ALERT MEMORANDUM

DOJ Criminal Division Announces White Collar Enforcement Plan and Revisions to Three Key Policies

May 15, 2025

On May 12, 2025, the Criminal Division of the Department of Justice ("DOJ") announced several policy changes related to its approach to white collar criminal enforcement. Matthew R. Galeotti, the current head of the Criminal Division, noted that DOJ would be "turning a new page on white-collar and corporate enforcement" and emphasizing the principles of "focus, fairness and efficiency" in its investigations and prosecutions. As part of this policy roll-out, DOJ issued a new White Collar Enforcement Plan (the "Enforcement Plan") and key revisions to the Corporate Enforcement and Voluntary Self-Disclosure Policy ("CEP"), Monitor Selection Policy, and Whistleblower Awards Pilot Program.[1]

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[1] Speech, "Head of the Criminal Division, Matthew R. Galeotti Delivers Remarks at SIFMA's Anti-Money Laundering and Financial Crimes Conference" (May 12, 2025), *available at* https://www.justice.gov/opa/speech/head-criminal-division-matthew-r-galeotti-delivers-remarks-sifmas-anti-money-laundering.

Recognizing that companies are often the "first line of defense" against criminal schemes and misconduct, Galeotti underscored the importance of effective corporate compliance programs and their "unique role to play in this fight" against crimes that threaten U.S. economic and national security interests on which the Criminal Division is "laser-focused."[2] As part of this approach, the Criminal Division's Enforcement Plan outlines enhanced incentives for individuals and companies that report misconduct while lessening the burden on companies that self-disclose and cooperate.[3] Galeotti noted the need to strike an appropriate balance between investigating and prosecuting wrongdoing while minimizing unnecessary burdens on U.S. enterprise. These developments reinforce that an effective and robust compliance function remains a critical factor for DOJ in assessing how it will resolve criminal matters. The revisions also offer important guidance to companies about how best to navigate issues related to potential criminal wrongdoing when they arise.

White Collar Enforcement Plan – "Focus, Fairness, and Efficiency"

Focus

The Enforcement Plan identifies ten high-impact areas that the Criminal Division intends to prioritize in investigating and prosecuting white collar crimes. Like the prior Administration, there is a continued focus on combatting crimes related to foreign interests, including those with ties to China. There is also a significant emphasis on the "America First" priorities that this Administration has highlighted in other policy areas, including with respect to tariffs, immigration, and international cartels and Transnational Criminal Organizations ("TCOs"), some of which were recently designated as Foreign Terrorist Organizations ("FTOs").

The ten areas of priority focus are:

- Waste, fraud, and abuse that harm the public fisc, including procurement fraud and healthcare fraud;
- Trade and customs fraud, including tariff evasion;
- Fraud perpetrated through variable interest entities, including "ramp and dumps," securities fraud, and other market manipulation schemes;
- Investment fraud victimizing U.S. investors, individuals, and markets;
- National security threats;
- Material support by corporations to FTOs, including recently designated cartels and TCOs;
- Complex money laundering, including Chinese money laundering organizations;
- Violations of the Controlled Substances Act and the Federal Food, Drug, and Cosmetic Act;
- Bribery and associated money laundering that impacts U.S. national interests, undermines U.S. national security, harms the competitiveness of U.S. businesses, and enriches foreign corrupt officials; and
- Crimes (1) involving digital assets that victimize investors and consumers; (2) that use digital assets in furtherance of other criminal conduct; and (3) willful violations that facilitate significant criminal activity.

Notably, despite the Administration's temporary "pause" on enforcement of the Foreign Corrupt Practices Act ("FCPA") as announced in an Executive Order issued on February 10, 2025, the priorities outlined in the Enforcement Plan specifically include bribery and associated money laundering. As noted in the Executive Order, DOJ will be issuing revised guidelines related to FCPA enforcement going forward.

