



# Workplace Whistleblower

## SEC Whistleblower Awards Continue, Including to Employees Who Provide Information After an Investigation Has Begun

*By Christopher F. Robertson and Samuel Sverdlov*

As we have [previously written](#), the Securities and Exchange Commission (“SEC”) has not slowed in its efforts to issue substantial awards to whistleblowers under the SEC whistleblower program created pursuant to Dodd-Frank. As stated in Dodd-Frank, “if the information leads to an enforcement action that results in more than \$1 million in monetary damages,” the SEC may issue an award. Notably, whistleblowers are eligible to receive 10-30% of the monies collected, and the SEC additionally can “pay awards based on monetary sanctions collected by other authorities in actions that are related to a successful... enforcement action, and based on information provided by a... whistleblower.” To assure the program would pay, Congress funded the program from inception so there would be no issue with financing awards.

On March 8, 2016, continuing a pattern of award announcements, [the SEC announced the payment of approximately \\$2 million to three whistleblowers](#). The largest award, \$1.8 million, went to a whistleblower “who voluntarily provided original information that prompted the SEC to open its investigation” and “continued to provide valuable information throughout the investigation.” In addition, two other whistleblowers received approximately \$65,000 each for providing information after the investigation started. That is, the SEC awarded whistleblowers who did not initiate the investigation, but necessarily provided original information previously unreported and unknown to the SEC during the investigation, that contributed to the ultimate monetary sanction against the company. Clearly, the SEC wants it to be known that just because a case has been commenced does not mean the door is closed to whistleblowers who have additional information to provide.

Although it took some time for the SEC to get their whistleblower program off the ground, the recent awards illustrate that the SEC will continue to regularly award whistleblowers who provide information leading to significant enforcement actions. At this point, the SEC’s whistleblower program has paid more than \$57 million to 26 whistleblowers since the program’s inception in 2011. Notably, these awards necessarily mean the SEC has obtained settlements or judgments in each case in excess of \$1 million. So, in addition to supporting the viability and validity of the whistleblower program, these awards also indicate that ongoing SEC violations are being uncovered and reported. Companies should appreciate that Congress and the SEC’s goal to make employees

the eyes and ears of misconduct is working and not going away any time soon. As such, a renewed emphasis on internal reporting and compliance may be warranted.

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