

SEC Whistleblowers Receive \$18 Million After Tips Lead to Return of Funds to Harmed Investors

Article By:

Mary Jane Wilmoth

On January 19, the U.S. Securities and Exchange Commission (SEC) [awarded \\$18 million to three whistleblowers](#) who separately made disclosures which contributed to the success of the same enforcement action. The whistleblowers' voluntary disclosures led to millions of dollars being returned to harmed investors.

[Qualified SEC whistleblowers](#), individuals who voluntarily report original information that leads to a successful enforcement action, are entitled to monetary awards of 10-30% of the sanctions collected by the SEC in the enforcement action.

The first whistleblower's information "alerted Commission staff to the fraudulent scheme alleged in the Covered Action, and was the main basis for opening the investigation that resulted in the Covered Action," according to [the award order](#). The SEC further notes that the whistleblower's information was "detailed and highly significant," "saved considerable Commission time and resources," and "had a significant impact on the overall success of the enforcement action." The whistleblower also provided the SEC ongoing assistance throughout the course of the investigation.

According to the SEC, the second whistleblower made a disclosure after the first and much of their information was duplicative. However, the award order does note that the whistleblower's disclosure "included new information relating to certain charges filed in the Covered Action."

The third whistleblower made their disclosure "after significant progress had already been made by staff in the investigation," according to the award order. Much of the information provided by the whistleblower was thus duplicative but, according to the SEC, the whistleblower "provided limited new information that assisted the staff with respect to certain false statements alleged in the Covered Action."

"All three whistleblowers provided valuable information and assistance, which played a critical role in the SEC bringing an enforcement action and returning millions of dollars to harmed investors," said Creola Kelly, Chief of the SEC's Office of the Whistleblower.

While the SEC did not disclose the exact amount awarded to each whistleblower, it notes in the award order that "[o]verall, Claimant 3's contributions were significantly less than the contribution of

Claimant 1, whose information was the main cause of the staff opening its investigation and was provided earlier in time. Furthermore, Claimant 3's contribution was also significantly less than the contribution of Claimant 2, whose information was also provided earlier in time."

Overall, the SEC has awarded more than \$1.3 billion to over 300 whistleblowers. [According to the agency](#), "Enforcement 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."

Whistleblowers 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.

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

National Law Review, Volume XIII, Number 19

Source URL: <https://natlawreview.com/article/sec-whistleblowers-receive-18-million-after-tips-lead-to-return-funds-to-harmed>