

# Financial Rewards for Whistleblowers in the Fight Against Economic Crime<sup>1</sup>

Eliza Lockhart<sup>2</sup>

## Summary

International interest is growing in the role whistleblowers can play in supporting wider strategies to combat economic crime. Recent high-profile scandals within the financial and professional services sectors have demonstrated how insider information can be critical to the successful detection, investigation and prosecution of these well-hidden crimes. Many countries have implemented reward programmes designed to incentivise whistleblowing across a range of illicit financial activities, including tax law violations, foreign bribery and corruption, securities and commodities malfeasance, cryptocurrency fraud, money laundering and sanctions evasion. Evidence from programmes in the US and Canada indicates that rewards have driven greater insider reporting; however, some countries oppose their implementation due to cultural norms against financially paying whistleblowers, and concerns regarding their effectiveness and potential negative consequences.

This briefing note summarises research bringing together evidence from the US and Canada on the use of rewards for whistleblowers who report incidents of economic crime and evaluates it against the concerns raised in two countries that are debating the implementation of such a scheme, Australia and the UK.<sup>3</sup> The briefing note identifies the key impacts of whistleblower reward programmes as increasing actionable information provided to law enforcement; creating an economic crime deterrent effect; strengthening private sector compliance; and enabling whistleblowers to access specialised legal counsel. However, this briefing note also outlines how these outcomes are contingent on appropriate safeguards being integrated into the design of a reward programme. Moreover, this briefing note identifies that it is crucial for policymakers to understand that such programmes are primarily designed to achieve the regulatory goals of economic crime detection and deterrence. Therefore, to operate effectively as a strategy to combat illicit finance, rewards must form part of a comprehensive framework to ensure all whistleblowers are adequately compensated and protected.

<sup>1</sup> For the full research paper see Lockhart, E. (2024). *The Inside Track: The Role of Financial Rewards for Whistleblowers in the Fight Against Economic Crime*. SOC ACE Research Paper No. 31. Birmingham, UK: University of Birmingham.

<sup>2</sup> Eliza Lockhart is a Research Fellow at the Centre for Finance and Security at the Royal United Services Institute (RUSI). Her research examines matters at the intersection of law, finance and global security. Eliza is a lawyer and legal policy expert with experience advising on state threats, electoral integrity, economic security, and anti-bribery and corruption matters including whistleblower investigations. Prior to joining RUSI, Eliza worked in Australia for Allens Linklaters and subsequently the Federal Court of Australia as Associate to the Hon. Justice Susan Kenny AM. Eliza holds a Master of Law and an MPhil in Public Policy, both with Distinction from the University of Cambridge. All correspondence to [elizal@rusi.org](mailto:elizal@rusi.org)

<sup>3</sup> Bolton, W. (2024, 14 February). Whistleblowers should be paid for their help, says serious fraud director. *The Telegraph*. <https://www.telegraph.co.uk/news/2024/02/14/whistleblower-payment-investigation-fraud-nick-ephgrave/>

## Background

Economic crime is characterised by deception, obfuscation and subterfuge. This inherent secrecy not only severely impedes the ability of regulators and law enforcement agencies to detect, investigate and prosecute such crimes, but also conceals the immense corrosive impact economic crime has on economies, communities and democratic principles. Recent financial scandals have demonstrated that using information from insiders is often the only way to successfully unravel the convoluted web that white-collar criminals weave. In this context, interest is growing in how financial rewards for private sector professional enablers (the financial and professional service providers who engineer the structures necessary to facilitate illicit financial flows) could support wider strategies to combat economic crime.

Under a whistleblower reward programme, a regulator provides a monetary payment to individuals who report information on prohibited behaviour, if that information assisted the relevant authority to investigate and financially recover assets linked to the illicit activity. A reward programme is run by an Office of the Whistleblower (OWB). This is a team of legal, accounting and intelligence professionals, embedded within the relevant regulator or law enforcement agency, which is responsible for administering all aspects of the programme. The purpose of such schemes is to boost the amount of actionable information reported to law enforcement, increasing the successful punishment of perpetrators, and sending a message that the risks of engaging in corrupt practices outweigh the potential benefits. Therefore, reward programmes are principally designed to optimise regulatory effectiveness by improving the detection and deterrence of economic crime.

There are generally three types of whistleblower reward programmes in existence internationally: 1) a private regulator model or *qui tam* action, where whistleblowers can bring legal action independent of the regulator; 2) a cash-for-information model, under which the regulator retains full control over

the decision to initiate an enforcement action based on whistleblower information; and 3) a discretionary award model, where the regulator is empowered to financially reward a whistleblower even if their information did not result in a successful prosecution. Countries that opt to financially reward private sector economic crime whistleblowers have overwhelmingly chosen to do so by implementing cash-for-information schemes. Thus, the cash-for-information model is the type of whistleblower reward programme that is the focus of this briefing note.

The US has a prolific portfolio of cash-for-information schemes, operated by numerous regulators, which are designed to incentivise whistleblowers to report a diverse range of illicit activity, in areas from motor vehicle safety to illegal wildlife trafficking. However, four reward programmes specifically target economic crime whistleblowers. An Internal Revenue Service (IRS) programme was established in 2006 via amendments to tax informant laws; the Securities and Exchange Commission (SEC) and Commodity Futures Trading Commission (CFTC) programmes were both enacted under the Dodd-Frank Act of 2010; and an anti-money laundering whistleblower programme was created in 2021, to be administered by the Department of the Treasury's Financial Crimes Enforcement Network. These initiatives reward whistleblowers whose information results in a successful enforcement action against a wide range of financial misconduct, including tax law violations, foreign bribery and corruption, securities and commodities malfeasance, cryptocurrency fraud, money laundering and sanctions evasion. Additionally, the DOJ in March 2024 announced it was launching a new whistleblower reward programme for the reporting of corporate misconduct.

The US cash-for-information programmes have become internationally renowned due to their successful recovery of large sanctions, substantial payouts to whistleblowers and extensive extraterritorial reach, which has resulted in them receiving information from whistleblowers all over the world. Canada and the UK consistently rank first and second in the list of countries from which the SEC receives the highest number

of whistleblower submissions.<sup>4</sup> The fact that US regulators are consistently benefiting from information provided by Canadian and UK citizens has fuelled debate within these jurisdictions about the merits of adopting a similar whistleblower reward policy. In 2016, the Ontario Securities Commission (OSC) launched Canada's first and only reward programme for whistleblowers who report serious securities misconduct. However, the merits and morals of using financial payments to increase insider reporting is a highly contested subject. In Australia, despite the 2017 Parliamentary Joint Committee on Corporations and Financial Services concluding that 'a reward system would motivate whistleblowers to come forward with high quality information'<sup>5</sup> and recommending the implementation of such a scheme, political will to effect the recommendation has stalled.<sup>6</sup>

Another country that has demonstrated a long-held antipathy towards whistleblower reward programmes is the UK. Nevertheless, in the wake of the global financial crisis and subsequent banking scandals, the 2013 Parliamentary Commission on Banking Standards recognised the need for 'a significant shift in the cultural attitudes towards whistleblowing' and called for 'research into the impact of financial incentives in the US in encouraging whistleblowing, exposing wrongdoing and promoting integrity and transparency in financial markets'.<sup>7</sup> The regulators of the UK financial services sector, the Financial Conduct

Authority and the Prudential Regulation Authority, responded in 2014, publishing a note in which they outlined their strong opposition to financial incentives for whistleblowers.<sup>8</sup> Their findings encapsulate the arguments that are regularly raised against implementing whistleblower reward programmes, including concerns about the quantity and quality of information received; whether rewards are cost-effective; the creation of perverse incentives such as market participants entrapping one another; rewards undermining internal reporting systems or existing legal duties; and that such programmes only reward a small number of whistleblowers.

