of supervised release.
- Gotbit agreed to **forfeit nearly \$23 million in cryptocurrency** and agreed to a probation period of five years, during which it must cease operations. DOJ did not impose a fine in light of the forfeiture and the monetary relief agreed upon between Gotbit and the SEC in a related case.

CLS Global FZC LLC

- In January 2025, CLS Global FZE, a cryptocurrency market making firm, **pledaded guilty to conspiracy to commit market manipulation and wire fraud**, and to a substantive count of **wire fraud**.
- DOJ alleged CLS provided **wash-trading and volume-generation services** to make token trading appear organic and attract investors.
- CLS Global agreed to pay **\$428,060**, which included both a fine and seized cryptocurrency, and a three-year term of probation during which it is prohibited from participating in U.S. cryptocurrency markets. CLS Global entered into a separate resolution with the SEC for violations of securities laws related to the same conduct.

SUPREME COURT DEVELOPMENTS

04

Key 2025 Supreme Court Decisions: *Kousisis v. United States*, 145 S. Ct. 1382 (2025)

Background

- Stamatis Kousisis and his company, Alpha Painting & Construction Co. (Alpha), won multimillion-dollar bridge repair contracts issued by PennDOT. The contracts were federally funded and required that a portion of work be subcontracted to a certified Disadvantaged Business Enterprise (DBE) that would perform a commercially useful function. In Alpha's bid, Kousisis falsely represented that Alpha would procure paint supplies from a certified DBE to satisfy this requirement. In reality, the DBE acted as a "pass-through" and did no real work.
- Kousisis and Alpha were convicted on multiple counts of wire fraud and conspiracy. On appeal, they argued that even if Alpha had not used a DBE subcontractor, PennDOT received the bargained-for bridge repair services and had suffered no "net pecuniary loss," so there was no deprivation of "money or property" as required by 18 U.S.C. § 1343.

Holding

- Supreme Court unanimously affirmed the conviction (9–0), holding that **federal fraud liability under § 1343 does not require proof of intended or actual economic loss**; criminal fraud can be based on inducing a transaction with material false pretenses.

Materiality Remains Key

- Materiality remains a critical element. The Court also emphasized that liability attaches only if the misrepresentation would have mattered to the government's contracting or payment decision.
- Justice Thomas's concurrence identified four indicia that a requirement may be "minor or insubstantial" for materiality purposes, in fraud cases, drawing on FCA doctrine:
 - Requirement not relevant to the contract's core purpose;
 - Absence of an express payment-withholding or price-adjustment mechanism tied to the requirement;
 - Consistent government practice of paying claims despite knowledge of pervasive noncompliance; and
 - Possibility that the requirement itself is unlawful or unconstitutional.

Relevance to FCA and Diversity, Equity, and Inclusion

- The ruling comes as EO 14173 seeks to make compliance with Title VII a material contract term and DOJ plans to pursue FCA actions based on alleged violations of nondiscrimination laws.

Key 2025 Supreme Court Decisions: *Thompson v. United States, 145 S. Ct. 821 (2025)*

Background

- Patrick Thompson took out three loans totaling \$219,000, including one for \$110,000. When the lending bank failed and the FDIC assumed collection, Thompson told FDIC contractors that he borrowed \$110,000 for home improvement—a fact that was technically true but that misleadingly omitted his two subsequent loans from the bank.
- Thompson was convicted under 18 U.S.C. § 1014, which makes it a crime to “knowingly make any false statement of report . . . for the purpose of influencing in any way” the actions of certain regulators and entities, including lenders and financial institutions.
- The Seventh Circuit upheld his conviction, reasoning that Section 1014 covers misleading statements even if not literally false.

Holding

- Supreme Court unanimously (9–0) held that **Section 1014 does not criminalize statements that are misleading but technically not false**. The court **vacated** the conviction and **remanded** to the Seventh Circuit for further proceedings consistent with this interpretation.

