

Holding International Fraudsters Accountable: How Non-U.S. Citizens Can Participate in U.S. Whistleblower Reward Programs

Stephen M. Kohn

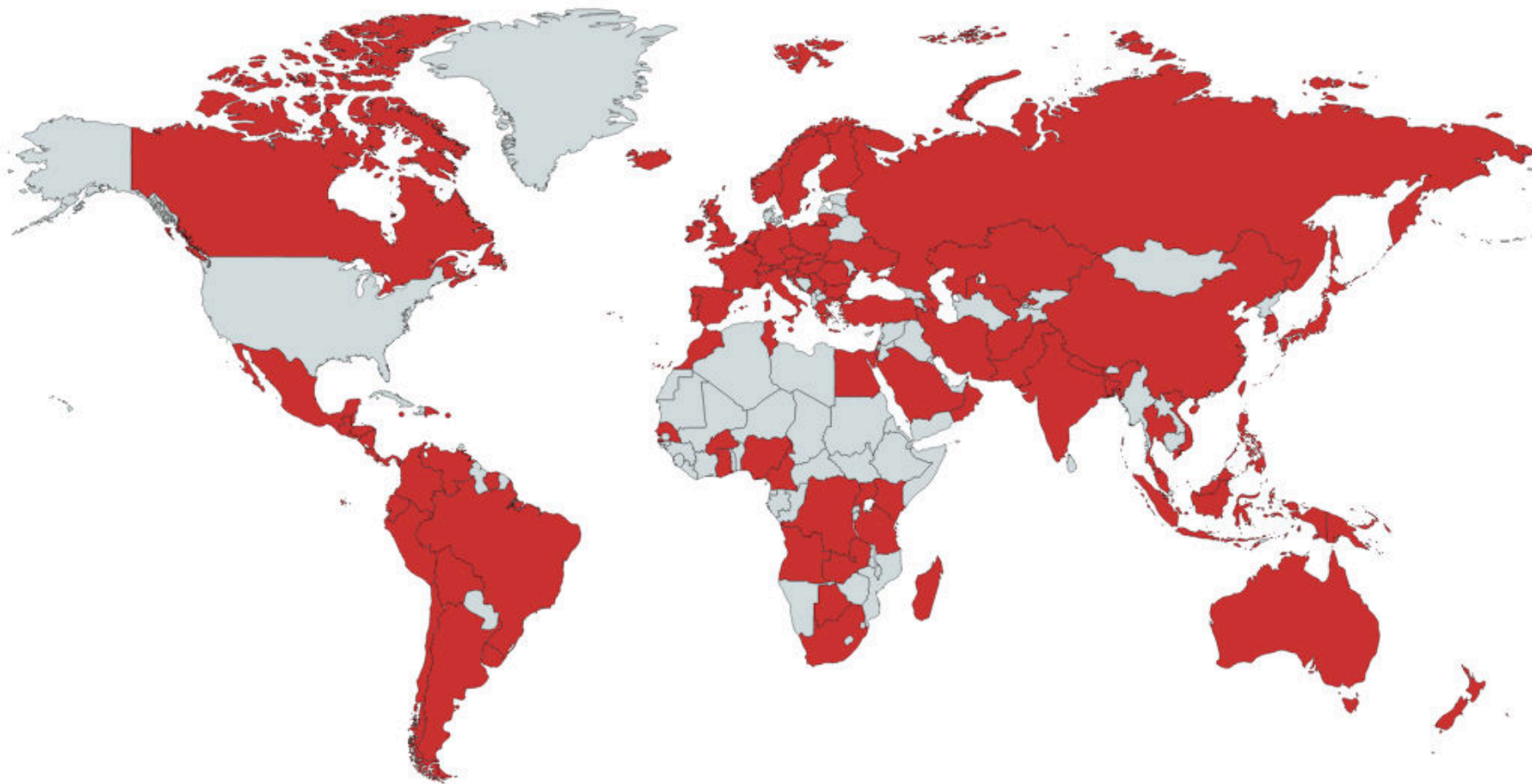
Partner, Kohn, Kohn & Colapinto
Chairman of the Board of Directors
National Whistleblower Center

The OffshoreAlert Conference Europe
Leonardo Royal London St Paul's
November 11, 2019



"... it makes no difference whether ... the claimant was a foreign national, the claimant resides overseas, the information was submitted from overseas, or the misconduct comprising the U.S. securities law violation occurred entirely overseas."

— Kevin M. O'Neill, Deputy Secretary, Securities and Exchange Commission, [Order](#)
Determining Whistleblower Award Claim



International Tips Received by U.S. Securities and Exchange Commission, 2011 - 2018
[Information obtained from the Annual Reports by the SEC](#)

Internal Revenue Act

26 U.S.C. § 7623

Rewards to IRS whistleblowers who report tax frauds and underpayments of taxes. Covers all laws investigated by the IRS, including international money laundering.



IRS / Tax / Bank Secrecy-FBAR Whistleblower Law



*“The IRS’s serious efforts to combat offshore tax evasion...
[were] brought to our attention... by whistleblowers...”*

— John A. Koskinen, Commissioner of the IRS, [Remarks](#) before the U.S. Council
for International Business-OECD International Tax Conference



IRS Whistleblower Law

- Tax whistleblowers were paid \$778 million in awards between [FY 2012 to FY 2018](#).
- Whistleblowers were the critical source of information on [policing offshore Swiss banking violations](#).
- Every known U.S. secret Swiss bank account was closed. Over \$16 billion was directly recovered in fines and penalties. 50,000 U.S. taxpayers entered the voluntary disclosure program.