Given the increased international interest in offering financial incentives to whistleblowers as part of strategies to combat illicit finance, there is a need to examine the empirical evidence on the effectiveness, viability and results of reward programmes in an economic crime context. This briefing note seeks to contribute to this knowledge gap by answering two research questions: what are the proven impacts of whistleblower reward programmes that target economic crime; and how can such schemes increase the effectiveness of economic crime investigations? For the purposes of this research, economic crime is defined as illicit financial activity occurring in the private sector. Thus, consideration of whistleblowing in the public sector is excluded from the ambit of this briefing note.<sup>9</sup>

- 
- 4 Securities and Exchange Commission (SEC). (2023). *2023 annual report to Congress on the Dodd-Frank whistleblower program* (p. 6). <https://www.sec.gov/files/fy23-annual-report.pdf>; SEC. (2022). *2022 annual report to Congress on the Dodd-Frank whistleblower program* (p. 6). [https://www.sec.gov/files/2022\\_ow\\_ar.pdf](https://www.sec.gov/files/2022_ow_ar.pdf); SEC. (2021). *2021 annual report to Congress on the Dodd-Frank whistleblower program* (pp. 38-39). <https://www.sec.gov/files/owb-2021-annual-report.pdf>; SEC. (2020). *2020 Annual Report to Congress on the Dodd-Frank Whistleblower Program* (pp. 41-42). [https://www.sec.gov/files/2020\\_owb\\_annual\\_report.pdf](https://www.sec.gov/files/2020_owb_annual_report.pdf)
  - 5 Australian Parliamentary Joint Committee on Corporations and Financial Services. (2017). *Whistleblower protections* (p. 138). [https://www.aph.gov.au/Parliamentary\\_Business/Committees/Joint/Corporations\\_and\\_Financial\\_Services/WhistleblowerProtections/~media/Committees/corporations\\_ctte/WhistleblowerProtections/report.pdf](https://www.aph.gov.au/Parliamentary_Business/Committees/Joint/Corporations_and_Financial_Services/WhistleblowerProtections/~media/Committees/corporations_ctte/WhistleblowerProtections/report.pdf)
  - 6 Note that three previous Australian Parliamentary inquiries in 1989, 1994 and 2009 considered and rejected introducing a whistleblower reward programme for ethical and cultural reasons; see Australian Parliamentary Joint Committee on Corporations and Financial Services. (2017). *Whistleblower protections* (p. 137). [https://www.aph.gov.au/Parliamentary\\_Business/Committees/Joint/Corporations\\_and\\_Financial\\_Services/WhistleblowerProtections/~media/Committees/corporations\\_ctte/WhistleblowerProtections/report.pdf](https://www.aph.gov.au/Parliamentary_Business/Committees/Joint/Corporations_and_Financial_Services/WhistleblowerProtections/~media/Committees/corporations_ctte/WhistleblowerProtections/report.pdf)
  - 7 UK Parliamentary Commission on Banking Standards. (2013, June). *Changing banking for good: volume II* (p. 376). <https://www.parliament.uk/globalassets/documents/banking-commission/Banking-final-report-vol-ii.pdf>
  - 8 Financial Conduct Authority & Prudential Regulation Authority. (2014, July). *Financial incentives for whistleblowers*. <https://www.fca.org.uk/publication/financial-incentives-for-whistleblowers.pdf>
  - 9 This choice is not intended to diminish the vital importance of public sector whistleblowers, the critical need to protect the public purse from fraud, or the reality that the costs of private sector economic crime are often ultimately borne by the public. However, research that examines how a reward programme would impact the specific motivations, employment circumstances, legal duties and professional obligations of public sector whistleblowers would require a different methodology than research focused on private sector whistleblowers.
-

The key findings below reflect the results of a review of research from four countries: the US, Canada, Australia and the UK. During the literature review, it became apparent that the scholarship on rewards for economic crime whistleblowers suffers from evidential gaps. The use of whistleblower rewards in the global response to economic crime is a relatively new phenomenon, with the majority of international cash-for-information schemes dating from 2010 onwards. Consequently, while robust research evaluating whistleblower rewards as an economic crime-fighting tool has emerged over the past decade, it remains a nascent field of enquiry, heavily dependent on data generated from the US programmes or from experimental, not observational, studies. Furthermore, research on corporate crime whistleblowers is continually hampered by a lack of access to information, both regarding whistleblowers and those who witness misconduct but decide not to disclose. As a result, even recent scholarship on reward programmes acknowledges that ‘what we do not know about whistleblowing dwarfs what we do know’.<sup>10</sup>

To manage these limitations, the literature review began by identifying the different tensions, themes and gaps in the evidence base on economic crime whistleblowers. These observations were then explored during 39 semi-structured interviews with current and former representatives of government agencies, including law enforcement and regulators; stakeholders from civil society and the private sector; and legal practitioners, academics and whistleblowers from the four countries of interest.<sup>11</sup> Finally, the findings were discussed in seven consultations with UK regulators, law enforcement professionals, civil society representatives and whistleblowers. These validation exercises not only strengthened the rigour of the research, but also enabled the findings to be tested by key stakeholders in a country that is currently considering the implementation of a novel economic crime whistleblower reward programme.

10 Rodrigues, U. (2022). Optimizing Whistleblowing. *Temple Law Review*, 94(2), 255-311 (p. 262). [https://digitalcommons.law.uga.edu/fac\\_artchop/1425/](https://digitalcommons.law.uga.edu/fac_artchop/1425/)

11 Of the 39 interviews conducted, nine were with current and three with former representatives of government agencies; nine with representatives of non-governmental organisations (NGOs); seven with academics; four with whistleblower attorneys; four with representatives from the private sector; and three with whistleblowers.

# Key findings

## Design dimensions

Designing a cash-for-information scheme involves a number of choices that will determine the parameters of the programme's operation. These dimensions can be calibrated to suit the needs of

the regulator; the illicit behaviour being targeted; the whistleblower to be incentivised; and the legal, institutional and cultural context of the jurisdiction. This customisation process is critical to achieving an effective balance between the intended and unintended consequences that can result from implementing a reward programme. Table 1 provides a summary of the key categories of design dimensions and the objectives they seek to achieve.

