

Department of Justice's New Business-Friendly Corporate Enforcement Policy Rewards Self-Disclosure

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Background

The U.S. Department of Justice ("DOJ") recently released its first-ever, department-wide, [Corporate Enforcement and Voluntary Self-Disclosure Policy](#) ("CEP") for criminal matters.² The policy instructs that the DOJ "will decline to prosecute a company for criminal conduct" when specific criteria are met, and calls for special allowances to be made when a "company fully cooperated and timely and appropriately remediated" but is otherwise ineligible for a declination.³

The DOJ believes that this policy shift will "incentivize responsible corporate behavior, encouraging companies to invest in effective compliance programs, voluntarily self-report potential misconduct, meaningfully cooperate with law enforcement and make good-faith efforts to rectify wrongdoing." If true, the new policy will serve to better align "the Department's interest in swift criminal justice with the interests of companies, shareholders and other stakeholders in good corporate governance and the public's interest in rooting out fraud and misconduct."⁴

First Declination Pursuant to the New Policy

In recent weeks, the DOJ declined to prosecute Balt SAS, a foreign medical device company, and its subsidiary Balt USA LLC for violations of the Foreign Corrupt Practices Act, 15 U.S.C. § 78dd-*et seq.*—the DOJ's first such declination under the new policy. In a [letter dated March 17, 2026](#), the DOJ notified Balt's counsel that, although the government's investigation found conclusive evidence of bribery between 2017 and 2023 that yielded profits in excess of \$1.2 million, the government had nonetheless decided to decline prosecution "based on an assessment of the factors set forth in the CEP, . . . and the Principles of Federal Prosecution of Business Organizations."⁵ In the DOJ's view, the declination was justified by, among other things:

- (1) Balt's timely and voluntary self-disclosure of the misconduct to the Fraud Section, which misconduct was identified during an internal investigation that was ongoing at the time of the disclosure.
- (2) Balt's full and proactive cooperation in [the] matter (including its provision of all known relevant facts of the misconduct and information regarding the individuals involved) and its agreement to continue to cooperate with any ongoing government investigations and any prosecutions that have resulted or might result in the future.
- (3) The nature and seriousness of the offense.
- (4) Balt's timely and appropriate remediation, including disciplinary action against relevant individuals, termination of the business relationships that gave rise to the misconduct, tailored

compliance training for Balt senior management and improvements to its compliance program and internal controls.

(5) The absence of aggravating circumstances that, when weighed against Balt's voluntary self-disclosure, cooperation and remediation, would warrant a disposition other than a resolution under Part I of the CEP.

(6) That Balt [had] accepted responsibility for the criminal conduct and [would] enter into a parallel resolution with authorities in France, which resolution [would] include corporate compliance requirements imposed under the French system.

(7) That Balt [had agreed] to disgorge the amount of its ill-gotten gains.⁶

It should be noted, however, that despite the above, at least two individuals involved in the purported scheme have been indicted and are facing prosecution.⁷

Takeaways

The Government's declination in this instance provides meaningful early insights about the DOJ's newly implemented Corporate Enforcement and Voluntary Self-Disclosure Policy—above and beyond the fact that the CEP certainly strengthens the business case for compliance investment. In particular, financial institutions and corporate officers should take notice of the fact that the DOJ placed significant weight on Balt's proactive cooperation, discipline of culpable individuals, termination of problematic business relationships, enhanced training and improvements to compliance and internal controls.

Stay tuned to Haynes Boone's Publications and Alerts page for the latest news on this and the DOJ's other important policy changes. For more information, please contact a member of Haynes Boone's Financial Services Investigations and Enforcement practice group below.

¹ Although this policy is the first of its kind to be implemented Department-wide, it should be noted that, earlier this year in February 2026, the SDNY implemented an analogous program. See U.S. Attorney's Office, Southern District of New York, *SDNY Announces Corporate Enforcement And Voluntary Self-Disclosure And Cooperation Program For Financial Crimes* (Feb. 24, 2026), <https://www.justice.gov/usao-sdny/pr/sdny-announces-corporate-enforcement-and-voluntary-self-disclosure-and-cooperation>.

² U.S. Department of Justice, *Corporate Enforcement and Voluntary Self-Disclosure Policy* (Mar. 10, 2026), <https://assets.law360news.com/2451000/2451343/cep-3-10-26-updated.pdf>; see also Sarah Jarvis, *DOJ Unveils Superseding Policy For Corporate Criminal Cases*, Law360 (Mar. 10, 2026), <https://www.law360.com/articles/2451343/doj-unveils-superseding-policy-for-corporate-criminal-cases>.

³ *Id.*

⁴ *Id.*

⁵ U.S. Department of Justice, Criminal Division, *Letter to Balt SAS* (March 17, 2026), <https://assets.law360news.com/2459000/2459607/declination%20letter.pdf>.

⁶ *Id.*

⁷ Sarah Jarvis, *DOJ Unveils Superseding Policy For Corporate Criminal Cases*, Law360 (Mar. 10, 2026).