International Application of IRS Whistleblower Law

NON-PROSECUTION AGREEMENTS EXECUTED UNDER THE SWISS BANK PROGRAM

| NUMBER | BANK NAME | DATE | PRESS RELEASE | NPA and Attachments |
|--------|--|---------|-------------------------------|--|
| 1 | BSI SA | 3/30/15 | Press Release | NPA and SOF (176.16 KB) Statement of Facts (209.47 KB) Board Resolution (64.37 KB) |
| 2 | Vadian Bank AG | 5/8/15 | Press Release | NPA and SOF (406.6 KB) |
| 3 | Finter Bank Zurich | 5/15/15 | Press Release | NPA and SOF (24.14 MB) |
| 4 | Société Générale Private Banking (Lugano-Svizzera) | 5/28/15 | Press Release | NPA and SOF (403.13 KB) |
| 5 | MediBank AG | 5/28/15 | Press Release | NPA and SOF (315.33 KB) |
| 6 | LBBW (Schweiz) AG | 5/28/15 | Press Release | NPA and SOF (338.89 KB) |
| 7 | Scobag Privatbank AG | 5/28/15 | Press Release | NPA and SOF (396.38 KB) |
| 8 | Rothschild Bank AG | 6/3/15 | Press Release | NPA and SOF (444.58 KB) |
| 9 | Banca Credinvest SA | 6/3/15 | Press Release | NPA and SOF (506.47 KB) |
| 10 | Société Générale Private Banking (Suisse) SA | 6/9/15 | Press Release | NPA and SOF (433.58 KB) |
| 11 | Berner Kantonalbank AG | 6/9/15 | Press Release | NPA and SOF (411.23 KB) |
| 12 | Bank Linth LLB AG | 6/19/15 | Press Release | NPA and SOF (566.31 KB) |
| 13 | Bank Sparhafen Zurich AG | 6/19/15 | Press Release | NPA and SOF (439.96 KB) |
| 14 | Ersparniskasse Schaffhausen AG | 6/26/15 | Press Release | NPA and SOF (3.16 MB) |
| 15 | Privatbank Von Graffenried AG | 7/2/15 | Press Release | NPA and SOF (5.13 MB) |



| | | | | |
|----|---|----------|---------------|-------------------------|
| 16 | Banque Pasche SA | 7/9/15 | Press Release | NPA and SOF (4.05 MB) |
| 17 | ARVEST Privatbank AG | 7/9/15 | Press Release | NPA and SOF (3.84 MB) |
| 18 | Mercantil Bank (Schweiz) AG | 7/16/15 | Press Release | NPA and SOF (336.05 KB) |
| 19 | Banque Cantonale Neuchâteloise | 7/16/15 | Press Release | NPA and SOF (353.24 KB) |
| 20 | Nidwaldner Kantonalbank | 7/16/15 | Press Release | NPA and SOF (383.84 KB) |
| 21 | SB Saanen Bank AG | 7/23/15 | Press Release | NPA and SOF (4.14 MB) |
| 22 | Privatbank Bellerive AG | 7/23/15 | Press Release | NPA and SOF (3.19 MB) |
| 23 | PKB Privatbank AG | 7/30/15 | Press Release | NPA and SOF (3.19 MB) |
| 24 | Falcon Private Bank AG | 7/30/15 | Press Release | NPA and SOF (3.97 MB) |
| 25 | Credito Privato Commerciale in liquidazione SA | 7/30/15 | Press Release | NPA and SOF (2.24 MB) |
| 26 | Bank EKI Genossenschaft | 8/3/15 | Press Release | NPA and SOF (5.59 MB) |
| 27 | Privatbank Reichmuth & Co. | 8/6/15 | Press Release | NPA and SOF (3.49 MB) |
| 28 | Banque Cantonale du Jura SA | 8/6/15 | Press Release | NPA and SOF (4.57 MB) |
| 29 | Banca Interbiliare di Investimenti e Gestioni (Suisse) SA | 8/6/15 | Press Release | NPA and SOF (3.62 MB) |
| 30 | Bank Zweiplus Ag | 8/20/15 | Press Release | NPA and SOF (3.37 MB) |
| 31 | Banca dello Stato del Cantone Ticino | 8/20/15 | Press Release | NPA and SOF (3.88 MB) |
| 32 | Hypothekbank Lenzburg AG | 8/27/15 | Press Release | NPA and SOF (392.71 KB) |
| 33 | Schroder & Co. Bank AG | 9/3/15 | Press Release | NPA and SOF (4.04 MB) |
| 34 | Valiant Bank AG | 9/10/15 | Press Release | NPA and SOF (13.3 MB) |
| 35 | Bank La Roche & Co AG | 9/15/15 | Press Release | NPA and SOF (344.31 KB) |
| 36 | St. Galler Kantonalbank AG | 9/17/15 | Press Release | NPA and SOF (1.49 MB) |
| 37 | E. Gutzwiller & Cie, Banquiers | 9/17/15 | Press Release | NPA and SOF (2.28 MB) |
| 38 | Migros Bank AG | 9/25/15 | Press Release | NPA and SOF (503.35 KB) |
| 39 | Graubündner Kantonalbank | 9/25/15 | Press Release | NPA and SOF (390.52 KB) |
| 40 | BHF-Bank (Schweiz) AG | 10/1/15 | Press Release | NPA and SOF (2.44 MB) |
| 41 | Schaffhauser Kantonalbank | 10/8/15 | Press Release | NPA and SOF (897.82 KB) |
| 42 | BBVA Suiza S.A. | 10/16/15 | Press Release | NPA and SOF (2.74 MB) |
| 43 | Piguet Galland & Cie SA | 10/23/15 | Press Release | NPA and SOF (2.79 MB) |
| 44 | Luzerner Kantonalbank AG | 10/29/15 | Press Release | NPA and SOF (391.78 KB) |
| 45 | Habib Bank AG Zurich (HBZ) | 10/29/15 | Press Release | NPA and SOF (509.23 KB) |
| 46 | Banque Heritage S.A. | 10/29/15 | Press Release | NPA and SOF (352.61 KB) |
| 47 | Hyposwiss Private Bank Genève S.A. | 10/29/15 | Press Release | NPA and SOF (425.12 KB) |
| 48 | Banque Bonhôte & Cie SA | 11/3/15 | Press Release | NPA and SOF (368.33 KB) |