Table 1: Summary of design dimensions

Category	Detail	Objective
<b>Eligible information</b>	A reward will only be available for information relating to specific violations.	Rewards can be used to detect, and therefore deter, a specific type of behaviour.
	Information must be submitted voluntarily; that is, a whistleblower must not have been requested, compelled or under a legal duty to make a disclosure.	Prevents the provision of rewards undermining existing investigations or legal duties.
	Information must be original; that is, derived from a whistleblower's independent knowledge or analysis and not subject to legal professional privilege, obtained in violation of criminal law or known by the whistleblower due to their supervision of internal reporting systems.	Incentivises the reporting of new information and prevents a breach of existing duties.
	Whistleblower information is submitted under penalty of perjury or the programme imposes penalties for information that is false, frivolous or incomplete.	Deters frivolous or malicious claims.
<b>Recovery threshold</b>	Information must lead to successful enforcement, which recovers a minimum amount of funds, before a whistleblower can be rewarded.	Enhances cost-effectiveness by attracting information related to high-value violations.
<b>Size of reward</b>	The maximum reward amount can be capped.	Limits the maximum amount that can be awarded.
	The programme will set a minimum and a maximum percentage of the amount recovered that can be paid to a whistleblower as a reward.	Creates consistent expectations of reward amounts, which enables whistleblowers to access legal representation.
	The exact reward percentage is determined by a multifactorial assessment of a whistleblower's information, contribution and complicity. This includes any delay in reporting, whether a whistleblower participated with internal compliance systems and, if culpable, the extent of a whistleblower's participation.	Addresses concerns that rewards could create perverse incentives and undermine internal compliance systems. Also mitigates egregious whistleblower behaviour.
<b>Right of appeal</b>	A programme can choose whether to make judicial review available for whistleblower reward determinations.	Programmes can be customised to suit the needs of the jurisdiction.
<b>Eligible whistleblower</b>	If an individual meets the information eligibility requirements, they will be considered a whistleblower. An employment relationship does not need to be established.	Creates a cultural change towards viewing whistleblowers as sources of intelligence.
	The reward programme does not confer immunity. A whistleblower who is convicted of a criminal offence associated with their information is ineligible for a reward.	Law enforcement retains the discretion to prosecute culpable whistleblowers. Convicted whistleblowers cannot be financially rewarded.



## Impact of rewards

Table 1 illustrates the nuanced tensions and trade-offs inherent in the various design dimensions of cash-for-information schemes.

Table 2 examines how these design choices operate in practice by summarising what key impacts have resulted from reward programmes in North America (referring here to Canada and the US), and whether the concerns often raised about such programmes have materialised.

Table 2: Impact summary

Impact	Concern	Evidence
Quantity of information	Whether a reward programme will increase the amount of information provided to the regulator.	Statistics from North American regulators show an exponential growth of information submitted under their reward programmes. For financial year 2023, the SEC received 18,354 tips and the CFTC 1,530 – a record for both regulators and an increase of almost 50% on the number of whistleblower submissions received in previous years. <sup>12</sup> As of March 2022, the OSC reward programme had received 797 whistleblower tips since its first fiscal year in 2018, with an average annual increase in tips of 17%. <sup>13</sup>
Quality of information	Whether a reward programme will increase the amount of <i>actionable</i> information provided to the regulator.	While North American programmes must continue to monitor their design choices to guard against frivolous or vexatious applicants, evidence indicates that reward programmes increase the number of high-quality tips regulators receive. <sup>14</sup> From whistleblower-related enforcement actions: the IRS has collected a total of US\$6.9 billion; the SEC has ordered more than US\$6.3 billion in sanctions; the total sanctions ordered by the CFTC has surpassed US\$3 billion; and the OSC has ordered sanctions of approximately CA\$48 million. <sup>15</sup>
Deterrent effect	Reward programmes would be a valuable economic crime-fighting tool if they created a deterrent effect.	Empirical and experimental studies have found evidence of a deterrent effect, with whistleblower rewards reducing incidents of cartel formation, <sup>16</sup> tax evasion and aggressive financial reporting, <sup>17</sup> insider trading <sup>18</sup> and fraud against the government. <sup>19</sup> Furthermore, a 2022 study found that US reward programmes had reduced the likelihood of accounting fraud by 12-22%. <sup>20</sup> This is supported by 2023 research that concluded: 'whistleblower rewards drive conservatism in financial managers' decisions; therefore, it could be reasonable to suggest that government programs are helping reduce fraud'. <sup>21</sup>

- 12 The SEC received 12,322 tips in fiscal year 2022; the Commodity Futures Trading Commission (CFTC) received 1,506 tips in fiscal year 2022, up from 961 tips in fiscal year 2021; SEC. (2023). *2023 annual report to Congress on the Dodd-Frank whistleblower program* (p. 5). <https://www.sec.gov/files/fy23-annual-report.pdf>; CFTC. (2023). *Whistleblower program & customer education initiatives: 2023 annual report* (p. 7). <https://www.whistleblower.gov/sites/whistleblower/files/2023-10/FY23%20Customer%20Protection%20Fund%20Annual%20Report%20to%20Congress.pdf>
- 13 OSC. (2023, March). *Update on the OSC whistleblower program 2016 to 2022* (p. 7). <https://www.osc.ca/sites/default/files/2023-03/OSC-Whistleblower-Program-Update-Report-20230309.pdf>
- 14 Dey, A., et al. (2021). Cash-for-information whistleblower programs: effects on whistleblowing and consequences for whistleblowers. *Journal of Accounting Research*, 59(5), 1689-1740. <https://doi.org/10.1111/1475-679X.12370>
- 15 IRS Whistleblower Office. (2023). *Fiscal year 2023 annual report*. <https://www.irs.gov/pub/irs-pdf/p5241.pdf>; SEC. (2022); CFTC. (2023). *Whistleblower program & customer education initiatives: 2023 annual report*; OSC. (2023).
- 16 Bigoni, M., et al. (2012). Fines, leniency, and rewards in antitrust. *The RAND Journal of Economics*, 43(2), 368-390.
- 17 Breuer, L. (2013). Tax compliance and whistleblowing – the role of incentives. *The Bonn Journal of Economics*, 2(2), 7-45; Amir, E., et al. (2018). The deterrent effect of whistleblowing on tax collections. *European Accounting Review*, 75(5), 939-954; Wiedman, C., & Zhu, C. (2018, 24 February). *Do the SEC whistleblower provisions of Dodd-Frank deter aggressive financial reporting?* Canadian Academic Accounting Association Annual Conference. <http://dx.doi.org/10.2139/ssrn.3105521>
- 18 Raleigh, J. (2020). The deterrent effect of whistleblowing on insider trading. *Journal of Financial and Quantitative Analysis*. <http://dx.doi.org/10.2139/ssrn.3672026>
- 19 Dyck, A., et al. (2010). Who blows the whistle on corporate fraud? *The Journal of Finance*, 65(6), 2213-2253.
- 20 Berger, P. G., & Lee, H. (2022). Did the Dodd-Frank whistleblower provision deter accounting fraud? *Journal of Accounting Research*, 60(4), 1337-1378. <https://doi.org/10.1111/1475-679X.12421>
- 21 Gaydon, D. J., & Boyle, D. J. (2023). The effects of whistleblower program financial incentives and administration on financial managers' reporting judgments. *Journal of Forensic Accounting Research*, 8(1), 387-404 (p. 390). <https://doi.org/10.2308/jfar-2022-026>

