

SEC Awards Whistleblower More Than \$4.5 Million

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On May 24, 2019, the SEC [announced](#) payment of more than \$4.5 million to a whistleblower who sent an anonymous tip to the company alleging significant wrongdoing and then submitted the same information to the SEC. (The order granting the award can be accessed [here](#).)

In connection with this award, Jane Norberg, Chief of the SEC's Office of the Whistleblower, said, "[i]n this case, the whistleblower was credited with the results of the company's internal investigation, which were reported to the SEC by the company and led to the Commission's resulting enforcement action and the related action." She explained that "[t]he whistleblower gets credit for the company's internal investigation because the allegations were reported to the Commission within 120 days of the report to the company."

The SEC noted that this is the first time a claimant is being awarded under the provision of the whistleblower rules designed to incentivize internal reporting, by providing that if a whistleblower "provide[s] information ... to ... an entity's internal whistleblower, legal, or compliance procedures for reporting allegations of possible violations of law, and ... within 120 days, submit[s] the same information to the Commission ... the Commission will consider that [the whistleblower] provided information as of the date of [the whistleblower's] original disclosure" 17 C.F.R. § 240.21F-4(b)(7).

Since issuing its first whistleblower award in 2012, the SEC has awarded approximately \$381 million to 62 individuals.

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National Law Review, Volume IX, Number 148

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