

## CLIENT ALERT

# Justice Department and Homeland Security Partner on Cross-Agency Trade Fraud Task Force

September 18, 2025

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The Department of Justice (“DOJ”) and the Department of Homeland Security (“DHS”) recently launched the Trade Fraud Task Force, a bold new initiative aimed at ramping up enforcement against violations of U.S. trade laws, particularly the evasion of tariffs and other duties.<sup>1</sup> The Task Force is a direct extension of President Donald Trump’s “America First Trade Policy,” first announced on Inauguration Day, and underscores the Trump administration’s ongoing focus on trade issues. As discussed below, this move illustrates that combatting trade fraud will continue to be an enforcement priority.

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<sup>1</sup> Departments of Justice and Homeland Security Partnering on Cross-Agency Trade Fraud Task Force, Department of Justice (August 29, 2025), available [here](#) (“Trade Fraud Task Force Announcement”).

## America First Trade Policy

On January 20, 2025, President Trump issued a memorandum instructing various departments, including the Departments of Treasury and Commerce, to investigate the causes of what the memorandum called “large and persistent annual trade deficits in goods,” and to explore ways to increase revenue from tariffs and duties, including decreasing tariff and duty evasion.<sup>2</sup> The memorandum did not specifically address enforcement by the Department of Justice, but clearly established the importance tariffs and duties would play in this administration’s economic and foreign policy.

The memorandum also made clear that the current administration views the United States’ trade deficit as an issue of national security. Given this, the memo, among other things, mandated a “full economic and security review of the United States’ industrial and manufacturing base,” a review of the existing export controls system, and an analysis on ways to increase U.S. investment. The national security emphasis also indicated that the focus on trade fraud was intended to be more than rhetorical.

## DOJ and DHS Trade Fraud Task Force

The DOJ and DHS Trade Fraud Task Force therefore fits within the larger trade strategy, and on policing tariffs and duties more specifically. As described in the announcement of the Trade Fraud Task Force, central to that effort will be enforcement under the Tariff Act of 1930, the False Claims Act, and criminal prosecutions under the trade and general fraud provisions of Title 18, including 18 U.S.C. § 1001 (false statements), 18 U.S.C. § 542 (entry of goods by means of false statements) and 18 U.S.C. § 545 (smuggling).

The intent is to leverage resources at both DOJ and DHS, including U.S. Customs and Border Protection and Homeland Security Investigations, to identify and prosecute trade fraud, both civilly and criminally. The Trade Fraud Task Force is also consistent with Executive Order 14243, which President Trump issued in March of this year, and which called upon federal agencies to remove “unnecessary barriers to Federal employees accessing Government data and promoting inter-agency data sharing [...] while enhancing the Government’s ability to detect” and “eliminat[e] waste, fraud, and abuse.”<sup>3</sup> If such data sharing occurs more effectively, and if the DOJ more successfully applies data analytics to such information, the enforcement effect could be significant. In healthcare fraud, for example, the DOJ has a Data Analytics Team that partners with the Department of Health and Human Services Office of the Inspector General and the Centers for Medicare & Medicaid Services to detect and prosecute anomalous billing. DOJ reported this year that this data analytics team has prevented billions of dollars in payments to fraudsters seeking to cheat Medicare and Medicaid.<sup>4</sup> Similar results could potentially be achieved in the detection and prosecution of trade fraud.

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<sup>2</sup> America First Trade Policy, White House (January 20, 2025), available [here](#).

<sup>3</sup> Executive Order No. 14243 (March 20, 2025), available [here](#).

<sup>4</sup> See National Health Care Fraud Takedown Results in 324 Defendants Charged in Connection with Over \$14.6 Billion in Alleged Fraud, Department of Justice (June 30, 2025), available [here](#).

The creation of the Trade Fraud Task Force is also consistent with earlier DOJ announcements regarding enforcement related to customs evasion. Throughout this year, DOJ officials have stated that DOJ will use the False Claims Act to “aggressively” target compliance with customs duties and tariffs, and that such enforcement will target a broader range of businesses than it has historically.<sup>5</sup> In keeping with this, as part of the announcement of the Trade Fraud Task Force, the DOJ highlighted four civil settlements brought since March of this year to resolve allegations of evasion of customs duties.<sup>6</sup>

Moreover, the Trump administration’s efforts to increase tips from whistleblowers could further lead to greater enforcement of trade fraud laws. In its press release, the administration highlighted that under the *qui tam* provisions of the False Claims Act, whistleblowers can receive a sizeable award, up to 30% of the recovery. Those provisions were set by statute decades ago, but the Trump administration’s highlighting of them could lead to greater *qui tam* suits in the area of trade fraud.<sup>7</sup> The Trump administration has also expanded the DOJ Criminal Division’s Corporate Whistleblower Program to apply to tips related to trade, tariff, and customs fraud by corporations.<sup>8</sup> These incentives may very well lead to an increase in tips and hence enforcement.

### The Implications of the Trade Fraud Task Force

In light of the tangible efforts to execute on the Trump administration’s trade strategy, now is the time for companies to review their trade compliance programs. This should include ensuring the company is conducting appropriate due diligence around third parties assisting with shipping, customs, and other related areas, has clear policies and training in place for employees, and has an internal reporting system so that any issues can be promptly addressed and, if necessary, remediated. At the very least, the new push favors a review of risk assessments, benchmarking, and internal audits targeting this emerging enforcement priority.

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<sup>5</sup> For more information on how the False Claims Act can be used to punish evasion of tariffs, please see our prior client alert, *Emerging Financial Crime and Legal Risks Arising from Evasion of U.S. Tariffs* (May 13, 2025), available [here](#).

<sup>6</sup> Trade Fraud Task Force Announcement (citing to enforcement actions related to evasion of duties on “multi-layered wood flooring, plastic resin, extruded aluminum products, and quartz surface products”).

<sup>7</sup> The constitutionality of the *qui tam* provisions has recently been questioned by some courts. The Eleventh Circuit, in particular, is currently scheduled to hear arguments in December on the constitutionality of the provision. Scheduling Notice, *Clarissa Zafirov v. Florida Medical Associates, LLC*, No. 24-13581 (11th Cir. August 13, 2025), ECF No. 141.

<sup>8</sup> Focus, Fairness, and Efficiency in the Fight Against White-Collar Crime, Department of Justice (May 12, 2025), at 5, available [here](#). For more information on the changes to the DOJ whistleblower program, as well as DOJ’s enforcement priorities, please see our prior client alert, *DOJ Announces White Collar Enforcement Priorities and Policy Revisions* (May 15, 2025), available [here](#).

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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