Impact	Concern	Evidence
Cost benefit	The benefits of an increase in actionable information and deterrent effect could be cancelled out by the additional regulatory resources needed to manage the high volume of disclosures.	Few robust cost-benefit analyses of reward programmes have been conducted due to the numerous challenges involved, such as how to define the benefits gained and costs incurred. However, rough cost-benefit analyses undertaken by offsetting regulators' administrative costs against revenue recovered through whistleblower-related actions indicate that the quantity of tips received is not compromising the financial viability of North American whistleblower reward programmes. For example, using data from the first ten years of operation of the CFTC reward programme, the gross operating profit equates to more than US\$2.6 billion. <sup>22</sup>
Moral hazard	Rewards may have a polluting influence on the intrinsic moral imperative to report misconduct.	The potential for financial rewards to "crowd out" an individual's moral desire to report has not materialised under the US programmes. <sup>23</sup> Moreover, in the context of a reward programme designed to incentivise the reporting of economic crime, research has shown that moral motivations by themselves are generally not sufficient to incentivise corporate insiders to make disclosures, due to the fear of retaliation and the risks associated with coming forward. <sup>24</sup>  Furthermore, objections are often raised around the ethics of rewarding culpable whistleblowers. But as valuable information about corporate crimes is often quarantined among complicit participants, North American programmes employ design choices to assess, not disqualify, culpable whistleblowers.
Undermine prosecutions	Paying a whistleblower will undermine their credibility as a trial witness.	The four US whistleblower attorneys interviewed commented that this is not a concern in the US because it is culturally expected for whistleblowers to have multifaceted reasons for disclosing and, in any event, the law enforcement investigation generally yields sufficient evidence that whistleblower testimony is not needed at trial or to secure a settlement. <sup>25</sup>
Perverse incentives	The availability of external rewards might encourage whistleblowers to entrap colleagues or delay reporting.	Entrapment does not appear to have emerged as a salient issue under the US programmes. <sup>26</sup> The SEC's annual reports demonstrate that whistleblower delay does occur, with the regulator reducing the percentages of a small number of rewards each year for delay. <sup>27</sup> However, on balance, evidence of the SEC reducing a few rewards can be interpreted as the design safeguards working in practice – appropriately balancing the need for timely disclosures with consideration for the complexities of whistleblowing. <sup>28</sup>  Recent research has highlighted how activist short sellers are achieving a 'windfall' by being rewarded for information they always intended to make public. <sup>29</sup> This exemplifies why reward programmes need ongoing monitoring so design dimensions can be amended to manage adverse outcomes. For instance, to address this concern, the SEC could require whistleblowers to declare any private income made from disclosures.

- 22 Kohn, S., & Schepis, G. (2022, 29 August). Fraudsters pay – the public profits: a cost-benefit analysis of whistleblower reward laws. *Whistleblower & Qui Tam Blog, The National Law Review*. <https://www.natlawreview.com/article/fraudsters-pay-public-profits-cost-benefit-analysis-whistleblower-reward-laws>
- 23 For a summary of this scholarship, see Nyreöd, T., & Spagnolo, G. (2021a). A fresh look at whistleblower rewards. *Journal of Governance & Regulation*, 10(4), 248-260 (p. 254). <https://doi.org/10.22495/jgrv10i4siart5>
- 24 Mesmer-Magnus, J. R., & Viswesvaran, C. (2005). Whistleblowing in organizations: an examination of correlates of whistleblowing intentions, actions, and retaliation. *Journal of Business Ethics*, 62(3), 277-297.
- 25 Research interviews: Whistleblower attorney 1 (16 November 2023); Whistleblower attorney 2 (30 November 2023); Whistleblower attorney 3 (11 December 2023); Whistleblower attorney 4 (9 February 2024).
- 26 Schmolke, K. U. (2021). Compensation, but no rewards for whistleblowers? – Some thoughts on the introduction of financial incentive programmes in the wake of the EU whistleblower directive's transposition. *Zeitschrift für Europäisches Privatrecht* (p. 6). <https://ssrn.com/abstract=3838738>; Nyreöd, T., & Spagnolo, G. (2021b). Myths and numbers on whistleblower rewards. *Regulation & Governance*, 15(1), 82-97 (p. 91).
- 27 SEC. (2021). *2021 annual report to Congress on the Dodd-Frank whistleblower program* (p. 20). <https://www.sec.gov/files/owb-2021-annual-report.pdf>; see also SEC. (2023). *2023 annual report to Congress on the Dodd-Frank whistleblower program* (p. 4). <https://www.sec.gov/files/fy23-annual-report.pdf>; and SEC. (2022). *2022 annual report to Congress on the Dodd-Frank whistleblower program* (p. 4). [https://www.sec.gov/files/2022\\_ow\\_ar.pdf](https://www.sec.gov/files/2022_ow_ar.pdf).
- 28 The Government Accountability Project has outlined diverse and legitimate reasons for whistleblower delay, which include contemplating the decision to report, creating a career plan and securing the evidence necessary to build a case; see Government Accountability Project. (2016, 18 February) *Why whistleblowers wait: recommendations to improve the Dodd Frank law's SEC whistleblower awards program*. <https://whistleblower.org/resources/reports-and-publications/why-whistleblowers-wait-recommendations-to-improve-the-dodd-frank-laws-sec-whistleblower-awards-program/>
- 29 Platt, A. I. (2024). The shortseller enrichment commission?: whistleblowers, activist short sellers, and the new privatization of public enforcement. *Washington Law Review*, 99. <https://ssrn.com/abstract=4744972>

Impact	Concern	Evidence
Internal reporting rates	If reward programmes lower the rates of internal reports, this will weaken private sector compliance.	Harvard Law School research has found that the implementation of reward programmes in the US increased rates of whistleblowing not only to an external regulator, but also through internal systems. <sup>30</sup> This finding is supported by data from North American programmes, with the SEC's 2021 Annual Report noting that 75% of whistleblowers raised their concerns internally before making a disclosure to the regulator. <sup>31</sup> Similarly, OSC data reveal that 63% of whistleblowers reported their concerns internally first; 84% of those whistleblowers reported externally because they did not believe any steps had been taken to address their concerns. <sup>32</sup>
Interaction with government policy	Rewarding whistleblowers to do their regulatory duty to report undermines government policy.	North American reward programmes attempt to circumvent this problem by excluding those people within an organisation who have a regulatory duty to report, such as senior managers, compliance reporting officers and lawyers. However, this presents a fundamental problem when a reward programme targets corporate insiders, who often fall within these exclusions. Policymakers considering the introduction of an economic crime cash-for-information scheme should carefully evaluate what design choices maximise the benefits of incentivising professional enablers to report misconduct, while also minimising potential conflicts with existing legal obligations.
Whistleblowing legal industry	Reward programmes can create a legal services market for whistleblower attorneys.	A legal services market has developed in North America to meet the specific needs of whistleblowers accessing reward programmes. These whistleblower attorneys are retained on a contingency fee basis, which means they are financially incentivised to present comprehensive, verified and well-organised information to regulators. This reduces the regulators' administrative burden. Furthermore, the lack of up-front legal fees enables whistleblowers to immediately access specialised legal advice, which can help redress the power imbalance between individuals and well-resourced organisations.
Consequences of outsourcing	Regulators' reliance on whistleblower attorneys, specifically former employees of regulators, undermines the integrity of reward programmes.	Recent research has demonstrated that privatising much of a regulator's "tip-sifting functions" to whistleblower attorneys can have potential unintended consequences, such as distorting an assessment of a reward programme's cost-effectiveness and conferring a competitive advantage on those whistleblowers represented by former employees of regulators. <sup>33</sup> Policymakers will need to consider what mitigating strategies could be appropriate for their regions.