| | | | | |
|----|---|----------|-------------------------------|---|
| 49 | Banque Internationale à Luxembourg (Suisse) SA | 11/12/15 | Press Release | NPA and SOF (400.06 KB) |
| 50 | Zuger Kantonalbank | 11/12/15 | Press Release | NPA and SOF (382.13 KB) |
| 51 | Standard Chartered Bank (Switzerland) SA | 11/13/15 | Press Release | NPA and SOF (472.58 KB) |
| 52 | Maerki Baumann & Co. AG | 11/17/15 | Press Release | NPA and SOF (460.31 KB) |
| 53 | BNP Paribas (Suisse) SA | 11/19/15 | Press Release | NPA and SOF (497.99 KB) |
| 54 | KBL (Switzerland) Ltd. | 11/19/15 | Press Release | NPA and SOF (469.25 KB) |
| 55 | Bank CIC | 11/19/15 | Press Release | NPA and SOF (388.06 KB) |
| 56 | Privatbank IHAG Zürich AG | 11/24/15 | Press Release | NPA and SOF (464.83 KB) |
| 57 | Deutsche Bank (Suisse) SA | 11/24/15 | Press Release | NPA and SOF (431.79 KB) |
| 58 | EFG Bank European Financial Group SA, Geneva, and EFG Bank AG | 12/3/15 | Press Release | NPA and SOF (588.89 KB) |
| 59 | Aargauische Kantonalbank | 12/8/15 | Press Release | NPA and SOF (468.96 KB) |
| 60 | Cornèr Banca SA | 12/10/15 | Press Release | NPA and SOF (446.77 KB) |
| 61 | Bank Coop AG | 12/10/15 | Press Release | NPA and SOF (404.48 KB) |
| 62 | Crédit Agricole (Suisse) SA | 12/15/15 | Press Release | NPA and SOF (454.09 KB) |
| 63 | Dreyfus Sons & Co Ltd, Banquiers | 12/15/15 | Press Release | NPA and SOF (512.32 KB) |
| 64 | Baumann & Cie, Banquiers | 12/15/15 | Press Release | NPA and SOF (453.32 KB) |
| 65 | Bordier & Cie Switzerland | 12/17/15 | Press Release | NPA and SOF (394.78 KB) |
| 66 | PBZ Verwaltungs AG | 12/17/15 | Press Release | NPA and SOF (582.22 KB) |
| 67 | PostFinance AG | 12/17/15 | Press Release | NPA and SOF (385.3 KB) |
| 68 | Edmond de Rothschild (Suisse) SA and Edmond de Rothschild (Lugano) SA | 12/18/15 | Press Release | NPA and SOF (480.3 KB) |
| 69 | Bank J. Safra Sarasin AG | 12/23/15 | Press Release | NPA and SOF (447.66 KB) |
| 70 | Coutts & Co Ltd | 12/23/15 | Press Release | NPA and SOF (460.87 KB) |
| 71 | Gonet & Cie | 12/23/15 | Press Release | NPA and SOF (372.35 KB) |
| 72 | Banque Cantonal du Valais | 12/23/15 | Press Release | NPA and SOF (481.25 KB) |
| 73 | Banque Cantonale Vaudoise | 12/23/15 | Press Release | NPA and SOF (392.63 KB) |
| 74 | Bank Lombard Odier & Co Ltd | 12/31/15 | Press Release | NPA and SOF |
| 75 | DZ Privatbank (Schweiz) AG | 12/31/15 | Press Release | NPA and SOF |
| 76 | Union Bancaire Privée, UBP SA | 1/6/16 | Press Release | NPA and SOF (495.2 KB) |
| 77 | Leodan Privatbank AG | 1/20/16 | Press Release | NPA and SOF (496.86 KB) |
| 78 | HSZH Verwaltungs AG | 1/27/16 | Press Release | NPA and SOF (756.21 KB) |
| 79 | NPB Neue Privat Bank | 7/18/18 | Press Release | NPB Executed Signed Resolution Statement of Facts |
| 80 | Mirelis Holding | 7/24/18 | Press Release | NPA and SOF |
| 81 | Lombard Odier | 7/31/18 | Press Release | NPA Addendum |

Foreign Corrupt Practices Act

15 U.S.C. §§ 78m, 78dd, 78ff

Rewards to whistleblowers who provide original information about bribes paid to foreign government officials.



Foreign Corrupt Practices Act (FCPA)

- Since 2011, 2,655 whistleblowers from 113 countries outside the U.S. have filed claims under the Foreign Corrupt Practices Act whistleblower reward provision.
- Over \$40 million has been paid to non-U.S. citizens who reported bribes paid overseas, in a single case.

The FCPA is often known as the law used to prosecute bribes paid abroad.



Foreign Corrupt Practices Act 15 U.S.C. §§ 78m, 78dd, 78ff



The FCPA prohibits publicly-traded corporations, both U.S. and international, from paying bribes to foreign officials and mandates proper financial recordkeeping.

The FCPA established U.S. jurisdiction for bribes paid in foreign countries by foreign nationals to foreign government officials.

FCPA whistleblowers can obtain financial rewards even if bribes are paid in a foreign country and the whistleblower is a foreign national.

FCPA Cases for which Whistleblowers are Eligible for Rewards

- [Petroleo Brasileiro](#) (Brazil based company) —\$1.78 billion
- [Quad/Graphics](#) (Bribes paid in Peru and China) — \$10 million sanction
- [Telefonica Brasil](#) (World Cup bribery) — \$4.125 million
- [Fresenius Medical](#) (German based company) — \$231 million
- [Sanofi](#) (corrupt payments in Kazakhstan and Middle East) — \$25 million
- [Credit Suisse](#) (Swiss based company corrupt payments in Asia-Pacific) — \$77 million
- [Telia](#) (Sweden-based company; bribery in Uzbekistan) — \$965 million
- [SQM](#) (Chilean based company) — \$30 million
- [Biomet](#) (Polish based company) — \$30 million

Securities Exchange Commission Press Release **Petróleo Brasileiro (Sept. 27, 2018)**

"The SEC charged Brazilian oil-and-gas company Petróleo Brasileiro S.A. with . . . filing false financial statements that concealed a massive bribery and bid-rigging scheme at the company."

"In connection with the settlement . . . Petrobras has agreed to pay a total of \$933 million in disgorgement and prejudgment interest and an \$853 million penalty."

"The SEC appreciates the assistance of the . . . Brazilian Federal Prosecution Service, the Brazilian Federal Police, and Brazil's Comissão de Valores Mobiliários."

