

# Staying The Course Amid Seismic DOJ White Collar Changes

By **Brook Dooley, Cody Gray and Kayla Crowell** (May 30, 2025)

We are now more than four months into the second Trump administration. In that time, the administration has sought to enact seismic changes throughout government, including at the U.S. Department of Justice.

With regard to white collar enforcement trends, a few early expectations have materialized. But as to many others, the Trump administration clearly defied initial predictions as to the degree or nature of certain policy shifts.

Below, we discuss early predictions that have come to pass, those that appear to have been miscalculated, and surprising developments that perhaps few anticipated. We then consider the likely results of the shifts seen so far, and their impact on white collar practice.

## Expectations Realized

First, as many predicted, President Donald Trump has continued to embrace cryptocurrency, both personally, through his own meme coins and crypto banking platform, and officially, through presidential actions like establishing a national strategic bitcoin reserve. Since taking office, he has not simply reduced securities enforcement in the crypto space — he has effectively suspended it altogether.

On the heels of the president's executive order relating to digital financial technology, Deputy Attorney General Todd Blanche circulated a memorandum announcing that the DOJ "will no longer pursue litigation or enforcement actions that have the effect of superimposing regulatory frameworks on digital assets."

The U.S. Securities and Exchange Commission likewise has moved away from crypto-related enforcement, dropping several open investigations and lawsuits and announcing its position that meme tokens are not securities.

Second, as expected, white collar enforcement related to environmental, social and governance initiatives has all but ceased. Beyond declining to bring federal enforcement actions of this nature, in an April 8 executive order, Trump directed Attorney General Pam Bondi to "take all appropriate action" to prevent the states from enforcing their own ESG policies or pursuing ESG-related civil actions.

This directive echoes the administration's focus on curtailing private employers' diversity, equity and inclusion policies — which also applies to environmental justice programs.

Third, there are signs that the China Initiative, a program under the prior Trump DOJ with the stated purpose of identifying Chinese national security threats in the form of trade theft cases, may gain new life.

Although the administration has not formally resumed the initiative, Republican legislators



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last fall proposed what they called the Protect America's Innovation and Economic Security from CCP Act to revive it. Among other goals, the bill aims to "curb spying by the Chinese Communist Party on United States intellectual property and academic institutions in the United States."

That push, combined with Project 2025's directive to resume the program and the Trump administration's overall scrutiny of universities and academics, suggests that the China Initiative may return in some form.[1]

Fourth, it appears that the expected focus on white collar crime relevant to foreign relations and national security is coming to pass. In a May 11 memorandum, Matthew Galeotti, the head of the DOJ's Criminal Division, announced that the administration's top white collar enforcement priorities include "[t]rade and customs fraud, including tariff evasion," as well as sanctions evasion and money laundering — particularly "Chinese Money Laundering Organizations."

That said, it remains to be seen whether and against whom the DOJ implements this directive.

Finally, as forecast, Trump continues to call for the prosecution of individuals and organizations that have opposed him politically. He has stripped many such individuals of their security clearances, including former President Joe Biden, former Vice President Kamala Harris and former Secretary of State Hillary Clinton, and has claimed that Biden's preemptive pardons of the Jan. 6 committee were void because of the use of an autopen signature.

### **Expectations Defied**

While many predicted that Trump would politicize the DOJ, that prediction appears to have been an understatement.

Trump made no secret of his intent to use the department to pursue political and personal retribution, having stated plans to "appoint a real special prosecutor to go after the most corrupt president in the history of the United States of America, Joe Biden, and the entire Biden crime family," calling for Kamala Harris to be "impeached and prosecuted," and posting on Truth Social that former Rep. Liz Cheney should "go to jail" and be subject to "TELEvised MILITARY TRIBUNALS" because she was "GUILTY OF TREASON" for serving on the Jan. 6 committee.

This shift has affected both the department's mission and its internal dynamics. A standout example is the DOJ's dismissal of its corruption case against New York City Mayor Eric Adams without prejudice after Adams agreed to support Trump's desired immigration enforcement agenda in New York City.

On top of the resignations of several career prosecutors in protest, DOJ officials Emil Bove and Todd Blanche filed with the court internal messages between prosecutors on the case as support for the DOJ's attempt to discredit the prosecution as "an improper weaponization of the criminal justice system."

This dynamic has played out more broadly in the department as well. Personnel churn like that which characterized Trump's cabinet during his first term can now be seen with respect to lower-level officials and line attorneys.

Many career DOJ attorneys have been reassigned or demoted, as was the case with the former team of special prosecutor Jack Smith, and even suspended or terminated for refusing to comply with orders or positions they find objectionable, as with pardon attorney Liz Oyer or senior immigration attorney Erez Reuveni.