30 Iwasaki, M. (2018). Effects of external whistleblower rewards on internal reporting. *Harvard John M. Olin Fellow's Discussion Paper Series No. 76*. <http://dx.doi.org/10.2139/ssrn.3188465>

31 SEC. (2021). *2021 annual report to Congress on the Dodd-Frank whistleblower program* (p. 24).

32 OSC. (2023, March). *Update on the OSC whistleblower program 2016 to 2022* (p. 9). <https://www.osc.ca/sites/default/files/2023-03/OSC-Whistleblower-Program-Update-Report-20230309.pdf>

33 Platt, A. I. (2022). The whistleblower industrial complex. *Yale Journal on Regulation*. <http://dx.doi.org/10.2139/ssrn.4112398>



# Implications

The findings of this briefing note provide a viable basis for the conclusion that a cash-for-information scheme could increase the effectiveness of economic crime investigations, and play an impactful role within wider strategies to combat illicit finance, by increasing detection and deterrence of economic crime. However, delivering these positive outcomes will require integrating appropriate safeguards into the reward programme design; comprehensive stakeholder consultation; and ongoing monitoring. With these factors in mind, this briefing note concludes with a set of observations intended to offer insights for countries that are considering the introduction of rewards for economic crime whistleblowers.

## Observation 1: Rewards achieve certain goals, but not in isolation

A cash-for-information scheme has the potential to deliver valuable outcomes in the fight against economic crime. Financial rewards incentivise whistleblowers to come forward with actionable intelligence about concealed economic crimes, thereby improving the speed, efficiency and cost-effectiveness of law enforcement investigations. This results in an increase in successful prosecutions and the imposition of significant financial sanctions, which can deter illicit activity and strengthen internal compliance systems. Providing financial rewards also enables whistleblowers to access specialised legal representation, levelling the playing field for corporate insiders who are reporting against powerful entities.

However, the impact of a cash-for-information scheme will be limited by its regulatory objectives.

While the aims of economic crime detection and deterrence generally align with the broader goals of whistleblower protection and compensation, at certain points they diverge. For this reason, rewards cannot be implemented in isolation or as a substitute for whistleblower remedies and protective measures. If a cash-for-information scheme is to be integrated into an effective government strategy to fight economic crime, it must form part of a comprehensive whistleblower framework. This research has identified three key mechanisms that are essential to the optimal functioning of cash-for-information schemes.

### 1. Anti-retaliation provisions, confidentiality and equitable remedies

Essential to the operation of North American reward programmes are their statutory anti-retaliation provisions, which make it unlawful to directly or indirectly intimidate, discriminate or retaliate against a whistleblower.<sup>34</sup> Notably, these protections apply regardless of whether the person making the disclosure qualifies as a whistleblower under the programme or receives a reward.<sup>35</sup> Alongside these reactive powers, a key preventative strategy is the protection of whistleblowers' identities, which has been described as the 'cornerstone' of cash-for-information schemes.<sup>36</sup> North American reward programmes place strict limits on when regulators may disclose identifying information. While confidentiality is prioritised over anonymity for regulatory efficiency, whistleblowers may submit tips anonymously if they are represented by legal counsel, who must certify that the whistleblower meets the eligibility requirements.<sup>37</sup> However, whistleblowers will need to identify themselves to the regulator during the reward determination process.<sup>38</sup>

34 Commodity Futures Trading Commission (CFTC) Whistleblower Rules § 165.20 (2011); OSC Policy 15-601 Whistleblower Program § 13 (2022); SEC Securities Whistleblower Incentives and Protections § 240.21F-2(d) (2020).

35 CFTC Whistleblower Rules § 165.20(c) (2011); OSC (2023, p. 10); SEC Securities Whistleblower Incentives and Protections § 240.21F-2(d) (2) and (3) (2020).

36 OSC. (2023, March). *Update on the OSC whistleblower program 2016 to 2022* (p. 2). <https://www.osc.ca/sites/default/files/2023-03/OSC-Whistleblower-Program-Update-Report-20230309.pdf>

37 CFTC Whistleblower Rules § 165.4 (2011); OSC Policy 15-601 Whistleblower Program § 11 (2022); SEC Securities Whistleblower Incentives and Protections § 240.21F-7 (2020).

38 CFTC Whistleblower Rules § 165.4(b) (2011); OSC Policy 15-601 Whistleblower Program § 3 and 4 (2022); SEC Securities Whistleblower Incentives and Protections § 240.21F-7(3)(b) (2020).

To complement these safeguards, countries must have an adequate financial compensation scheme available to whistleblowers, which is distinct from a reward programme. It is perhaps due to the failure of existing legal remedies to account for ‘the range and type of detriment that whistleblowers unjustly suffer, leading to damage, beyond traditional concepts of reprisal’ that reward programmes are often presented as a compensatory solution.<sup>39</sup> However, this is a mischaracterisation, as the two mechanisms have vastly different objectives. Whereas reward programmes aim to incentivise a select group of whistleblowers to come forward, compensation schemes are designed to restore all individuals who suffer detriment to their original circumstances. Conflating the two creates unrealistic expectations for whistleblowers. Furthermore, introducing rewards in isolation can expose whistleblowers to an increased risk of retaliation without the prospect of restitution. Therefore, before a cash-for-information scheme is implemented, it is critical that policymakers evaluate the adequacy of existing anti-retaliation measures, confidentiality protections and remedies for whistleblowers to understand what gaps may need to be addressed.

## 2. An empowered and proactive regulator

The low probability of receiving a financial reward under a cash-for-information scheme supports the notion that the prospect of payment is not the only factor driving the significant levels of reporting.<sup>40</sup> This view was shared by all current and former representatives of North American government agencies interviewed for this project, as well as the four US whistleblower attorneys.<sup>41</sup> In their experience, while financial rewards are essential, many whistleblowers use reward programmes because of the robust anti-retaliation protections, assurance of confidentiality, and confidence that their

disclosure will lead to meaningful action. Consequently, it is imperative that a reward programme is run by an empowered and well-resourced regulator. This is equally critical if a reward programme is to create a deterrent effect, as deterrence requires active enforcement. The effectiveness of the US reward programmes largely stems from the US regulators’ ability to act on reports, preserve whistleblower confidentiality, and impose significant penalties for retaliatory behaviour.

The US regulators are not only willing to pursue those who have retaliated against whistleblowers, but also take proactive legal action against corporate behaviour that obstructs whistleblowers from reporting. This has become necessary because the introduction of rewards has resulted in some employers using contractual provisions and non-disclosure agreements to prevent employees from reporting under cash-for-information schemes. These actions demonstrate the need for regulators to proactively monitor, and be empowered to pursue, any adverse outcomes that may develop from implementing a reward programme.

