

The 100 Whistleblowers Who Changed Wall Street

Article By:

Stephen M. Kohn

Mary Jane Wilmoth

On [September 28, 2020](#), the U.S. Securities and Exchange Commission issued its 100th whistleblower award since the inception of its Dodd-Frank Act whistleblower reward program. This award also marks the 33rd award given in 2020. These 100 whistleblowers, almost all of whom are confidential and anonymous, have changed Wall Street forever. Their ability to detect frauds and assist in the successful prosecution of securities law violations demonstrates the invaluable role whistleblowers play in protecting investors and ensuring accountability.

When created ten years ago, the Dodd-Frank Act's "whistleblower bounty program" was highly controversial. Skeptics questioned the wisdom of providing monetary rewards to whistleblowers whose information resulted in the successful prosecution of fraudsters. The Chamber of Commerce, which long opposed the highly successful bounty program in the False Claims Act, targeted the SEC whistleblower program for attack. They aggressively tried to weaken the law through two rulemakings and to convince Congress to reverse its most important provisions.

Once the SEC's program went into operation in 2011, the critical issue shifted from a theoretical argument over whistleblower bounties to a more pragmatic approach: Does the law work? Are investors protected?

The first 100 whistleblowers have made the case for the importance of the Dodd-Frank Act. The enforcement actions their information triggered proved that the whistleblower reward laws work. These 100 whistleblowers put their careers on the line, trusted the [SEC Office of the Whistleblower](#) with their information, and had faith that the SEC would guard their confidentiality. They were vindicated.

The proof was in the [objective data](#). These first 100 whistleblowers allowed the SEC to recover \$2.5 billion in sanctions and returned \$750 million to harmed investors. As the cases came in, and the whistleblowers demonstrated their credibility and the essential nature of their information, heads were turned. First, the [SEC Division of Enforcement strongly acknowledged](#) their contributions. Next, Commissioners, one-by-one, publicly acknowledged the importance of the reward program. This public reckoning came to a head on September 23, 2020, when all five Commissioners, from across the political and ideological spectrum, went on the record praising the Dodd-Frank Act's whistleblower reward program.

[Chairman Jay Clayton](#): “The whistleblower program has been a critical component of the Commission’s efforts to detect wrongdoing and protect investors and the marketplace, particularly where fraud is well-hidden or difficult to detect.”

[Commissioner Hester M. Peirce](#): “The whistleblower program has, in its decade of existence, become an integral part of our enforcement program. People have brought us countless tips, and many of those tips inform us for the first time of misconduct that needs to be investigated or help us connect the dots in an existing investigation. . . Our ability to pay awards, however, enables us to recognize whistleblowers’ contributions to the integrity of our markets in a concrete way.

[Commissioner Elad L. Roisman](#): “Since the Commission first adopted rules implementing the whistleblower program in 2011, we have seen an impressive impact on our enforcement efforts. . . Each of these whistleblowers provided the Commission with valuable information and often extensive assistance. . . To call this program a success is an understatement.”

[Commissioner Allison Herren Lee](#): “Since its inception, the Commission’s whistleblower program has enabled us to identify and pursue fraudulent conduct, ongoing regulatory violations, and other wrongdoing that would otherwise have gone undetected. Investors – including some of the most vulnerable – are the real beneficiaries. As a result of the success of our whistleblower program, we have been able to stop schemes in their tracks, and to return millions to victims of fraud.”

[Commissioner Caroline A. Crenshaw](#): “My fellow Commissioners and I agree that whistleblowers are of tremendous value to the agency. They are a critical part of our enforcement program . . . our program is effective in encouraging whistleblowers to come forward, while protecting them as they potentially risk their careers. We are grateful that people are willing to take this risk and I am happy that the program has been so effective in motivating people to do so.”

These voices were reinforced by the Stephanie [Avakian](#), the Director of the SEC’s Division of Enforcement. She explained: “Since the enactment of the program in 2011, whistleblower tips have resulted in numerous high-quality enforcement actions and whistleblowers have been awarded roughly \$520 million. Given the success of this program, we have been flooded with increasing numbers of quality tips.”

The importance of paying whistleblowers rewards for uncovering corporate fraud was confirmed by the very corporate law firms that fight against whistleblowers every day. Reacting to the Commission’s unanimous support for the reward program, Bryan B. House, a partner with Foley & Lardner LLP, told Law360, “The SEC’s whistleblower program is obviously here to stay.” House is no whistleblower. He defends companies facing whistleblower claims. House explained how these 100 whistleblowers changed Wall Street: “When you step back, a lot has happened in 10 years. The idea that your employees could go to the SEC and [earn] million-dollar bounties for reporting wrongdoing was tough to swallow for some. But now — nine years after the SEC’s initial rules took effect — companies, employees, and the SEC have more or less figured out how to make it work.”

Who are these 100 whistleblowers whose cases proved that whistleblower information is invaluable and necessary for detecting fraud and prosecuting fraudsters? Here are the profiles of these whistleblower award recipients.

They came from both the United States and abroad, [fifteen were foreign nationals](#) or residents of foreign countries when they submitted their tips to the Commission.

They worked in compliance, as auditors, and were current or former insiders of the company they reported. Approximately [85 percent raised their concerns internally to their supervisors](#), compliance personnel, or through internal reporting mechanisms, or understood that their supervisor or relevant compliance personnel knew of the violations before reporting their information of wrongdoing to the Commission.

Award recipients have also included investors who had been victims of the fraud, professionals working in the same or related industry, or other types of outsiders, such as individuals who had a personal relationship with the wrongdoer or individuals who have special expertise in the market.

They reported crimes from securities law violations that impacted retail customers to foreign bribery, which violates the Foreign Corrupt Practices Act.

Many suffered the retaliation whistleblowers often experience.

The Division of Enforcement confirmed that whistleblowers voluntarily provided significant original information that led to each and every one of the successful enforcement actions that triggered the billions in recoveries and the \$750 million returned to investors.

In the end, the whistleblowers' courage and sacrifice changed Wall Street. The Dodd-Frank Act whistleblower reward law has been proven a success. Similar laws covering [money laundering](#), [wildlife trafficking](#), and consumer financial frauds need to be passed immediately.

The first 100 Dodd-Frank Act whistleblowers proved that whistleblowing works. It is now up to Congress to ensure that similar programs are enacted into law, existing programs are enhanced, and ultimately that whistleblowers are fully protected from the corporate backlash that always comes.

Copyright Kohn, Kohn & Colapinto, LLP 2025. All Rights Reserved.

National Law Review, Volume X, Number 272

Source URL: <https://natlawreview.com/article/100-whistleblowers-who-changed-wall-street>