



2024 OECD GLOBAL **ANTI-CORRUPTION & INTEGRITY FORUM**

Unmasking Corruption, Empowering Whistleblowers

Stephen M. Kohn

Chairman, National Whistleblower Center

Founding Partner - Kohn, Kohn, and Colapinto, LLP

Adjacent Professor - Northeastern School of Law



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*“Going after waste, fraud,
and abuse without
whistleblowers is about as
useful as harvesting acres
of corn with a pair of rusty
old scissors”*

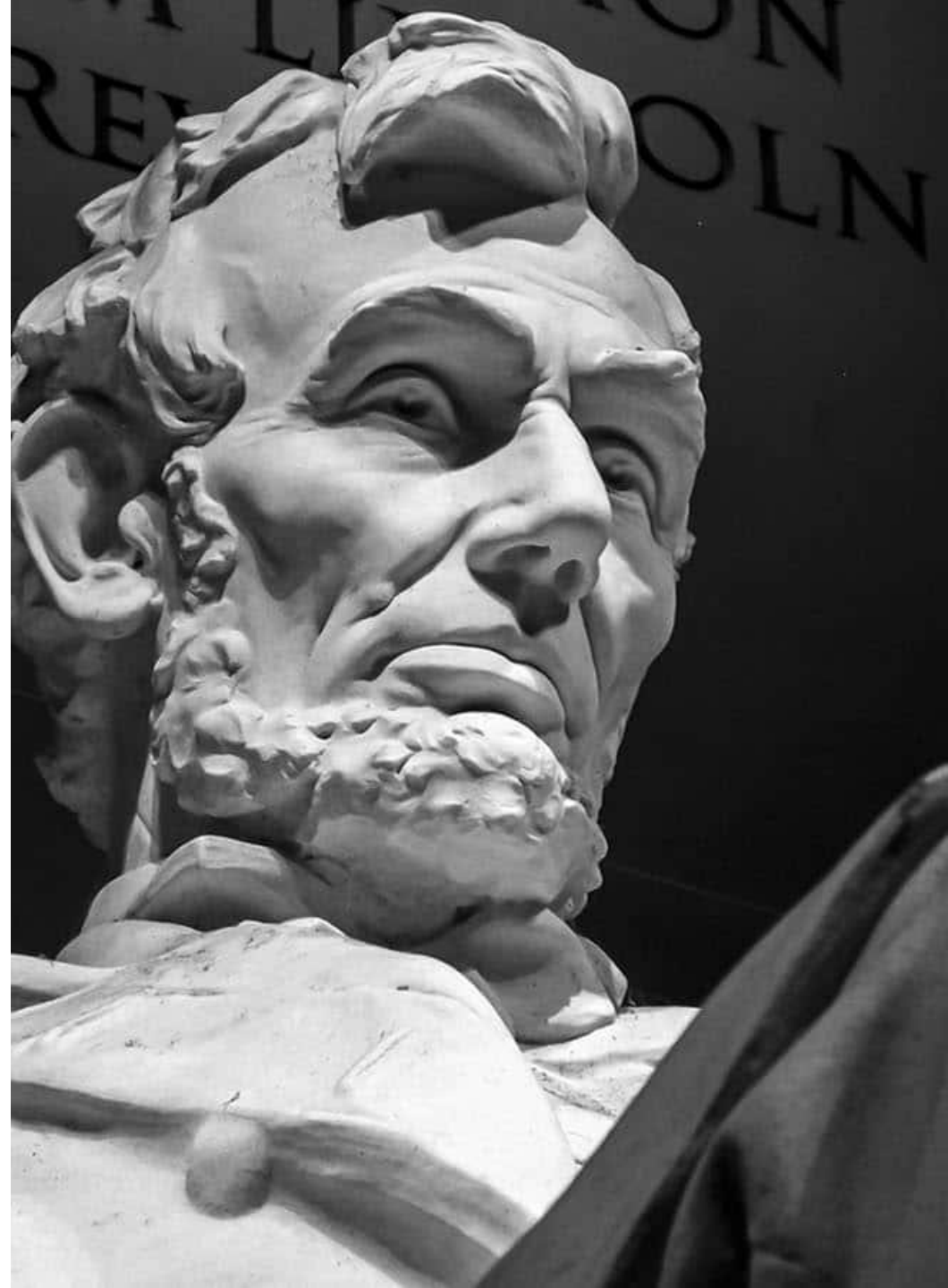
— Senator Charles Grassley, Chairman of Senate
Judiciary Committee, in a speech given on
National Whistleblower Day (July 30, 2018)

