

## TEN YEARS OF WHISTLEBLOWER PROTECTIONS AND AWARDS

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*Whistleblowing plays an important role in various aspects of society. In the United States, the Securities and Exchange Commission's Office of the Whistleblower has been providing both awards and protections for whistleblowers who report potential securities laws violations for more than 10 years. Since its inception in 2010 as part of the Dodd-Frank Wall Street Reform and Consumer Protection Act, it has awarded more than \$900 million in whistleblower awards, with the first whistleblowing award being made in 2012. The individuals who report the suspected wrongdoing to the SEC are protected from retaliation by their employer and the SEC does not publicly release the names or identifying information about whistleblowers. In September, 2020, the Securities and Exchange Commission adopted amendments to the rules of the whistleblowing program. The goal of the amendments was to enhance clarity, efficiency and transparency to the whistleblower award program. This paper discusses the recent amendments as well as some recent high dollar awards. The US SEC Whistleblower Program is also compared to the recently adopted EU Directive on Whistleblower Protection in Europe. Recommendations for future research on whistleblowing are provided.*

**Keywords:** Whistleblowing, hotlines, SEC

**1. INTRODUCTION:**

Previous research has shown that whistleblowing is prevalent in many aspects of today's society, including government, environment, public health and safety, and accounting (Sanchez et al., 2020). In 2020, there were numerous high profile news stories involving whistleblowers. Some of these include a medical doctor in China who tried to warn other doctors about COVID-19 back in December of 2019, an employee of the Russian state environmental agency who blew the whistle on a massive arctic oil spill in Siberia, and the Transportation Security Administration (TSA) federal security director filing a whistleblower complaint alleging gross mismanagement and failure to protect the public from COVID-19. In 2020, the SEC had an all-time record number of whistleblower claims processed and number of awards to whistleblowers (SEC, 2021a).

Whistleblowing continues to be an important topic and appears to be only growing in importance and in areas of use. For example, the global COVID-19 pandemic has led to violations of health and safety regulations in workplaces, and employees who report health and safety concerns need to know that they are protected from retaliation by their employers. In the United States, the US Department of Labor Office of Inspector General Audit (OIG) recently issued a report indicating that the Occupational Safety and Health Administration (OSHA) needs to improve its handling of whistleblowing complaints during the COVID-19 pandemic (OIG, 2020). The report notes that, "The Occupational Safety and Health Administration's (OSHA) Whistleblower Program enforces 23 statutes that prohibit employers from retaliating against employees when they report employer violations of various workplace safety, consumer product, environmental, financial reform, and securities laws." The report concluded that the pandemic has significantly increased the number of whistleblowing tips to OSHA and that OSHA is challenged to investigate and resolve the whistleblowing complaints in a timely manner. The report provides recommendations for improvement to OSHA.

As another example of the growing importance of whistleblowing, recently, and for the second time in two years, the asset management firm Trillium Asset Management LLC filed a shareholder proposal with Google's parent company, Alphabet, asking the board to oversee a third party review of the company's