Tariff Evasion and Global Trade Compliance Investigations

Teaming Opportunities

As the world continues to experience a more volatile global trade environment and unanticipated complexities involving tariff and sanctions regimes, companies are facing extreme uncertainties relating to supply chain disruption, economic business impact, and evolving compliance risk. Notably, uncertainties and unexpected shifts in tariff and trade concepts have disrupted legacy business models from sourcing and manufacturing to customer relationships to financial uncertainties impacting profit margins.

In these uncertain times, there is no question there's been a shift in corporate motives to preserve profit margins, stabilize business models, and mitigate risk.

Against the backdrop of the Trump-era tariff regime, the U.S. Department of Justice established the Trade Fraud Task Force in August 2025 and, by December 2025, announced major enforcement actions underscoring tariff evasion as a priority, efforts now reframed by the Supreme Court's February 2026 decision invalidating those tariffs. Recent DOJ, DHS, and CBP guidance, including the July 2026 Trade Fraud Enforcement Resource Guide and Executive Order 14411, signals an expanded whole-of-government approach to combating trade fraud, tariff evasion, supply chain misconduct, forced labor violations, customs fraud, and related financial reporting risks.

Similarly, DOJ and the Bureau of Industry and Security have continued to actively enforce US export control regulations and update their guidance on disclosures.

Companies are increasingly expected to demonstrate effective corporate oversight, supply chain due diligence, and reasonable care across their trade operations.

It is now more critical than ever for organizations to dedicate resources towards global trade compliance with a view towards timely identification, assessment, investigation, quantification, remediation, and strategy involving international trade concerns.

Collaboration with Legal Teams

KPMG LLP (KPMG) teams closely with law firms to help strengthen client value propositions by improving trade compliance programs, enhancing compliance processes and controls, and supporting the investigation, remediation, and monitoring of corporate trade matters under regulatory scrutiny. Our trade compliance and investigative professionals work under privilege and collaborate efficiently with in-house or outside Counsel at law firms to address clients' global trade compliance needs.

We help Counsel and our clients navigate complex trade regimes of domestic and international import and export control laws and regulations, including: customs valuation and / or transfer pricing coordination; export licensing and authorizations; financial tariff recovery and mitigation; tariff strategies; import compliance; sanctions and embargoes; end-user and end-use controls; anti-boycotts; investigations; audits; regulator-imposed monitorship; and government reporting.

KPMG Strengths and Capabilities

With a global network spanning more than 80 strategically located accredited practice locations, KPMG offers access to over 3,500 multidisciplinary forensic professionals and over 1,100 trade and customs experts worldwide. This extensive network allows Counsel and clients to tap into our in-country resources, which include native-language professionals who possess deep insights into local compliance risks, regulatory environments, and local business and cultural practices.

Proactive Services to Mitigate Enforcement Risks

How we support Counsel	
Trade Compliance Program Evaluation	KPMG assists Counsel and clients in strengthening their trade compliance frameworks tailored to specific importing profiles. Our evaluations highlight leading practices, identify areas for improvement, and recommend essential workflows for enhanced compliance. In today's regulatory environment, KPMG emphasizes the importance of supply chain visibility aligned with CBP's focus on Classification, Country of Origin, Valuation and UFLPA verifications. KPMG recommends assessing compliance with CBP's reasonable care standard, evaluating governance structures and trade compliance operating models, conducting importer-of-record accountability reviews, evaluating broker compliance (authority structures, due diligence requirements, oversight to address emerging CBP enforcement expectations), benchmarking controls against emerging DOJ/CBP expectations, assessing customs broker governance and oversight and evaluating Board and C-suite trade compliance reporting processes.
Risk Identification and Assessment	KPMG proactively identifies and assesses potential compliance risks such as trade fraud typologies, false Country of Origin schemes, transshipment risk, undervaluation risk, AD/CVD evasion risk, FTA qualification risk and drawback fraud risk, using CBP-endorsed methods, including statistical sampling, to quantify impacts. KPMG also assesses potential export control and sanctions risks related to restricted parties, embargoed jurisdictions, diversion risk, and end-use/end-user controls. Our approach helps evaluate penalty risks and supports Counsel in resolving issues.
Tariff Economic Quantification Impact and Strategies	KPMG conducts thorough tariff validations and modeling to forecast correct Section Trade Remedy tariffs such as Section 301 and 232 tariffs and prioritize IEPPA tariff recovery once available. By accurately assessing past, current, and future tariff liabilities and recoveries, we offer actionable insights for enhanced tariff management.
Trade Recovery and Mitigation	KPMG provides extensive tariff planning that includes duty drawback, TIB, exclusions, customs valuation analysis, CBP reconciliation, and leveraging FTZs, FTAs, and preference programs. We also help with Section 232 / 301 / 122 retroactive tariff analyses to identify and recover any overpaid tariffs. Our services start with detailed due diligence to assess feasibility, costs, and timing, facilitating well-informed decision-making.
Export Controls Audits and Assessments	KPMG reviews and tests export classification (ECCN/USML), license determinations, and use of license exceptions/authorizations, benchmarking practices against regulator expectations and industry leading practice. We also perform transactional lookbacks and data-driven testing of historical shipments, payments, and counterparties to identify risks in support of Counsel's program reviews.
Acquisition Due Diligence	KPMG due diligence services support legal evaluation of trade compliance risks and potential successor liabilities through a rigorous examination of systems, processes, and records. We offer advanced diligence through mock US Customs / BIS / DDTC / OFAC enforcement audits and economic impact assessments to guide investment decisions and deal valuation. We help organizations integrate trade compliance into enterprise risk management frameworks, supporting management, legal departments, compliance functions, and boards of directors in establishing effective oversight and governance structures aligned with evolving government expectations.
Managed Services	KPMG supports clients by developing and maintaining HTS and export classifications, soliciting documentation and qualifying goods for Free Trade Agreements, administering FTZs, and processing PSCs, Protests and reconciliation updates with US Customs. Our managed services controls enhance compliance accuracy in broker-prepared entries and declarations. We also actively assist clients with restricted party screening, monitoring export authorizations, and preparing export documentation for shipments.