FBI officials, too, have faced professional consequences and threats of criminal prosecution for opposing Trump's political agenda, including the firings of senior FBI officials involved in investigating the Jan. 6 Capitol riots. The exodus of experienced attorneys who object to Trump's agenda will likely affect the ability of DOJ to bring complex prosecutions.

Separately, those who predicted that Foreign Corrupt Practices Act enforcement would continue apace — including us — were dead wrong. Rather than sustaining or increasing use of the FCPA, as Trump had done in his first term, the president announced in February that he was pausing FCPA enforcement altogether.

The government has dropped major pending cases, including U.S. v. Coburn, a bribery case against two former Cognizant Technology Solutions executives in the U.S. District Court for the District of New Jersey. As this shift and the administration's May 11 enforcement priority memorandum make clear, its focus for now is squarely on bribery and corruption perpetrated by foreign actors.

### **Unexpected Developments**

Still other significant developments fall outside what we and others had previously contemplated. Few predicted the specific role that the pardon power would play in Trump's second term.

Most notably, Trump swiftly pardoned around 1,500 individuals convicted of offenses related to the Jan. 6 insurrection, shielding his supporters from criminal consequences and declaring the investigations against them to have been illegitimate.

The pardons or sentence commutations of former Illinois Gov. Rod Blagojevich, Nikola founder Trevor Milton, BitMEX co-founder Arthur Hayes and Ozy Media founder Carlos Watson undid significant white collar prosecutions.

The DOJ, too, has played a role in the move to undo convictions that the administration believes have a political valence with its statement of interest filed in the case *Peters v. Feyen*, in the U.S. District Court for the District of Colorado, which the department announced that it is reviewing the election-tampering conviction of a former Colorado election clerk who helped Trump supporters access confidential data about the 2020 election.

These developments underscore the increasing use of pardons, and of the DOJ, for what many have characterized as political ends.

We anticipated that Elon Musk's so-called Department of Government Efficiency could disrupt the DOJ's ability to pursue complex cases, but some DOJ-specific DOGE actions have emerged that were not on our radar. In mid-March, Bondi formed an internal team to work with the commission to cut costs at the DOJ, an effort that includes reviewing law enforcement agencies within the department.

DOGE is reported to be effectively shutting down the DOJ's Tax Division following a March 25 memorandum from Blanche that discussed reassigning most attorneys in the tax division

to U.S. attorneys' offices, among other changes.

The DOJ has also been affected by the freeze on hiring executive branch employees, and by staffing cuts, including a February memorandum sent to every U.S. attorney's office that required the office to justify retaining any employee with less than two years of experience who was not working in certain areas such as immigration enforcement.

### **What to Expect in Practice**

Considering the policy shifts and events of the past four months, a few things have become clear about what white collar practitioners can expect from this administration.

First, the shifts underway at the Trump DOJ, including its politicization, reductions in workforce and the departure of many career attorneys, may affect its functioning and ability to pursue complex cases. Due to these factors, and in light of the stated priorities of the administration, it is unlikely that there will be any significant ramp-up in traditional white collar enforcement activity.

Second, with federal white collar enforcement ebbing, state and local regulators could fill the gap by increasing their own enforcement activity. Particularly in states and cities with robust white collar enforcement divisions that have tackled large cases in the past, such as New York, there is no reason to think that reduced federal oversight would mean a total lack of investigation or enforcement.

Finally, the lesson from the recent volatility affecting the white collar realm is that the administration may reverse course at any time — and, of course, the criminal statutes remain unchanged, even if the administration deprioritizes certain prosecutions.

Much of practitioners' advice to their clients should be to stay the course on compliance, even if the Trump administration is unlikely to institute investigations or enforcement actions. The possibilities of a Trump policy change, prosecution by a future administration or nonfederal enforcement all counsel a steady approach.

### **Conclusion**

All in all, in addition to some expected developments, there have also been surprises, including the FCPA pause and the depth of the changes to the DOJ as the administration seeks to politicize its mission and reduce its resources.

If these early returns are any indication, the rest of Trump's second term is sure to mark further drastic shifts at the DOJ, and practitioners would do well to advise clients to maintain focus on compliance in this environment as they expect the unexpected.

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[1] Project 2025, created by conservative think tank The Heritage Foundation, has been described as a blueprint for the Trump administration to implement far-right policy goals. The Trump campaign's Agenda47 platform contained many of Project 2025's policy priorities, and Trump has appointed its architects to key roles in his administration.