## 3. An efficient Office of the Whistleblower

Establishing an efficient OWB within the relevant regulator is imperative for a reward programme to function. Key tasks an OWB undertakes include processing whistleblower submissions, referring actionable tips to law enforcement, and determining rewards. However, an OWB’s impact extends well beyond the administrative. An OWB can deliver a valuable communication function by providing a clear reporting channel, practical guidance on the reporting process, and timely updates on a claim’s progress. Beyond supporting whistleblowers, OWBs provide information and training to regulatory staff, law

39 Brown, A. J., et al. (2019). *Clean as a whistle: a five step guide to better whistleblowing policy and practice in business and government* (p. 44). Griffith University. <http://hdl.handle.net/1885/204871>

40 Since the SEC programme commenced, approximately 0.5% of submissions have resulted in a whistleblower being paid a reward. See Table 2 in Lockhart, E. (2024). *The Inside Track: The Role of Financial Rewards for Whistleblowers in the Fight Against Economic Crime*. SOC ACE Research Paper No. 31. Birmingham, UK: University of Birmingham.

41 Research interviews: Representative of government agency 7 (13 February 2024); Representative of government agency 8 (14 February 2024); Representative of government agency 9 (8 March 2024); Former representative of government agency 1 (7 December 2023); Former representative of government agency 2 (15 February 2024); Former representative of government agency 3 (20 February 2024); Whistleblower attorney 1 (16 November 2023); Whistleblower attorney 2 (30 November 2023); Whistleblower attorney 3 (11 December 2023); Whistleblower attorney 4 (9 February 2024).

enforcement and the legal profession, as well as engaging with stakeholders and the public to instil cultural acceptance of rewards.

The centrality of an OWB within a reward programme also makes it uniquely placed to undertake critical monitoring and policy functions. The various design choices of cash-for-information schemes require regular assessment to determine whether they are achieving their intended outcomes. US examples highlight the value of such oversight. For instance, the CFTC OWB analyses whistleblower information to identify emerging illicit finance typologies and methodologies, which then inform intelligence and law enforcement strategies.<sup>42</sup> The CFTC OWB also issues alerts designed to raise awareness of financial crime trends, thus reducing vulnerabilities and indicating to potential whistleblowers what information is of particular interest to law enforcement.<sup>43</sup> Finally, the monitoring activities conducted by OWBs can perform a valuable policy function by identifying questions requiring research and mapping the impact of rewards against broader economic crime-fighting objectives.

## Observation 2: Consult to customise

Good design is fundamental to the success of cash-for-information schemes. Design choices can create a reward programme that accommodates whistleblowers' individual circumstances, mitigates unintended consequences, provides a stable deterrent and ensures certainty for private sector stakeholders. However, the general lack of empirical research on economic crime whistleblowing in countries that have historically resisted implementing rewards, such as Australia and the UK, remains a significant barrier to designing an evidence-based reward programme.

Policymakers in these jurisdictions must consult broadly and commission studies to address important questions that cannot be answered solely by extrapolating from North American experiences. One example is the question of how a cash-for-information scheme will be funded. A reward programme is dependent on the targeted violation attracting a sufficiently large financial penalty to facilitate reward payments, and the regulator must be adequately resourced to administer the scheme. Advice will be needed on whether an Australian or UK cash-for-information scheme would require increases in economic crimes sanctions, as well as additional resources for the relevant regulators.

An important avenue for future research is how a reward programme will interact with current whistleblower policies and related legal frameworks. Consultation must be undertaken to ensure that a whistleblower reward programme does not create fragmentation, weaken existing whistleblower protections, or affect investigative and prosecutorial processes for managing culpable informants, such as covert human intelligence sources and assisting offenders. Moreover, although public sector whistleblowing falls outside the scope of this research, policymakers designing a financial reward scheme for private sector whistleblowers should be cognisant of the optics of not providing commensurate financial rewards to those in the public sector. The inherent opaqueness of economic crime and the specific risks professional enablers face when disclosing insider information can be used to justify a private sector whistleblower reward programme. However, this rationale should be clearly articulated as part of the policy implementation strategy. This is particularly relevant in countries like the UK, where recent scandals, such as the alleged large-scale fraud within government procurement contracts during the Covid-19 pandemic, have highlighted

42 For an example, see CFTC. (2023). *Whistleblower program & customer education initiatives: 2023 annual report* (pp. 7-11), where the CFTC provided details of the types of illicit activities reported by whistleblowers during fiscal year 2023 and identified a high volume of fraudulent cryptocurrency and digital asset schemes, romance scams and manipulation in the carbon markets.

43 For instance, the CFTC in 2023 identified weaknesses in the knowledge of the financial literacy community around the risks associated with digital assets and created educational initiatives to 'help educate the educators'; see CFTC. (2023). *Whistleblower program & customer education initiatives: 2023 annual report* (p. 14).

vulnerabilities in public sector integrity.<sup>44</sup>

In addition to addressing key evidence gaps, a comprehensive and transparent consultation process is crucial for building the regulatory, legal, political, private sector and public support necessary for the successful implementation of a reward programme. This could include publishing a consultation paper for public comment; workshopping design dimensions with a wide range of stakeholders including law enforcement agencies, whistleblower advocacy groups and professional associations; and organising scenario mapping sessions with law professionals to evaluate potential legal implications. An effective consultation process was undertaken in both the US and Canada prior to the establishment of their cash-for-information schemes. One interviewee with experience of the development of the SEC's reward programme commented that, without the opportunity to consult closely with the relevant regulatory and law enforcement professionals, the scheme would have foundered.<sup>45</sup> This is a particularly valuable lesson for countries looking to implement a reward programme for the first time, as interviews with representatives from Australian and UK government agencies, non-governmental organisations and the private sector often revealed a fundamental lack of knowledge, or knowledge based on incorrect assumptions, about the design, operation and impact of cash-for-information schemes.<sup>46</sup>

### Observation 3: Prioritise the message, not the messenger

A reward programme prioritises the significance of a whistleblower's information over their motivations for reporting. This represents a

profound shift in the concept of whistleblowing – from the act of a moralistic individual to the provision of an intelligence service. An intelligence-first mindset is essential for a mechanism designed to incentivise corporate whistleblowers because complicit insiders are often the most valuable sources of information about illicit financial activities. Moreover, evidence demonstrates that it is unrealistic to rely on whistleblowing as a tool to combat economic crime if professional enablers are expected to come forward purely out of the goodness of their hearts. However, it would also be unwise for policymakers to design a cash-for-information scheme without first measuring prevailing attitudes towards financially rewarding culpable whistleblowers within their jurisdiction.

