

# Issar, Shugrue and Wylie in Reuters: DOJ Actions on Customs Enforcement Underscore Need for Due Diligence and Compliance Programs

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**PRACTICES** Litigation, False Claims Act and Qui Tam Defense

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Haynes Boone attorneys [Neil Issar](#), [Davis Shugrue](#) and [Brianne Wylie](#) authored an article for *Reuters* discussing the Department of Justice's customs enforcement actions, including the new cross-agency Trade Fraud Task Force, and how these new actions underscore the need for programs on due diligence and compliance.

Read an excerpt below.

A series of recent federal enforcement actions targeted at tariff evasion exemplify how the Trump administration is aiming its enforcement crosshairs at customs fraud.

On Sept. 30, 2025, the Department of Justice (DOJ) announced the indictment of two Colorado-based companies and three executives for conspiring to misrepresent the origin and value of Chinese-made forklifts to evade customs duties and defraud the federal government.

And on Nov. 17, 2025, the DOJ announced the filing of a criminal complaint against an Indonesian jewelry company, its co-owner, and two employees for similarly conspiring to misrepresent the origin of Indonesian-made jewelry to avoid applicable tariffs.

These schemes are alleged to have enabled the perpetrators to evade an estimated \$1 million and \$86.4 million in customs duties, respectively. The government's increasing focus on customs fraud means companies should closely monitor their import activities and representations to ensure compliance and avoid potential investigations or enforcement actions.

## The Government's Focus on Customs Fraud

On May 12, 2025, Acting Assistant Attorney General Matthew R. Galeotti issued a memorandum (also referred to as the "Galeotti Memorandum," available [here](#)) announcing, among other things, a new emphasis on targeting "trade and customs fraudsters" to ensure a level playing field in global trade and commerce for American companies.

The memorandum stated that the DOJ would "move expeditiously" to target customs fraud and safeguard the "U.S. economy, American competitiveness, and ... national security." That same day, the DOJ expanded its Corporate Whistleblower Awards Pilot Program by adding "[v]iolations by or through companies related to trade, tariff, and customs fraud" as a topic eligible for whistleblower awards.

The DOJ and the Department of Homeland Security also recently announced a new cross-agency Trade Fraud Task Force to ensure compliance with trade laws, "including the payment of all applicable tariffs and duties." The announcement can be found [here](#). The Task Force will "aggressively pursue enforcement actions against any parties who seek to evade tariffs and other

duties," which could include civil actions under the Tariff Act of 1930 and the False Claims Act (FCA), as well as criminal actions under Title 18's trade fraud and conspiracy provisions.

[Read the full \*Reuters\* article here.](#)