

SEC Issues More than \$54 Million to Two Whistleblowers

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On September 6, 2018, the SEC Office of the Whistleblower awarded \$39 million to one whistleblower and \$15 million to another. The \$39 million award is the second-largest award in the history of the program, behind a \$50 million award made in [March](#) of this year.

The Chief of the SEC Office of the Whistleblower, Jane Norberg, said in a [press release](#) that “[w]histleblowers serve as invaluable sources of information, and can propel an investigation forward by helping us overcome obstacles and delays in investigation.” She added, “[t]hese substantial awards send a strong message about the SEC’s commitment to whistleblowers and the value they bring to the agency’s mission.”

According to the [Order](#), the first whistleblower’s award was slightly reduced based on delay in reporting the misconduct. This reduction, however, was smaller than usual because the majority of the time period during which the whistleblower failed to report predated the SEC whistleblower program.

In addition, the second whistleblower provided information in connection with an earlier investigative interview, which the SEC found to be an involuntary submission. However, because the whistleblower did not know the information at the time of the interview and promptly informed the SEC upon discovery, the SEC granted an award as a limited waiver of the voluntariness requirement.

Also, both whistleblowers’ respective related-action claims were denied. The first was denied because the original information did not lead to a successful agency action in another action. The second was denied because an additional waiver related to a second agency’s action was not in the public interest. The SEC said allowing whistleblowers to recover funds both under its program and a separate program “for the same action would produce the irrational result of encouraging multiple ‘bites of the apple’ in adjudicating claims for the same action.”

An award for a third claimant was denied, as the information he or she provided did not lead to a successful covered action.

Since its first award in 2012, the SEC has awarded more than \$320 million to 57 individuals.

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