The Enforcement Plan also prioritizes the identification and seizure of assets that are the proceeds of crimes in these high-impact areas, and

[2] *Id.*

[3] *Id.*

where appropriate, using the forfeited assets to compensate victims.[4]

Fairness

Under the Enforcement Plan, DOJ's first priority remains prosecuting individuals—whether executives, officers, or other employees of companies—who commit white collar offenses. However, it also emphasizes that not all corporate misconduct requires federal criminal prosecution and that civil and administrative remedies could be sufficient to address low-level corporate misconduct. However, where criminal resolutions are necessary, the Enforcement Plan guides prosecutors to conduct a case-by-case analysis and consider all forms of resolutions, including non-prosecution agreements ("NPAs"), deferred prosecution agreements ("DPAs"), and guilty pleas.[5] The Enforcement Plan also notes DOJ's interest in promoting policies that "acknowledge law-abiding companies and companies that are willing to learn from their mistakes," while affording greater transparency regarding what to expect from DOJ's approach to corporate enforcement, in particular for companies that self-report misconduct. Finally, the Enforcement Plan also highlights that the Criminal Division will be reviewing the terms of all existing corporate resolution agreements to determine if they should be terminated early and will be looking at the terms of future agreements through the same lens. Among other factors that may lead to the early termination of an ongoing agreement (or to be considered for future agreements) are the substantial reduction in a company's risk profile, the extent of the company's remediation efforts, the maturity of the company's compliance program, and whether the company self-reported the misconduct.[6]

Efficiency - Streamlining Corporate Investigations

The updated guidelines also direct prosecutors to expeditiously investigate cases and make charging decisions, so that investigations do not extend longer than necessary with little meaningful progress. In particular, the Enforcement Plan notes that "prosecutors must take all reasonable steps to minimize the length and collateral impact of their investigations" and to ensure that "resources are marshaled efficiently." It also explains that the Criminal Division will be tracking investigations to ensure that they do not linger and are "swiftly concluded."[7]

The Corporate Enforcement and Voluntary Self-Disclosure Policy

The CEP outlines DOJ's approach to corporate enforcement, including the potential benefits for companies that voluntarily self-disclose misconduct, fully cooperate with DOJ's investigation, and timely and appropriately remediate, as well as the related requirements and expectations for eligibility. DOJ has periodically updated the CEP over the last several years in an effort to provide greater transparency to companies and their counsel, as well as to better incentivize companies to self-report.

The most recent revisions to the CEP aim to "simplify the policy and clarify the outcomes that companies can expect."[8] The updated CEP also provides a greater guarantee of benefits for companies that voluntarily self-disclose and otherwise meet the requirements of the policy. As explained by Galeotti, the "primary message" on the revised CEP is that "[s]elf-disclosure is key to receiving the most generous benefits the Criminal Division can offer."[9] While the benefits under the revised CEP are certainly more concrete than

[4] Department of Justice, Criminal Division, "Focus, Fairness, and Efficiency in the Fight Against White-Collar Crime" (May 12, 2025), *available at* https://www.justice.gov/criminal/media/1400046/dl?inline at 5.
[5] *Id.* at 6.
[6] *Id.*
[7] *Id.* at 7.
[8] Speech, "Head of the Criminal Division, Matthew R. Galeotti Delivers Remarks at SIFMA's Anti-Money Laundering and Financial Crimes Conference" (May 12, 2025), *available at* https://www.justice.gov/opa/speech/head-criminal-division-matthew-r-galeotti-delivers-remarks-sifmas-anti-money-laundering.
[9] *Id.*

in prior iterations, DOJ prosecutors still retain significant discretion, particularly when aggravating circumstances exist. The updated CEP aims to streamline the analysis and provide a clearer understanding of the potential outcomes, which are divided into three parts: (i) a declination under the CEP (Part I); (ii) a "near miss" voluntary self-disclosure or presence of aggravating factors (Part II); and (iii) resolutions in other cases (Part III).

