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Despite a slower than expected start to enforcement in 2025, including a pause on enforcement of the Foreign Corrupt Practice Act (FCPA) and a 43-day federal government shutdown, government enforcement appeared to steady as the year came to a close. Looking to 2026, we expect increased enforcement by the Department of Justice (DOJ), consistent with the Criminal Division's **White Collar Enforcement Plan**, which declared "[w]aste, fraud, and abuse" as its top priority followed by "[t]rade and customs fraud." As we detail below, the False Claims Act (FCA) took center stage in 2025, and we anticipate the trend will continue into and throughout 2026. Moreover, while we expect an uptick in FCPA enforcement actions in 2026 as the Fraud Section moves on from the "pause," we anticipate there may be a greater focus on individual prosecutions than we have seen in prior administrations. That said, remarks by Deputy Attorney General Todd Blanche and other DOJ officials at the December 2025 ACI FCPA and Global Anti-Corruption Conference emphasized that the DOJ remains committed to fighting foreign bribery and we ended 2025 with a FCPA corporate criminal resolution.

Meanwhile, at the Securities and Exchange Commission (SEC), we saw a shift in enforcement priorities as Chairman Paul Atkins pivoted away from regulation through enforcement and ushered in a renewed emphasis on prosecuting "genuine harm and bad acts." At the Office of Foreign Assets Control (OFAC), we saw a steady pace of enforcement throughout 2025, as the administration utilized sanctions and tariffs to address trade concerns, as well as national security concerns stemming from transnational criminal organizations (TCOs) and cartels.

We unpack the twists and turns of enforcement in 2025 here and offer our insights and expectations for 2026.

Voluntary Disclosures and Whistleblowers Remain Vital to Fueling Enforcement

January 5, 2026

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In 2025, the DOJ attempted to provide more incentives to companies to voluntarily disclose misconduct and broadened its **Corporate Whistleblower Awards Pilot Program** (Whistleblower Program) to help detect potential misconduct. In May 2025, then-Acting Assistant Attorney General of the Criminal Division Matthew R. Galeotti also announced a revised **Corporate Enforcement and Voluntary Self-Disclosure Policy** (CEP) to further incentivize companies to voluntarily self-disclose. The revised CEP states that a company *will* receive a declination (rather than the *presumption* of a declination) if the company voluntarily self-discloses, fully cooperates, and timely and appropriately remediates the misconduct, and there are no aggravating circumstances. The revised CEP also introduces a "Near Miss" category with reduced consequences—including a non-prosecution agreement, shorter than a three-year term, and no monitor—for companies that have aggravating circumstances or that acted in good faith by self-disclosing but do not meet the DOJ's definition of voluntary self-disclosure.

Subsequently, the DOJ announced three CEP declinations, touting the benefits a corporation can receive from voluntary self-disclosure and cooperation.

In August, the DOJ announced **a declination** for Liberty Mutual Insurance Company (Liberty Mutual), stemming from alleged bribes paid by an Indian subsidiary to state-owned banks to secure customers. In explaining the rationale for its decision to decline prosecution, the DOJ emphasized, *inter alia*, Liberty Mutual's (i) timely and voluntary self-disclosure of misconduct identified during an internal investigation, which was still ongoing at the time of the disclosure; (ii) full and proactive cooperation; (iii) timely and appropriate remediation; and (iv) disgorgement of related gains.

In September, the DOJ announced its **decision not to prosecute** Bank of America Securities (BoAS) in connection with schemes carried out by two former employees to manipulate the secondaries and futures markets by entering more than 1,000 spoof orders. The DOJ explained that the declination was based on, *inter alia*, BoAS's (i) timely and voluntary self-disclosure of misconduct when it first became aware of the suspicious trades from a third party; (ii) full and proactive cooperation, and its agreement to continue to cooperate, with government investigations; (iii) timely and appropriate remediation, including an internal review of all traders on its U.S. Treasuries desk, a root-cause analysis, and external testing of its internal controls; and (iv) disgorgement of $1.96 million in related gains and contribution of $3.6 million to a victims compensation fund.