False Claims Act

31 U.S.C. § 3729-3732

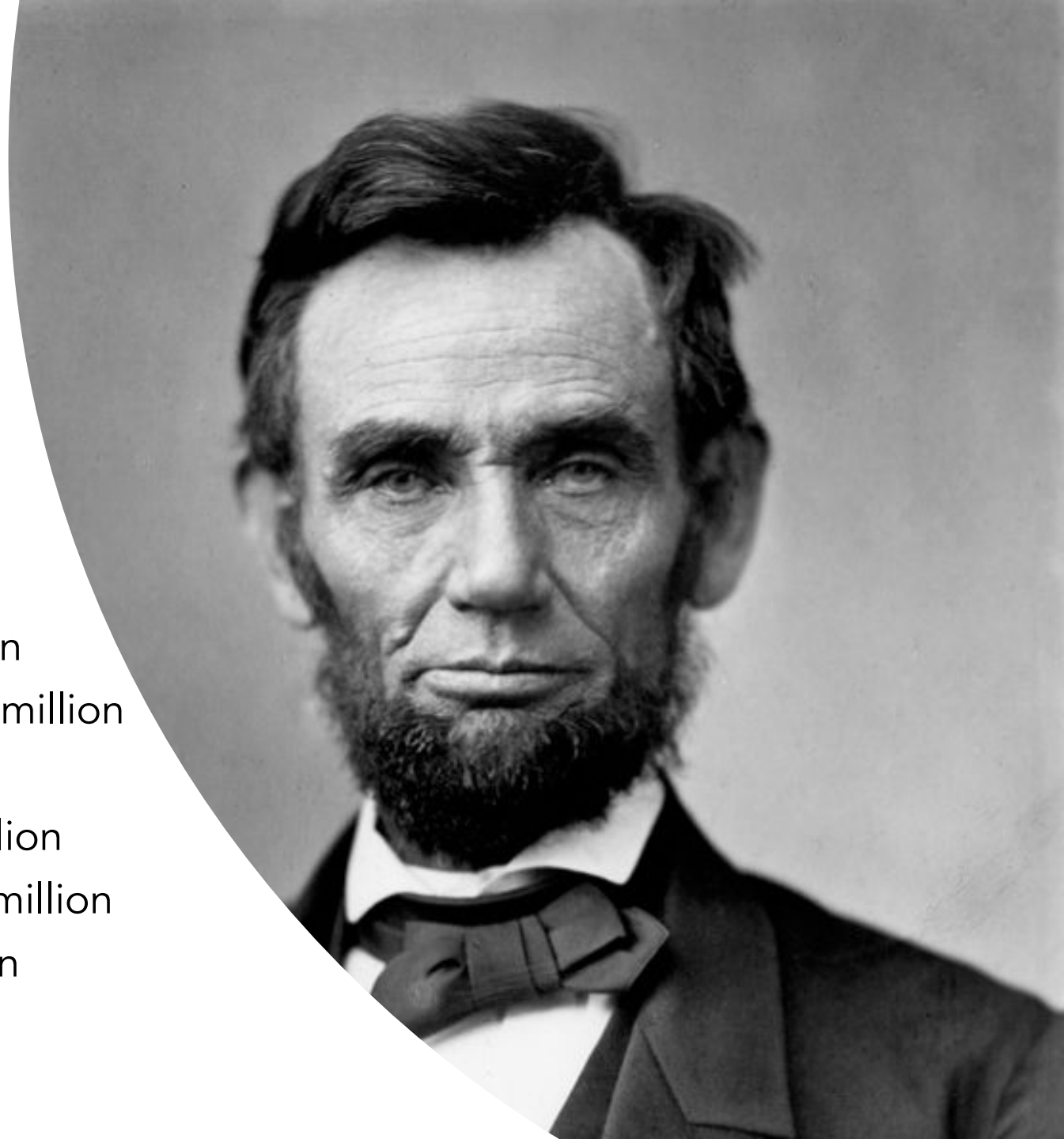
Rewards for reporting fraud in government contracting, procurement or failure to pay mandatory fees, including customs violations.



False Claims Act / Qui Tam

Numerous banks and foreign companies have been sanctioned under the [False Claims Act](#)

- Toyo Ink (Japan) — \$45 million
- Infosys Technologies (India) — \$34 million
- Royal Dutch Shell (Netherlands) — \$110 million
- BNP Paribas (France) — \$80 million
- Ranbaxy Laboratories (India) — \$150 million
- GlaxoSmithKline (Great Britain) — \$750 million
- Deutsche Bank (Germany) — \$202 million





Holding Importers Accountable

“[C]ompanies purchasing imported goods cannot turn a blind eye to fraud committed by their business partners. We will be vigilant in holding accountable all parties who engage in or contribute to fraudulent conduct.”

[U.S. Department of Justice Press Release in *U.S. v. Yingshun Garments*](#)



Attacking the Global Supply Chain

“As global supply chains grow more complex, it is important for American businesses to know their suppliers and be confident of their integrity. The outcome of this case is a testament to [our] dedication . . . in enforcing our nation’s trade laws and holding accountable those perpetrating this type of fraud.”

[U.S. Department of Justice Press Release in *U.S. v. Yingshun Garments*](#)

Securities and Exchange Act Commodity Exchange Act

15 U.S.C. § 78u-6 / 7 U.S.C. § 26

Rewards to individuals who provide information to the SEC and CFTC which leads to the recovery of monetary sanctions which exceed \$1 million.



Rewards to Foreign Whistleblowers under the Dodd-Frank Act (Securities and Commodities FCPA Violation)

Read the Decisions

- [August 29, 2019](#) (SEC) — \$1.8 million
- [July 23, 2019](#) (SEC) — \$500,000
- [September 24, 2018](#) (SEC) — \$4 million
- [July 12, 2018](#) (CFTC) — \$70,000
- [December 5, 2017](#) (SEC) — \$4.1 million
- [September 22, 2014](#) (SEC) — between \$30 to \$35 million



International Cases Under the Commodity Exchange Act Published by the CFTC as Eligible for Whistleblower Rewards

- [Société General](#) (French) — \$2.5 million sanction
- [Commerzbank AG](#) (German) — \$12 million sanction
- [Statoil ASA](#) (Norway) — \$4 million
- [JSC VTB Banks](#) (Russia) — \$5 million
- [Weidong Ge](#) (China) — \$1.5 million

Act to Prevent Pollution from Ships

33 U.S.C. § 1908(a)

Permits federal courts to grant rewards to whistleblowers whose disclosure pollution on the high seas



