

## Client Alert: DOJ's NSD Announces First Declination Under New CEP

On June 17, 2026, the U.S. Department of Justice (“DOJ” or “Department”) National Security Division (“NSD”) issued a [press release](#) announcing its first declination under the new Department-wide Corporate Enforcement and Voluntary Self-Disclosure [Policy](#) (the “CEP”). The CEP, announced on March 10, 2026, is an explicit attempt to harmonize prior corporate enforcement and self-disclosure standards across the DOJ and the U.S. Attorneys’ Offices.

The Department declined to prosecute Robert Bosch GmbH (“Bosch”), resolving its investigation into an alleged scheme to send products and software made with equipment that was derived from U.S. software or technology to an Entity-listed company in the People’s Republic of China (“PRC”). According to NSD, its investigation uncovered evidence that, from September 2020 to September 2024, two of Bosch’s non-U.S. subsidiaries re-exported more than \$70 million of foreign-produced Micro-Electro-Mechanical Systems (“MEMS”) sensor products and software to Huawei Technologies Co., Ltd. and its Entity-listed affiliates without the authorization required from the U.S. Department of Commerce’s Bureau of Industry and Security (“BIS”).

Key features highlighted in the decision to decline prosecution include:

- Bosch’s voluntary self-disclosure of the misconduct to NSD and BIS, made while its internal investigation was still ongoing;
- Full cooperation with the Department’s investigation, including preserving and proactively producing relevant facts and documents and promptly responding to NSD’s requests;
- Timely and appropriate remediation, including organizational changes, disciplinary action, and updated internal policies and procedures;
- Agreement to disgorge \$11,430,098 in pre-tax profits from the transactions at issue within 30 days;
- Adequacy of regulatory remedies, specifically an approximately \$36 million civil penalty imposed by BIS for the related Export Control Reform Act (“ECRA”) and Export Administration Regulations (“EAR”) violations;
- Lack of aggravating factors, such as egregious or pervasive misconduct within the company, severe harm caused by the misconduct, or corporate recidivism.

For companies subject to U.S. export controls and sanctions—including the EAR, the International Traffic in Arms Regulations (“ITAR”), and the Office of Foreign Assets Control (“OFAC”) sanctions programs—the Bosch declination offers several practical lessons:

- **The CEP now has teeth in the national security space.** This is NSD’s first declination under the CEP, confirming that the Department will extend CEP credit to export control and sanctions matters—an area NSD has identified as a top enforcement priority.

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- **Voluntary self-disclosure can avert prosecution even for significant, multi-year conduct.** Despite more than \$70 million in unauthorized re-exports to Huawei over roughly four years, Bosch secured a declination because it self-reported, fully cooperated, and remediated in the absence of aggravating factors.
- **Where warranted, disclose early and voluntarily.** Bosch reported while its internal investigation was still underway. Companies that wait until misconduct is already known to DOJ, or until an investigation is imminent, risk losing the presumption of declination.
- **Build and staff an effective compliance function.** NSD faulted Bosch’s trade compliance personnel as “ill-equipped” to apply the Entity List Foreign Direct Product Rule (“FDPR”) and noted missed opportunities to act on red flags raised by third parties. Companies should ensure rigorous Entity List screening, sound FDPR analysis, and prompt escalation of red flags.
- **Make remediation concrete and documented.** Bosch’s qualifying remediation included disciplinary action, adding 66 employees to its trade compliance organization, expanding U.S. compliance resources, and rewriting policies and procedures—tangible, creditable steps rather than promises.
- **Plan for parallel civil exposure.** The criminal declination ran alongside an approximately \$36 million BIS civil penalty, and Bosch’s disgorgement was offset by a \$7,829,069 credit for amounts paid to BIS—underscoring the value of coordinating criminal and regulatory resolutions.

The DOJ’s emphasis on voluntary self-disclosure through the CEP makes it imperative that companies build a robust compliance program to prevent and detect potential misconduct, proactively investigate potential wrong-doing, and make sound decisions concerning the many risks and benefits of voluntary self-disclosure. RSHC’s White Collar, Investigations and Compliance team, including our National Security, Sanctions, and Export Controls practice, regularly advises sophisticated clients on these matters, and we would be glad to discuss further.

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