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# The Department of Justice's Corporate Enforcement Policy

How the DOJ's new self-disclosure policy  
makes early and accurate risk identification  
a commercial advantage

# The DOJ's CEP rewards firms who self-disclose misconduct

The U.S. Department of Justice (DOJ) has announced the Revised Corporate Enforcement and Voluntary Self-Disclosure Policy (CEP), outlining the clear cost benefits of self-disclosing misconduct. In what has been labeled the “most transparent and streamlined” version of this policy, the DOJ has set out a three-path framework for corporate criminal resolutions.

## The three routes to resolution

### 1. Declination

Declination, in this case, refers to a decision by a prosecuting authority to not pursue legal action against a person or entity, despite evidence of a violation. Firms that voluntarily self-disclose misconduct to the DOJ may receive a declination if they fully cooperate with investigations, produce a timely and appropriate remediation, and have no egregious misconduct.

### 2. “Near miss” voluntary self-disclosures or aggravating factors warranting resolutions

Where a firm voluntarily self-discloses misconduct, cooperates, remediates, and has no egregious misconduct—they may not qualify for declination if the self-disclosure is not considered a voluntary “good faith” self-disclosure. This would include instances where the company had previous knowledge of the misconduct or had aggravating factors that warranted a criminal resolution. Where a self-disclosure is not considered “good faith”, the firm will receive a Non-Prosecution Agreement with a term of less than three years, no monitor, and will pay a fine that is 75% below the low end of the sentencing guidelines range.

### 3. Resolution in other cases

Firms that voluntarily self-disclose, but fail to self-report in good faith, do not cooperate with investigations, or engage in egregious aggravation factors, can still meet resolution. In this circumstance, the DOJ will recommend up to 50% off the sentencing guidelines calculation.

## The cost benefits of self-disclosure

The DOJ's latest changes to the CEP favor firms that can detect misconduct at inception and quickly disclose findings of misconduct to the regulator. To reap the cost benefits of these changes, firms should review their compliance and surveillance infrastructures to ensure they are enabling the real-time detection of misconduct. Proactive disclosure to a U.S. regulator is a very different approach to what we have seen financial legal advisors adopt in the past. This directive may result in a sea-change approach by legal counsel in how they manage risk identification, investigation, and reporting, expediting the process to tell the regulator before they find out themselves.

**In a record case, four global banks were fined approximately \$132 million by the UK's Competition and Markets Authority (CMA) because of individual traders exchanging confidential information around gilts. From 2009-2013, individual traders from the banks shared information on the buying and selling of gilts. Another bank involved in the case was exempt from penalization for proactively reporting its misconduct.**