Act to Prevent Pollution on Ships (APPS)

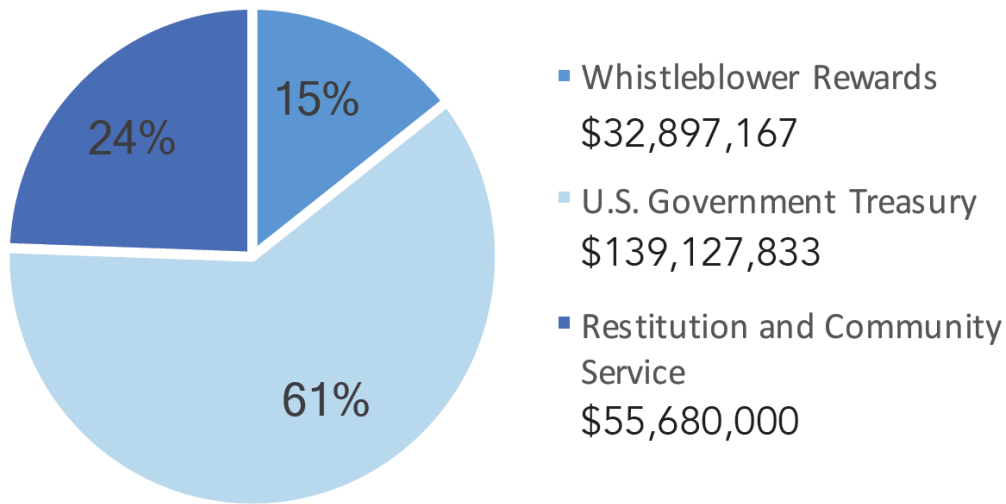
“The availability of the award aptly reflects the realities of life at sea... A monetary award both rewards the crew member for taking that risk and may provide an incentive for other crew members on other vessels to alert inspectors and investigators regarding similar crimes.”

– U.S. Department of Justice, Natural Resources Division
Brief in [U.S. v. Odfjell](#)





Revenue Distribution from APPS Cases Involving Whistleblowers¹



Total Money Recovered Based on Whistleblower Information: **\$177,593,000**

Source: [APPS collected cases](#)

- The U.S. government has awarded 205 whistleblowers a sum of approximately \$33 million in the 100 most recent prosecution under APPS.
- The largest reward paid for an individual whistleblower was \$2,100,000 (*USA v. Omi Corporation*).
- \$5,250,000 is the largest amount paid to a group of APPS whistleblowers from the Philippines (*USA v. Overseas Shipping*).
- The average reward paid per whistleblower in a recent survey of 75 cases was \$163,575.

Endangered Species Act

16 U.S.C. § 1540(d)

Permits the Departments of Agriculture, Commerce, Interior, and Treasury to reward whistleblowers who disclose violations of the Endangered Species Act.

The Lacey Act | 16 U.S.C. § 3375(d)

Permits the Departments of Agriculture, Commerce, Interior, and Treasury to reward whistleblowers who disclose violations of CITES (Convention on International Trade in Endangered Species of Wild Fauna and Flora), an international treaty to protect endangered plants and animals.



FWS Confirmed Critical Role of Whistleblowers in Wildlife Successful Wildlife Prosecutions

- “Rewards expand the informant reporting network critical to law enforcement success.”

[Case Name Redacted by FWS, FOIA document p. 199.](#)

- The whistleblower’s “assistance was of such significance that it is highly unlikely this case would have been successful without [it].”

[Case Name Redacted by FWS, FOIA document p. 423.](#)

- The whistleblower “provided crucial information resulting in saving the U.S. Fish and Wildlife Service thousands of dollars and investigator hours.”

[Asian Elephant Tusk and QT Aquarium Cases, FOIA document p. 630.](#)





How to use the reward laws to safely
report frauds and obtain compensation

FILE CONFIDENTIAL WHISTLEBLOWER CLAIMS UNDER CURRENT LAWS

- IRS — Money Laundering/Illegal Banking and Tax Evasion
- FCPA — Foreign Bribery
- FCA — Illegal Imports
- CEA — Commodities Fraud
- SEA — Securities Fraud
- Endangered Species Act — Wildlife Trafficking
- APPS — Ocean Pollution

File Confidentially (attorney-client protected) intake form at <https://www.kkc.com/contact-us/>

For questions, email: contact@kkc.com





Confidential and Anonymous Submissions



False Claims Act

Complaint filed under “seal” and only served on the government, not the defendant. This permits the government to investigate the case without the company knowing who the whistleblower is, or what information the whistleblower has disclosed. When case taken out of “seal” it becomes part of public record.



Dodd-Frank Act/Foreign Corrupt Practices Act

Permits anonymous filings, in which the government does not know who the whistleblower is. Requires government investigators to ensure that information that could identify the whistleblower is not shared with the defendant/company under investigation. Stronger protections than under FCA.



Financial Incentives



Whistleblowers Rewarded based on quality of information and success of prosecutions

Insiders are incentivized to report frauds when there is strong evidence.

Compensation is based on the quality of information, not on how much suffering an employee experiences as a result of retaliation.

All mandatory rewards are paid as a percentage of the successful enforcement action triggered by the whistleblower (between 10-30% with no upward cap).



Proactive Protection

A reward based whistleblower program permits an individual to take proactive steps to avoid retaliation. It is the only program that realistically permits confidential reporting and careful pre-screening of whistleblower disclosures.

