

SEC Awards Whistleblower Whose Tip Led to Opening of Investigation

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On May 19, the U.S. Securities and Exchange Commission (SEC) [issued a whistleblower award](#) to an individual who voluntarily provided the agency with original information that led to a successful enforcement action.

Through the [SEC Whistleblower Program](#), qualified whistleblowers are entitled to an award of 10-30% of the sanctions collected by the government in the enforcement action connected to their disclosure.

The SEC awarded the whistleblower approximately \$16,000.

According to the award order, the whistleblower “helped alert Commission staff to the ongoing fraud and his/her tip was a principal motivating factor in the decision to open the investigation.”

In determining the exact percentage of an award, the SEC weighs a number of factors including the significance of the whistleblower’s information, the law enforcement interest in the case, the degree of further assistance provided by the whistleblower, the whistleblower’s culpability in the underlying violation, and the timelines of the disclosure.

According to the award order, the SEC considered that the awarded whistleblower “provided continuing assistance by supplying critical documents and participating in at least one subsequent communication with Commission staff that advanced the investigation.”

The SEC notes that the whistleblower did not initially make their disclosure via a Form TCR. However, the whistleblower qualified for an award because they filed a Form TCR within 30 days of learning of the filing requirement.

Since issuing its first award in 2012, the SEC has awarded approximately \$1.3 billion to over 270 individuals. In the 2021 fiscal year, the program [set a number of records](#). The SEC issued a record \$564 million in whistleblower awards to a record 108 individuals.

In addition to monetary awards, the SEC Whistleblower Program offers [confidentiality protections](#) to whistleblowers. Thus, the SEC does not disclose any identifying information about award recipients.

Individuals considering blowing the whistle to the SEC should first consult an experienced [SEC whistleblower attorney](#) to ensure they are fully protected and qualify for the largest possible award.

Geoff Schweller also contributed to this article.

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