



U.S. Securities and  
Exchange Commission

Press Release

---

## **SEC Awards More Than \$14 Million to Whistleblower**

2013-209

*Washington D.C., Oct. 1, 2013*

The Securities and Exchange Commission today announced an award of more than \$14 million to a whistleblower whose information led to an SEC enforcement action that recovered substantial investor funds. Payments to whistleblowers are made from a separate fund previously established by the Dodd-Frank Act and do not come from the agency's annual appropriations or reduce amounts paid to harmed investors.

The award is the largest made by the SEC's whistleblower program to date.

The SEC's Office of the Whistleblower was established in 2011 as authorized by the Dodd-Frank Act. The whistleblower program rewards high-quality original information that results in an SEC enforcement action with sanctions exceeding \$1 million, and awards can range from 10 percent to 30 percent of the money collected in a case.

"Our whistleblower program already has had a big impact on our investigations by providing us with high quality, meaningful tips," said SEC Chair Mary Jo White. "We hope an award like this encourages more individuals with information to come forward."

The whistleblower, who does not wish to be identified, provided original information and assistance that allowed the SEC to investigate an enforcement matter more quickly than otherwise would have been possible. Less than six months after receiving the whistleblower's tip, the SEC was able to bring an enforcement action against the perpetrators and secure investor funds.

"While it is certainly gratifying to make this significant award payout, the even better news for investors is that whistleblowers are coming forward to assist us in stopping potential fraud in its tracks so that no future investors are harmed," said Sean McKessy, chief of the SEC's Office of the Whistleblower. "That ultimately is what the whistleblower program is all about."

The SEC's first payment to a whistleblower was made in August 2012 and totaled approximately \$50,000. In August and September 2013, more than \$25,000 was awarded to three whistleblowers who helped the SEC and the U.S. Department of Justice halt a sham hedge fund, and the ultimate total payout in that case once all sanctions are collected is likely to exceed \$125,000.

By law, the SEC must protect the confidentiality of whistleblowers and cannot disclose any information that might directly or indirectly reveal a whistleblower's identity.

For more information about the whistleblower program and how to report a tip, visit [www.sec.gov/whistleblower](http://www.sec.gov/whistleblower).