How we support Counsel	
Trade Fraud Risk Assessment and Enforcement Readiness	KPMG assists Counsel and clients in identifying potential trade fraud exposure by evaluating supply chain controls, country-of-origin substantiation, valuation methodologies, HTS classification governance, customs broker oversight, forced labor compliance, and tariff-evasion vulnerabilities. Our assessments help clients prepare for CBP audits, CBP Notice of 19 USC 1592 investigations, CBP Enforce and Protect Act Investigations, DOJ inquiries, FCA allegations, and DOJ Trade Fraud Task Force investigations. a) Mock CBP audits b) Import record testing c) Entry validation reviews d) Supply chain documentation reviews e) Enforcement response planning f) Bond sufficiency assessments g) Penalty mitigation strategies
Forced Labor and Supply Chain Integrity Reviews	KPMG assists Counsel and clients in identifying forced labor and supply chain integrity: a) UFLPA readiness assessments b) Supply chain tracing c) Supplier due diligence d) Forced labor investigation support e) WRO response support f) UFLPA rebuttable presumption documentation reviews g) FLETF high-priority sector assessments
False Claims Act and Whistleblower Response Support/ False Claims Act (FCA) Readiness	KPMG assists Counsel in evaluating customs-related FCA exposure, quantifying potential damages, supporting internal investigations, responding to whistleblower allegations, and developing remediation strategies: a) Reverse False Claims Act liability b) Qui tam actions c) Treble damages d) Whistleblower risk
Sanctioned Party Screening Technology	KPMG evaluates, implements, and enhances screening solutions, utilizing both manual reviews and machine-learning analysis to manage large transactional datasets. This allows Counsel to maintain a strategic focus while ensuring compliance with regulatory requirements. KPMG can support transactional lookbacks when warranted.

Reactive Services to Mitigate Enforcement Outcomes

How we support Counsel	
Cross-Border Investigations	KPMG provides investigative support for Counsel on privileged global investigations. Our services include global digital and physical evidence collection and analysis, data hosting, multilingual document reviews, and financial analysis accounting. Supply chain transaction testing and native language interview support further ensure thorough and effective investigations. We support privileged investigations involving allegations of tariff evasion, customs fraud, false country-of-origin declarations, undervaluation schemes, AD/CVD evasion, forced labor violations, sanctions circumvention, unlicensed exports, diversion schemes, customs broker misconduct, supply chain fraud, and whistleblower allegations under the False Claims Act.
Forensic Technology and Analysis	Our forensic technology solutions employ artificial intelligence and machine learning to conduct precise, risk-based searches across extensive digital evidence. This enhances investigative efficiency and accuracy, targeting key themes and anomalies in support of Counsel's strategies. Our platforms manage large-scale multi-country document productions and chain-of-custody requirements, helping to ensure compliance with regulatory subpoenas and requests.

How we support Counsel	
Software investigative tools	KPMG professionals utilize AI-driven supply chain mapping applications such as Sayari, Altana, Panjiva, Relativity and BankScan to support investigative analysis. These tools streamline the labeling, categorizing, and assessment of trade-related transactional evidence, ensuring efficient and effective analyses.
Litigation, Dispute and Expert Witness Support	KPMG assists Counsel in navigating complex trade disputes with discovery, causation analysis, financial modeling, damages assessments, and expert testimony. Our expertise includes subject matter technical support in context of (i.) defending country of origin declarations by illustrating tariff shifts and demonstrating substantial transformation through cost accounting and production records, (ii.) defending complex valuation declarations, including those involving transfer pricing, reconciliation values, or first sale for export declarations,(iii.) offering customs audit support, leveraging the expertise of recently retired CBP Audit Directors from the agency's Trade Regulatory Audit Division, and (iv.) providing export controls and sanctions audit and export witness support, leveraging the expertise of former BIS officials.
Navigate the External Audit Process	In context of on-going or completed trade investigations, KPMG helps Counsel and clients navigate complex implications potentially impacting the independent financial statement audit process and external auditor requirements in relation to the investigation. Our guidance is crucial in helping Counsel manage interactions with regulators and enforcement agencies. We also regularly work with Counsel and monitorships to conduct directed and non-directed audits related to export controls and sanctions.

Our Team

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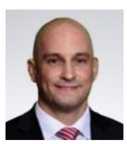

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