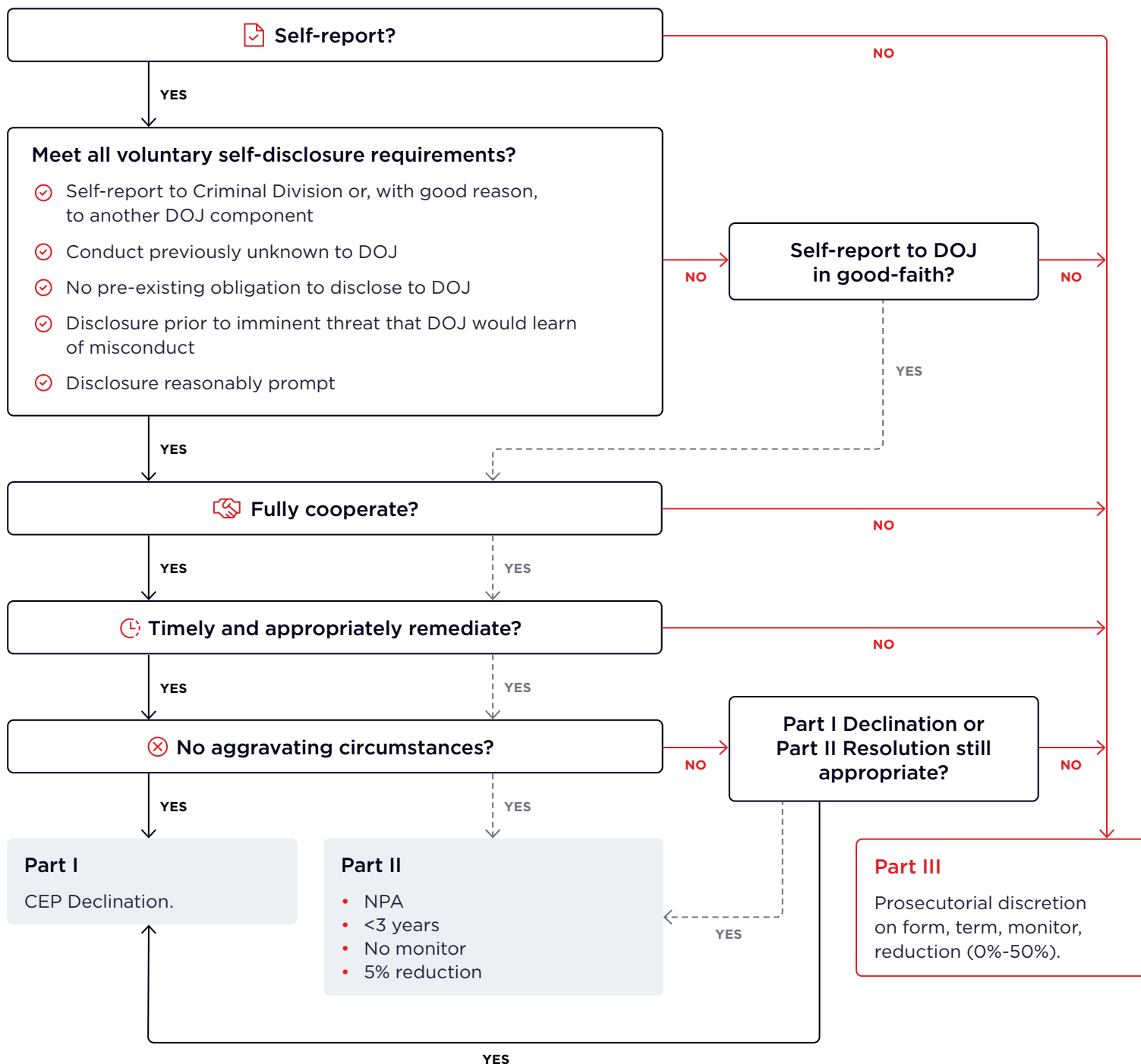
Under the DOJ's new framework, AI-enabled communications surveillance would have allowed the firms to detect the misconduct as it happened, empowering them to self-report to the regulator and avoid millions of dollars in fines. As well as meeting regulatory expectations, this proactive approach to compliance also reduces financial and reputational risks associated with undetected misconduct. **If Global Relay's solution had been adopted the case could have looked very different.**

