The Consumer Financial Protection Bureau (Bureau) has proposed adding monetary rewards to its whistleblower program. In a recent submission to U.S. Congress, the Bureau said it is aiming to incentivize whistleblowers to provide information to the CFPB whistleblower program about wrongdoing to the Bureau voluntarily.

The CFPB whistleblower program would be similar to those of the Securities and Exchange Commission (SEC) and Commodity Futures Trading Commission (CFTC) and amends a provision of the Dodd-Frank Act of 2010, which created the Bureau.

Under the proposed legislation, whistleblowers who report violations of consumer financial laws would receive between 10% and 30% of the sanctions collected in an enforcement action where the monetary penalties exceed $1 million. The proposed legislation would cap the maximum amounts for whistleblower rewards for any single whistleblower at $10 million. If the case involves a monetary penalty of less than $1 million, the Bureau will award the tipster 10% of the sanctions collected or $50,000, whichever is greater.

“These steps reinforce the Bureau’s commitment to preventing consumer harm. Advisory opinions will ensure that companies know what compliance entails and what constitutes a violation. We also want to incentivize whistleblowers to contact us if they believe their employer is not complying with the law,” Consumer Financial Protection Bureau Director Kathleen L. Kraninger said in a statement.
The successes of the SEC whistleblower program and CFTC whistleblower program has prompted other agencies to launch whistleblower reward systems to provide awards to tipsters. Since the inception of the SEC program in 2011, the Commission has awarded $300 million to whistleblowers. The CFTC has awarded around $100 million to whistleblowers since its program began in 2014.

Ben Kostyack also contributed to this article.

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