

The Trade Games Are Over—The Rise of a New Federal Trade Fraud Task Force

Client Alerts

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Earlier this year, the Department of Justice (DOJ) identified trade fraud as a critical enforcement area, announcing a major restructuring effort in preparation for a new wave of trade-related investigations and prosecutions.¹

On August 29, 2025, the DOJ formally launched a cross-agency Trade Fraud Task Force, aimed at bringing “robust enforcement against importers and other parties who seek to defraud the United States.”² The Task Force is designed to provide additional mechanisms within the DOJ—across both its Civil and Criminal Divisions—and the Department of Homeland Security (DHS) to coordinate to fight trade fraud. The stated objective of the task force is to “aggressively pursue enforcement actions against any parties who seek to evade tariffs and other duties, as well as smugglers who seek to import prohibited goods into the American economy.”³

As a cross-agency initiative, the Trade Fraud Task Force allows either or both of the DOJ’s Civil and Criminal Divisions to bring enforcement actions independently or jointly for violations of US trade laws. This signals a new approach to and prioritization of federal trade enforcement and interagency collaboration between the DHS and the DOJ on the issue of tariffs.

The Task Force Is a Manifestation of the Trump Administration’s Renewed “America First” Trade Policy

The Trade Fraud Task Force represents the latest implementation of the Trump Administration’s renewed “America First Trade Policy.” According to the administration, the policy promotes “investment and productivity, enhances our Nation’s industrial and technological advantages, defends our economic and national security, and—above all—benefits American workers, manufacturers, farmers, ranchers, entrepreneurs, and businesses.”⁴

The Task Force is intended to reinforce this agenda by “ensuring compliance with trade laws, including the payment of all applicable tariffs and duties, such as antidumping and countervailing duties and Section 301 tariffs intended to level the playing field for US manufacturers.”⁵ It is

authorized to pursue trade fraud enforcement through several statutory mechanisms, including the Tariff Act of 1930, the False Claims Act, and Title 18's provisions on trade fraud and conspiracy.⁶

The DOJ's press release emphasizes that trade fraud not only deprives the federal government of revenue that could be reinvested in domestic programs, but it also threatens US industries, harms consumer confidence, and weakens national security. The press release further advises that certain actors are seeking to "destabilize and profit off of American markets" by importing "below-market, industry-destabilizing goods without paying lawful tariffs and duties or by smuggling prohibited items that violate intellectual property rights of American companies or are otherwise illegal."⁷ According to the DOJ, such activities contribute to the loss of American jobs and undermine US competitiveness in key industrial sectors.

Assistant Attorney General Brett A. Shumate of the Justice Department's Civil Division reinforced this message, stating: "The President's America First Trade Policy supports American manufacturing by ending unfair trade practices."⁸ He further emphasized that "[t]he Civil Division will coordinate with law enforcement partners to bring to justice any parties attempting to harm American workers through evasion of tariffs and other duties."⁹

How the Task Force and Aggressive Enforcement May Affect Businesses

The creation of the Task Force, coupled with its aggressive enforcement posture, is likely to lead to a rise in whistleblower complaints, investigations, and enforcement actions related to tariff evasion and other forms of trade fraud. Notably, the Task Force can receive "referrals and cooperation from the domestic industries that are most harmed by unfair trade practices and trade fraud."¹⁰ Based on whistleblower complaints and referrals, DOJ may pursue civil and criminal investigations through civil investigative demands, subpoenas, search warrants, and grand jury proceedings.

The press release specifically encourages whistleblowers to utilize:

- The DOJ's Corporate Whistleblower Program (via the Criminal Division), and
- The *qui tam* provisions of the False Claims Act to report "credible allegations of fraud."¹¹

In parallel, importers and their agents are urged to "conduct thorough audits" of their trade practices and to "voluntarily self-disclose" any violations, consistent with the DOJ's Justice Manual §§ 4-4.112 and 9-74.120, which outline best practices for voluntary disclosures and remediation.¹²

The evolving nature of the Trump Administration's trade and customs policy has raised the stakes for importers. Businesses that import goods into the United States are ultimately responsible for compliance with all customs and trade laws. As previously noted, enforcement actions may come from the DOJ's Civil or Criminal Division—or both.

High-risk targets are likely to include:

1. Businesses perceived to be competing with core US economic or foreign policy interests; and
2. Entities operating in jurisdictions associated with organized crime, intellectual property violations, or drug trafficking—particularly regions in Latin America and China.

However, businesses outside these regions are not exempt from scrutiny.

All importers should reassess their internal trade compliance programs to identify vulnerabilities. On the transactional side, businesses should integrate customs and trade risk into their due diligence processes, particularly in mergers, acquisitions, and cross-border supply chain deals.

Legal and Strategic Considerations

Given the scope of potential liability under the False Claims Act, Tariff Act, and criminal trade statutes, companies are advised to consult with experienced trade and investigations counsel early—particularly when:

- Launching new import operations,
- Engaging in cross-border transactions,
- Conducting internal audits or investigations,
- Considering voluntary disclosures, or
- Facing inquiries from federal agencies.

Jenner & Block attorneys are experienced in navigating the intersection of US trade enforcement, tariff compliance, and customs law. We assist clients with proactive compliance counseling, whistleblower risk mitigation, and defense in government investigations and enforcement actions. We can help your business stay ahead of this rapidly shifting regulatory and investigative landscape.

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Footnotes

[1] The May 12, 2025 memorandum on white-collar enforcement outlines the Criminal Division’s enforcement priorities and policies for prosecuting corporate and white collar-crime. It ranked “[t]rade and customs fraud, including tariff evasion,” as its second priority. See Dep’t of Justice, Criminal Division, *Focus, Fairness, and Efficiency in the Fight Against White-Collar Crime* at 4 (May 12, 2025).

[2] Press Release, Dep't of Justice, *Departments of Justice and Homeland Security Partnering on Cross-Agency Trade Fraud Task Force* (Aug. 29, 2025).

[3] *Id.*; The focus on smugglers bringing in illegal goods is tied to Attorney General Pam Bondi's February 5, 2025 memorandum on the elimination of cartels and transnational criminal organizations (TCOs). See Office of the Attorney General, *Total Elimination of Cartels and Transnational Criminal Organizations* (Feb. 5, 2025). For more information on that memorandum and TCOs, please see: Jenner & Block, Client Alert: *Back In Action: The Trump Administration Lifts "Pause" in Foreign Corrupt Practices Act Enforcement* (June 17, 2025).

[4] White House, *America First Trade Policy* (Jan. 20, 2025).

[5] *Supra* note 2.

[6] *Id.*

[7] *Id.*

[8] *Id.*

[9] *Id.*

[10] *Id.*

[11] *Id.*

[12] *Id.*

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