Today, the Securities and Exchange Commission (SEC) awarded $125,000 to a whistleblower who alerted the SEC and another agency to a fraudulent scheme that preyed on vulnerable investors. The SEC whistleblower provided “highly significant” information to the Commission about the company's scheme.

According to an SEC press release, the whistleblower’s reporting led the SEC and another agency to bring successful enforcement actions against the company involved.

The tip the SEC whistleblower provided led to the opening of the investigation by the SEC.

“Whistleblowers continue to be the key to identifying fraud worldwide,” said whistleblower attorney Stephen M. Kohn, partner at qui tam law firm Kohn, Kohn & Colapinto. “The half a million dollars earned by SEC whistleblowers since 2012 is a result of courageous reporting and the SEC Program’s dedication to protecting whistleblowers.”

The SEC Whistleblower Program protects the identity of whistleblowers and grants whistleblower awards to individuals whose disclosures bring on enforcement actions resulting in sanctions of $1 million or more.

“The whistleblower’s tip helped stop a fraudulent scheme that preyed on a
vulnerable investor community,” said Jane Norberg, Chief of the SEC's Office of the Whistleblower. “Whistleblowers like the individual receiving the award today provide a valuable public service, and we encourage others to come forward with information regarding possible securities laws violations.”

Ben Kostyack also contributed to this article.

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