

## **SEC's Strategic Plan Includes Reliance on Whistleblower Tips**

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It's good to hear that the U.S. Securities and Exchange Commission ("SEC") remains committed to the Whistleblower Program that has begun to pay out significant awards to individuals who provide the SEC with information regarding potential violations of the nation's securities laws. The SEC recently released a draft of its [2014-2018 Strategic Plan](#) for public comment. Among other objectives, the SEC announced that it intended to continue to "promptly detect[] and deter[] violations of the federal securities laws." As the SEC explained in its draft Strategic Plan, "Violations of the securities laws have a tremendous impact on investors. Accordingly, prompt detection of potential securities law violations is important in limiting the harm caused to investors. By identifying violations early, the SEC seeks to punish wrongdoers promptly, correct violative behavior in the financial markets before it proliferates, stop fraud and manipulation before it affects a large number of investors, and locate and preserve investors' assets before they are lost or dissipated." In pursuit of these goals, the SEC proposed that it would "improve management of tips, complaints, and referrals" and "build upon the establishment and successes of the Office of the Whistleblower." The SEC stated that it would "continue to encourage individuals and entities with timely, credible and specific information about potential securities law violations to provide information," and reminded potential tipsters that whistleblowers stood to receive up to 30 percent of any amounts collected by the government as a result of original information they provide to the SEC. Moreover, the SEC noted that it would test the success of this effort going forward by tracking the metric of how many SEC investigations or inquiries originated from an SEC whistleblower tip or complaint. [David J. Marshall](#), a partner with Katz, Marshall & Banks, LLP, who represents whistleblowers in the [SEC Whistleblower Program](#), commented that the SEC's Strategic Plan is yet another sign that the whistleblower program is proving to be of great value to the SEC and to the investing public. "I expect 2014 to be a banner year for the program," Marshall said. "The SEC has received thousands of tips, and a good number of those tips the commission chose to investigate should be resulting in successful enforcement actions in the coming period. We should see more awards this year and hopeful sizeable ones."