

SEC Whistleblower Program Report Reveals Continued Success Protecting Investors and Combatting Fraud [VIDEO]

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The [SEC Whistleblower Program's report for FY 2022](#) reveals continued success in attracting whistleblower disclosures that significantly enhance the SEC's ability to combat fraud and protect investors. Since the inception of the [SEC whistleblower program](#), the SEC has paid more than \$1.3 billion in awards to whistleblowers for providing information that [led to successful enforcement actions](#). According to the report, “[e]nforcement actions brought using information from meritorious whistleblowers have resulted in orders for more than **\$6.3 billion in total monetary sanctions**, including more than \$4.0 billion in disgorgement of ill-gotten gains and interest, of which more than **\$1.5 billion** has been, or is scheduled to be, **returned to harmed investors**.” That is a phenomenal return for taxpayers and warrants Congress increasing the resources available to the SEC to investigate whistleblower disclosures and administer this [highly successful program](#). A report published by Better Markets in 2022 discusses the reasons for the success of the SEC whistleblower program: [The SEC Whistleblower Program Is a Resounding \\$5 Billion Success Story With a Bright Future](#).

In the SEC's FY 2022 report, Creola Kelly, Chief of the Office of the Whistleblower summarizes the success of the [SEC whistleblower program](#):

“The significant increase in the number of whistleblower tips and awards since the program's inception shows that the program, with its enhanced confidentiality protections, is effectively incentivizing whistleblowers to make the often difficult decision to come forward with information about potential securities-law violations . . . Regardless of whether a whistleblower is a corporate insider, a main street investor, or an unrepresented claimant, the Commission vigorously safeguards their identity while rewarding eligible individuals who identify bad actors in our markets.”

Highlights of the [SEC OWB's FY 2022 report](#) include:

- The SEC awarded approximately \$229 million in 103 awards.
- The SEC received 12,300 whistleblower tips—the largest number of whistleblower tips received in a fiscal year.
- The record high number of tips the Commission received in FY 2022 includes a [variety of alleged misconduct](#). The most common complaint categories reported by whistleblowers were Manipulation (21%), Offering Fraud (17%), Initial Coin Offerings and Cryptocurrencies (14%), and Corporate Disclosures and Financials (13%).
- The SEC ordered a maximum aggregate award for more than 90% of the awards issued in FY 2022. Pursuant to a [2020 amendment to the SEC whistleblower rules](#), for awards of \$5 million or less, the SEC will pay the statutory maximum award – 30 percent of the total monetary sanctions collected in the enforcement action – where none of the negative award factors are present.
- In FY 2022, the SEC reduced the [award percentage](#) of eight whistleblowers who unreasonably delayed in reporting. An unreasonable delay in reporting can warrant a reduction in the award. And since the award percentage is typically higher for a whistleblower who initiated an investigation as compared to a whistleblower who assists in an investigation, we advise whistleblowers to [report promptly](#). See additional [tips for SEC whistleblowers](#).
- The SEC reduced three awards in FY 2022 for the whistleblowers' participation in or benefit from the underlying misconduct. Note that a whistleblower who is convicted of a criminal violation related to the judicial or administrative action for which the whistleblower otherwise could receive an award is ineligible to receive an award. Indeed, the Second Circuit [ruled](#) on November 15, 2022 that a whistleblower who provided information that assisted in a successful enforcement action with respect to an international bribery scheme was ineligible for an award because he had pleaded guilty to bribery charges.
- The report clarifies that [whistleblower assistance](#) can come at any stage of an investigation and “can include helping staff decipher complex transactions, identifying key witnesses, documents or other sources of information, and communicating with staff and certain other authorities when appropriate.”

Qualifying for an SEC Whistleblower Award

How to Successfully Navigate the SEC Whistleblower Process

SEC Whistleblower Program's Protections Against Retaliation

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