With over 10,000 whistleblower tips since 2011, the Securities and Exchange Commission ("SEC") recently unveiled its most detailed portrait yet of the whistleblowers who have received awards under the SEC incentive program created by the Dodd-Frank Wall Street Reform and Consumer Protection Act.

According to its 2014 SEC Annual Report to Congress on the Dodd-Frank Whistleblower Program, 14 whistleblowers have received whistleblower awards under the whistleblower program, including 9 awards in the last fiscal year. The Report notes that 40 percent of whistleblowers were current or former employees of the accused wrongdoers, 20 percent were contractors or consultants, and the remaining whistleblowers were investors, acquaintances of the accused, or professionals working in the same industry. Presumably, many whistleblowers hope for a big bounty when they contact the SEC. But while there has been much focus on those who receive awards—including a recent award of between $30-35 million award to a foreign national—it is worth noting that only a very small fraction of whistleblowers have actually received payouts under the program. In fact, the SEC Office of the Whistleblower publicly posts orders that set forth the final disposition of applications for whistleblower awards, whether an award or a denial. A majority of those posted orders reflect denials of whistleblower awards, based on a number of different reasons. For example, the SEC has denied multiple awards for a claimant's failure to demonstrate that he or she provided original information that led to successful enforcement of an action. The SEC also has denied applications where there was a failure to apply for an award within 90 days of a Notice of Covered Action (a requirement which, incidentally, the SEC can waive in its sole discretion). And in one order, the SEC denied a whistleblower award because the claimant routinely lied to SEC staff. In short, with only 14 of 10,193 whistleblower tips leading to awards to date, it is obvious that reporting alleged violations of securities laws to the SEC often does not result in a payday.

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