

# DOJ Announces Development of a Pilot Whistleblower Rewards Program

**Proskauer Whistleblower Defense** on **March 21, 2024**

On March 7, 2024, Deputy Attorney General Lisa Monaco [announced](#) that the U.S. Department of Justice (“DOJ”) is creating a pilot whistleblower rewards program, which will be developed and implemented over the next 90 days, with a formal start date to be announced later in 2024.

According to the announcement, individuals who assist the DOJ in “discover[ing] significant corporate or financial misconduct” could be eligible under the program to receive a portion of any resulting forfeiture. The stated goals of the program are to “create new incentives for individuals to report misconduct to the [DOJ]” and “drive companies to invest further in their own internal compliance and reporting systems.”

As a reminder, the DOJ has statutory authority under 28 U.S.C. § 524 (c)(1)(C) to pay awards for “information or assistance leading to a civil or criminal forfeiture.” As frequently discussed on this blog, other federal agencies, such as the SEC and CFTC, have implemented similar whistleblower rewards programs, and we have reported on several enormous awards handed out under those programs, including a record-shattering \$279 million award [announced](#) last year. The announcement noted that the DOJ’s program is designed to improve upon and supplement this “patchwork quilt” of initiatives.

While the details of the program will be sorted out in the coming months, the announcement laid out some “basic guardrails.” Specifically, the DOJ would *only* offer payments to whistleblowers:

- (i) after all victims have been compensated properly;
- (ii) to individuals who submit truthful information that is not already known to the government;
- (iii) to individuals who are not themselves involved in the alleged criminal activity; and

- (iv) in cases where there is not “an existing financial disclosure incentive,” which includes *qui tam* or other federal whistleblower programs.

The DOJ made clear to potential whistleblowers that it will accept information about violations of all federal laws, but would be particularly interested in targeting violations related to “[c]riminal abuses of the U.S. financial system,” “[f]oreign corruption cases outside the jurisdiction of the SEC, including FCPA violations by non-issuers and violations of the recently enacted Foreign Extortion Prevention Act,” and “[d]omestic corruption cases, especially involving illegal corporate payments to government officials.”

The next day, on March 8, 2024, Acting Assistant Attorney General Nicole Argentieri [discussed](#) the initiative in greater detail. Argentieri stated that the DOJ’s Money Laundering and Asset Recovery Section (“MLARS”) would be partnering closely with U.S. Attorneys, the FBI and other DOJ offices to develop guidelines for the program. Argentieri also reiterated that the DOJ anticipates the program will be useful in “developing foreign corruption cases that are outside the jurisdiction of the SEC, including FCPA violations by non-issuers.” As another possible guardrail, Argentieri added that the DOJ expects to establish a monetary threshold to be eligible for rewards under the program, which could be similar to the current threshold in the SEC and CFTC whistleblower programs of at least a \$1 million agency sanctions order.

## Takeaways

With this announcement, the DOJ is giving whistleblowers strong incentives to disclose potential violations of federal law as early as possible, so as to be eligible for rewards under the soon-to-be implemented program. Based on the DOJ’s statements on what sorts of violations it will focus on, we anticipate seeing a rise in federal prosecutions under various laws over the next few years that do not fall under the more limited jurisdiction of the SEC or CFTC. As always, we will monitor this important development and report on any updates.

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