Context Matters

- The Court noted that context is critical in determining whether a statement was in fact false or just misleading.
- Absent a carefully constructed question for which a response leaves no room for equivocation or doubt, the response may not be prosecutable under § 1014.

Effect on Other Federal Statutes

- Although the direct effect of *Thompson* is limited to Section 1014, the opinion may have broader indirect effects on the interpretation of various other federal statutes that contain the same “false statement” language as Section 1014. These include, for example, 18 U.S.C. § 1001 (false statements to law enforcement), 18 U.S.C. § 1015 (false statements in naturalization, citizenship, or alien registry matters), and 18 U.S.C. § 1542 (false statements in applications for passport).
- *Thompson*’s influence may also be felt in the prosecution of “secondary” statutes such as federal money laundering statutes (18 U.S.C. §§ 1956 and 1957), and potentially even the federal RICO statute (18 U.S.C. § 1961), which proscribe conduct derived from the commission of fraud statutes.

Supreme Court: Additional 2025 Decisions of Note

McLaughlin Chiropractic Associates, Inc. v. McKesson Corp., 145 S. Ct. 2006 (2025)

- Held that district courts in civil enforcement proceedings are not bound by an agency's interpretation (here, the FCC's view of the Telephone Consumer Protection Act) of a federal law in civil enforcement actions and must independently interpret the statute under ordinary principles of statutory construction while affording "appropriate respect" to the agency's interpretation.
- Clarifies that the Hobbs Act's "exclusive jurisdiction" for reviewing agency orders in courts of appeals does not bar district courts from challenging an agency's interpretation in enforcement proceedings.

Wisconsin Bell, Inc. v. United States, ex rel. Heath, 145 S. Ct. 498 (2025)

- Held that reimbursement requests submitted to the FCC's "E-Rate Program" are considered "claims" under the FCA.
- Companies cannot avoid FCA exposure by pointing to privatized funding mechanisms or intermediaries where federal money meaningfully supports the program—reimbursement requests tied to programs funded in part by the federal government can qualify as FCA "claims," even when administered by private or quasi-private entities.
- Reinforces a broad interpretation of the FCA, lowering the effectiveness of jurisdictional defenses at the pleading stage.

Supreme Court: Cases to Watch in 2026

SEC v. Sripathi, 154 F.4th 980 (9th Cir. 2025), cert. granted sub nom. Sripathi v. SEC, No. 25-466 (U.S. Jan. 9, 2026)

- The Supreme Court will consider whether the SEC may seek disgorgement in enforcement actions lacking identifiable victims or pecuniary harm.
- There is currently a split amongst the federal circuit courts of appeal:
 - The Ninth Circuit below, like the First Circuit, held that pecuniary harm is not required for disgorgement.
 - This conflicts with the Second Circuit's requirement that the SEC prove investor losses to award equitable relief like disgorgement.
- Depending on the outcome, the ruling could expand or restrict the SEC's remedial toolkit—affecting liability exposure, negotiation leverage, and enforcement strategy in a wide array of securities enforcement cases.

Abouammo v. United States, No. 22-10348 (9th Cir. 2024), cert. granted, No. 25-5146 (U.S. Dec. 5, 2025)

- Ahmad Abouammo, a former employee of a social media platform, was charged in the Northern District of California with acting as an unregistered agent of a foreign government under 18 U.S.C. § 951.
- The Supreme Court will decide whether venue is proper for a false-statements offense in a district where the grand jury testimony was pending even though the alleged false statement was made to investigators in a different district, as the Ninth Circuit held under 18 U.S.C. § 1519.
- This will be the first Supreme Court venue-related opinion in many years and will resolve a six-to-one circuit split on whether intent alone can convert a point-in-time offense into a continuing one reaching additional districts.
- A ruling could shape the geographic reach of criminal prosecutions, affect DOJ's ability to pursue complex global misconduct, and clarify lower-court venue standards in national-security-adjacent prosecutions.

