

[Securities Regulation Daily Wrap Up, TOP STORY—SEC awards two whistleblowers \\$50 million payout, \(Mar. 26, 2019\)](#)

Securities Regulation Daily Wrap Up

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A whistleblower received the highest award so far this year, and the third-highest since March 2018.

The SEC announced that two whistleblowers were awarded a total of \$50 million for information leading to a successful enforcement action. One whistleblower received \$37 million and the other was awarded \$13 million (*Order Determining Whistleblower Award Claims*, [Release No. 34-85412](#), March 26, 2019).

There were several claimants to the award: Claimant #1, Claimant #2, Claimant #4, and Claimant #7. The Commission found that Claimants #1 and #2 provided original information to the Commission that led to a successfully settled cease-and-desist proceeding. Claimant #2 acted quickly to provide significant information that was critical to the success of the action and was awarded over \$37 million. The Commission noted that Claimant #1 unreasonably delayed in reporting information and passively financially benefitted from the underlying misconduct during some of that delay; Claimant #1 was awarded over \$13 million.

The applications of Claimants #4 and #7 were denied. The order said that Claimant #4's information did not contribute to the successful enforcement of this action. Claimant #7's claim was untimely.

Third-largest recent award. According to the Commission, the \$37 million award to Claimant #2 is the Commission's third-highest award to date after [\\$50 million](#) was awarded in March 2018 to joint whistleblowers and an award of over [\\$39 million](#) announced in September 2018. The [press release](#) also notes that approximately \$376 million has been awarded to 61 individuals since the first award in 2012. Whistleblower payments are made from an investor protection fund established by Congress that it financed via sanctions paid by violators to the SEC. The awards can range from 10 percent to 30 percent of the money collected when the monetary sanctions exceed \$1 million.

Jane Norberg, Chief of the SEC's Office of the Whistleblower said: "Whistleblowers like those being awarded today may be the source of 'smoking gun' evidence and indispensable assistance that strengthens the agency's ability to protect investors and the capital markets." She added: "These awards show how critically important whistleblowers can be to the agency's investigation and ability to bring a case to successful and efficient resolution."

The release is [No. 34-84512](#).

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