

CLIENT ALERT

DOJ, USPS Partner to Offer Millions to Whistleblowers in New Program

July 11, 2025

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On July 8, 2025, the United States Department of Justice Antitrust Division announced a partnership with the United States Postal Service to create the Whistleblower Rewards Program.¹ The criminal section of the Antitrust Division will oversee the Whistleblower Rewards Program, which will offer "rewards for individuals who report antitrust crimes and related offenses that harm consumers, taxpayers, and free market competition across industries from healthcare to agriculture — under existing law and at no additional cost to the taxpayer,"² provided such actual or potential crimes "affect[] the Postal Service, its revenues, or property."³

¹ Press Release, U.S. Dep't of Justice, Antitrust Div., Justice Department's Antitrust Division Announces Whistleblower Rewards Program (July 8, 2025) available at <u>https://www.justice.gov/opa/pr/justice-departments-antitrust-division-announces-whistleblower-rewards-program</u>.

² Id.

³ U.S. Dep't of Justice, Antitrust Div., Memorandum of Understanding Regarding the Whistleblower Rewards Program and Procedures Between the Antitrust Division United States Department of Justice and the United States Postal Service and the Office of Inspector General of the United States Postal Service (May 7, 2025), available at <u>https://www.justice.gov/atr/media/1407261/dl?inline</u>.

The Whistleblower Rewards Program

Under the <u>memorandum of understanding</u> between the Department of Justice, Postal Service, and Office of the Inspector General of the United States Postal Service, whistleblowers may receive rewards of at least 15%, and as much as 30% of recovered criminal fines, should their tips lead to monetary penalties of at least \$1,000,000.⁴

The program is not the first of its kind within the Department of Justice. In August 2024, under the previous administration, the Department's Criminal Division launched its <u>Corporate Whistleblower Awards Pilot Program</u>. This program allowed whistleblowers who provide original and truthful information about corporate misconduct that results in a successful forfeiture to be eligible for a monetary award.⁵ The provided information must relate to one of a number of subject areas, including certain crimes involving financial institutions, foreign or domestic corruption involving misconduct by companies, or health care fraud schemes involving private insurance plans. In May 2025, additional subject areas including trade, tariff, and customs fraud, as well as violations of federal immigration law by or through companies, were added to the Corporate Whistleblower Awards Pilot Program.⁶

This newly announced Whistleblower Rewards Program expands the information eligible for monetary rewards to now include actual or potential criminal violations that "affect[] the Postal Service, its revenues, or property."⁷

The memorandum emphasizes four violations presumptively eligible for rewards:

- 1. Criminal violations of sections 1, 2, or 3 of the Sherman Act;
- 2. Federal criminal violations committed to effectuate, facilitate, or conceal violations of the Sherman Act;
- 3. Federal criminal violations targeting or affecting federal, state, or local public procurement; and
- Federal criminal violations targeting or affecting the conduct of federal competition investigations or proceedings.⁸

To receive rewards, however, the whistleblower and information shared must meet certain criteria.

• Assuming she is not an employee, official, or contractor of the Department of Justice, Postal Service, or any other law enforcement agency, or otherwise the spouse, parent, sibling, or child of, or sharing a household with, such an individual, the whistleblower must not have led or originated the anticompetitive conduct, nor coerced another party to participate in illegal activity.⁹

⁴ *Id.* at 3.

⁵ U.S. Dep't of Justice, Department of Justice Corporate Whistleblower Awards Pilot Program (May 12, 2025), available at https://www.justice.gov/criminal/media/1400041/dl?inline.

⁶ *Id.* at 6.

⁷ Dep't of Justice, *supra* note 3 at 4.

⁸ *Id.* at 7.

⁹ *Id.* at 4.

- The information she shares must affect the Postal Service, its revenues, or property, and be original, truthful, complete, specific, timely, and voluntarily disclosed.¹⁰
 - To be original, the information must be derived from independent knowledge or analysis, among other factors.¹¹ Information is not original if, for instance, the whistleblower obtained it through attorney-client privileged communications (unless a privilege exception applied) or the whistleblower learned of it via disclosure in the company's compliance process or related reviews.¹²
 - To be voluntary, the whistleblower must directly communicate the information to the Antitrust Division, United States Postal Inspection Service, or Postal Service Office of Inspector General and have no preexisting obligation to report the information, including as part of an employer's application to the Antitrust Division's Corporate Leniency policy.¹³

As Assistant Attorney General Abigail Slater said, "[t]his program raises the stakes: If you're fixing prices or rigging bids, don't assume your scheme is safe—we will find and prosecute you, and someone you know may get a reward for helping us do it."¹⁴ The program will also likely prioritize criminal monopolization, perjury, and spoliation of evidence.¹⁵

Examples of Reportable Behaviors: Antitrust "Plus Factors"

Individuals who observe conduct they believe suggests the existence of price fixing, bid rigging, or market allocation now have stronger incentives to report it to federal officials. The Department of Justice has articulated what behavior may give rise to an inference of impropriety, allowing potential whistleblowers to identify suspicious behavior more easily. For example, identical prices may indicate a price fixing conspiracy when price increases appear unsupported by increased costs or when parties eliminate discounts where historically given.¹⁶ Likewise, one may suspect bid rigging where a company appears to bid substantially higher in some situations than others with no apparent cost differences to explain the disparity. Even seemingly inoffensive conduct, like fewer than the typical

¹³ *Id.* at 4-5.

