

Press Release

SEC Whistleblower Program Surpasses \$100 Million in Awards

FOR IMMEDIATE RELEASE

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Washington D.C., Aug. 30, 2016 — The Securities and Exchange Commission's awards to whistleblowers have surpassed the \$100 million mark with the program's second-largest award of more than \$22 million announced earlier today.

The whistleblower program was established by Congress to incentivize whistleblowers with specific, timely and credible information about federal securities law violations to report to the SEC. To date, enforcement actions resulting from whistleblower tips have resulted in orders for more than \$500 million in financial remedies, much of which has been returned to harmed investors.

"The SEC's whistleblower program has proven to be a game changer for the agency in its short time of existence, providing a source of valuable information to the SEC to further its mission of protecting investors while providing whistleblowers with protections and financial rewards," said Mary Jo White, Chair of the SEC.

Whistleblowers may be eligible for an award when they voluntarily provide the SEC with unique and useful information that leads to a successful enforcement action. Whistleblower awards can range from 10 percent to 30 percent of the money collected when the monetary sanctions ordered exceed \$1 million. The SEC paid its first award in 2012, just over a year after its Office of the Whistleblower opened for business.

"The SEC whistleblower program has had a transformative impact on the agency, enabling us to bring high quality enforcement cases quicker using fewer resources," said Andrew Ceresney, Director of the SEC Division of Enforcement. "The ultimate goal of our whistleblower program is to deter securities violations and paying more than \$100 million in whistleblower awards demonstrates the value that whistleblowers have added to our enforcement program."

Since the program's inception:

- The Whistleblower Office has received more than 14,000 whistleblower tips from individuals in all 50 states and the District of Columbia and 95 foreign countries.
 - Tips from whistleblowers have increased from 3,001 in fiscal year 2012 – the first full fiscal year that the Whistleblower Office was in operation – to nearly 4,000 last year, an approximately 30 percent increase.
- More than \$107 million has been awarded to 33 whistleblowers, with the largest being more than \$30 million. ([see Top Ten list](#))
- Because of the information and assistance provided by these whistleblowers, the SEC was able to bring successful enforcement actions where more than \$504 million was ordered in sanctions, including more than \$346 million in disgorgement and interest for harmed investors.
- The SEC also has brought actions to ensure that employees feel secure in reporting wrongdoing to the SEC, without fear of reprisal from their employers, including one enforcement action under the

anti-retaliation provisions of the Dodd-Frank Act and four actions against companies for including language in confidentiality and severance agreements that impeded whistleblowers from reporting to the SEC.

- In addition, the Commission announced its first award – a maximum payment of 30 percent of amounts collected – to a whistleblower who suffered retaliation as a result of reporting to the Commission.
- The Whistleblower Office has returned over 13,000 phone calls from members of the public through the whistleblower hotline.

“This is a watershed moment for the SEC’s whistleblower program,” said Jane Norberg, Acting Chief of the SEC’s Office of the Whistleblower. “The SEC has issued more than \$100 million in whistleblower awards in five years, demonstrating the invaluable information and assistance whistleblowers have provided to the agency and underscoring the program’s resounding success.”

By law, the SEC protects the confidentiality of whistleblowers and does not disclose information that might directly or indirectly reveal a whistleblower’s identity.

All payments are made out of an investor protection fund established by Congress that is financed through monetary sanctions paid to the SEC by securities law violators. No money has been taken or withheld from harmed investors to pay whistleblower awards.

For more information about the whistleblower program and how to report a tip:
www.sec.gov/whistleblower.

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