— Watch the [Video](#)

— Read the [Speech](#)

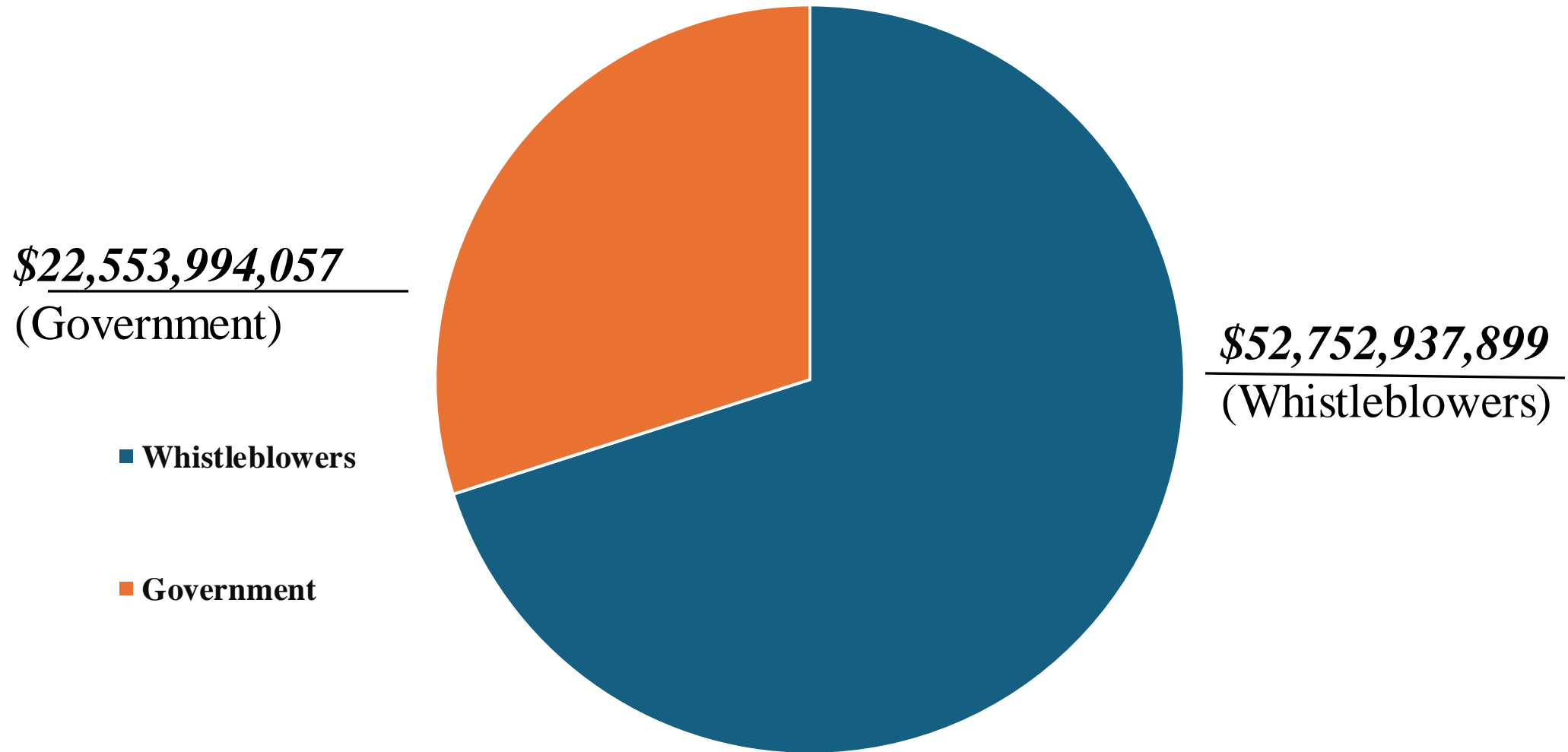
False Claims Act/Qui Tam

- On March 2, 1863, President Abraham Lincoln signed the original False Claims Act (FCA) into law. It was designed to encourage whistleblowers to expose fraud in civil war military contracting.
- The FCA was modernized in 1986 to require majority payments to whistleblowers whose original information triggers a successful prosecution
- Whistleblowers are they are entitled to a minimum payment of 15% and a maximum payment of 30% of the proceeds collected by the government.
- Given the importance of incentivizing whistleblowers and providing adequate compensation, the False Claims Act became the most important tool in fighting fraud

