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DOJ Ramps Up Enforcement Efforts Targeting Tariff Evasion and Trade Fraud

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The U.S. Department of Justice (DOJ) has announced that it is expanding its enforcement priorities to include a focus on import-related fraud — particularly schemes aimed at evading U.S. tariffs and duties. This marks a notable shift in the DOJ's trade enforcement agenda, which has traditionally emphasized export controls and sanctions compliance.

The shift follows a newly issued [memorandum](#) by the DOJ's Criminal Division, outlining how tariff evasion will be treated as a central enforcement priority moving forward. Companies that import goods into the U.S. — or rely on suppliers who do — should be aware that trade fraud involving customs declarations is now firmly within the DOJ's crosshairs.

What's Changing?

The DOJ is now devoting significant investigative and prosecutorial resources to conduct that undermines U.S. customs laws. This includes:

- Undervaluing imported goods to reduce duties owed;
- Falsifying country-of-origin information, including deceptive labeling or transshipment to conceal origin;
- Misusing free trade agreement preferences (e.g., under the U.S.-Mexico-Canada Agreement) without meeting eligibility requirements;
- Improperly classifying products to secure a lower duty rate or avoid tariffs entirely; and
- Structuring transactions to sidestep tariffs, such as Section 301 duties on Chinese-origin goods or Section 232 tariffs on [steel, aluminum, automobiles, and automotive parts](#).

Expansion of Trade Enforcement

Historically, tariff enforcement has been the domain of U.S. Customs and Border Protection (CBP) and civil penalty proceedings. The DOJ's involvement adds a criminal dimension that significantly raises the stakes for businesses and individuals involved in international trade.

This policy shift also aligns with recent trends: government agencies are increasingly sharing trade data, using advanced analytics to flag anomalies, and coordinating multiagency investigations. The DOJ has indicated it will work closely with CBP, Homeland Security Investigations, and the Department of Commerce to identify and prosecute trade fraud schemes.

As discussed in our [prior client alert](#), the DOJ is increasingly applying the False Claims Act to customs-related violations, signaling a broader enforcement approach. One recent example is the case of *United States v. Barco Uniforms Inc.*, where the government alleged that the importer falsely identified the origin of its goods in order to reduce or avoid applying applicable tariffs. The matter reflects DOJ's growing use of civil fraud statutes — alongside traditional criminal charges — to target inaccurate or misleading trade-related disclosures and recover lost government revenue. Furthermore, in light of the DOJ's recent expansion of its [Corporate Enforcement Policy](#) — specifically extending the Criminal Division's whistleblower pilot program to cover tariff and customs fraud — both companies and individuals should anticipate a rise in investigations and potential enforcement actions in this space.

On July 10, the DOJ announced it is reallocating prosecutorial and investigative resources to support its expanded focus on customs and tariff enforcement. Notably, the DOJ Criminal Division will refocus the Market Integrity and Major Frauds Unit — which has historically handled large-scale securities and commodities fraud — to prioritize tariff evasion schemes. The unit will be renamed the Market, Government, and Consumer Fraud Unit, and will be bolstered by personnel from the DOJ's Civil Division, including the Consumer Protection Branch.

What Companies Should Do Now

In light of this expanded enforcement posture, companies should revisit their import compliance frameworks with a focus on risk exposure and internal accountability. Key action items include:

- Auditing import records and customs filings for potential misstatements or misclassifications;
- Reviewing supplier declarations and country-of-origin certifications, especially for goods sourced from high-risk jurisdictions;
- Ensuring trade compliance policies and training are updated and applied consistently across the business;
- Conducting internal investigations where potential red flags exist and preparing for voluntary disclosure where appropriate.

Failure to act could expose companies not only to monetary penalties but also to reputational damage, criminal liability, and disruption of supply chains.

Looking Ahead

The DOJ's decision to treat customs fraud as a criminal enforcement priority represents a material development in the trade compliance landscape. For companies operating in sectors affected by tariffs, trade remedy duties, or

complex origin rules, proactive compliance is no longer optional — it is essential.

This is intended as a guide only and is not a substitute for specific legal or tax advice. Please reach out to the authors for any specific questions. We expect to continue to monitor the topics addressed in this alert and provide future client updates when useful.

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