

U.S. Senate Introduces Bill to Extend Dodd-Frank Whistleblower Protections

Proskauer Whistleblower Defense on October 29, 2019

On September 25, 2019, a bipartisan group of U.S. Senators <u>introduced</u> the Whistleblower Programs Improvement Act (the "Act"), which would extend antiretaliation protections under the Dodd-Frank Act to internal complaints. The Act mirrors a bill introduced in the House of Representatives earlier this year in direct response to the U.S. Supreme Court's holding in *Digital Realty Trust, Inc. v. Somers*, 138 S. Ct. 767 (2018), in which the Court unanimously held that Dodd-Frank's anti-retaliation provision only applied to individuals who provide information regarding a violation of securities law to the SEC (we reported on the House bill <u>here</u>).

The SEC reported that in 2018, the vast majority of employees or former employees who received awards pursuant to whistleblower protections initially raised their concerns internally with their employer. Under the Supreme Court's current definition of a whistleblower, employees are not protected from retaliation under Dodd-Frank unless they provide information to the SEC. The Act would expand the anti-retaliation protections to include employees who report concerns about violations of securities laws internally to their employers before or instead of reporting to the SEC. The Act also aims to improve how quickly successful whistleblowers could receive a monetary award. If passed, the Act would require the SEC to decide within one year whether the whistleblower will receive a monetary award.

We will continue to monitor this legislation and keep our readers posted.

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