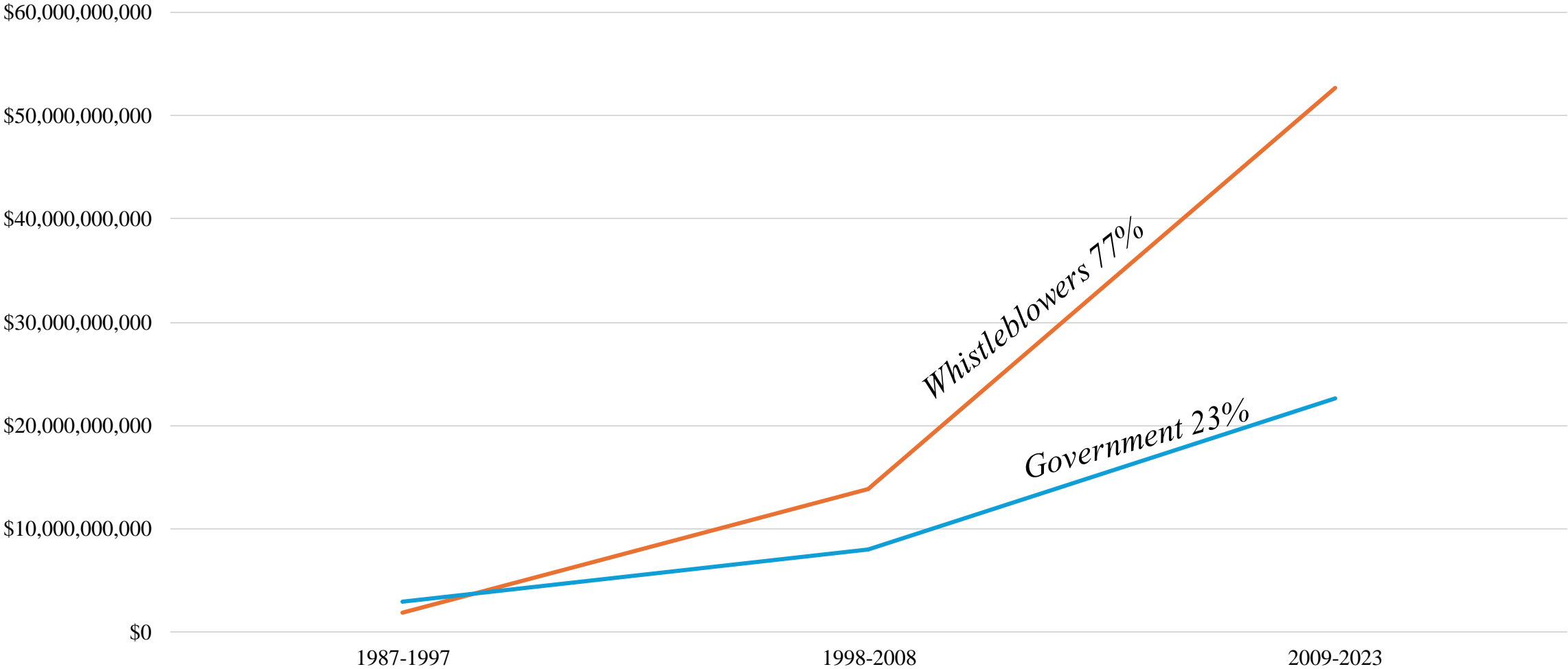


Total U.S. Civil Recovery from Whistleblowers and Government Investigation

1987-2023



**Amount Recovered by DOJ:
Comparing Whistleblower Cases to Non-Whistleblower Cases (1987-2023)**





“The False Claims Act is the most powerful tool the American people have to protect the government from fraud.”

