

# Head of Trade Fraud Task Force Emphasizes Heightened Enforcement of Tariff Evasion

February 26, 2026

On February 23, 2026, Cody Herche—Senior Counsel in the Criminal Division of the Department of Justice (“DOJ”) and head of the interagency Trade Fraud Task Force (the “Task Force”)—delivered remarks at the inaugural International Trade Investigations, Enforcement & Litigation conference in Arlington, Virginia.

Herche stated that trade enforcement is a top priority at the “frontline” of U.S. national security and economic safety. He noted a “decisive shift” toward criminal enforcement of tariff evasion. And he reviewed the Task Force’s work over the past year and described its future priorities, providing a valuable compliance roadmap for companies navigating the rapid changes in tariff policy.

**New Initiatives.** Herche announced four initiatives of the Task Force for the upcoming year.

- **Focus on federal contractors.** Herche said that the Task Force plans to work with Offices of Inspectors General to identify federal contractors that may be evading tariffs or lack necessary trade compliance controls. It will be critical for contractors to prepare for heightened scrutiny, including by ensuring that documentation is readily available to substantiate their trade policies, controls and historical practices.
- **Data-driven lead generation.** Herche noted that the Task Force has access to comprehensive data sets—such as the Automated Commercial Environment (“ACE”)—and tools that can identify anomalies in trade data. The Task Force will use them to generate investigative leads, including by reexamining historical data. The Task Force also plans to partner with U.S. Attorneys’ Offices, leveraging the Task Force’s national data expertise and local prosecutorial resources.
- **Partnerships with environmental and consumer protection agencies.** Herche emphasized that trade enforcement is part of DOJ’s broader effort to punish fraud. He noted that the tariff evasion not only harms American industry but also poses threats to the environment and health of American consumers. When the Task

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Force uncovers evidence that importers are skirting health and safety rules, it plans to share that information with appropriate regulators.

- **Collaboration with the Forced Labor Enforcement Task Force.** Herche highlighted that 18 U.S.C. § 1589 makes it a federal crime to receive goods or services produced through forced labor. He said the Task Force would work with the Forced Labor Enforcement Task Force, an interagency group led by the Department of Homeland Security and dedicated to enforcing the prohibition on U.S. import of goods made wholly or in part with forced labor.

**Trade Enforcement Trends.** Herche highlighted several trends emerging from the Task Force's work over the past year.

- **Increased settlement size.** Herche noted that trade fraud settlements are now routinely in the millions of dollars. He said the Task Force has recovered over \$140 million in evaded tariffs, with more cases "in the pipeline."
- **Increased pace of investigations.** With the benefit of advanced data analytics and information from whistleblowers, Herche said, the Task Force can launch investigations on the basis of leads, rather than "starting in the dark." As a result, investigations proceed more quickly, and disputes are typically resolved without protracted litigation.
- **"Decisive shift" towards criminal enforcement.** DOJ has made it a priority to enforce tariff evasion not only through civil remedies but also through criminal prosecutions. Herche emphasized that companies must not view penalties as the mere cost of doing business but instead as serious punishment for violating federal law.
- **Focus on individual accountability.** Herche made clear that DOJ is focused on holding employees who orchestrate tariff evasion schemes responsible. He cited the recent [Global Plastics resolution](#) as a "cautionary tale": six months after the company settled its civil charges, its former chief operating officer pled guilty to conspiring to smuggle goods into the United States. According to DOJ, the defendant instructed his subordinates to misrepresent the manufacturer and country of origin on paperwork that was submitted to U.S. Customs and Border Protection ("CBP") to avoid paying required tariffs.

**Recent DOJ Actions.** Below are examples of recent DOJ enforcement activity that illustrate the trends Herche described.

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- **UBS Gold.** On November 17, 2025, DOJ [announced](#) criminal charges against PT Untung Bersama Sejahtera, also known as “UBS Gold,” a major Indonesian jewelry company, and several of its employees for evading over \$86 million in duties. DOJ alleges that the defendants employed a complex scheme to route products through Jordan and misrepresent the nature of the goods. CBP detected this misconduct through “data-driven targeting” and “meticulous examinations.”
  - **Harman International.** On November 26, 2025, Harman International Industries, Inc. [agreed](#) to pay \$11.8 million to settle allegations that it violated the False Claims Act (“FCA”) by evading antidumping and countervailing duties on Chinese aluminum products. The action stemmed from a qui tam lawsuit, highlighting the risks posed by whistleblowers.
  - **Global Plastics.** On December 18, 2025, DOJ [announced](#) that it declined to prosecute a New York-based plastic resin distributor, MGI International, and its subsidiaries, Global Plastics and Marco Polo International. The companies had allegedly evaded duties by falsifying customs declarations and shipping the resin through Canada. After the company disclosed the misconduct in July 2024, DOJ began an investigation, leading to a [\\$6.8 million civil settlement](#) in July 2025 under the FCA. DOJ continued to investigate the matter criminally. The company ultimately received a declination based on its cooperation, but its former chief operating officer agreed to plead guilty to conspiring to smuggle goods into the United States.
  - **Ceratizit.** Also on December 18, 2025, DOJ [announced](#) a \$54.4 million civil FCA settlement with Ceratizit USA LLC, a North Carolina-based distributor of tungsten carbide products, for failing to pay duties on products imported from China. According to DOJ, Ceratizit knew these products had been manufactured in China, but transshipped them to Taiwan and misrepresented to CBP that the products originated in Taiwan to avoid paying applicable tariffs. As with the Harman International case, the action began as a qui tam lawsuit by a whistleblower, who received approximately \$9.75 million of the settlement proceeds.

These developments make it critical for companies to review their international supply chains, conduct targeted risk assessments, evaluate their trade fraud compliance programs and consider any areas that may need to be strengthened. Government contractors in particular should prepare for increased scrutiny. DOJ has been aggressively pursuing contractors under the FCA for failing to meet required cybersecurity standards, and the Task Force appears poised to bring a similar focus to contractors’ tariff and trade compliance practices.

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Please do not hesitate to contact us with any questions.



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