

## Enforcement Insights

### Market, Government, and Consumer Fraud Enforcement Expands

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Heading into 2026, we expect to see increased activity from a newly reorganized unit in the DOJ Fraud Section, the **Market, Government, and Consumer Fraud Unit** (MGC Unit), which investigates and prosecutes (i) fraud occurring in or affecting U.S. securities and commodities markets, including market manipulation by foreign issuers listed on U.S. exchanges; (ii) trade and customs fraud; (iii) federal procurement and taxpayer-funded program fraud; and (iv) complex consumer and investment fraud, including manipulation using emerging technologies.

The MGC Unit (under its former name) was responsible for several high-profile corporate enforcement actions in recent years, including securing (i) a **plea agreement** from Austal USA LLC for accounting fraud and obstruction of justice, in coordination with an FCA settlement with the DOJ Civil Division; (ii) a **deferred prosecution agreement** to resolve a criminal information charging Raytheon Company with two counts of major fraud against the U.S. as a result of a defective pricing scheme, in coordination with an FCA settlement with the DOJ Civil Division; and (iii) a **deferred prosecution agreement** with TD Securities (USA) LLC to resolve an investigation into fraud stemming from unlawful trading in secondaries, in coordination with settlements with the SEC and Financial Industry Regulatory Agency.

The MGC unit has been particularly active in 2025, receiving a surge of resources, reflecting its broad mandate. In addition to over 30 enforcement **actions against individuals**, its results include (i) **deferred prosecution agreements** with two U.S. government contracting companies involved in a scheme to bribe a USAID contracting officer to secure approximately \$552.5 million dollars' worth of USAID contracts; and (ii) the CEP **declination** as to BoAS discussed above. Given the DOJ's enforcement priorities, including fraud on the government and harm to U.S. interests, we anticipate continued and increased enforcement to come out of the MGC Unit as we move into 2026.