— Former Assistant Attorney & General Stuart Delery

3/28/24

Qui Tam Rewards Go Global

3/28/24



Transnational Whistleblower Laws

Anti-Money Laundering Act

Foreign Corrupt Practice Act

Dodd-Frank Act

Commodity Exchange Act

Sanction Violations

Key Provisions for Successful Enforcement



Anonymous and confidential reporting to U.S. law enforcement worldwide



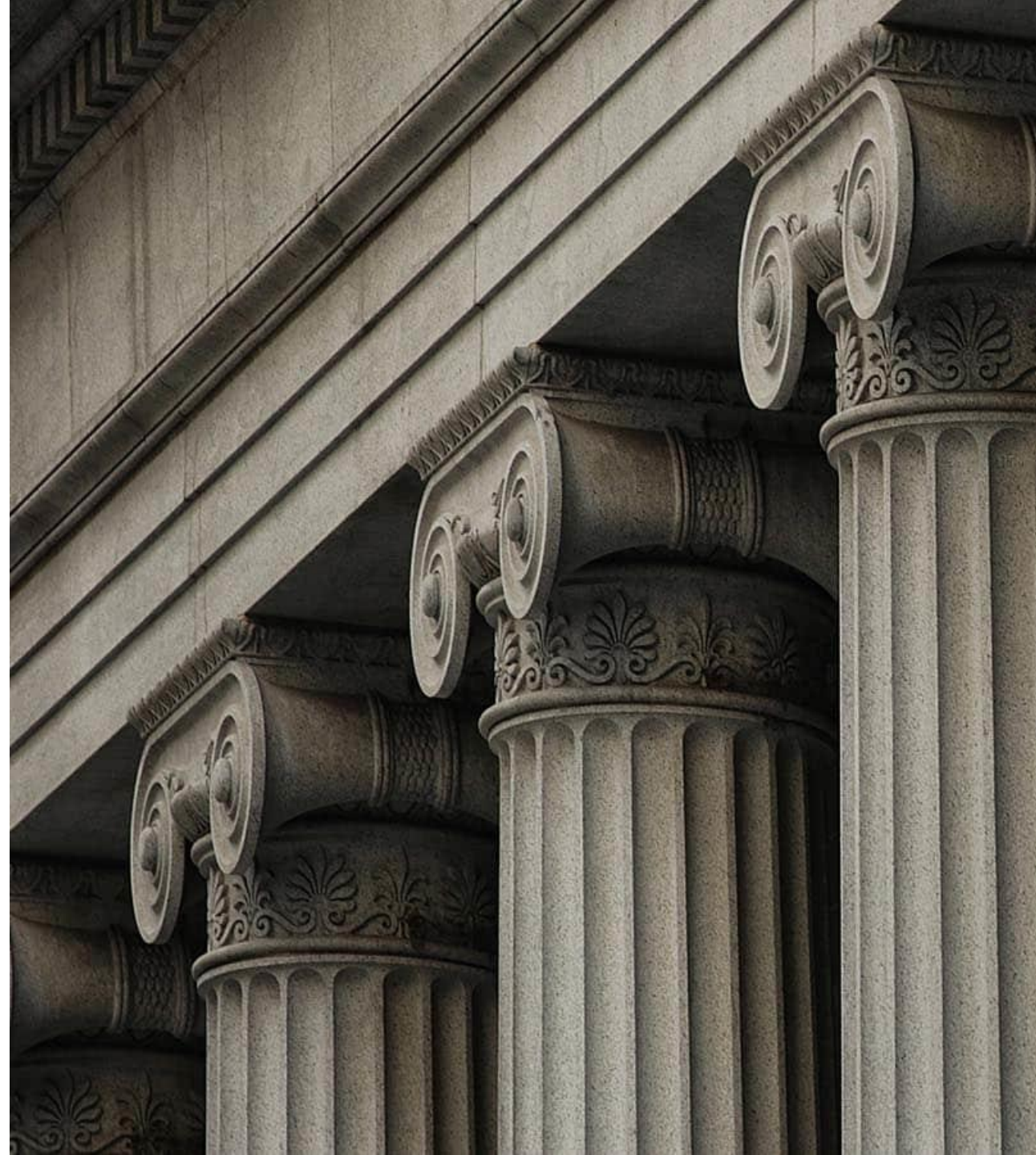
Full coverage to all whistleblowers regardless of nationality, location of violation, or residency.



