

Report Concludes SEC's Whistleblower Program is a Resounding Success and Essential to Investor Protection

Article By:

Jason Zuckerman

Matthew Stock

Success of the SEC Whistleblower Program

Benjamin Schiffrin, Director of Securities Policy at [Better Markets](#), published a report titled [The SEC's Whistleblower Program Is Key to Protecting the Economy and Main Street Americans' Wallets](#), which concludes that the [SEC whistleblower program](#) “has benefited investors by allowing the SEC to pursue enforcement actions resulting in more than \$6 billion in monetary sanctions” and identify misconduct that the SEC might not otherwise uncover.

The report identifies additional indications of the success of the [SEC whistleblower program](#):

- Whistleblower disclosures result in the return of funds to harmed investors.
- In FY 2024, the SEC received approximately 24,980 [whistleblower submissions](#), and whistleblowers have filed over 100,000 disclosures since the inception of the program.
- Taxpayers benefit from this critical enforcement tool without having to pay awards from appropriated funds. The awards are paid from the [monetary sanctions](#) that the SEC recovers from fraudsters.
- Whistleblower confidentiality is a cornerstone of the [SEC whistleblower program](#). Permitting whistleblowers to [report anonymously through counsel](#) protects whistleblowers from retaliation and “protects the ensuing investigation by preventing a company from learning that the SEC knows about the misconduct and possibly destroying evidence.”

SEC Whistleblower Program Key to Investor Protection

The report finds that the SEC is already underfunded and lacks the resources necessary to monitor the increasingly complex capital markets and “protect investors from potential misconduct at 33,000 regulated entities, 8,300 reporting companies, and 56,000 private funds.” If Congress forces the SEC to downsize the Division of Enforcement, the SEC would need more help in holding fraudsters accountable and therefore whistleblowers will continue to play a vital role in assisting the government in identifying and prosecuting misconduct. The violations that whistleblowers report to the SEC primarily concern [manipulation](#), offering fraud, corporate disclosures, and [crypto fraud](#).

Suggestions to Improve the SEC Whistleblower Program

Better Markets makes two suggestions to improve the [SEC whistleblower program](#):

1. Do a Better Job of Communicating with Whistleblowers: “Many whistleblowers receive confirmation that the SEC received their tip and then never hear from the agency again. This makes it difficult for whistleblowers to know how to proceed . . . Communicating with whistleblowers is especially important because it can take years for the SEC to receive a tip, investigate, bring an action, obtain sanctions, and issue an award.”
2. Provide More Information to Enable the SEC to Understand the Benefits of the Whistleblower Program: “[T]he whistleblower program would benefit from the public’s greater understanding of the assistance that whistleblowers provide . . . and the value to the public of the whistleblower having identified the relevant misconduct.”

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