TAKEAWAYS AND Q&A

05

What Has Changed

Greater Enforcement Selectivity

- DOJ is moving to a more targeted, risk-based enforcement model aligned with the Administration's views on U.S. national interests.
- Focus on cases involving serious misconduct implicating national security, foreign policy, or material harm to U.S. economic competitiveness.

Arguably Stronger Incentives for Self-Disclosure

- Voluntary self-disclosure positioned as the key to declinations and maximum cooperation credit.
- DOJ has indicated that penalties beyond a declination for voluntarily self-disclosing companies will be rare absent "truly aggravating" circumstances.

Reduced Use of Monitorships

- DOJ terminated several monitorships early and adopted policies to reduce and narrow the imposition of monitorships.

What Has Not Changed

Corporate Enforcement Looks Largely the Same, with Some Exceptions

- Despite new priorities, overall corporate enforcement levels remain steady.
- Activity concentrated in national security, China-related matters, and healthcare.
- Most prosecutions in these priority areas have targeted individuals rather than corporations.

Guilty Pleas Dominate Serious Cases

- Consistent with prior years, 76% of corporate enforcement resolutions came in the form of guilty pleas.
- Recoveries associated with guilty pleas also remain the highest compared to other forms of resolution.

Individual Accountability Remains Central

- DOJ emphasized that, in many cases, prosecution of individuals will suffice to “vindicate U.S. interests,” leaving civil or administrative remedies to address misconduct at the corporate level.

U.S. Attorney’s Offices Continue to Drive Outcomes

- 85% of negotiated corporate resolutions involved a U.S. Attorney’s Office in 2025.

Practical Guidance for Companies

Recalibration, Not Retreat

- Changes in enforcement priorities do not signal reduced risk.

Stress-Test Disclosure Decisions Early

- Updated CEP makes early, voluntary self-disclosure more outcome-determinative than ever.
- Assess self-disclosure options at the outset of an internal investigation.

Consider Whether Compliance Programs are Aligned with DOJ Priorities

- Compliance programs should pay particular attention to DOJ's current focus areas as outlined in the May 2025 memo, such as trade compliance, sanctions, and healthcare fraud, depending on the company's industry.

Upcoming February Programs

2025/2026 White Collar Webcast Series

Date and Time	Program	Registration Link
Wednesday, February 4, 2026 9:00 a.m. – 11:00 a.m. PT 12:00 p.m. – 2:00 p.m. ET	BSA/AML and Sanctions and Export Controls Presenters: Matthew Axelrod, Stephanie Brooker, David Burns, Ella Capone, Kendall Day, Sam Raymond, Adam Smith, Joseph Warin	Event Details
Thursday, February 5, 2026 9:00 a.m. – 10:00 a.m. PT 12:00 p.m. – 1:00 p.m. ET	Managing Third-Party Risk in a Shifting Regulatory Landscape Presenters: Victor Tong, Oleh Vretsona, Ulla Pentinpuro (Principal, Control Risks), Michele Wierner (Partner, Control Risks)	Event Details
Wednesday, February 11, 2026 9:00 a.m. – 10:00 a.m. PT 12:00 p.m. – 1:00 p.m. ET	Crime Fraud Litigation Presenters: Kendall Day, George Hazel, Karin Portlock, Jeremy Robison	Event Details
Tuesday, February 24, 2026 9:00 a.m. – 10:00 a.m. PT 12:00 p.m. – 1:00 p.m. ET	Commodities Enforcement and the CFTC Presenters: David Burns, Amy Feagles, Jeffrey Steiner	Event Details
Thursday, February 26, 2026 9:00 a.m. – 10:30 a.m. PT 12:00 p.m. – 1:30 p.m. ET	State AG Developments Presenters: Winston Chan, Christopher Chorba, Karin Portlock, Prerak Shah, Eric Vandevelde	Event Details



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