

SEC Releases FY 2021 Whistleblower Program Annual Report

Proskauer Whistleblower Defense Blog on **December 1, 2021**

On November 15, 2021, the SEC published its annual [report](#) to Congress covering the period from October 1, 2020 to September 30, 2021. The report was prepared by the SEC's Office of the Whistleblower to summarize its whistleblower bounty program, report on the program's recent dramatic growth, and highlight key amendments to the SEC's whistleblower program rules.

Record-Breaking Awards for Whistleblower Bounty Program

The report reveals that in FY 2021, the whistleblower program experienced the largest number of submissions to the program and the largest number of award recipients. The SEC paid out more in whistleblower awards this fiscal year than in all previous years combined.

The SEC received more than 12,200 whistleblower tips; an increase of 76% from FY 2020.

The tips were received from 99 different countries and all 50 states. The most common violations reported included: Manipulation (25%), Corporate Disclosures and Financials (16%), Offering Fraud (16%), Trading and Pricing (6%), and Initial Coin Offerings and Cryptocurrencies (6%).

Overall, the SEC awarded approximately \$564 million to 108 individuals in FY 2021, including the two largest single award payouts to date—[\\$114 million](#) in October 2020 and [\\$110 million](#) in September 2021—which brought the total amount the SEC has awarded to whistleblowers since the program's inception to \$1.1 billion.

Amendments to Whistleblower Program Rules

The SEC adopted several changes to its whistleblower program effective as of December 2020, including to its award-setting procedures and to the definition of a "whistleblower" (see our post on those changes [here](#)). According to the report, these amendments "increased efficiencies around the review and processing of whistleblower award claims."

Under the new rules, the SEC issued two permanent bar orders against serial submitters who were responsible for hundreds of frivolous award applications.

The report also noted that in August 2020, the new SEC Chair, Gary Gensler, directed staff to consider revisions to two amendments that could have discouraged tips by allowing the SEC to limit the size of some of the largest awards and to unilaterally deny “related action” awards where there is another applicable whistleblower award program.

[View Original](#)

[Related Professionals](#)

- **Steven J. Pearlman**

Partner