Large monetary awards if the whistleblower's information results in a sanction over \$1 million

Dodd-Frank Act

- Prohibits violations of securities laws, SEC regulations, or any U.S. law relating to fraud against shareholders
- Over 5,000 international whistleblowers from 140+ countries have filed confidentially
- Enacted in the wake of the 2008 financial crisis

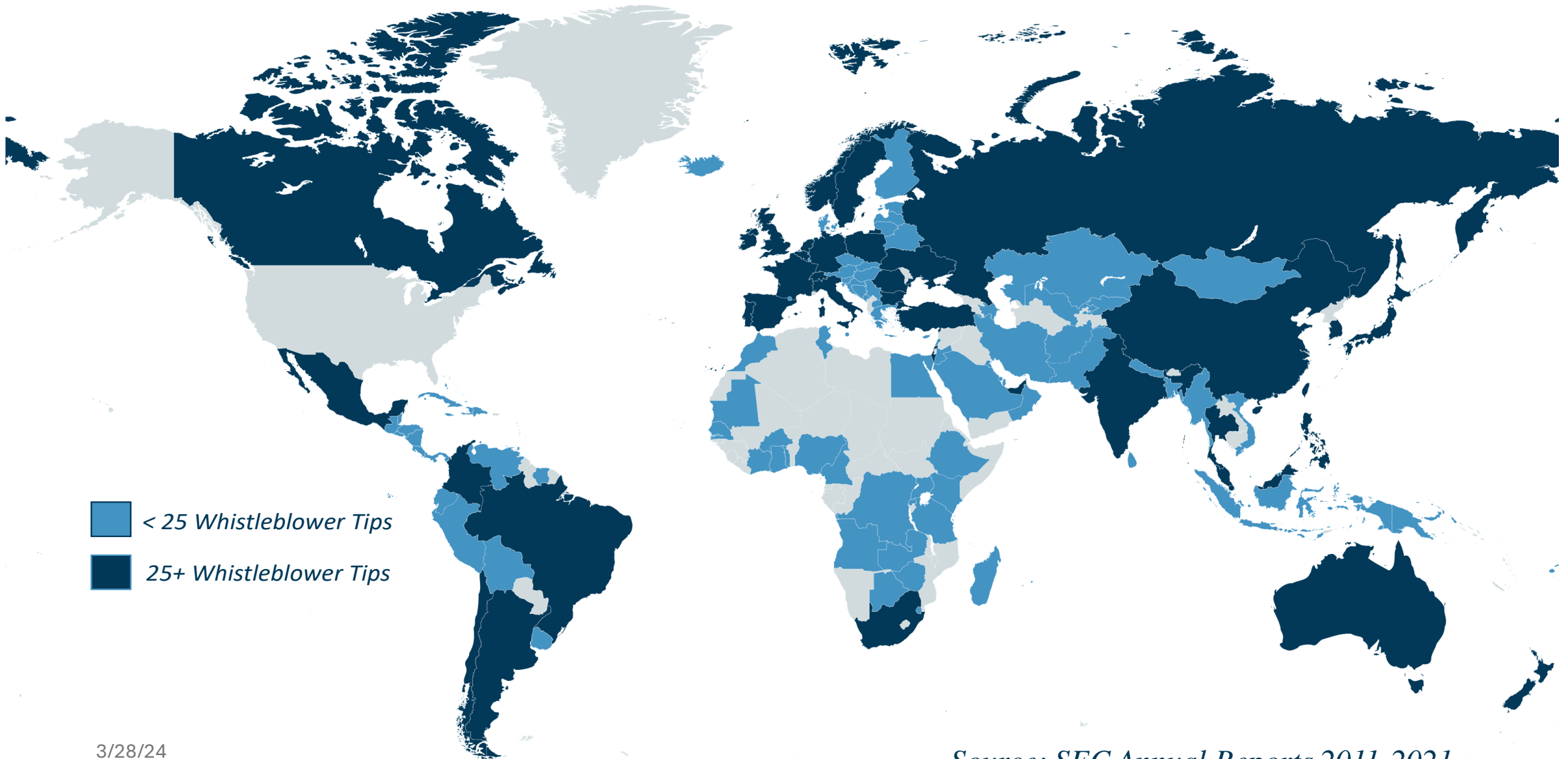


Foreign Corrupt Practice Act (FCPA)

- As part of the Dodd-Frank Wall Street Reforms in 2011, the Foreign Corrupt Practices Act (FCPA) became the first primary transnational whistleblower law to become effective.
- Whistleblowers reporting corporations that paid bribes to gain a business advantage can submit claims anonymously and confidentially.
- Whistleblowers are entitled to 10-30% of the sanctions collected
- Between 2011-2022, over 6,000 whistleblowers from 140 countries have entered the FCPA whistleblower program.
- FCPA whistleblowers have obtained an average of \$500 million in awards.



