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Client Alert: A Quiet Quarter, But Growing Risk: DOJ Trade Fraud Task Force and the Future of FCA Enforcement

The first quarter of 2026 ended without news of new lawsuits or settlements for reverse false claim acts. However, this does not mean importers should become complacent in their management of tariff payments. At the end of August 2025, the Department of Justice (DOJ) created a **Trade Fraud Task Force**, citing Executive Order 14243, aimed at enhancing the Government's ability to detect overpayments and fraud.

In January, the DOJ announced that settlements and judgments under the False Claims Act (FCA) exceeded \$6.8 billion—the highest in a single year—in the federal fiscal year ending September 30, 2025. In the same press release, the DOJ also noted that whistleblowers filed 1,297 qui tam lawsuits during the same period, which is also the highest number on record.

While DOJ enforcement activity is down significantly in 2026, the timing of the Trade Fraud Task Force is notable, as it came in the last month of a fiscal year that posted record qui tam filings and record monetary recoveries. This will serve to embolden qui tam filers, who are increasingly utilizing artificial intelligence (AI) tools to mine data, without corporate insider information, in search of FCA actions.

Companies involved in importing goods should assume that data-driven enforcement and whistleblower activity will continue to grow.

Potential Risk Scenarios

Companies should consider proactive steps in several common situations:

- If internal compliance reviews reveal discrepancies in tariff classifications, country-of-origin determinations, or duty calculations, companies should promptly investigate and evaluate potential

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disclosure obligations.

- If a whistleblower complaint or internal report raises concerns about customs declarations or tariff payments, early legal review can help assess FCA exposure before the issue escalates.
- When companies receive inquiries from regulators, auditors, or investigators regarding import practices, immediate legal guidance can help manage communications and protect privileged internal investigations.
- When companies discover a potential overpayment or underpayment issue, counsel can assist in evaluating whether voluntary self-disclosure or remediation steps may mitigate risk.

The best strategy for dealing with FCA exposure is prevention through strong internal controls, routine compliance reviews, and prompt investigation of potential issues. On March 10, 2026, DOJ announced the first ever department-wide corporate enforcement policy, superseding existing U.S. Attorney's Office-specific policies that may affect how voluntary disclosures and cooperation are evaluated.

Importers and companies involved in international trade should take this moment of relatively quiet enforcement to review tariff compliance programs, audit import data, and evaluate potential exposure under the FCA.

If your organization identifies potential discrepancies in tariff payments, receives a whistleblower complaint or government inquiry, or is considering voluntary self-disclosure, consult experienced counsel promptly to assess risk and develop a strategy before issues become the subject of government enforcement or qui tam litigation.

For more information about how these developments may affect your business or to discuss compliance strategies under the FCA, please contact Shumaker Partner Joe Spataro.