While all UK interviewees provided anecdotal evidence of current attitudes towards whistleblowers, the literature review for this paper could not find recent research that quantified how UK policymakers, law enforcement professionals, private sector stakeholders and members of the public would react to a cash-for-information scheme. It is important to address this evidence gap because it may reveal a disconnect between institutional perceptions of public thinking and the reality. For instance, in Australia there have been long-held cultural biases against paying whistleblowers, with rewards often characterised as out of step with community expectations.<sup>47</sup> However, a 2023 survey of over 1,000 Australians found that a large majority would support financial rewards for individuals who exposed corporate wrongdoing.<sup>48</sup> If an effective cash-for-information scheme is to be designed, customised and implemented, policymakers need current data from within

44 Transparency International. (2021) *Track and trace: identifying corruption risks in UK public procurement for the Covid-19 pandemic*. <https://www.transparency.org.uk/sites/default/files/pdf/publications/Track%20and%20Trace%20-%20Transparency%20International%20UK.pdf>

45 Research interview: Former representative of government agency 1 (7 December 2023).

46 Research interviews: Representative of government agency 1 (19 December 2023); Representative of government agency 2 (19 December 2023); Representative of government agency 3 (19 December 2023); Representative of government agency 4 (25 January 2024); Representative of government agency 5 (25 January 2024); Representative of government agency 6 (9 February 2024); NGO representative 1 (8 November 2023); NGO representative 5 (9 January 2024); NGO representative 8 (5 February 2024); Private sector representative 1 (10 January 2024); Private sector representative 2 (6 February 2024).

47 Lombard, S. (2020). Regulatory policies and practices to optimize corporate whistleblowing: a comparative analysis. In S. Lombard, V. Brand & J. Austin (Eds.), *Corporate whistleblowing regulation: theory, practice, and design* (p. 25). Springer.

48 The Australia Institute. (2023, May). *Polling – whistleblowing & secrecy* (p. 10). <https://australiainstitute.org.au/wp-content/uploads/2023/05/Polling-Whistleblowing-and-secrecy-Web.pdf>



their jurisdictions on the prevalent perceptions of whistleblower rewards.

In addition to tailoring a reward programme to suit the legal and cultural context of a given country, proactive efforts should also be made where possible to shift attitudes and enhance understandings of a cash-for-information scheme prior to its implementation. Research assessing current perceptions of rewards could be undertaken to identify prevalent knowledge gaps and misconceptions about such programmes. These findings would then inform the development of initiatives to drive cultural change around whistleblowing by explaining its critical role in increasing the effectiveness of economic crime investigations and broader benefits to society. Educational efforts could be targeted to address the specific needs of key stakeholders, including the law enforcement and regulatory agencies responsible for managing whistleblower cases, as well as the legal professionals involved in prosecuting and adjudicating cases that rely on whistleblower evidence.

## Observation 4: Ongoing progress, not immediate perfection

Finally, a reward programme cannot be considered a “set and forget” strategy. Economic crime activities are constantly evolving to exploit and create regulatory vulnerabilities. Once a cash-for-information scheme has been implemented, it must be monitored to ensure that positive outcomes are amplified, and emerging negative consequences mitigated. Examples of US regulators adapting their remits in response to adverse outcomes that have developed after implementing a reward programme include the

SEC introducing the power to permanently bar individuals who repeatedly make frivolous claims; and the expanded powers of the SEC and CFTC to impose heavy fines on employers that illegally impede or prevent employees from reporting to an external regulator. This briefing note has also highlighted unintended consequences of US reward programmes that have emerged recently and could be resolved by design changes. These include concerns about allowing short-seller whistleblowers to receive rewards alongside trading profits derived from the same information, and potential distortions caused by insufficient transparency around regulatory reliance on the private legal sector.

All the current and former representatives of US and Canadian government agencies interviewed for this project described their experiences with reward programmes as a continuous learning process.<sup>49</sup> When the interviewees were asked what advice they would give to policymakers who were considering implementing an economic crime whistleblower reward programme, there was general agreement that an incremental approach is best. This involves starting with a reward programme of limited scope, preferably targeting the most egregious and high-value financial crimes, which could be gradually broadened as data is gathered and the programme’s impact is assessed. A measured approach is also advisable given the high-stakes context. If a whistleblower reward programme had to be unwound, it would send a dangerous message to white-collar criminals. By contrast, a successful pilot programme could reshape political, institutional and cultural attitudes towards financially rewarding whistleblowers, and play a pivotal role in establishing whistleblowing as an integral component in the fight against economic crime.

<sup>49</sup> Research interviews: Representative of government agency 7 (13 February 2024); Representative of government agency 8 (14 February 2024); Representative of government agency 9 (8 March 2024); Former representative of government agency 1 (7 December 2023); Former representative of government agency 2 (15 February 2024); Former representative of government agency 3 (20 February 2024).



# References

- Amir, E., Lazar, A., & Levi S. (2018). The deterrent effect of whistleblowing on tax collections. *European Accounting Review*, 75(5), 939-954.
- Australian Parliamentary Joint Committee on Corporations and Financial Services. (2017). *Whistleblower protections*. Commonwealth of Australia. [https://www.aph.gov.au/Parliamentary\\_Business/Committees/Joint/Corporations\\_and\\_Financial\\_Services/WhistleblowerProtections/~media/Committees/corporations\\_ctte/WhistleblowerProtections/report.pdf](https://www.aph.gov.au/Parliamentary_Business/Committees/Joint/Corporations_and_Financial_Services/WhistleblowerProtections/~media/Committees/corporations_ctte/WhistleblowerProtections/report.pdf)
- Berger, P. G., & Lee, H. (2022). Did the Dodd-Frank whistleblower provision deter accounting fraud? *Journal of Accounting Research*, 60(4), 1337-1378. <https://doi.org/10.1111/1475-679X.12421>
- Bigoni, M., Fridolfsson, S., Le Coq, C., & Spagnolo, G. (2012). Fines, leniency, and rewards in antitrust. *The RAND Journal of Economics*, 43(2), 368-390.
- Bolton, W. (2024, 14 February). Whistleblowers should be paid for their help, says serious fraud director. *The Telegraph*. <https://www.telegraph.co.uk/news/2024/02/14/whistleblower-payment-investigation-fraud-nick-ephgrave/>
- Breuer, L. (2013). Tax compliance and whistleblowing – the role of incentives. *The Bonn Journal of Economics*, 2(2), 7-45.
- Brown, A. J., Lawrence, S., Olsen, J., Rosemann, L., Hall, K., Tsahuridu, E., Wheeler, C., Macaulay, M., Smith, R., & Brough, P. (2019). *Clean as a whistle: a five step guide to better whistleblowing policy and practice in business and government*. Griffith University. <http://hdl.handle.net/1885/204871>
- Commodity Futures Trading Commission (CFTC). Whistleblower Rules, 17 CFR § 165 (2011). <https://www.ecfr.gov/current/title-17/part-165>
- Commodity Futures Trading Commission (CFTC). (2023). *Whistleblower program & customer education initiatives: 2023 annual report*. <https://www.whistleblower.gov/sites/whistleblower/files/2023-10/FY23%20Customer%20Protection%20Fund%20Annual%20Report%20to%20Congress.pdf>
- Dey, A., Heese, J., & Pérez-Cavazos, G. (2021). Cash-for-information whistleblower programs: effects on whistleblowing and consequences for whistleblowers. *Journal of Accounting Research*, 59(5), 1689-1740. <https://doi.org/10.1111/1475-679X.12370>
- Dyck, A., Morse, A., & Zingales, L. (2010). Who blows the whistle on corporate fraud? *The Journal of Finance*, 65(6), 2213-2253.
- Financial Conduct Authority & Prudential Regulation Authority. (2014, July). *Financial incentives for whistleblowers*. <https://www.fca.org.uk/publication/financial-incentives-for-whistleblowers.pdf>
- Gaydon, D. J., & Boyle, D. J. (2023). The effects of whistleblower program financial incentives and administration on financial managers' reporting judgments. *Journal of Forensic Accounting Research*, 8(1), 387-404. <https://doi.org/10.2308/jfar-2022-026>
- Government Accountability Project. (2016, 18 February). *Why whistleblowers wait: recommendations to improve the Dodd Frank law's SEC whistleblower awards program*. <https://whistleblower.org/resources/reports-and-publications/why-whistleblowers-wait-recommendations-to-improve-the-dodd-frank-laws-sec-whistleblower-awards-program/>
- IRS Whistleblower Office. (2023). *Fiscal year 2023 annual report*. <https://www.irs.gov/pub/irs-pdf/p5241.pdf>
- Iwasaki, M. (2018). Effects of external whistleblower rewards on internal reporting. *Harvard John M. Olin Fellow's Discussion Paper Series No. 76*. <http://dx.doi.org/10.2139/ssrn.3188465>
- Kohn, S., & Schepis, G. (2022, 29 August). Fraudsters pay – the public profits: a cost-benefit analysis of whistleblower reward laws. *Whistleblower & Qui Tam Blog, The National Law Review*. <https://www.natlawreview.com/article/fraudsters-pay-public-profits-cost-benefit-analysis-whistleblower-reward-laws>
- Lombard, S. (2020). Regulatory policies and practices to optimize corporate whistleblowing: a comparative analysis. In S. Lombard, V. Brand & J. Austin (Eds.), *Corporate whistleblowing regulation: theory, practice, and design* (pp. 3-35). Springer.
- Mesmer-Magnus, J. R., & Viswesvaran, C. (2005). Whistleblowing in organizations: an examination of correlates of whistleblowing intentions, actions, and retaliation. *Journal of Business Ethics*, 62(3), 277-297.

