

National Security Division Issues First Declination Under Department-Wide Corporate Enforcement Policy: The Bosch Matter

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Background

In 2026, the United States Department of Justice (“DOJ”) adopted a department-wide [Corporate Enforcement and Voluntary Self-Disclosure Policy \(“CEP”\)](#), offering companies a clear path to avoid criminal prosecution: promptly self-report misconduct, cooperate fully and remediate appropriately. Until now, the CEP had produced results only in fraud and Foreign Corrupt Practices Act matters. [The Bosch declination](#) marks the first time the National Security Division (“NSD”) has applied the policy—signaling that voluntary self-disclosure can yield meaningful benefits, even in the high-stakes arena of export controls and sanctions enforcement.

In June 2026, NSD issued its first-ever CEP declination to resolve alleged violations of the Export Administration Regulations by Robert Bosch GmbH (“Bosch”). This declination followed NSD’s [March 2026 announcement](#) that export control and sanctions enforcement is a top national security priority.

First NSD Declination Under the New Policy

From September 2020 to September 2024, Bosch, a German automotive parts and technology company, exported more than \$70 million in foreign-produced sensor products and software to foreign entities without the required license, violating the Entity List Foreign Direct Product Rule (“FDPR”). The investigation found that Bosch’s trade compliance personnel were ill-equipped to apply the FDPR, resulting in years of violations and continued sales despite third-party warnings. Those sales yielded approximately [\\$11,430,098](#) in pre-tax profits. Even so, NSD’s Counterintelligence and Export Control Section declined to prosecute, citing the factors in the CEP and the Principles of Federal Prosecution of Business Organizations.

The DOJ stated that it declined to prosecute Bosch because the company, among other things:

1. Reported the conduct to NSD promptly and on its own initiative;
2. Cooperated fully, disclosing relevant facts and documents, and responding quickly to government requests;
3. Remediated the misconduct, including by restructuring, disciplining responsible personnel, adding 66 employees to its trade-compliance team, expanding U.S. compliance resources and rewriting its policies; and
4. Remained subject to meaningful regulatory consequences, namely the approximately \$36 million civil penalty that the Bureau of Industry and Security (“BIS”) imposed for the same conduct.

Bosch agreed to disgorge the \$11,430,098 in profits earned from the sales. The Commerce Department will credit a portion of that disgorgement toward the \$36,184,680 civil penalty that Bosch separately paid to BIS.

Announcing the declination, Assistant Attorney General for National Security John A. Eisenberg stated:

"This declination reflects the clear benefits for companies that promptly disclose potential violations and fully assist in our investigations. Bosch's cooperation and timely remediation met the high standards set by the Corporate Enforcement Policy, supporting a fair and efficient resolution. This first-of-its-kind decision by NSD highlights the important role of transparency in safeguarding U.S. technology and national security."

Key Takeaways

- **Self-disclosure Works:** Bosch's prompt reporting, full cooperation and aggressive remediation—66 new compliance staff and restructured processes—were decisive in avoiding criminal charges.
- **Declinations Still Carry Cost:** Bosch disgorged \$11.4 million in profits and paid a separate \$36 million BIS civil penalty for the same conduct.
- **The CEP Now Spans the DOJ:** Following declinations by both the Criminal Division (Balt SAS) and NSD (Bosch), companies in every enforcement area—including export controls where the FDPR reaches goods made entirely abroad—should treat the policy as operational.
- **Engage Counsel Early:** Whether to self-disclose remains a fact-intensive judgment shaped by a company's compliance posture and potential exposure. Experienced counsel can help maximize the benefits the CEP offers.

Summer Associate Ruthanne Carter contributed to this article. Ruthanne is not yet licensed to practice law.

For more information, please contact Richard Weber, Chair, Financial Services Enforcement and Litigation Practice.