

Washington State Citizens Provide Unlikely Source of SEC Whistleblower Tips

January 28, 2013

CNBC published an article earlier this month which pointed out an interesting fact about the [2012 Annual Report](#) released by the Securities and Exchange Commission ("SEC") Office of the Whistleblower, which we [blogged about](#) in November of last year. The [CNBC article](#) noted an aspect of the report that we had failed to pick up on in our initial summary of the report: specifically, the presence of the state of Washington among the states whose citizens had submitted the greatest number of [whistleblower tips](#) to the SEC. Citizens of the state of Washington submitted 102 whistleblower tips to the SEC, the fifth highest number from any state in the country. The four states whose citizens produced a higher number of whistleblower submissions were California, Texas, New York, and Florida – the four largest state economies in the country. Those four states combine to form almost 35 percent of the nation's GDP, whereas Washington accounts for just about 2.5 percent of the country's economy. The CNBC article entertained a couple reasons for why the state might be playing an outsized role in [SEC whistleblower submissions](#). One theory advanced is that the numbers were merely a product of chance – the SEC whistleblower program is only one year old, and the 3,000 tip sample is far from unassailable. The article also noted, however, that the large number of submissions may have come due to a particular corrupt culture at one or more of the very large corporations which call the state their home, including Microsoft, Amazon, Starbucks, Costco, and, of particular interest right now, Boeing. Readers of our corporate whistleblower blog might have read last week about the fact that [Boeing is currently under investigation](#) following recent failures of the company's newly released 787 Dreamliner. While the whistleblowers discussed in that article were focused on concerns of air safety rather than the sorts of financial disclosures which would form the basis of an SEC submission, it remains to be seen what more will come to light about the company.