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Shifting Priorities: DOJ's Formation of the Market, Government, and Consumer Fraud Unit

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The U.S. Department of Justice (DOJ) unveiled a revised strategy for white collar enforcement on May 12, 2025. Included in this policy realignment was the identification of trade and customs fraud as a "high impact area" that the DOJ will prioritize.

On July 10, 2025, the DOJ solidified its intention to tackle trade crime and tariff evasion by announcing the creation of the Market, Government, and Consumer Fraud Unit (MGCF Unit) within the Criminal Division's Fraud Section. The MGCF Unit is a consolidation and reorganization of various civil and criminal branches with the renewed focus of prosecuting tariff-evasion schemes and other trade-related offenses impacting consumers. Such evasion schemes could include misrepresenting countries of origin on import documentation, routing goods through intermediary countries to disguise countries of origin, and misclassification or undervaluation of goods (including double invoicing), all in an effort to reduce or avoid tariff or duty obligations.

How Is This Unfolding?

The DOJ has already begun leveraging its civil and criminal enforcement authority under the False Claims Act to pursue and deter tariff and customs evasion. The False Claims Act imposes liability where an individual or entity avoids or decreases paying an obligation to the government – also known as a "reverse false claim." Under the civil False Claims Act, violators could be subject to significant monetary damages, including up to three times the amount of unpaid tariffs plus civil penalties. Under the criminal False Claims Act, violators could be subject to incarceration for up to five years plus criminal fines, restitution, and/or forfeiture of any proceeds unlawfully derived from the false claim.

For example, on July 23, 2025, Global Plastics LLC and Marco Polo International LLC agreed to pay \$6.8 million to resolve their civil liability under the False Claims Act for failing to declare the correct country of origin (the People's Republic of China) and value of certain plastic resin products on import documentation, therefore avoiding duties owed to the United States. Similarly, on July 24, 2025, Grosfillex Inc. agreed to pay \$4.9 million to resolve its civil liability under the False Claims Act for failing to identify that aluminum originating from the People's Republic of China was subject to antidumping and countervailing duties which the United States was owed. As the Grosfillex settlement came about from a whistleblower complaint, the whistleblower shared in the recovery by receiving \$962,662.74. This further highlights the increased incentive for individuals to report offenses to DOJ.

Key Takeaway

Such enforcement efforts for trade- and customs-related occurrences are only expected to increase with the rise of the MGCF Unit. Accordingly, companies should invest time and resources into ensuring compliance with trade controls and reporting and should consider voluntary self-disclosures when potential violations are identified. If you are faced with a government investigation surrounding these issues, [Sean B. O'Connell](#), [John S. Ghose](#), [Sabrina Marquez](#), or any member of the Firm's [Government Enforcement and Investigations](#) practice group can assist in navigating the situation.