

SEC Announces Highest Whistleblower Award to Date

Article By:

William L. Carr

Daniel E. Brewer

The SEC recently announced a record-breaking whistleblower award of \$30-35 million, which shattered the previous high award of \$14 million. See [SEC Awards More Than \\$14 Million to Whistleblower](#). Not only is this award noteworthy for its size, but also because it was made to a foreign resident and it could have been even higher if the whistleblower did not unreasonably delay in reporting the violations.

This was not the first award made to foreign residents, but it was the first award made to a foreign resident since the Court of Appeals for the Second Circuit found that the anti-retaliation protections of Section 21F(h) of the Dodd-Frank Act do not apply to foreign whistleblowers who experience retaliation overseas from foreign employers. *Liu v. Siemens*, __ F.3d __, 2014 WL 3953672 (2d Cir. Aug. 14, 2014); see also [Made for the U.S.A. Only: Second Circuit Holds That the Dodd-Frank Act's Antiretaliation Provision Applies Only Domestically](#). In making this award, the SEC reiterated that any extraterritorial aspects of tips, such as a whistleblower's foreign residency or alleged misconduct that occurs abroad, do not matter when there is a "sufficient U.S. territorial nexus"—i.e., "whenever a claimant's information leads to a successful enforcement of a covered action brought in the United States, concerning violations of the U.S. securities laws, by the Commission, the U.S. regulatory agency with enforcement authority for such violations." Order Determining Whistleblower Award Claim, Whistleblower Award Proceeding, File No. 2014-10 (Sept. 22, 2014). It found that the Second Court's holding in *Liu v. Siemens*, __ F.3d __, 2014 WL 3953672 (2d Cir. Aug. 14, 2014), was not controlling and that "the whistleblower award provisions have a different Congressional focus than the anti-retaliation provisions, which are generally focused on preventing retaliatory employment actions and protecting the employment relationship."

In announcing the award Sean McKessy, Chief of the Office of the Whistleblower, underscored the extraterritorial reach of the program: "This award of more than \$30 million shows the international breadth of our whistleblower program as we effectively utilize valuable tips from anyone, anywhere to bring wrongdoers to justice. Whistleblowers from all over the world should feel similarly incentivized to come forward with credible information about potential violations of the U.S. securities laws." See SEC Press Release: "[SEC Announces Largest-Ever Whistleblower Award](#)."

Further, this already staggering award amount had the potential to be even higher if the whistleblower did not unreasonably delay in reporting to the SEC. The whistleblower delayed for an undisclosed

period of time after first learning of the violations, which the SEC said caused investors to suffer significant losses that might have been avoided. The SEC found that the whistleblower's delay was unreasonable under the circumstances and reduced the award from the maximum percentage allowed under the statute. It rejected the whistleblower's argument that the percentage awarded was below the average percentage awarded to other whistleblowers as irrelevant. The SEC, however, did not apply the unreasonable delay consideration as severely as it otherwise might have done because a period of the delay occurred before the implementation of the whistleblower program established by the Dodd-Frank Act.

This latest award shows the SEC's willingness to make awards to whistleblowers across the globe.

© 2025 Faegre Drinker Biddle & Reath LLP. All Rights Reserved.

National Law Review, Volume IV, Number 273

Source URL: <https://natlawreview.com/article/sec-announces-highest-whistleblower-award-to-date>