In December, the DOJ announced it had declined to prosecute **MGI International** and its subsidiaries Global Plastics LLC and Marco Polo International LLC (together, MGI), in connection with allegations that MGI falsified country of origin declarations to evade duties on Chinese goods. The DOJ noted, among other factors, MGI's (i) timely and voluntary self-disclosure; (ii) full and proactive cooperation; (iii) the nature and seriousness of the offense, including the absence of aggravating factors; (iv) timely and appropriate remediation, including termination and disciplinary actions against the employees involved in the scheme and an internal review of its compliance program and internal controls; and (v) repayment of the allegedly evaded tariffs.

Consistent with the DOJ's focus on voluntary self-disclosure, and based on remarks by the Deputy Attorney General at the ACI Conference, we anticipate a forthcoming CEP update aimed at standardizing enforcement policies across the DOJ to further incentivize self-disclosure, corporate cooperation, and voluntary remediation and accountability measures.

Moreover, in May 2025, the DOJ Criminal Division expanded its **Whistleblower Program**, yet another method to fuel enforcement consistent with the Criminal Division's priority interests. The expanded Whistleblower Program now includes (i) violations related to cartels and TCOs; (ii) violations of federal immigration law; (iii) material support of terrorism; (iv) sanctions offenses; (v) trade, tariff, and customs fraud; and (vi) procurement fraud. At the ACI Conference last month, the DOJ reported that it has received 1,100 tips through the Whistleblower Program since 2024. The DOJ further reported that it referred approximately 80% of the whistleblower tips received since May to prosecutors for investigation.

As we move into 2026, companies can expect the DOJ to continue looking favorably upon voluntary self-disclosure and cooperation. Compliance officers and counsel should also consider areas of risk for potential whistleblower reports. Promoting internal measures, such as ethics hotlines, investigations and remediation, could help companies preempt more severe government enforcement actions. Positive corporate conduct could assist a company during a government investigation and, if necessary, when negotiating a resolution with the DOJ to avoid more severe penalties.

The False Claims Act Takes Center Stage

January 5, 2026

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2025 saw heightened enforcement of the FCA in both the healthcare and government contracting industries. In April, the DOJ, with assistance from the Department of Health and Human Services (HHS), reached a $300 million FCA settlement with **Walgreens** resolving allegations that the pharmacy sought payment from federal payors for illegal opioid prescriptions, as well as a $202 million FCA settlement with **Gilead Sciences** resolving allegations that it paid kickbacks, including speaking fees, lavish dinner programs, and all-expense-paid trips, to induce doctors to prescribe Gilead's HIV drugs, thereby causing false claims for the drugs to be filed. In July, the DOJ and HHS **announced** the relaunch of a DOJ-HHS FCA Working Group, initially formed in 2020 under the first Trump administration. The relaunch followed the DOJ's announcement that it was partnering with other agencies as part of the **National Health Care Fraud Takedown** to "bring together experts from the Department's Criminal Division, Fraud Section, Health Care Fraud Unit Data Analytics Team; HHS-OIG; FBI; and other agencies to leverage cloud computing, artificial intelligence, and advanced analytics to identify emerging health care fraud schemes."

Enforcement in the FCA space was particularly active in 2025 with respect to cybersecurity requirements. The DOJ has secured settlements with four defense contractors (**MORSECORP, Inc.**, **Raytheon**, **Aero Turbine, Inc.**, and most recently, **Swiss Automation Inc.**) for failing to comply with cybersecurity requirements in federal contracts. And, as we detailed **previously** in August, the DOJ used the FCA for the first time to enforce cybersecurity standards against medical device company **Illumina**, demonstrating an expanded usage of the FCA. Notably, the DOJ has pursued these FCA actions where cybersecurity standards were not met regardless of whether any actual cybersecurity breaches occurred.