Declination (Part I Under the CEP)

- Absent aggravating circumstances, where companies voluntarily self-disclose misconduct, fully cooperate, and timely and appropriately remediate, the Criminal Division *will* decline to prosecute.[10] Under previous iterations of the CEP, companies only received the *presumption* of a declination. As part of the declination, companies will still be required to pay disgorgement, forfeiture, and restitution resulting from the misconduct.
- Voluntary-self disclosure requires a self-report of conduct previously unknown to DOJ and without any pre-existing obligation to disclose to DOJ. The disclosure also must be "reasonably prompt" and "prior to an imminent threat of disclosure or government investigation." DOJ encourages self-disclosure at "the earliest possible time," including before the completion of an internal investigation.[11]
- If aggravating circumstances exist, prosecutors still have the discretion to recommend a declination after weighing their severity and the company's cooperation and remediation. Aggravating circumstances relate to (i) the nature and seriousness of the offense; (ii) egregiousness or pervasiveness of the misconduct within the company; (iii) the severity of harm caused by the misconduct; or (iv) a prior criminal adjudication or corporate resolution within the last five years based on similar misconduct by the same company. While fairly broad, these factors appear intended to afford DOJ additional flexibility in assessing eligibility under the CEP, which underscores the importance and significant value to companies of having experienced counsel and proper advocacy before DOJ on these issues.

"Near Miss" Voluntary Self-Disclosures or Aggravating Circumstances Warranting Resolutions (Part II Under the CEP)

- Another significant addition to the CEP under the recent revisions is the addition of the "near miss" category for companies that fall into one of two buckets: (i) those that self-report in good-faith, but do not qualify under the definition of voluntary self-disclosure (*e.g.*, where DOJ determines that the disclosure was not "reasonably prompt"); and (ii) those in which aggravating circumstances are present. In either "near miss" scenario, if the company otherwise fully cooperated and appropriately remediated, and if DOJ does not exercise its discretion to afford a declination, then DOJ "shall" offer an NPA as the form of resolution, provided that there were no "particularly egregious or multiple aggravating circumstances."[12] In addition, DOJ will also afford a resolution term shorter than three years, a 75% reduction off the low-end of the Sentencing Guidelines fine range, and not require an independent compliance monitor. By adding this new "carrot" to the CEP, the Criminal Division is looking to underscore the high premium it is placing on voluntary self-disclosure, particularly for companies that might otherwise be faced with potential aggravating circumstances.

[10] Department of Justice Criminal Division, Corporate Enforcement and Voluntary Self-Disclosure Policy (Updated May 12, 2025) *available at* https://www.justice.gov/criminal/media/1400031/dl?inline.

[11] *Id.*

[12] *Id.*

Resolutions in Other Cases (Part III Under the CEP)

— By contrast, where a company does not self-report to DOJ and is therefore not eligible under Parts I or II of the CEP, the revised policy provides that DOJ prosecutors will maintain the discretion to determine the appropriate resolution, including as to form (*i.e.*, DPA, NPA, guilty plea), term, compliance obligation, and monetary penalty.

— Companies that find themselves in the "other cases" category are only eligible for up to a maximum 50% reduction in the monetary penalty. For companies that fully cooperate and remediate, there is a presumption that the reduction will be off the low-end of the Sentencing Guidelines fine range. For companies that fall short of full cooperation and remediation, DOJ prosecutors will consider the specific facts and circumstances to determine the starting point within the fine range.

— In other words, DOJ is making very clear that everything is on the table for a criminal resolution for companies that do not self-report.

The Whistleblower Awards Pilot Program

DOJ debuted its Whistleblower Awards Pilot Program in August 2024, allowing eligible individuals who provide original, complete, and truthful information on specified subject matters leading to forfeiture exceeding $1 million to obtain an award.[13]

Although many expected that this Administration might eliminate the Whistleblower Awards Pilot Program, it has instead been expanded under the Enforcement Plan. Now, the program further incentivizes individuals to provide tips in new "priority areas," including procurement and federal program fraud; trade, tariff, and customs fraud; federal immigration violations; and offenses related to sanctions, material support of FTOs, cartels, and TCOs, such as money laundering, narcotics trafficking, and violations of the Controlled Substances Act.[14]

These expansions to the subject areas of the Whistleblower Awards Pilot Program potentially create a notable interplay not only across Criminal Division policies but also across other parts of DOJ. First, it appears that the August 2024 amendment to the CEP, which outlined requirements for voluntary self-disclosure after a whistleblower report, remains intact. This provision provides that if a whistleblower makes both an internal report to a company and a whistleblower submission to DOJ, the company will still qualify for a declination under the CEP provided that it self-reported to DOJ within 120 days of receiving the internal whistleblower report and otherwise met the other requirements of the CEP.