Since 2011, the U.S. Securities and Exchange Commission has received whistleblower tips from the following countries



Top Dodd-Frank Awards to Whistleblowers

\$279 Million- May 5, 2023

\$50 Million-June 4, 2020

\$114 Million- October 22, 2020

\$39 Million- September 6, 2018

\$110 Million- September 15, 2021

\$37 Million- December 19, 2022

\$50 Million- April 15, 2021

\$37 Million- March 26, 2019

\$50 Million- March 19, 2018

\$36 Million- September 24, 2021

Since program inception in 2012 through the end of Fiscal Year 2023, the SEC has handed out over 397 awards amounting to \$1.9 billion.

Source: SEC Office of the Whistleblower

“*[I]t 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, SEC

[Order](#) Determining Whistleblower Award Claim



IMPLEMENTING
THE OECD
ANTI-BRIBERY
CONVENTION



PHASE 4 REPORT
United States

“The Dodd-Frank Act’s multi-faceted protections . . . Constitute[s] a good practice given that they provide powerful incentives for qualified whistleblowers to report foreign bribery allegations against issuers.”

Anti-Money Laundering Act:

- Hiding Beneficial Owners
- Banks failing to implement KYC (Know your Customer)
- Banks failing to file SARs (Suspicious Activity Reports)
- Permitting dirty money to enter the monetary system
- Policing cryptocurrencies



AML/Bank Secrecy Act Enforcement





- Former Danske Bank manager Howard Wilkinson exposed a scheme that moved rubles out of Russia, converted them to dollars at the Estonian branch of Danske Bank, and then moved the dollars to New York with help from Bank of America, J.P. Morgan, and Deutsche Bank.
- Danske Bank admitted all of its internal controls designed to prevent money laundering had failed.
- Revealed that the scheme had been reported to the highest levels of the bank by a whistleblower.

Exposing \$240 Billion Money Laundering Scheme

3/28/24

<https://kkc.com/whistleblower-case-archive/howard-wilkinson/>

Sanctions Enforcement: Binance

The \$4 billion sanction issued against Binance included violations of U.S. sanctions, including illegal transfers to:

- Islamic States of Iraq and Syria (ISIS)
- Hamas' Al-Qassam Brigades
- Al Qaeda
- Palestine Islamic Jihad
- The Hydra Market (the world's largest darknet market, based in Russia sells illegal narcotics and provides fraud-related services)
- Transactions from the Crimea Region of Ukraine
- Prohibited financial transactions from Russian-occupied Ukraine, Russia, Iran, Syria, and North Korea, among other countries



Commodity Exchange Act

- All forms of corruption in the international commodities markets
- Jurisdiction over money laundering and bribery in commodities markets
- Jurisdiction over trading of commodities impacting climate change
- Over 1.5 billion was awarded to international oil traders that are headquarters in the Netherlands and Switzerland