Moving into 2026, we expect to see steady enforcement of the FCA in the healthcare and defense contracting industries alongside use of the FCA to target new enforcement priority areas. For example, we anticipate that the DOJ will continue to use the FCA to pursue trade and customs fraud as it did in 2025. In July, the DOJ's Civil Division reached a $6.8 million settlement with subsidiaries of **MGI**, resolving potential civil liability under the FCA for failure to pay customs duties on plastic imported from China. In August, the DOJ launched a **Trade Fraud Task Force** with the Department of Homeland Security (DHS) to "aggressively pursue enforcement actions against any parties who seek to evade tariffs and other duties, as well as smugglers who seek to import prohibited goods into the American economy." Notably, the announcement invited "whistleblowers to utilize the *qui tam* provisions of the False Claims Act to alert the government to credible allegations of fraud." In December, the DOJ's Civil Division reached a $54.4 million settlement with **Ceratizit**, resolving allegations that Ceratizit violated the FCA by knowingly misrepresenting the country of origin on Chinese-manufactured products to avoid paying tariffs. And, in line with the Civil Division's **Enforcement Priorities**, we may see the DOJ utilize the FCA with respect to illegal discrimination. Indeed, recent **reporting** indicates that the DOJ has issued Civil Investigative Demands to companies across a variety of industries seeking information relating to the employers' diversity, equity, and inclusion programs.

As enforcement of the FCA continues to expand, companies interacting with the government and federally funded programs should continuously monitor their compliance programs. A corporate culture that demonstrates an emphasis on compliance—specifically, highlighting and demonstrating ethical conduct and timely responding and remediating employee concerns—will help to drive potential whistleblowers through internal channels.

Market, Government, and Consumer Fraud Enforcement Expands

January 5, 2026

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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.

The FCPA Lives On

January 5, 2026

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Despite the temporary pause on FCPA enforcement in spring 2025, the DOJ continued to fight foreign corruption in 2025. At the December 2025 ACI Conference, the Chief of the DOJ's FCPA Unit, David Fuhr, stated that there has been a large uptick in self-disclosures and the volume of cases handled by the FCPA Unit. Deputy Attorney General Blanche, Principal Deputy Assistant Attorney General Galeotti, and Unit Chief Fuhr all emphasized that the DOJ's priorities are aligned with continued foreign bribery enforcement, including as to U.S. companies.

The year began with an **executive order pausing FCPA enforcement** to permit the Attorney General to review pending cases and investigations to ensure alignment with the administration's enforcement priorities. The pause ended with a more narrowly tailored approach to FCPA enforcement. On June 9, the DOJ announced **Guidelines for Investigations and Enforcement of the Foreign Corrupt Practices Act** (Guidelines), which set forth four non-exhaustive factors for DOJ prosecutors to evaluate FCPA investigations: (i) cartel and TCO Involvement; (ii) economic injury to U.S. companies; (iii) threats to U.S. national security; and (iv) prioritization of investigations involving serious misconduct. As Deputy Attorney General Blanche recently stated, these changes to FCPA enforcement are intended to enhance efficiency, reduce costs, and promote transparency and uniformity in FCPA enforcement.

In 2025, in the corporate space, we saw one FCPA CEP declination, one criminal indictment, and one criminal resolution. As detailed above, in August, the DOJ announced **a declination** for Liberty Mutual, stemming from bribes paid by its subsidiary in India to state-owned banks to secure customers. In October, the DOJ **announced** a superseding indictment charging voting machine company SGO Corporation Limited, a/k/a Smartmatic (Smartmatic), and its executives, for allegedly causing more than $1 million in bribes to be paid to the former Chairman of the Philippines' Commission on Elections to secure and retain government contracts for Philippine national elections. The indictment marks the first **criminal indictment of a corporate defendant** for FCPA-related offenses since 2010. In November, the DOJ announced **a deferred prosecution agreement** (DPA) with a Guatemalan subsidiary of Millicom International, resolving allegations that the subsidiary paid bribes to government officials to secure favorable legislation and maintain a significant market share. Notably, the term of the DPA was limited to two years (instead of the typical three-year term) and the DOJ did not impose a compliance monitor. *For more on Millicom, read Cadwalader's full analysis and insights **here**.*

As to individuals, the DOJ obtained **two convictions** of U.S.-based individuals related to bribery of foreign government officials, and it continues to pursue other cases against individuals. For example, the DOJ recently announced its decision to move forward with its **case** against former Corsa Coal executive Charles Hunter Hobson, while Pennsylvania-based Corsa Coal itself received a declination in 2023. Similarly, the DOJ continues to actively prosecute three executives of Smartmatic and a Philippine foreign official in connection with the alleged bribery and money laundering scheme discussed above.

