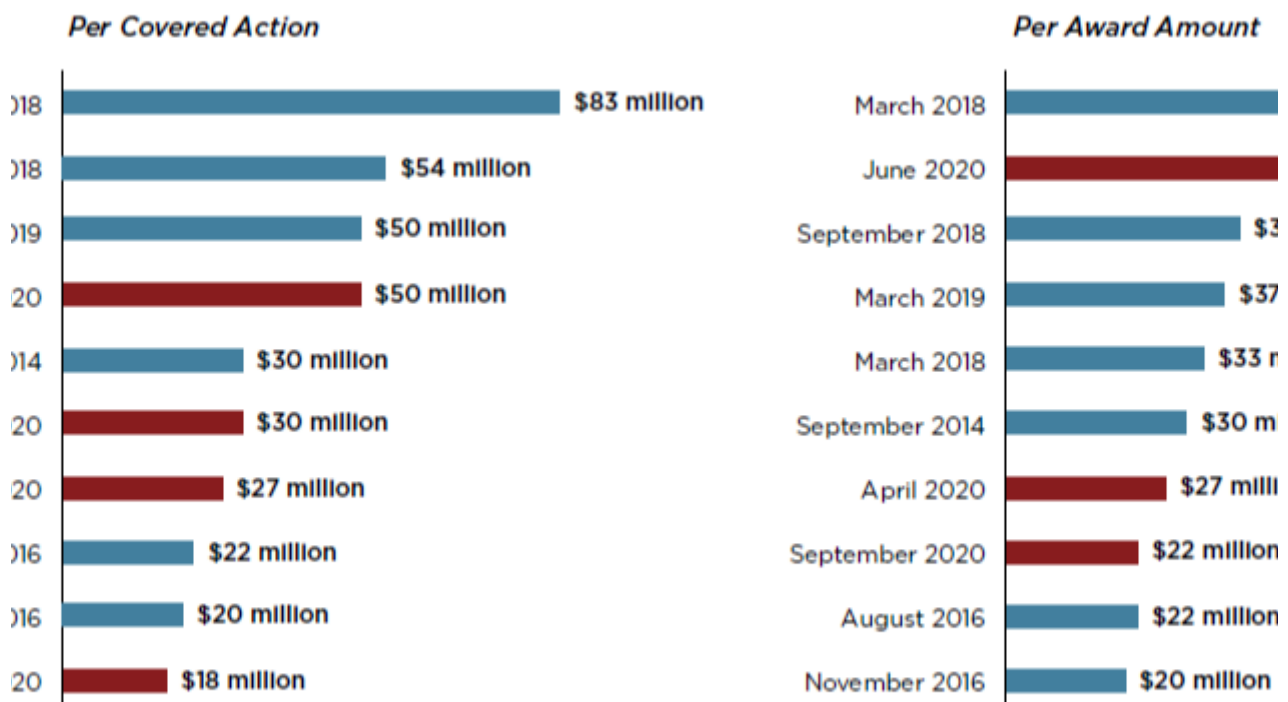


Review of the SEC Whistleblower Program: At the Crossroads of Securities Law and Whistleblower Protection

Corporate Defense and Disputes Blog on May 26, 2021

Fiscal year 2020 marked the ten-year anniversary of the Dodd-Frank Wall Street Reform and Consumer Protection Act establishing the Securities and Exchange Commission’s whistleblower program. Since its inception through the end of FY2020, the SEC has awarded approximately \$562 million to 106 individuals. Even a decade after it was created, the whistleblower program continues to break its own records; in 2020, the SEC issued several awards landing in the top 10 whistleblower awards of all time.

TOP 10 SEC WHISTLEBLOWER AWARDS



From program inception to end of Fiscal Year 2020, the SEC awarded approximately \$562 million to 106 individuals.

Source: SEC’s [2020 Annual Report to Congress on the Dodd-Frank Whistleblower Program](#)

We can already tell that FY2021 will be **another** record-breaking year. In the **first 8 months** of FY2021, the SEC has granted an additional \$339 million to 57 individuals. This represents more than a third of the total \$901 million awarded to 163 separate individuals since the SEC issued its first award pursuant to this program in 2012. This includes an award of \$114 million in October 2020, the largest single award in the program's history, which was covered in this recent [post](#).

It's sometimes difficult to get a sense of what warrants these large awards. Typically, publicly available orders relating to whistleblower awards are heavily redacted, especially the subject matter underlying the whistleblower tip and alleged misconduct. However, at the end of each month, the SEC [publishes](#) Notices of Covered Action ("NoCA") for every SEC enforcement action that results in monetary sanctions of over \$1 million by a final judgment or order, by itself or together with other judgments or orders in the same action. Individuals seeking a whistleblower award have 90 calendar days from the date that the NoCA is posted to apply.

Although a NoCA does not indicate whether a whistleblower tip, complaint, or referral led the SEC to open an investigation or file an action, a survey of the monthly NoCA postings will provide helpful insight into the types of actions and issues that have been the subject of recent SEC enforcement actions, some of which may be the basis for future whistleblower award.

In light of the ongoing growth of the SEC whistleblower program, [Proskauer's Whistleblower Defense](#) and [Corporate Dispute and Defense](#) blogs will provide a periodic coverage of the program, including a monthly review of the NoCA postings.

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