

DOJ Signals Shift in White-collar Enforcement: More Carrots, Fewer Sticks

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On May 12, 2025, Matthew Galeotti, the new Head of the Criminal Division (“Division”), signaled that the Department of Justice (“DOJ”) will be shifting its white-collar enforcement policies. In a speech, he declared that the DOJ’s prior efforts “have come at too high a cost for businesses and American enterprise.”

Galeotti expressed that “businesses have been subject to unchecked and long-running investigations” that were too costly to both the businesses and the DOJ. He added that perceptions by companies that “the Department will be quick and heavy-handed with the stick, and stingy with the carrot” are detrimental and deterring “companies from cooperating and allowing the Department to more readily target the most culpable actors.”

Galeotti asserted the DOJ would no longer conduct “[e]xcessive enforcement and unfocused corporate investigations.”

In this alert, we review the key aspects of the Division’s new enforcement plan, as well as changes to existing DOJ policies on self-disclosure, monitorships, and the whistleblower pilot program.

White-collar Enforcement Plan

In the speech, Galeotti announced the Division’s new white-collar enforcement plan entitled [Focus, Fairness, and Efficiency in the Fight Against White-Collar Crime](#) and the revision of three of the key corporate enforcement policies of the Division to reflect these new priorities.

The Division will now focus its white-collar prosecution efforts on what Galeotti called “the key threats to America,” which, as defined by Galeotti, are: (1) fraud perpetrated against Americans; (2) fraud against government programs and agencies, especially Medicare and U.S. defense infrastructure; and (3) exploitation of the U.S. financial system by criminals, dangerous cartels, hostile nation states, and terrorists.

The formal enforcement plan identifies ten “high-impact areas” that the Division will prioritize including waste, fraud, and abuse in government programs, trade and customs fraud, and fraud upon investors and the markets. Although the list of priorities includes long-standing areas of focus for the Division, this new policy reflects new zones of interest with trade and customs fraud, tariff evasion, and fraud committed by Chinese-affiliated companies or organizations.

Revisions to Corporate Enforcement and Voluntary Self-Disclosure Policy

First, the Division has revised its Corporate Enforcement and Voluntary Self-Disclosure Policy (“CEP”). The CEP is the Division’s primary guide to corporate enforcement and voluntary self-disclosure. Galeotti described the goals of the revisions being “to simplify the policy and clarify the outcomes that companies can expect.” Revisions to the CEP include:

Declinations will be guaranteed, not presumptive

The Division will decline to prosecute a company for criminal conduct when the company: (1) voluntarily self-disclosed the misconduct; (2) fully cooperated; and (3) timely and appropriately remediated the misconduct; and when (4) there are no aggravating circumstances.

Discretion even with aggravating circumstances

Even if aggravating circumstances exist, prosecutors retain the discretion to nonetheless decline prosecution based on weighing the severity of those circumstances and the company's cooperation and remediation.

Leniency even when not first-in-the-door

If a company fully cooperated and timely and appropriately remediated, the fact that the company disclosed its misconduct in good faith only *after* the DOJ initiated an investigation (often unbeknownst to the company), the company may still qualify for a non-prosecution agreement, obtain a 75% reduction in the criminal fine, and avoid a compliance monitor.

Galeotti highlighted that the revised CEP includes a [flow chart](#) to assist companies navigating self-reporting decisions.

Revisions to Monitor Selection Policy: Fewer Monitors with Greater Focus

Galeotti raised issues with required monitors, noting that "unrestrained monitors can be a burden on businesses that are frequently making self-directed improvements and investing significant amounts in their own compliance programs to solve problems internally and proactively." Going forward, he promised there would be fewer monitors.

The new policy, entitled [Memorandum on Selection of Monitors in Criminal Division Matters](#), updates two areas: (1) clarifying the factors that prosecutors must consider when determining whether a monitor is appropriate; and (2) ensuring that when a monitor is necessary, prosecutors appropriately tailor the monitor's review and mandate to address the recidivism risk and to reduce unnecessary costs.

First, these factors include the nature and seriousness of the conduct; the availability of other effective independent government oversight (*i.e.*, regulator oversight); and the efficacy of the company's compliance program. Second, Galeotti announced that the Division will be "requiring a fee cap, approving budgets for all workplans, and requiring biannual tripartite meetings between the Department, the monitor, and the company."

Revisions to Corporate Whistleblower Awards Pilot program

Galeotti also announced the Division was expanding the scope of its [Corporate Whistleblower Awards Pilot Program](#), to align with new DOJ enforcement priorities.

On August 1, 2024, the Division formally began a [new whistleblower program](#), which offers monetary awards to individuals who report certain kinds of corporate misconduct. This program is a three-year initiative and the latest addition to a growing trend of [increasing whistleblower incentives](#).

Galeotti announced the Division had added the following priority areas for whistleblower tips: procurement and federal program fraud; trade, tariff, and customs fraud; violations of federal immigration law; and violations involving sanctions, material support of foreign terrorist organizations, or those that facilitate cartels and transnational criminal organizations.

As before, these tips must result in forfeiture to be eligible for an award.

Looking Forward

The recent policy changes signal a clear objective: to encourage prompt, meaningful cooperation and to direct government efforts toward the most significant threats, as identified by the Division. The Division has emphasized its intention to reward companies that proactively come forward and implement strong compliance programs.

For legal counsel and compliance officers, the message is unambiguous: engaging with the Division can yield tangible benefits.

Companies are urged to reevaluate their internal reporting systems, act swiftly to investigate potential misconduct, and assess their readiness to work constructively with the DOJ in line with the new policies.

Additionally, companies dealing with matters that may attract whistleblower rewards should factor this into how they handle internal investigations and disclosures. The expanded pilot program will likely increase the number of DOJ inquiries faced by corporations. This possible resulting uptick in DOJ scrutiny underscores the need for companies to devote resources to enhancing internal compliance processes to prevent, remediate, and, when appropriate, promptly self-report misconduct.

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