

# SEC Award Totals May Increase Significantly in 2017

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Although 2016 was a big payout year for whistleblowers who provided information to the U.S. Securities and Exchange Commission's ("SEC") Whistleblower Program, 2017 is projected to be even bigger. The [SEC Whistleblower Program](#) rewards individuals who voluntarily provide information that helps the SEC identify securities violations and successfully enforce the law. Since its enactment in 2011, the program has attracted several important tips that have led to successful enforcement actions. These successful tips, in turn, led to [significant payouts to the whistleblowers](#) who came forward with the original information that led to the enforcement action.

## SEC Whistleblower Payouts to Date

Since the program's creation, the SEC has received more than 14,000 tips, with an estimated 4,000 generated just last year. In total, the SEC has awarded over \$107 million to approximately 33 whistleblowers since 2011. Notably, the SEC awarded approximately half of that number, namely \$48.5 million, to whistleblowers in 2016 alone. That number is comprised of approximately \$26 million awarded to ten individual whistleblowers and a whopping \$22.5 million awarded to a single whistleblower who helped uncover accounting fraud at his former place of employment, Monsanto. These award totals could significantly increase in the coming months.

## SEC Whistleblower Cases to Watch

According to a recent [Wall Street Journal article](#), three whistleblowers are poised to collect roughly \$100 million for information they provided to the SEC exposing alleged mistreatment of foreign-currency trading clients by State Street Corp. and Bank of New York Mellon Corp. This award would be the largest to date. Given that the frequency and size of the awards granted under the SEC's Whistleblower Program have steadily increased to date, it is likely that an award of this size will only encourage more tips to regulators in 2017 and beyond. In short, the SEC's Whistleblower Program has proved to be a critical tool to help the government expose fraud, and there is little doubt that the quality and number of viable tips will only increase.

## The Value of Whistleblower Protections

Even though providing information to the government that could lead to the prosecution of one's employer is often an intimidating idea, potential internal whistleblowers should keep in mind the important role they play as watchdogs on fraud. Indeed, the SEC's ability to detect and uncover many types of financial fraud is often limited by its inability to view and understand the inner workings of a company. Some categories of fraud that the SEC has stated that whistleblowers provide invaluable assistance uncovering, include issuer reporting and disclosure frauds, offering frauds and Ponzi schemes, and violations of the [Foreign Corrupt Practices Act](#). Employees are often in the best position to provide the government viable information about these frauds because of their visibility into the inside workings of the company, and therefore their role cannot be understated. The SEC recognizes the precarious situation whistleblowers put themselves in when they come forward with this

information and, for that reason, have rules in place that both protect the confidentiality of whistleblowers and shield them against retaliation.