

DOJ's Criminal Division Announces Updates to White-Collar Enforcement and Corporate Policies

WRITTEN BY

Lawrence J. Cameron | Ryan DiSantis | Michael A. Schwartz | Peter D. Leary | Edward M. Nogay | Nicole S. Giffin | Kara C. Kelleher

On May 12, 2025, the Head of the Criminal Division (the Criminal Division or Division) at the Department of Justice (DOJ), Matthew R. Galeotti, issued [key memoranda](#) to Criminal Division personnel on the Division's new priorities and policies for prosecuting corporate and white-collar crimes and for the imposition of monitorships. On the same day, the Criminal Division also issued a revised Corporate Enforcement and Voluntary Self-Disclosure Policy and long-awaited updates to the Corporate Whistleblower Awards Pilot Program. As expected, the Criminal Division's position is consistent with prior memoranda issued by U.S. Attorney General (AG) Pam Bondi and the new Administration, which we previously discussed [here](#).

These announcements highlight the Division's commitment to eliminating waste, fraud, and abuse, and its shifting priorities in white-collar enforcement, while providing more clarity and certainty for companies facing federal criminal investigations by the Division.

In short, companies that operate in areas with transnational criminal organizations (TCOs) should carefully review the Criminal Division's new white-collar priorities and take proactive steps to maintain robust anti-money laundering and OFAC compliance programs. Further, given the Division's focus on rooting out fraud on government programs, healthcare companies and government contractors should assess internal practices and ensure effective compliance programs and internal reporting mechanisms are functioning as intended. In addition, companies would benefit from close examination of their hiring and employment policies and practices to ensure compliance with federal immigration laws and evolving tariff policies. And with the expansion of the DOJ whistleblower program, now is the time for companies to ensure they maintain effective internal reporting mechanisms and consider the benefits of voluntary self-disclosure of internal issues.

Criminal Division White-Collar Enforcement Plan

Most notable of the new or revised policies was the [memorandum](#) setting out the Criminal Division's White-Collar Enforcement Plan for the new Administration. Overall, the Division's policies seek to "strike an appropriate balance between the need to effectively identify, investigate, and prosecute corporate and individuals' criminal wrongdoing while minimizing unnecessary burdens on American enterprise," noting the need to "avoid overreach that punishes risk-taking and hinders innovation." Galeotti directs prosecutors to prioritize schemes involving senior-level personnel or other culpable actors, demonstrable loss, and efforts to obstruct justice.

The memorandum outlines the Division's 10 key areas of focus for prosecuting white-collar crimes, aimed at "corporate crime in areas that will have the greatest impact in protecting American citizens and companies and

promoting U.S. interests”:

1. Rooting out exploitation of government programs, such as health care and procurement fraud;
2. Trade and customs fraud like tariff evasion to “ensure that American businesses are competing on a level playing field in global trade and commerce”;
3. Fraud perpetrated through variable interest entities (VIEs), including, offering fraud, “ramp and dumps,” elder fraud, securities fraud, and other market manipulation schemes;
4. Fraud that victimizes U.S. investors, such as Ponzi schemes, investment fraud, elder fraud, servicemember fraud, and fraud that threatens the health and safety of consumers;
5. Threats to national security, such as financial institutions and insiders that commit sanctions violations or allow the laundering of criminal funds to facilitate foreign criminal organizations, the flow of drugs, and 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 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. Crimes that exploit the monetary systems and undermine economic development and innovation, including offenses that victimize digital asset investors or use digital assets in furtherance of criminal offenses.

Galeotti also announced changes to the Criminal Division’s Corporate Enforcement and Voluntary Self-Disclosure Policy, and notably, that “additional benefits are available to companies that self-disclose and cooperate, including potential shorter terms” of deferred prosecution agreements and/or monitorships. The announcement signals promoting “policies that acknowledge law-abiding companies and companies that are willing to learn from their mistakes and provide those companies with transparency from the Department.”

In addition to laying out the new Administration’s future focus, Galeotti directed the Division Sections to review the length of terms of all existing agreements with companies to determine if they should be terminated early. Factors leading to early termination include:

1. Duration of the post-resolution period,
2. Substantial reduction in the company's risk profile,
3. Extent of remediation and maturity of the compliance corporate program, and
4. Whether the company self-reported the misconduct.

According to the announcement, the Criminal Division already has determined that certain companies had met the terms of their agreements in multiple matters and ended them early.

Finally, the memorandum directs the Division to maximize efficiency in all corporate investigations. Specifically, Galeotti directs prosecutors to “move expeditiously to investigate cases and make charging decisions” and take all reasonable steps to minimize the length and collateral impact of their investigations. Last, Galeotti announced a new monitor selection memorandum, discussed below, to limit and narrowly tailor the use of monitors.

Revised Corporate Enforcement and Voluntary Self-Disclosure Policy

As Galeotti's Criminal Division's White-Collar Enforcement Plan announced, the Criminal Division revised its [Corporate Enforcement and Voluntary Self-Disclosure Policy](#). The revised policy now states that if the relevant factors are met, the Criminal Division will decline to prosecute a company for criminal conduct. This full declination to prosecute is a change from the previous Policy which only created a presumption the Division would not prosecute.

