Today, the U.S. Securities and Exchange Commission (SEC) announced whistleblower awards totaling nearly $2.6 million. The awards, which stem from three separate enforcement actions, were issued to five individuals. The SEC Whistleblower Program has now issued awards totaling approximately $959 to 203 individual whistleblowers.
Two of the awards were issued to whistleblowers who provided the SEC with independent analysis which helped lead to successful enforcement actions. In the first order, the SEC awarded approximately $1.2 million to a whistleblower who created and applied a complex algorithm to publicly available data. The whistleblower’s information significantly contributed to the success of the enforcement action and helped the SEC conserve time and resources.

In the second order, the SEC awarded a whistleblower more than $350,000. According to the SEC, the whistleblower’s information “was the product of unusual effort and expertise developed over many years.” The whistleblower’s disclosure led the SEC to inquire into different misconduct as part of a preexisting investigation.

In the final order, the SEC awarded over $1 million to three individuals who separately provided information that contributed to the success of an enforcement action. The whistleblowers held compliance roles at the company on which they blew the whistle but were eligible for awards because they reported their concerns internally at least 120 days before contacting the SEC.

“Today’s awards demonstrate the Commission’s commitment to reward whistleblowers who provide valuable information, developed either from a whistleblower’s independent knowledge or the whistleblower’s independent analysis, which substantially contributes to a successful enforcement action,” said Emily Pasquinelli, Acting Chief of the SEC’s Office of the Whistleblower.

Under the Dodd-Frank Act, individuals who provide the SEC with original information that leads to a successful enforcement action are entitled to a monetary award of 10-30% of the sanctions collected. By consulting with a SEC whistleblower attorney before contacting the SEC, a whistleblower can help ensure their confidentiality is fully protected and that they qualify for the highest possible award.

Geoff Schweller also contributed to this article.

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