

May 11, 2015

SEC Grants Million-Dollar Whistleblower Award

[PUBLIC COMPANIES](#)
[BY DONALD APPLGARTH](#)

In April, the Securities and Exchange Commission announced an award of more than a million dollars to a compliance professional who provided information that assisted the SEC in an enforcement action against the whistleblower's company.

The award was granted to a compliance officer who had a reasonable basis to believe that disclosure to the SEC was necessary to prevent imminent misconduct from causing substantial financial harm to the company or investors.

"When investors or the market could suffer substantial financial harm, our rules permit compliance officers to receive an award for reporting misconduct to the SEC," said Andrew Ceresney, Director of the SEC's Division of Enforcement. "This compliance officer reported misconduct after responsible management at the entity became aware of potentially impending harm to investors and failed to take steps to prevent it."

The whistleblower in this matter will receive between \$1.4 million and \$1.6 million. Whistleblower awards can range from 10 percent to 30 percent of the money collected in a successful enforcement action with sanctions exceeding \$1 million. By law, the SEC must protect the confidentiality of whistleblowers and cannot disclose information that might directly or indirectly reveal their identities.

SEC Whistleblower Program

Since its inception in 2011, the SEC's whistleblower program has paid more than \$50 million to 16 whistleblowers who provided the SEC with unique and useful information that contributed to a successful enforcement action. All payments are made out of an investor protection fund established by Congress that is financed entirely through monetary sanctions paid to the SEC by securities law violators. No money is taken or withheld from harmed investors to pay whistleblower awards.

This is the second award the SEC has made to an employee with internal audit or compliance responsibilities. [Visit the SEC's website for more information about the whistleblower program and how to report a tip](#)

[Contact us with questions about the SEC and/or services that Schneider Downs can provide for public companies.](#)

You've heard our thoughts... We'd like to hear yours

The Schneider Downs Our Thoughts On blog exists to create a dialogue on issues that are important to organizations and individuals. While we enjoy sharing our ideas and insights, we're especially interested in what you may have to say. If you have a question or a comment about this article – or any article from the Our Thoughts On blog – we hope you'll share it with us. After all, a dialogue is an exchange of ideas, and we'd like to hear from you. Email us at contactSD@schneiderdowns.com.

Material discussed is meant for informational purposes only, and it is not to be construed as investment, tax, or legal advice. Please note that individual situations can vary. Therefore, this information should be relied upon when coordinated with

individual professional advice.

© 2019 Schneider Downs. All rights-reserved. All content on this site is property of Schneider Downs unless otherwise noted and should not be used without [written permission](#).