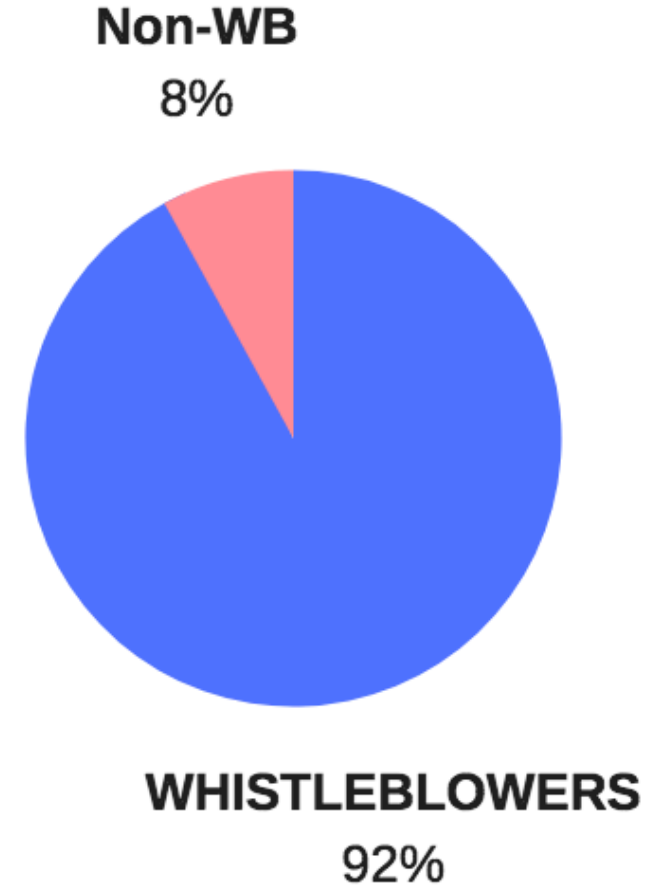
Because a reward can only be paid if there is a successful enforcement action, whistleblowers are incentivized to report strong cases of major frauds.



A Whistleblower Program Delivers Significant Benefits

- In FY 2017, the U.S government recovered over \$3.7 billion through its civil fraud program (False Claims Act).
- Whistleblowers were directly responsible for reporting of over \$3.4 billion of these recoveries.
- Whistleblowers were the source of the detection of 91.8% of all civil fraud recovered in FY 2017.

Source: [U.S. Department of Justice](#)



In 2017, of the \$3.4 billion recovered through the FCA and as a result of whistleblower assistance, \$392 million (11.5%) was awarded to whistleblowers.

FALSE CLAIMS ACT FRAUD STATISTICS OVERVIEW FY 1986 - FY 2017

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FRAUD STATISTICS - OVERVIEW October 1, 1986 - September 30, 2017 Civil Division, U.S. Department of Justice

| FY | NEW MATTERS ₁ | | SETTLEMENTS AND JUDGMENTS ₂ | | | | | RELATOR SHARE AWARDS ₃ | | |
|------|--------------------------|---------|--|---|---------------------|---------------|-------------------------------|---|---------------------|-------------|
| | NON QUI TAM | QUI TAM | NON QUI TAM TOTAL | QUI TAM | | | TOTAL QUI TAM AND NON QUI TAM | WHERE U.S. INTERVIEWED OR OTHERWISE PURSUED | WHERE U.S. DECLINED | TOTAL |
| | | | | WHERE U.S. INTERVIEWED OR OTHERWISE PURSUED | WHERE U.S. DECLINED | TOTAL | | | | |
| 1987 | 343 | 30 | 86,479,949 | 0 | 0 | 0 | 86,479,949 | 0 | 0 | 0 |
| 1988 | 210 | 43 | 173,287,663 | 2,309,354 | 33,750 | 2,343,104 | 175,630,767 | 88,750 | 8,438 | 97,188 |
| 1989 | 224 | 67 | 197,202,180 | 15,111,719 | 1,681 | 15,113,400 | 212,315,580 | 1,446,770 | 200 | 1,446,970 |
| 1990 | 243 | 72 | 189,564,367 | 40,483,367 | 75,000 | 40,558,367 | 230,122,734 | 6,590,936 | 20,670 | 6,611,606 |
| 1991 | 234 | 84 | 270,530,467 | 70,384,431 | 69,500 | 70,453,931 | 340,984,398 | 10,667,537 | 18,750 | 10,686,287 |
| 1992 | 285 | 114 | 137,958,208 | 133,949,447 | 994,456 | 134,943,903 | 272,902,109 | 24,121,648 | 259,784 | 24,381,432 |
| 1993 | 304 | 136 | 181,945,576 | 183,643,787 | 6,603,000 | 190,246,787 | 372,192,363 | 27,576,235 | 1,766,902 | 29,343,137 |
| 1994 | 280 | 216 | 706,022,897 | 379,018,205 | 2,822,323 | 381,840,528 | 1,087,863,425 | 69,453,350 | 836,897 | 70,292,246 |
| 1995 | 233 | 269 | 269,989,042 | 239,024,292 | 1,035,000 | 240,059,292 | 510,048,334 | 45,162,296 | 405,800 | 45,628,096 |
| 1996 | 185 | 340 | 247,357,271 | 124,361,203 | 13,522,433 | 137,883,636 | 385,240,908 | 22,119,619 | 3,731,978 | 25,851,597 |
| 1997 | 186 | 547 | 465,568,061 | 621,919,274 | 5,021,200 | 627,940,474 | 1,093,508,535 | 65,857,419 | 1,658,485 | 67,515,904 |
| 1998 | 120 | 488 | 151,435,794 | 438,834,846 | 30,248,075 | 469,082,921 | 620,518,715 | 70,264,372 | 8,486,645 | 78,751,017 |
| 1999 | 140 | 493 | 195,390,485 | 492,924,785 | 5,067,503 | 497,992,288 | 693,382,773 | 63,018,064 | 1,374,487 | 64,392,552 |
| 2000 | 95 | 363 | 367,887,197 | 1,208,370,686 | 1,668,957 | 1,210,039,645 | 1,577,948,841 | 183,679,377 | 375,143 | 184,054,520 |
| 2001 | 85 | 311 | 494,496,974 | 1,216,525,916 | 128,587,151 | 1,344,113,067 | 1,838,610,042 | 187,590,470 | 30,701,881 | 218,292,350 |
| 2002 | 61 | 319 | 119,598,292 | 1,078,174,023 | 25,766,140 | 1,103,960,162 | 1,223,558,454 | 161,377,822 | 4,582,319 | 165,960,141 |
| 2003 | 92 | 334 | 711,098,299 | 1,534,862,352 | 5,185,911 | 1,540,048,263 | 2,251,146,563 | 337,307,887 | 1,382,741 | 338,690,598 |
| 2004 | 111 | 432 | 115,656,023 | 561,717,502 | 9,261,879 | 570,979,382 | 686,635,404 | 110,224,220 | 2,376,128 | 112,600,348 |
| 2005 | 105 | 406 | 276,914,983 | 1,149,047,524 | 7,481,593 | 1,156,529,117 | 1,433,444,099 | 168,580,543 | 2,031,695 | 170,612,237 |
| 2006 | 71 | 385 | 1,712,459,257 | 1,491,105,499 | 22,711,363 | 1,513,816,862 | 3,226,276,119 | 219,976,072 | 5,647,836 | 225,623,908 |
| 2007 | 129 | 385 | 584,826,844 | 1,251,726,955 | 160,246,894 | 1,411,973,849 | 1,976,800,693 | 192,888,212 | 4,616,899 | 197,505,111 |