Second, the Criminal Division's Whistleblower Awards Pilot Program now includes sanctions and material support of FTOs in a Criminal Division policy—offenses that, historically, have been the purview of the National Security Division, not the Criminal Division, and for which the National Security Division traditionally has maintained approval authority. Notably, the National Security Division has no equivalent whistleblower program and no corollary provision under its Enforcement Policy for Business Organizations.[15] Unless DOJ clarifies this potential discrepancy, companies and individuals reporting misconduct related to these national security offenses may face the challenge of deciding whether to disclose to the National Security Division, the Criminal Division, or both. Although both components maintain separate voluntary self-disclosure policies, each policy provides for the good-faith disclosure to another DOJ component.

[13] A prior alert memorandum on the Whistleblower Awards Pilot Program is available here.
[14] Department of Justice Corporate Whistleblower Awards Pilot Program (updated May 12, 2025) *available at* https://www.justice.gov/criminal/media/1400041/dl?inline.
[15] Department of Justice, National Security Division, *Enforcement Policy for Business Organizations*, *available at* https://www.justice.gov/nsd/media/1285121/dl?inline=.

The Monitor Selection Policy

In his recent announcements, Galeotti recognized that "unrestrained" monitors can also be a significant burden on a company. Galeotti went so far as saying that a monitor's added value "is often outweighed by the costs they impose" and qualified monitorships as "heavy-handed intervention."[16] He also categorically stated there will be fewer monitorships going forward.

The revised monitorship guidance provides that monitorships are to be imposed only when necessary—meaning if the company cannot on its own implement an effective compliance program or prevent recurrence of the misconduct at issue. The new guidance also notes the importance of ensuring that, when a monitor is deemed necessary, DOJ will narrowly tailor and scope the monitor's review and mandate to address the risk of recurrence of the underlying criminal conduct and to reduce unnecessary expense.[17] To determine if a monitorship is necessary, the updated policy provides factors that DOJ prosecutors must consider:

- **The risk of recurrence of misconduct significantly impacting U.S. interests.** The company's risk profile is a "key factor" in this determination and the nature and seriousness of the underlying misconduct is also considered.
- **Availability and efficacy of other independent government oversight.** A significant factor that may weigh against the imposition of a monitorship is whether the company is regulated by other governmental bodies that can exercise sufficient oversight to ensure the implementation of an effective compliance program. Alternatively, if the company committed the misconduct while under that regulator's oversight, that may counsel in favor of imposing a monitor.
- **Efficacy of the compliance program and culture of compliance.** This assessment should be made at the time of the resolution and requires prosecutors to consider factors such as any remedial actions and the company's risk profile. The updated monitorship guidance specifically directs prosecutors to consider the likelihood of recurrence of the misconduct.
- **Maturity of controls and the company's ability to independently test and update its compliance program.** DOJ will consider whether a company has sufficiently tested its compliance program and controls to detect and prevent similar misconduct going forward. As in the past, this is among the most important considerations for a company faced with a potential DOJ resolution.

Key Takeaways

Galeotti emphasized "the critical role that American companies play—not just in growing our economy, but also in the fight against the most serious criminal actors."[18] Moreover, he stated that the Criminal Division would be looking to work with companies and compliance departments on the "front lines" and be less "stingy with the carrot."[19] The renewed policies give companies clearer, more concrete benefits in exchange for self-reporting, fully cooperating, and appropriately remediating and

[16] Speech, "Head of the Criminal Division, Matthew R. Galeotti Delivers Remarks at SIFMA's Anti-Money Laundering and Financial Crimes Conference" (May 12, 2025), *available at* https://www.justice.gov/opa/speech/head-criminal-division-matthew-r-galeotti-delivers-remarks-sifmas-anti-money-laundering; Department of Justice Criminal Division, Memorandum on Selection of Monitors in Criminal Division Matters (Updated May 12, 2025) *available at* https://www.justice.gov/criminal/media/1400036/dl?inline.

[17] Department of Justice Criminal Division, Memorandum on Selection of Monitors in Criminal Division Matters (Updated May 12, 2025) *available at* https://www.justice.gov/criminal/media/1400036/dl?inline.

