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highest reward was \$114 million in October 2020.

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By Tim Fernholz, Quartz (TNS)

An anonymous whistleblower who helped the Securities and Exchange Commission catch a mysterious bad actor was **paid \$279 million dollars** as a reward for their assistance.

Under the Dodd-Frank financial reform law, whistleblowers who help the agency enforce its rules are entitled to between 10% and 30% of financial penalties over \$1 million paid by the wrong-doer. In this case, the whistleblower appears to have caught a financial actor who was compelled to pay between \$930 million and \$2.7 billion to the SEC.

The previous highest reward was \$114 million, paid in October 2020. Since the

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chance of becoming dynastically wealthy by revealing a crime than participating in it. The agency attempts to keep these whistleblowers anonymous in order to encourage more people to call out misbehavior in the securities markets, so it is difficult to know exactly what enforcement action the leak is connected to.

Given the often years-long investigations and litigation involved with SEC enforcement actions, it's likely the case tied to America's new record-holder for a whistleblower reward is years old.

According to the SEC, the anonymous tipster offered "sustained assistance" including multiple interviews and written material. "While the whistleblower's information did not prompt the opening of the Commission's investigation, their information expanded the scope of misconduct charged," said Creola Kelly, chief of the SEC's Office of the Whistleblower, in [a statement from the agency](#) about the bounty it paid.

From Bernie Madoff to Sam Bankman-Fried

The whistleblower law was created in part because of the unravelling of Bernie Madoff's ponzi scheme during the 2008 financial crisis. The multi-decade fraud persisted despite [years of warnings](#) delivered to the SEC by forensic accountant Harry Markopolos.

While current financial conditions are nothing like the chaos of 2008, rising interest rates and tightening financial conditions are still pulling the rug out from alleged frauds like Sam Bankman-Fried's [FTX crypto exchange](#) or the [student loan startup Frank](#).

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