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FRAUD STATISTICS - OVERVIEW October 1, 1986 - September 30, 2017 Civil Division, U.S. Department of Justice

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| | | | | WHERE U.S. INTERVIEWED OR OTHERWISE PURSUED | WHERE U.S. DECLINED | TOTAL | | | | |
| 2008 | 161 | 379 | 312,193,480 | 1,045,582,229 | 12,678,936 | 1,058,261,165 | 1,370,454,645 | 201,682,144 | 2,997,615 | 204,679,759 |
| 2009 | 132 | 433 | 489,334,681 | 1,963,356,256 | 33,776,480 | 1,997,132,735 | 2,466,467,417 | 249,567,135 | 9,684,147 | 259,251,282 |
| 2010 | 140 | 576 | 647,383,493 | 2,280,378,123 | 109,778,613 | 2,390,156,737 | 3,037,540,230 | 370,856,551 | 30,915,991 | 401,772,542 |
| 2011 | 125 | 634 | 241,365,995 | 2,648,552,414 | 173,888,703 | 2,822,441,117 | 3,063,807,112 | 510,875,463 | 49,041,606 | 559,917,069 |
| 2012 | 144 | 652 | 1,608,112,862 | 3,344,478,500 | 45,248,343 | 3,389,726,844 | 4,997,839,706 | 436,125,743 | 12,711,743 | 448,837,485 |
| 2013 | 101 | 756 | 169,126,772 | 2,868,519,362 | 127,348,056 | 2,995,867,418 | 3,164,994,190 | 528,312,018 | 30,449,937 | 558,761,955 |
| 2014 | 98 | 715 | 1,676,564,226 | 4,386,325,409 | 81,378,451 | 4,467,703,859 | 6,144,268,085 | 696,768,578 | 14,868,000 | 711,636,578 |
| 2015 | 111 | 639 | 732,432,286 | 1,896,482,996 | 512,357,184 | 2,408,840,181 | 3,141,272,467 | 344,083,870 | 137,955,425 | 482,039,295 |
| 2016 | 147 | 706 | 1,856,329,432 | 2,815,841,067 | 106,098,069 | 2,921,939,136 | 4,778,268,567 | 497,141,013 | 29,658,600 | 526,799,613 |
| 2017 | 125 | 674 | 265,583,089 | 3,011,269,763 | 425,767,335 | 3,437,037,099 | 3,702,620,187 | 349,365,587 | 43,593,801 | 392,959,388 |
| TOTAL | 5,020 | 11,980 | 15,614,096,744 | 38,493,281,288 | 2,056,363,980 | 40,549,645,268 | 56,163,742,012 | 6,152,769,671 | 432,222,541 | 6,584,992,211 |

Sanctions from
whistleblower cases

Rewards paid to
whistleblowers

| | | | | | | | | | | |
|-------|-------|--------|----------------|----------------|---------------|----------------|----------------|---------------|-------------|---------------|
| 2017 | 125 | 674 | 265,583,089 | 3,011,269,763 | 425,767,335 | 3,437,037,099 | 3,702,620,187 | 349,365,587 | 43,593,801 | 392,959,388 |
| TOTAL | 5,020 | 11,980 | 15,614,096,744 | 38,493,281,288 | 2,056,363,980 | 40,549,645,268 | 56,163,742,012 | 6,152,769,671 | 432,222,541 | 6,584,992,211 |

Source: [U.S. Department of Justice](https://www.justice.gov/civil/fraud-statistics-overview)



Know Your Rights!





THE LAW LIBRARY

- Introduction
- Rule 1: New Legal Weapons
- Rule 2: Navigate the Maze
- Rule 3: Follow the Money
- Rule 4: Find the Best Federal Law
- Rule 5: State Laws
- Rule 6: False Claims Act/Qui Tam Rewards
- Rule 7: Tax and IRS Rewards
- Rule 8: Rewards: Securities and Commodities Fraud
- Rule 9: Rewards: Foreign Corrupt Practices Act
- Rule 10: Rewards Automobile Safety
- Rule 11: Rewards: Ocean Pollution
- Rule 12: Rewards: Wildlife Trafficking
- Rule 13: First Amendment
- Rule 14: U.S. Federal Employees
- Rule 15: Protected Disclosures
- Rule 16: Internal Reporting
- Rule 17: Beware of "Hotlines"
- Rule 18: Caution: Company's Lawyers
- Rule 19: Rewards Paid to Auditors and Compliance Officials
- Rule 20: Cautiously Use "Self-Help" Tactics
- Rule 21: Be Prepared for the Lid to Blow
- Rule 22: Delay is Deadly
- Rule 23: Discovery
- Rule 24: Get to the Jury
- Rule 25: Motive and Pretext
- Rule 26: Employment Damages
- Rule 27: Attorney Fees
- Rule 28: Non-Disclosure Agreements and Hush Money
- Rule 29: Politics Is Poisonous
- Rule 30: Whistleblowing Works
- The Final Rule: National Whistleblower's Day
- International Toolkit
- Government Contacts

Updated with new information on rewards,
wildlife trafficking, and Wall Street whistleblowing

THE NEW

Whistleblower's HANDBOOK

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–Wall Street Journal

Links to the legal authorities including statutes, regulations, and cases relied upon in The Handbook can be found [online](#), including:

- New Legal Tools: [Rule 1](#)
- False Claims Act / Qui Tam: [Rule 6](#)
- Tax Whistleblowers: [Rule 7](#)
- Foreign Corrupt Practices Act: [Rule 9](#)
- Non-Disclosure Agreements: [Rule 28](#)
- International Whistleblowing: [International Toolkit](#)



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Stephen M. Kohn

Chairman of the Board of Directors, National Whistleblower Center
Partner, [Kohn, Kohn & Colapinto, LLP](#)

[Stephen M. Kohn](#), a partner in the law firm of [Kohn, Kohn & Colapinto](#) and the Chairman of the Board of Directors of the [National Whistleblower Center](#), has represented whistleblowers since 1984, successfully setting numerous precedents that have helped define modern whistleblower law. He currently represents whistleblowers at major international financial institutions, including the [Danske Bank manager](#) who reported a massive multi-billion dollar money laundering scheme. He obtained the [largest reward ever paid](#) to an individual whistleblower (\$104 million for exposing illegal offshore bank accounts) and is widely recognized as the leading U.S. authority on whistleblower laws. Mr. Kohn is the most published author on whistleblower law, including [The New Whistleblower's Handbook: A Step-by-Step Guide to Doing What's Right and Protecting Yourself](#).

