

**Alert | International Trade/
White Collar Defense & Investigations**



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Enhanced Cooperation and Information Sharing in Customs Enforcement: DOJ and DHS Create Trade Fraud Task Force

Go-To Guide

- DOJ and DHS will partner to create a Trade Fraud Task Force.
- The task force will focus on ensuring compliance with customs law, using both civil and criminal statutes.
- The creation of the Task Force is evidence of the Trump administration’s focus on customs law violations and importers should enhance compliance in this area.

On Aug. 29, 2025, the Department of Justice (DOJ) issued a [press release](#) announcing that it is partnering with the Department of Homeland Security (DHS) to create a cross-agency Trade Fraud Task Force “to bring robust enforcement against importers and other parties who seek to defraud the United States.” The task force will focus on advancing the Trump administration’s “America First Trade Policy,” which “promotes investment and productivity, enhances our Nation’s industrial and technological advantages, [and] defends our economic and national security,” by pursuing enforcement against customs law violations. The task force will use the Tariff Act of 1930, the False Claims Act, and Title 18’s trade fraud and conspiracy provisions in its enforcement efforts. It will also focus on ensuring compliance with trade laws, including the payment of all applicable tariffs and duties, such as Section 301 duties on products of

China, classification, valuation and country of origin declarations, antidumping, and countervailing duties.

The announcement of the task force’s creation was accompanied by a call for referrals and cooperation from domestic companies to submit whistleblower tips through the Criminal Division’s Corporate Whistleblower Program and by bringing claims under the qui tam provisions of the False Claims Act (FCA), signaling the breadth of the administration’s efforts to prosecute trade fraud. Pursuant to the FCA, a whistleblower stands to benefit not only from a resultant competitive advantage but also through an award of up to 30% of any recovery and attorneys’ fees.

Civil penalties for violations of customs laws may carry significant penalties. The penalties for violations depend on whether the act was committed with fraud, gross negligence, or negligence. Importers should also be aware that the statute of limitations is five years for violations of the Tariff Act of 1930 and 10 years for violations of the International Emergency Economic Powers Act (IEEPA).

Maximum Penalties (19 U.S.C. § 1592)	
Fraud	<p>A civil penalty in an amount ranging from –</p> <p>(A) In a duty loss violation, a minimum of five times the total loss of duty to a maximum of eight times the total loss of duty – but the amount may not exceed the domestic value of the merchandise.</p> <p>(B) In a non-duty loss violation, a minimum of 50% of the dutiable value to a maximum of 80% percent of the dutiable value – but the amount may not exceed the domestic value of the merchandise.</p> <p>Greater penalty dispositions may be imposed in a case involving an egregious violation, or a public health and safety violation, or due to the presence of aggravating factors.</p>
Gross Negligence	<p>A civil penalty in an amount not to exceed –</p> <p>(A) the lesser of (i) the domestic value of the merchandise, or (ii) four times the lawful duties, taxes, and fees of which the United States is or may be deprived, or</p> <p>(B) if the violation did not affect the assessment of duties, 40% of the dutiable value of the merchandise.</p>
Negligence	<p>A civil penalty in an amount not to exceed –</p> <p>(A) the lesser of (i) the domestic value of the merchandise, or (ii) two times the lawful duties, taxes, and fees of which the United States is or may be deprived, or</p> <p>(B) if the violation did not affect the assessment of duties, 20% of the dutiable value of the merchandise.</p>

Customs-related violations may also be enforced using a number of criminal statutes, including 18 U.S.C. § 541 (entry of goods falsely classified), 18 U.S.C. § 542 (entry of goods by means of false statements), 18 U.S.C. § 545 (smuggling), 18 U.S.C. §§ 1343 & 1349 (wire fraud), 18 U.S.C. § 1001 (materially false statements to the United States), and 18 U.S.C. § 287 (false, fictitious, or fraudulent claims), among others. These statutes allow for imposing fines and prison sentences.

Importers that willfully underpay certain tariffs may also be subject to criminal penalties and fines under IEEPA if President Trump's use of IEEPA to levy those tariffs is upheld. Civil violations of IEEPA-based tariffs may be up to twice the value of the transaction and are determined on a strict liability basis.

Considerations for Importers

The administration's enhanced, programmatic approach to information sharing between DOJ and DHS – together with its renewed effort to leverage tips from potential whistleblowers – may spur new civil and criminal investigations of importers.

The creation of the task force signals to importers that it is critically important to attend to compliance programs and practices. In anticipation of increased scrutiny of import activities, importers should consider reviewing procedures for compliance with customs laws, as well as classification, country of origin, and valuation of imported goods. Importers should also consider maintaining proper records of import documentation and proactively reporting instances of non-compliance with customs laws.

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