¹⁰ *Id.* at 4-5.

¹¹ *Id.* at 5.

¹² *Id.* at 5-7.

¹⁴ Dep't of Justice, *supra* note 1. These categories cover wide arrays of anticompetitive behavior. Price fixing conspiracies may involve literal agreements to fix prices or use a common pricing formula or more complicated arrangements like schemes to maintain certain price differentials across different types, sizes, or quantities of goods. Bid rigging covers a similarly broad array of behavior, often targeting local, state, or federal governments. One form, bid suppression, involves competitors refusing to bid in an effort to guarantee that a certain competitor wins. The most common form of bid rigging, complementary bidding, involves some coconspirators submitting unacceptably high bids to give the impression of competition while pushing buyers to accept secretly inflated prices charged by the lowest bidder. Other forms involve bid rotation, where conspirators take turns being the low bidder, or subcontracting arrangements, where one competitor agrees to lose a bid in exchange for a subcontract from another competitor sharing the proceeds of supercompetitive pricing. Market allocation is fairly straightforward, requiring firms to allocate specific customers, products, or geographic territories amongst themselves, and is often facilitated through bid rigging.

¹⁵ See Dep't of Justice, *supra* note 3 at 1, 7-8.

¹⁶ U.S. Dep't of Justice, Antitrust Div., *Price Fixing, Bid Rigging, and Market Allocation Schemes: What They Are and What to Look For*, (Feb. 2021), available at <u>https://www.justice.gov/d9/pages/attachments/2016/01/05/211578.pdf</u>.

number of competitors submitting bids, or a successful bidder subcontracting work to unsuccessful ones, may indicate the existence of a bid-rigging conspiracy.¹⁷

Vendors' statements or behavior may also imply collusion. A salesperson's reference to industry-wide price schedules or non-public knowledge of competitors' pricing, for example, may suggest price fixing. Statements that particular customers belong to a certain vendor may suggest bid rigging. Even competitors submitting bids with similar handwriting, typeface, or stationery, or changes "indicating last-minute price changes" may support an inference of conspiracy.¹⁸

Market conditions may also make collusion more likely. For example, markets with few sellers or substitutes are more conducive to collusion, as smaller conspiracies are easier to coordinate and substitutes limit the market power of any single seller.¹⁹

It is important to note, however, that the above indicators are just that—indicators. They do not independently prove collusion; they merely suggest that collusion is more likely than it otherwise might be in their absence.²⁰ Because of the Whistleblower Rewards Program's strong incentives, however, companies should take precautions to avoid even the appearance of impropriety.

Looking Ahead

Given the program's deceptively broad sweep—as broad swaths of business activity involve or tangentially relate to shipped goods and could thus affect the revenue or property of the Postal Service—and strong incentives for whistleblowers, companies may face heighted antitrust scrutiny moving forward. Companies, therefore, have similarly strong incentives to update their internal reporting and compliance programs and, due to the possibility of further expansion, should consider doing so quickly. The program could also have significant ramifications for businesses even outside of the antitrust context, such as:

- More complicated employment decisions, as increased whistleblowing activity leads to more employees protected by anti-retaliation laws, requiring careful management of such situations;
- Heightened risk of information leaks or data breaches, if an employee improperly reports or stores company information;
- Increased usage of nondisclosure agreements and emphasis on confidentiality within companies may limit internal communication and synergies;
- Increased compliance and litigation costs associated with defending against baseless investigations prompted by information from competitors or disgruntled employees;

¹⁷ *Id*. at 3-4.

¹⁸ *Id.* at 4-5.

¹⁹ *Id.* at 5.

²⁰ *Id*.

- Decreased trade show or association activity and interfirm communication, thereby limiting one's ability to track industry trends or developments; and
- Increased probability that, if the program succeeds, state and federal governments will use it as a template for a broader whistleblowing program covering far more actions.

Willkie can assist companies and their personnel with navigating these developments and monitoring the evolution of the Whistleblower Rewards Program. The outstanding issues identified above will present ongoing challenges and require interpretation, evaluation, and thoughtful implementation—processes that may be assisted by legal and other professionals. Our skilled antitrust and regulatory teams have experience with the industries and agencies at the forefront of the evolution of these and other issues facing companies worldwide, and we are available to assist as you consider the impact of greater antitrust oversight on your organization.

If you have any questions regarding this client alert, please contact the following attorneys or the Willkie attorney with whom you regularly work.

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