

U.S. Department of Justice

Corporate Whistleblower Awards Pilot Program

The Department of Justice is launching a new initiative to crack down on corporate crime: the **Corporate Whistleblower Awards Pilot Program**. Starting August 1, 2024, whistleblowers can submit original information to DOJ's Criminal Division about certain types of corporate crime by visiting www.justice.gov/CorporateWhistleblower. If DOJ's prosecution results in asset forfeiture, the whistleblower may be eligible for a portion of that forfeiture.

- **Filling important gaps in existing federal whistleblower programs.** DOJ's pilot program is modeled on successful whistleblower programs run by the SEC, CFTC, and FinCEN, and seeks original information about corporate misconduct not covered by those programs. DOJ's program is focused initially on four areas: (1) certain crimes involving financial institutions and their employees; (2) foreign corruption involving privately held companies and others that are not issuers of U.S. securities; (3) domestic corruption involving companies; and (4) health care fraud schemes targeting private insurers not subject to *qui tam* recovery under the False Claims Act. ([Pilot Program Guidance § II.3.](#))
- **Supercharging DOJ's corporate investigations and prosecutions.** DOJ's Criminal Division will review whistleblower submissions and consult with the FBI on whether to open an investigation. If the resulting investigation and prosecution lead to a forfeiture greater than \$1 million, the whistleblower may be eligible in DOJ's discretion to receive a monetary award, provided the whistleblower meets certain eligibility criteria. ([Program Guidance §§ II.1, II.7.](#))
- **Awarding whistleblowers based on a percentage of "net proceeds forfeited."** DOJ will calculate potential awards based on the "net proceeds forfeited"—the value of any assets DOJ forfeits after compensating eligible individual victims and paying other costs associated with the forfeiture. Whistleblowers may receive up to 30 percent of the first \$100 million in net proceeds forfeited, and up to 5 percent of any net proceeds forfeited between \$100 million and \$500 million.¹ DOJ will assess what percentage to pay the whistleblower based on various factors, including the usefulness of the whistleblower's information and the level of assistance provided, with any awards made in DOJ's discretion. ([Program Guidance § III.1.](#))

¹ For the first \$10 million in net proceeds forfeited, the Department will apply a presumption in favor of awarding a whistleblower the maximum 30 percent of such proceeds, where the Department determines in its sole discretion that an award is appropriate and that none of the considerations described in the Program Guidance that may decrease an award are present (e.g., culpability, unreasonable delay, interference with internal reporting systems, or the whistleblower exercising management oversight of the misconduct, as described in Guidance § III.3.b). This presumption is modeled on a similar policy adopted by the SEC Whistleblower Program in September 2020.

- **Protecting whistleblowers’ confidentiality.** Many whistleblowers fear retaliation for coming forward, and DOJ is committed to protecting the confidentiality of those who submit information through the pilot program. In addition, if DOJ learns that any person or entity takes action to prevent a whistleblower from sharing information about potential crimes, DOJ will take all appropriate steps to address such acts, including, where appropriate, by opening a criminal investigation into obstruction of justice. ([Program Guidance § IV.](#))
- **Ensuring criminals don’t profit from whistleblowing.** The SEC, CFTC, and FinCEN whistleblower programs prohibit award payments to individuals who directed, planned, initiated, or were convicted of the misconduct they reported. The DOJ program goes a step further, prohibiting payments to any whistleblower who meaningfully participated in the criminal activity they report. (For individuals seeking to report previously undetected corporate misconduct who face criminal liability for their actions, several DOJ offices are piloting programs that offer a different, non-monetary incentive: the possibility of a nonprosecution agreement, subject to certain conditions.) ([Program Guidance § II.1.e](#); [see also CRM Pilot Program on Voluntary Self-Disclosures for Individuals \(I-VSD Program\).](#))
- **Strengthening DOJ’s other tools for corporate accountability.** The pilot program also complements and strengthens DOJ’s existing “voluntary self-disclosure” (VSD) programs, which offer companies and individuals potential benefits when they self-report their misconduct, remediate the harm, identify responsible individuals, and fully cooperate with the government’s investigation. How? Because the more ways that people can report corporate misconduct, the greater the incentive for companies and individuals to report wrongdoing as soon as they learn of it. ([See CRM Corporate Enforcement and Voluntary Self-Disclosure Policy \(CEP\); I-VSD Program.](#))
- **Promoting companies’ internal reporting systems.** DOJ recognizes the value of companies’ internal compliance programs and has designed the pilot program to encourage employees to report misconduct internally before submitting information to DOJ. For example, under the pilot program, an employee who reports misconduct through internal company systems can still seek and obtain a whistleblower award from DOJ, provided that the person submits the information to DOJ within 120 days of their initial internal report to the company, and internal reports may be a factor that increases an award.² ([Program Guidance §§ II.2.d, III.3.a.iii, III.3.b.iii.](#))

² To encourage prompt reporting, the Pilot Program creates a narrow window for *both* whistleblowers and companies to report the same misconduct and remain eligible for potential benefits. In addition to the timelines above, if a company receives a whistleblower’s internal report and then self-discloses the allegations to DOJ’s Criminal Division within 120 days (and before DOJ reaches out to the company), the company remains eligible for the Division’s VSD program, even if the whistleblower has already submitted the information to DOJ. ([See CEP, August 1, 2024 Amendment.](#))

- ***Regularly evaluating the pilot, with an eye to potential legislation.*** As part of the pilot program, DOJ plans to regularly evaluate the initiative and determine whether any refinements are necessary. Longer term, DOJ may benefit from additional legislation to expand the program beyond forfeiture. DOJ intends to solicit feedback from a broad range of stakeholders throughout the pilot.