Diagram 1

# The Department of Justice's three-path approach to resolution

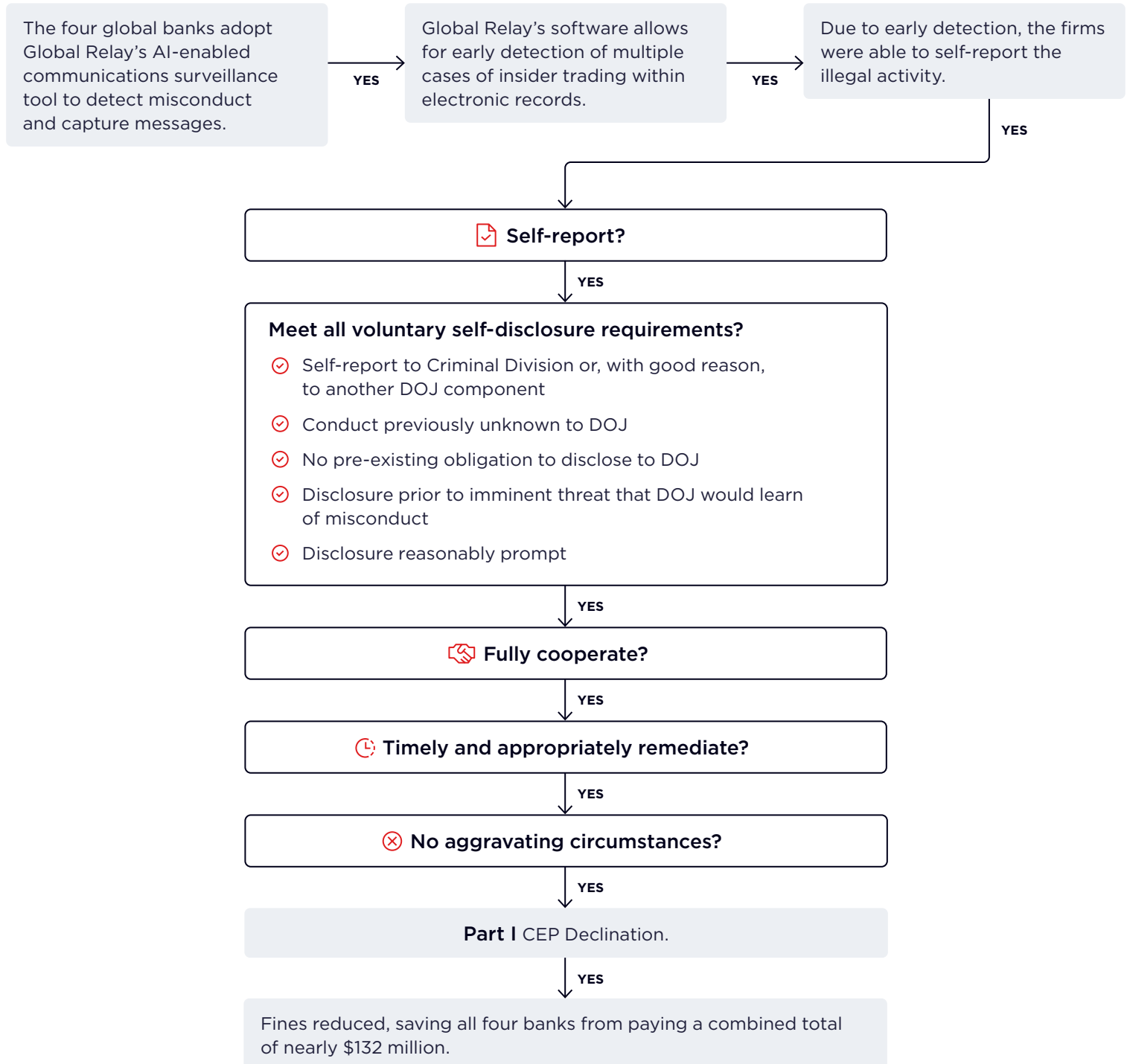
## Key

- Part I Declination Path
- Part II Path
- Part III Path



## Diagram 2 The difference Global Relay's solution can make

**Key**  
→ Part I Declination Path  
(Global Relay Solution)



## Using the DOJ's CEP as a case for surveillance ROI

This revised CEP emphasizes the need for early detection, timely reporting, and robust remediation to mitigate enforcement risk, including hefty financial penalties. With U.S. regulators issuing fines of over \$3 billion for recordkeeping failures, this revised policy makes clear the return on investment (ROI) for surveillance, communications monitoring, and compliance tools.

### Why investing in Global Relay Surveillance puts your firm at a commercial advantage

Global Relay Surveillance uses large language models (LLMs) to identify misconduct in business communications—in real time. In leveraging AI to identify risks and reduce false positives, the time required to qualify what is a real risk becomes greatly reduced. This, therefore, becomes a critical requirement to manage reduced regulatory sanctions.

Our end-to-end solution rapidly alerts compliance teams in the event of criminal activity such as insider trading or market manipulation. This allows firms to analyze illegal activity well before external exposure and escalation. If misconduct is detected, this gives firms an advantage in their ability to quickly self-report, thereby qualifying for declination.

Staying one step ahead is critical for firms as the DOJ is seemingly looking to support early resolution and prevent regulatory violations from escalating. It is up to the firm to cooperate and detect.

Find out more about [Global Relay's Surveillance Solution.](#)



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