Looking forward into 2026, we anticipate a continued focus on FCPA investigations, though much remains to be seen about how those investigations will be generated and handled. Given resource constraints in the FCPA Unit, we expect even more reliance on whistleblowers. And, while the revised CEP attempts to provide even more certainty to companies that self-disclose, the voluntary self-disclosure decision may be viewed as a more complex determination given the narrowed approach to FCPA enforcement outlined in the Guidelines.

Shifting Priorities at the SEC

January 5, 2026

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Under the leadership of Chairman Atkins, the SEC appears to remain focused on traditional **enforcement priorities**, such as insider trading and financial reporting enforcement. Overall, SEC enforcement slowed during 2025, with the Atkins-led SEC initiating only **two enforcement actions** against public companies and no new FCPA enforcement actions. In July, the SEC also **dismissed a preexisting FCPA case** against two former Cognizant executives. The SEC attributed the dismissal to a change in policy, suggesting that the SEC, like the DOJ, may deprioritize enforcement of the FCPA against U.S. companies where the alleged conduct does not implicate national security, cartel involvement, or economic harm to U.S. entities. Heading into 2026, we can expect the SEC to prioritize cases that align with broader administration-defined national interests—particularly those involving **foreign actors**, **data security**, and **individual accountability**. In line with the new **Crypto Task Force**, we also anticipate an end to the SEC's historical regulation of crypto assets through enforcement actions and an increased focus on crypto rulemaking to establish a comprehensive regulatory framework in 2026.

Despite decreased enforcement at the SEC, Chairman Atkins announced **procedural and substantive updates to the Wells process**, which is used to notify potential respondents of charges the Enforcement Division staff intends to bring. Chairman Atkins pledged that Enforcement Division staff would seek to provide greater detail in Wells notices, including the potential charges and the evidentiary bases for those charges. He also announced that Enforcement Division staff will extend the time for respondents to serve Wells submissions from two weeks to four weeks, providing parties more time to accurately provide a detailed response. Chairman Atkins further clarified commissioners will receive every Wells submission in settled and contested cases, ensuring full access to the positions of both the staff and respondents. Together, the Chairman's announcement embodies a move towards cooperation, transparency, and efficiency in the SEC's enforcement procedures, providing respondents an opportunity to have an informed and carefully considered voice in the enforcement process.

Complex and Dynamic Sanctions Enforcement

January 5, 2026

By Christian Larson
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2025 was a notable year for U.S. sanctions policy and enforcement, marked by both major policy shifts and active regulatory oversight. In addition to applying sanctions as a standard foreign-policy tool, the administration utilized sanctions to address national security concerns stemming from TCOs and cartels and to address trade concerns through the imposition of tariffs. OFAC maintained a steady pace of enforcement, underscoring the importance of robust compliance programs and careful monitoring of business counterparties and transactions.

Several key policy developments shaped the sanctions landscape in 2025. **Executive Order 14157** authorized the designation of certain cartels as Foreign Terrorist Organizations, reflecting an increased focus on disrupting fentanyl trafficking networks. In a significant shift, sanctions targeting Syria were largely rolled back through OFAC **General License 25**, issued in May, authorizing nearly all transactions previously prohibited under the Syria Sanctions Regulations, and a June **executive order** lifting the Syrian national emergency, formally terminating OFAC's Syria sanctions program.

Sanctions also were prominently used this year in response to trade concerns. After declaring national emergencies related to trade deficits and fentanyl trafficking, the administration utilized the International Emergency Economic Powers Act (IEEPA) to impose tariffs on imports from dozens of countries, including Canada, China, and Mexico. In November, the Supreme Court heard arguments on the executive authority to impose tariffs through IEEPA; to date no ruling has been issued.