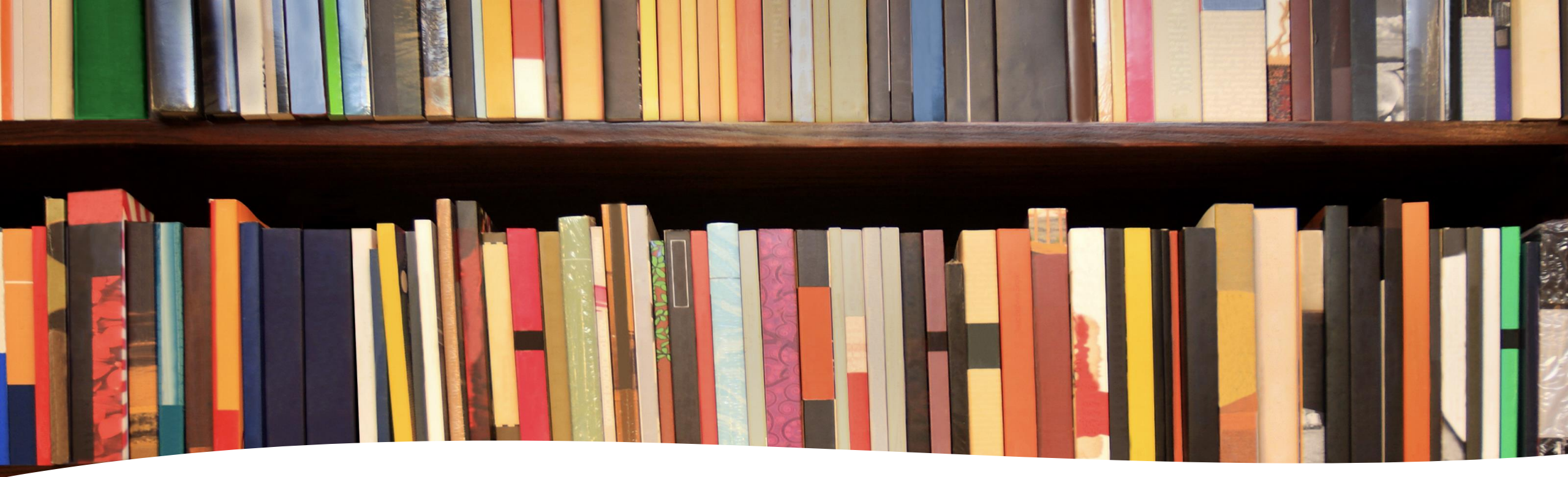




“Monetary incentives seem to work well, without the negative side effects often attributed to them”

Who Blows the Whistle on Corporate Fraud by Alexander Dyck, Adair Morse, and Luigi Zingales

University of Chicago Booth School of Economics



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- **Free online access to important legal cases**
- **Free online access to “links” to relevant government agencies and other sources**

Visit the library at:
<https://kkc.com/law-library/>

Rule 1: The New Whistleblower

Rule 2: Be confidential

Rule 6: Think Globally

Rule 7: Protect Yourself

Rule 19: Dodd-Frank

Rule 20: FCPA

Rule 21: Money Laundering

NATIONALLY ACCLAIMED EXPERT ON WHISTLEBLOWER LAW
FOREWORD BY SHERRON WATKINS,
ENRON WHISTLEBLOWER; TIME PERSON OF THE YEAR 2002

RULES FOR **WHISTLEBLOWERS**

A HANDBOOK
FOR DOING



Stephen M. Kohn

Partner, [Kohn, Kohn & Colapinto, LLP](#)

Chairman of the Board of Directors, [National Whistleblower Center](#)

Adjunct Professor, [Northeastern University](#)

Stephen M. Kohn is widely recognized as the leading international authority on whistleblower law. He has represented whistleblowers in high profile cases since 1984, including the whistleblower who reported the largest money laundering scheme in history (\$240 billion laundered from Russia/former Soviet Union to New York banks). He obtained the first \$100 million reward ever paid to an individual whistleblower for reporting illegal offshore accounts at the Swiss bank UBS.

Steve is the most published author on whistleblower law. His new book, *Rules for Whistleblowers* was released by Lyons Press in June 2023.

Website: www.kkc.com

Email: Stephen.kohn@kkc.com

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<http://www.kkc.com/blog/>



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Paris Presentations

Unmasking Corruption, Empowering Whistleblowers

- **Date:** March 28, 2024
- **Time:** 11:30 am- 1:00 pm
- **Location:** OECD Conference Centre, Paris Room CC4

Protect and Reward: How Can U.S. Laws Be Put in Service of Whistleblowers Around the World

- **Date:** March 28, 2024
- **Time:** 3:00 pm -5:00 pm
- **Location:** Arches Citoyennes, 3 Avenue Victoria 75004 Paris

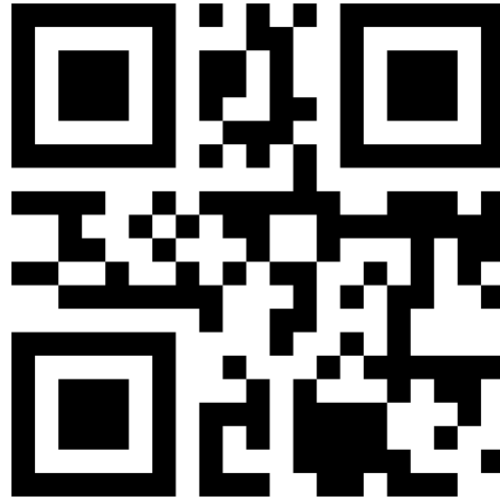


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