- Nyreröd, T., & Spagnolo, G. (2021a). A fresh look at whistleblower rewards. *Journal of Governance & Regulation*, 10(4), 248-260. <https://doi.org/10.22495/jgrv10i4siart5>
- Nyreröd, T., & Spagnolo, G. (2021b). Myths and numbers on whistleblower rewards. *Regulation & Governance*, 15(1), 82-97.
- Ontario Securities Commission (OSC) Policy 15-601 Whistleblower Program (2022). [https://www.osc.ca/sites/default/files/2022-05/pol\\_20220429\\_15-601\\_unofficial-consolidation.pdf](https://www.osc.ca/sites/default/files/2022-05/pol_20220429_15-601_unofficial-consolidation.pdf)
- Ontario Securities Commission (OSC). (2023, March). *Update on the OSC whistleblower program 2016 to 2022*. <https://www.osc.ca/sites/default/files/2023-03/OSC-Whistleblower-Program-Update-Report-20230309.pdf>
- Parliamentary Commission on Banking Standards. (2013, June). *Changing banking for good: volume II*. The Stationery Office Limited. <https://www.parliament.uk/globalassets/documents/banking-commission/Banking-final-report-vol-ii.pdf>
- Platt, A. I. (2022). The whistleblower industrial complex. *Yale Journal on Regulation*. <http://dx.doi.org/10.2139/ssrn.4112398>
- Platt, A. I. (2024). The shortseller enrichment commission?: whistleblowers, activist short sellers, and the new privatization of public enforcement. *Washington Law Review*, 99. <https://ssrn.com/abstract=4744972>
- Raleigh, J. (2020). The deterrent effect of whistleblowing on insider trading. *Journal of Financial and Quantitative Analysis*. <http://dx.doi.org/10.2139/ssrn.3672026>
- Rodrigues, U. (2022). Optimizing Whistleblowing. *Temple Law Review*, 94(2), 255-311. [https://digitalcommons.law.uga.edu/fac\\_artchop/1425/](https://digitalcommons.law.uga.edu/fac_artchop/1425/)
- Schmolke, K. U. (2021). Compensation, but no rewards for whistleblowers? – Some thoughts on the introduction of financial incentive programmes in the wake of the EU whistleblower directive's transposition. *Zeitschrift für Europäisches Privatrecht*, 82-107. <https://ssrn.com/abstract=3838738>
- Securities and Exchange Commission (SEC), Securities Whistleblower Incentives and Protections, 17 CFR § 240. (2020). <https://www.ecfr.gov/current/title-17/chapter-II/part-240/subpart-A/subject-group-ECFRb2e3d441a9eedff?toc=1>
- Securities and Exchange Commission (SEC). (2020). *2020 annual report to Congress on the Dodd-Frank whistleblower program*. [https://www.sec.gov/files/2020\\_owb\\_annual\\_report.pdf](https://www.sec.gov/files/2020_owb_annual_report.pdf)
- Securities and Exchange Commission (SEC). (2021). *2021 annual report to Congress on the Dodd-Frank whistleblower program*. <https://www.sec.gov/files/owb-2021-annual-report.pdf>
- Securities and Exchange Commission (SEC). (2022). *2022 annual report to congress on the Dodd-Frank whistleblower program*. [https://www.sec.gov/files/2022\\_ow\\_ar.pdf](https://www.sec.gov/files/2022_ow_ar.pdf)
- Securities and Exchange Commission (SEC). (2023). *2023 annual report to Congress on the Dodd-Frank whistleblower program*. <https://www.sec.gov/files/fy23-annual-report.pdf>
- The Australia Institute. (2023, May). *Polling – whistleblowing & secrecy*. <https://australiainstitute.org.au/wp-content/uploads/2023/05/Polling-Whistleblowing-and-secrecy-Web.pdf>
- Transparency International. (2021). *Track and trace: identifying corruption risks in UK public procurement for the Covid-19 pandemic*. <https://www.transparency.org.uk/sites/default/files/pdf/publications/Track%20and%20Trace%20-%20Transparency%20International%20UK.pdf>
- Wiedman, C., & Zhu, C. (2018, 24 February). *Do the SEC whistleblower provisions of Dodd-Frank deter aggressive financial reporting?* Canadian Academic Accounting Association Annual Conference. <http://dx.doi.org/10.2139/ssrn.3105521>

The Serious Organised Crime & Anti-Corruption Evidence (SOC ACE) research programme aims to help 'unlock the black box of political will' for tackling serious organised crime, illicit finance and transnational corruption through research that informs politically feasible, technically sound interventions and strategies. Funded by the UK's Foreign, Commonwealth & Development Office (FCDO), SOC ACE is a component of the Anti-Corruption Evidence (ACE) research programme, alongside Governance & Integrity ACE (GI ACE) and SOAS ACE. SOC ACE is managed by the University of Birmingham, working in collaboration with a number of leading research organisations and through consultation and engagement with key stakeholders.

SOC ACE is funded by the UK Foreign, Commonwealth, & Development Office. The views expressed here do not necessarily reflect the UK Government's official policies.

© Crown Copyright 2024.

## Find out more

[www.socace-research.org.uk](http://www.socace-research.org.uk)

 Follow us on LinkedIn: [www.linkedin.com/company/socace-research](https://www.linkedin.com/company/socace-research)

SOC ACE | University of Birmingham | Birmingham | B15 2TT | United Kingdom



UNIVERSITY OF  
BIRMINGHAM



UK Government