OFAC announced 14 civil penalties in 2025, across multiple sectors and covering a variety of fact patterns. We summarize four notable actions below:

> **Family International Realty**: In January, Family International Realty, a Miami-based real estate brokerage, and its owner, Roman Sinyavsky, **settled** allegations that they facilitated the transfer of ownership of two luxury condominiums in Miami on behalf of two individuals targeted under OFAC's Ukraine/Russia sanctions. Family International Realty and several law firms allegedly participated in transferring the real estate interests of the sanctioned individuals to non-sanctioned family members, and companies owned by those family members. Family International Realty and Sinyavsky agreed to pay OFAC a settlement amount of $1,076,923. In parallel civil and criminal proceedings, the two condominiums were ordered forfeited, and Sinyavsky pleaded guilty to IEEPA violations and money laundering and was sentenced to a year and a day in prison. These enforcement actions demonstrate OFAC's and the DOJ's continued focus on "gatekeepers" such as realtors, investment advisors, and attorneys, and the risks that dealing with blocked property pose to the various parties to, and service providers involved in, a transaction.
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> **Unicat Catalyst Technologies**: In June, Unicat Catalyst Technologies agreed to pay $3.9 million to **settle** alleged violations of OFAC's Iran and Venezuela sanctions programs. Through third parties and its subsidiaries outside of the U.S., Unicat supplied industrial catalyst products valued at $2.6 million to sanctioned end-users in Iran and Venezuela. In a parallel criminal action, a private equity firm that acquired Unicat discovered the sales to Iran and Venezuela, promptly disclosed the conduct, and cooperated fully with the DOJ, receiving the first-ever declination against an acquirer under the DOJ's NSD M&A Safe Harbor Policy, which we **previously discussed** in our second quarter update. The case underscores the importance of supply-chain compliance processes, and the DOJ's willingness to decline prosecutions against acquiring companies that self-report misconduct and cooperate.
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> **GVA Capital**: Also in June, OFAC imposed a $216 million civil **penalty**—the statutory maximum—on GVA Capital, a San Francisco-based venture capital firm, after OFAC found that the firm had knowingly managed an investment for a sanctioned Russian national. OFAC found that GVA's senior management dealt with an individual they knew was a sanctioned Russian individual's proxy, thereby indirectly dealing with, and acting for, the sanctioned Russian individual. GVA also obtained a legal opinion that incorrectly determined that it was not dealing in blocked property. OFAC found that GVA's violations were not self-disclosed and were egregious. In addition, GVA failed to respond fully to an OFAC subpoena for more than two years, resulting in 28 violations of OFAC's Reporting, Procedures, and Penalties Regulations. This rare,

non-settled public enforcement action highlights OFAC's willingness to take enforcement action against persons who deal with proxies for sanctioned persons and expectation of fulsome compliance with its investigations.

Interactive Brokers: In July, Interactive Brokers agreed to pay OFAC $12 million to **settle** allegations that over several years, the brokerage processed thousands of transactions involving sanctioned countries, including China, Cuba, Iran, Russia, Syria, and Venezuela. Although Interactive Brokers blocked access from IP addresses linked with sanctioned countries, a bug in the company's IT systems allowed customers located in Iran, Cuba, and Syria to access the brokerage's services. In addition, the brokerage failed to include Crimea, a sanctioned territory, in its IP address blocking list, leading to additional apparent violations. Notably, the brokerage also processed transactions with blocked Russian banks believing, incorrectly, that a wind-down license authorized the transactions. This enforcement action highlights the complexity and dynamic nature of U.S. sanctions and the challenges associated with maintaining up-to-date knowledge of changing law, and appropriately tuned IT compliance systems.

This year's policy changes and enforcement actions reinforce the complex and dynamic state of U.S. sanctions. While the scope of prohibitions involving the principal parties to a transaction are generally well established, the enforcement actions described above demonstrate OFAC's sharper focus on the facilitators of dealings between principal parties involving blocked property: proxies and gatekeepers such as real estate brokers, attorneys, and investment managers. Several of this year's enforcement actions were notable because they involve companies that took steps to comply with sanctions, but reached incorrect legal conclusions, resulting in violations. Throughout 2025, OFAC and the DOJ continued to incentivize self-disclosure, cooperation, and remediation. As we move into 2026, we can expect to see increased enforcement and similar trends.