Contact

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Email: contact@kkc.com

Read the Original Sources

Mandatory Reward Laws

- False Claims Act | [31 U.S.C. § 3729-3732](#)
- Internal Revenue Code | [26 U.S.C. § 7623](#)
- Securities Exchange Act | [15 U.S.C. § 78u-6](#)
- Commodity Exchange Act | [7 U.S.C. § 26](#)
- Foreign Corrupt Practices Act | [15 U.S.C. § 78m](#)
- Auto Safety Act | [49 U.S.C. § 30172](#)

Discretionary Reward Laws

- Act to Prevent Pollution from Ships | [33 U.S.C. § 1908\(a\)](#)
- Lacey Act | [16 U.S.C. § 3375\(d\)](#)
- Endangered Species Act | [15 U.S.C. § 78u-6](#)

Comprehensive Sources of Information for International Whistleblower

- [Rule 1: Use New Legal Weapons](#)
- [Rule 3: Follow the Money](#)
- [Rule 6: Get a Reward! False Claims Act/Qui Tam](#)
- [Rule 7: Get a Reward! Tax Cheats and the IRS Qui Tam](#)
- [Rule 8: Get a Reward! Securities and Commodities Fraud](#)
- [Rule 9: Get a Reward! Report Foreign Corrupt Practices Act](#)
- [Rule 10: Get a Reward! Make Sure Automobiles are Safe](#)
- [Rule 11: Get a Reward! Stop the Pollution of the Ocean](#)
- [Rule 12: Get a Reward! End Wildlife Trafficking](#)
- [Rule 19: Auditors and Compliance Officials: Take the Special](#)
- [Rule 28: Hold Companies Accountable for Paying Hush Money](#)
- [International Toolkit](#)

Statements from Officials

- Alexander Dyck, et al., "[Who Blows the Whistle on Corporate Fraud?](#)" The University of Chicago Booth School of Business Working Paper No. 08-22 (2009).
- Bill Baer - Remarks at [American Bar Association's 11th National Institute](#) on the Civil False Claims Act and Qui Tam Enforcement (2016)
- Chad A. Readler, Department of Justice, Civil Division, in press release titled, "[Justice Department Recovers Over \\$3.7 Billion From False Claims Act Cases in Fiscal Year 2017](#)" (December 2017).
- Charles Grassley, Chairman of Senate Judiciary Committee, speech given on National Whistleblower Day (July 30, 2018) --- Watch the [Video](#) --- Read the [Speech](#)
- Christopher Ehrman, Director of the CFTC's Whistleblower Office, [Press Release](#) "CFTC Announces Multiple Whistleblower Awards Totaling More than \$45 Million"
- Eric Holder, U.S. Department of Justice, [remarks at the 25th anniversary of the False Claims Act](#) (January 31, 2012).

Statements from Officials, cont.

- John A. Koskinen, Commissioner of the IRS, [Remarks](#) before the U.S. Council for International Business-OECD International Tax Conference
- Kevin M. O'Neill, Deputy Secretary, Securities and Exchange Commission, [Order Determining Whistleblower Award Claim](#)
- Mary Jo White, Securities and Exchange Commission, [Remarks at the Securities Enforcement Forum](#), Washington DC (October 2013)
- Stuart Delery - [Remarks](#) at American Bar Association's 10th National Institute on the Civil False Claims Act and Qui Tam Enforcement (2014) and U.S. Department of Justice, [remarks at American Bar Association's 10th National Institute](#) on the Civil False Claims Act and Qui Tam Enforcement (June 5, 2014).
- SEC Press Release ([Petrobras](#)): <https://www.kkc.com/wp-content/uploads/2019/11/SEC.gov--Petrobras-Reaches-Settlement-With-SEC-for-Misleading-Investors.pdf>
- Jane Norberg, Chief of the Office of the Whistleblower, Securities and Exchange Commission, [Press Release](#) on award to overseas whistleblower

Reports and other Laws

- Alexander Dyck, et al., "[Who Blows the Whistle on Corporate Fraud?](#)" The University of Chicago Booth School of Business Working Paper No. 08-22 (2009).
- Federal Obstruction of Justice, [18 U.S.C. §1513](#)
- SEC Enforcement Action on NDAs, [In re KBR](#).
- Report Published by the National Whistleblower Center:
[Foreign Corrupt Practices Act: How the Whistleblower Reward Provisions Have Worked](#)

Cases under SEA / CEA Awarding International Whistleblower

- [August 29, 2019](#) (SEC) — \$1.8 million
- [July 23, 2019](#) (SEC) — \$500,000
- [September 24, 2018](#) (SEC) — \$4 million
- [July 12, 2018](#) (CFTC) — \$70,000
- [December 5, 2017](#) (SEC) — \$4.1 million
- [September 22, 2014](#) (SEC) — between \$30 to \$35 million

International Cases under the Commodity Exchange Act Published by the CFTC

- [Société General](#)
- [Commerzbank AG](#)
- [Statoil ASA](#)
- [JSC VTB Banks](#)
- [Weidong Ge](#)

International Cases under the Foreign Corrupt Practices Act Published by the SEC

- [Petroleo Brasileiro](#)
- [Quad/Graphics](#)
- [Telefonica Brasil](#)
- [Fresenius Medical](#)
- [Sanofi](#)
- [Credit Suisse](#)
- [Telia](#)
- [SQM](#)
- [Biomet](#)