[18] Speech, "Head of the Criminal Division, Matthew R. Galeotti Delivers Remarks at SIFMA's Anti-Money Laundering and Financial Crimes Conference" (May 12, 2025), *available at* https://www.justice.gov/opa/speech/head-criminal-division-matthew-r-galeotti-delivers-remarks-sifmas-anti-money-laundering.

[19] *Id.*

potentially minimize the burdens of lengthy investigations and prosecutions.

— Self-Disclosure: Timely voluntary self-disclosure of misconduct to the Criminal Division is a critical factor for consideration, perhaps more than ever before. The revised CEP gives companies who "come forward, come clean, reform, and cooperate" a clear path to and guarantee of a declination, absent aggravating circumstances.[20] Companies that become aware of potential misconduct should assess and investigate potential exposure, as well as carefully consider voluntary self-disclosure, as thoroughly and efficiently as possible. They should also ensure that they receive the appropriate guidance and advocacy throughout the process. In fact, the Criminal Division is not the only DOJ component emphasizing the importance of self-disclosing, as reflected by the National Security Division's recent second-ever declination under its equivalent of the CEP.[21]

— Cooperation and Remediation: Although voluntary self-disclosure is necessary to obtain maximum benefits, companies that do not self-disclose but fully cooperate and remediate are nonetheless eligible for tangible benefits, including as to the form of a resolution, the imposition of an independent compliance monitor, and the amount of the fine. Companies should consider fully cooperating at the earliest opportunity to preserve the ability to earn maximum cooperation credit, particularly in light of the Criminal Division's statement that its "first priority is to prosecute individual criminals."[22]

— Effective Compliance Programs and Internal Controls: Companies should ensure that they have effective, well-resourced compliance programs and robust internal controls to detect and prevent misconduct. As noted by Galeotti, compliance professionals are the "eyes and ears of companies."[23] Companies should also test their compliance programs regularly to ensure they are appropriately tailored to their risk profiles and conduct regular trainings. Robust compliance programs are the key to obtaining a number of benefits under the revised policies, including obviating the need for monitorships and potentially shorter terms of imposed resolutions. The Criminal Division has been reviewing existing criminal resolution agreements and monitorships and has already terminated some of them early.

— Whistleblower Awards Pilot Program: In parallel to the focus on compliance programs, companies should ensure that they have well-functioning and reliable mechanisms for whistleblower reporting within the organization. Having an effective whistleblower channel is of critical importance in identifying allegations of potential misconduct and other relevant information at the earliest stage possible, so as to maximize the company's ability to react, investigate, and make decisions as appropriate. The earlier a company can become aware of potential misconduct, the more swiftly it can respond and place itself in the best position possible to remediate and, if the circumstances warrant, to self-report.

— Prosecutorial Priorities: Companies with operations making them susceptible to potential violations relating to U.S. interests in prosecutorial priority areas, including procurement fraud, healthcare fraud, national security, sanctions, FTOs, cartels and TCOs, should pay particular attention to these developments. The references in the policy updates to violations relating to FTOs may require companies to navigate not only the CEP but also the National Security Division's

[20] *Id.*
[21] A prior alert memorandum on the National Security Division's Second Declination is available here.
[22] Speech, "Head of the Criminal Division, Matthew R. Galeotti Delivers Remarks at SIFMA's Anti-Money Laundering and Financial Crimes Conference" (May 12, 2025), *available at* https://www.justice.gov/opa/speech/head-criminal-division-matthew-r-galeotti-delivers-remarks-sifmas-anti-money-laundering.
[23] *Id.*

Enforcement Policy for Business Organizations, since those statutes are traditionally enforced by the National Security Division. While the memorandum issued by Attorney General Pamela Bondi on February 5, 2025, related to the total elimination of cartels and TCOs, suspends the National Security Division approval requirements for such charges, appropriate consultation with the National Security Division is nevertheless encouraged. In any event, both the CEP and the National Security Division's Enforcement Policy for Business Organizations explicitly provide that a voluntary self-disclosure can qualify for credit if it was made in good faith to another component of DOJ, and the related resolution includes the relevant DOJ component.

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