The factors for declination are: (1) the company voluntarily self-discloses misconduct to the Criminal Division; (2) the company fully cooperates with the Criminal Division's investigation; (3) the company timely and appropriately remediates the misconduct; and (4) there are no aggravating circumstances related to the nature and seriousness of the offense.

In another new change, this Policy creates a new “middle ground” for companies that self-report, but cannot meet all four factors. In these so-called “Near Miss” cases, companies can still receive significant reductions in penalties if at least some of the four factors are met, including a non-prosecution agreement with a term under three years, no corporate monitor, and a 75% reduction of the low end of Sentencing Guidelines fine range.

Selection of Monitors in Criminal Division Matters

As part of Galeotti's stated goal to maximize efficiency in all corporate investigations, Galeotti also released a [memorandum](#) incorporating updates to the 2008 “[Selection and Use of Monitors in Deferred Prosecution Agreements and Non-Prosecution Agreements with Corporations](#),” issued by then-Acting Deputy Attorney General, Craig S. Morford. Specifically, the memorandum provides updates in two primary areas: (1) clarifying factors for determining when a monitor is appropriate and how those factors should be applied; and (2) ensuring that when a monitor is necessary, prosecutors appropriately tailor and scope the monitor's review and mandate to address the risk of recurrence of the underlying criminal conduct and to reduce unnecessary costs.

The memorandum outlines factors to consider when “striking” the appropriate balance between the need to ensure effective compliance programs with the need to eliminate unnecessary burden.” These factors include the nature and seriousness of the underlying misconduct, whether the company is regulated by other governmental

bodies, any steps or remediation the company undertakes before resolution, and whether the corporation has adequately tested its compliance program and internal controls to demonstrate that they would likely detect and prevent similar misconduct in the future.

The memorandum also outlines the qualifications for monitors, noting the selection process should instill public confidence in the process and result in the selection of a highly qualified person or entity, free of any actual or potential conflict of interest or appearance of a potential or actual conflict of interest, and suitable for the assignment at hand.

DOJ Corporate Whistleblower Awards Pilot Program – Revised May 2025

Finally, the Criminal Division also updated its [Corporate Whistleblower Awards Pilot Program](#) to account for the administration's new priorities. Introduced in August 2024, the Pilot Program intends to incentivize reporting corporate crime while also aiming to motivate corporations to create more robust compliance programs that encourage internal reporting of complaints.

Individual whistleblowers may be eligible for an award if they meet certain specific requirements of the program by providing original information, pertaining to specific subject matter areas, voluntarily, and truthfully and the information leads to criminal or civil forfeiture exceeding \$1 million. The award and amount are at the discretion of the DOJ.

The original Pilot Program covered violations by financial institutions involving money-laundering and fraud, foreign and domestic bribery and corruption, and certain health care offenses. The revised program includes all prior subject matter areas but also includes new subject matter areas eligible for the program, in line with current priorities. The new subject areas include:

- Violations by corporations related to international cartels or transnational criminal organizations, including money laundering, narcotics, Controlled Substances Act, and other violations.
- Violations by corporations of federal immigration law.
- Violations by corporations involving material support of terrorism.
- Corporate sanctions offenses.
- Trade, tariff, and customs fraud by corporations.
- Corporate procurement fraud.

Key Considerations For Companies

- With the Criminal Division's increased focus on ending the funding of foreign criminal organizations, cartels, TCOs, and terrorist organizations, it is imperative that **financial institutions** and **digital asset service providers** maintain **robust anti-money laundering and OFAC compliance programs**. In line with broader DOJ policies, the Criminal Division's focus on eliminating cartels and TCOs means that companies that operate

in areas with the strong presence of cartels or TCOs, particularly Mexico and Latin America, should examine and be cautious concerning their interactions and business practices in those countries, including ensuring they have **strong compliance programs** in place.

- **Healthcare companies** and **government contractors** should review practices and ensure **effective compliance programs** and **internal reporting mechanisms**, given the Division's focus on rooting out fraud on government programs, including **health care and procurement fraud**.
- Companies should examine their **hiring and employment policies and practices** now to ensure compliance with all federal **immigration laws**.
- Organizations should closely **monitor and comply** with the new Administration's complex and **evolving tariff policies**.
- Due to the **expansion of the DOJ whistleblower program**, now is the time for companies to ensure they **maintain effective internal reporting mechanisms** and address any reports of misconduct appropriately. In addition, companies that become aware of potential criminal activity should carefully consider the Criminal Division's revised Corporate Enforcement and Voluntary Self-Disclosure Policy, and the potential for a more certain path to declination at least in certain instances.
- Any company under a non-prosecution agreement or other agreement with the Criminal Division should **review compliance with the agreement** closely to determine if they might benefit from Galeotti's instruction for Sections to review the length of all existing agreements and the more limited and **narrowly tailored approach to monitorships**.

[Troutman Pepper Locke LLP](#) is monitoring the administration and DOJ's evolving priorities and guidance closely. If you have questions on how these priorities impact your business or wish to begin evaluating existing compliance programs and policies and procedures, contact a member of our White Collar Litigation and Government Investigations team.

RELATED INDUSTRIES + PRACTICES

- [White Collar Litigation + Investigations](#)