

U.S. DEPARTMENT OF JUSTICE'S ANTITRUST DIVISION ANNOUNCES WHISTLEBLOWER REWARDS PROGRAM, RAISING THE POTENTIAL OF INCREASED CARTEL ENFORCEMENT

On July 8, 2025, the Department of Justice's Antitrust Division (DOJ), in partnership with the U.S. Postal Service (USPS) and the USPS Office of the Inspector General (USPS OIG), announced the creation of the Whistleblower Rewards Program that will, for the first time, provide individuals with significant financial incentives to report antitrust crimes that could be as high as 30% of fines and settlements DOJ recovers.

The Program's creation potentially heralds the return of robust cartel enforcement practices absent in recent years. US cartel enforcement has plummeted over the last decade as the number of criminal Sherman Act Section 1 case filings per year, which hit more than 50 cases in 2015, has dropped by 50-90% each year since then.¹ Criminal fines and penalties imposed by the DOJ similarly fell >95% over that period, from \$3.6 billion in fiscal year 2015 to \$10.6 million in fiscal year 2024.²

The Whistleblower Rewards Program announced earlier this week is the latest effort to bolster cartel enforcement and follows the 2019 creation of the Division's Procurement Collusion Strike Force. Assistant Attorney General Abigail Slater of the Antitrust Division said the Whistleblower Program, "raises the stakes: If you're fixing prices or rigging bids, don't assume your scheme is safe — we will find and prosecute you, and someone you know may get a reward for helping us do it."

The Whistleblower Rewards Program was launched through a memorandum of understanding with the DOJ, USPS, and the USPS OIG, which sets forth certain requirements:³

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¹ See "Antitrust Division Workload Statistics FY 2015-2024," <u>https://www.justice.gov/atr/media/1385421/dl?inline.</u>

² Id.; "Criminal Enforcement Trends Chart" (May 2, 2025), https://www.justice.gov/atr/criminal-enforcement-fine-and-jail-charts.

³ See "Memorandum of Understanding Regarding the Whistleblower Rewards Program and Procedures between the Antitrust Division United States Department of Justice and the United State Postal Service and the Office of Inspector General United States Postal Service," <u>https://www.justice.gov/atr/media/1407261/dl?inline.</u>

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- The report must voluntarily provide original, specific, credible, and timely information about criminal conduct;
- A report is original only if the information is new and independently sourced, does not come from communications that are covered under attorney-client privilege (unless crime-fraud or another exception applies), and has not been disclosed through a company's compliance or audit processes;
- A whistleblower report will not be considered voluntary if the whistleblower has a legal obligation to report it – for example, if a report was made in connection with a criminal investigation or an application to the DOJ's Corporate Leniency Policy; and
- Wrongdoers who coerced others into illegal acts or were the leader of the conduct at issue are ineligible.

The DOJ announced a similar program in August last year, the Whistleblower Awards Pilot Program, seeking to fill "important gaps" in federal whistleblower programs regarding corporate misconduct.⁴

The impact of these whistleblower programs is unclear. However, companies, particularly ex-U.S. entities, should remain vigilant to ensure compliance with cartel-related antitrust laws and understand the risk of civil class action cases that typically follow criminal enforcement of cartel antitrust law violations.

⁴ See "Corporate Whistleblower Awards Pilot Program" (Aug. 1, 2025), <u>https://www.justice.gov/criminal/media/1362326/dl?inline</u>.

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