



Workplace Whistleblower

Dodd-Frank Bounties Are Alive and Well - Both SEC and CFTC Issue Awards

By Christopher F. Robertson and Samuel Sverdlov

The U.S. government has recently paid substantial awards when the Commodity Futures Trading Commission (“CFTC”) [awarded \\$290,000](#) to a whistleblower for providing valuable information about violations of the Commodity Exchange Act (“CEA”), and the Securities and Exchange Commission (“SEC”), [awarded \\$325,000](#) for a “former investment firm employee who tipped the agency with specific information that enabled enforcement staff to open an investigation and uncover the extent of the fraudulent activity.”

The awards are pursuant to Dodd-Frank and the Consumer Protection Act of 2010, under which the CFTC Whistleblower Program or the SEC Whistleblower program awards money to people who report violations of the CEA or Securities Exchange Act of 1934 (“SEA”), “if the information leads to an enforcement action that results in more than \$1 million in monetary damages.”

Notably, whistleblowers are eligible to receive 10-30% of the monies collected, and the CFTC or SEC, additionally can “pay awards based on monetary sanction collected by other authorities in actions that are related to a successful ... enforcement action, and based on information provided by a ... whistleblower.” Whistleblower awards are drawn from funds, which were established by Congress and are financed by monetary sanctions paid to the CFTC or SEC by those who are found to violate the CEA or SEA.

This award is the second whistleblower award issued by the CFTC, the first of which was a [\\$240,000 award issued on May 20, 2014](#). Meanwhile, since 2011, the “SEC whistleblower program has paid more than \$54 million to 22 whistleblowers who provided the SEC with unique and useful information that contributed to ... successful enforcement action[s].” These awards illustrate that the government agencies are increasing their efforts to put a bounty on violators of the law. It is likely that the CFTC’s and SEC’s monetary incentives will encourage whistleblowers to bring forth more complaints.

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