

# SOUND OF SILENCE

## SEC whistleblower call draws few tipsters

By KAJA WHITEHOUSE

The Securities and Exchange Commission's new whistleblower program is attracting far fewer snitches than expected despite richer rewards to entice tipsters to come forward, The Post has learned.

The corporate watchdog has received just 168 complaints alleging corporate fraud in the first 6½ months of the program's existence, according to data the SEC provided to The Post through a Freedom of Information Act request. The tally is from July 22, 2010, when the program was launched, through Feb. 2, 2011.

At that rate, the SEC is receiving less than one tip a day — hardly the flood that led the agency to delay staffing the program while it pleaded with lawmakers for more funding.

"That's a lot less than I would have expected," said Steven Kohn, executive director of the National Whistleblowers Center in Washington, DC, which advocates for whistleblowers and pairs them up with lawyers.

Kohn said his organization receives between 1,500 and 2,000 com-



SEC boss  
Mary Schapiro

Reuters

plaints and tips each year, adding, "We're not the SEC and we don't pay rewards."

Stuart Meissner, the New York lawyer who launched a whistleblower

practice this summer with ads around Oliver Stone's movie, "Wall Street: Money Never Sleeps," said he alone has received 100 tips — roughly two-thirds the

amount received by the nation's top corporate cop.

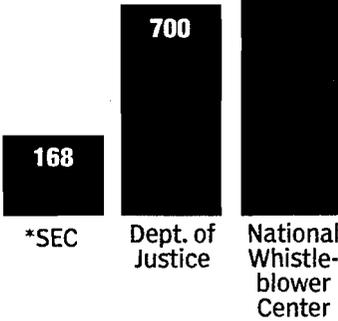
A similar program run by the federal Department of Justice, which promises financial re-

### Weak showing

Wall Street whistleblowers aren't exactly taking the SEC by storm after last summer's financial reforms made it easier for financial workers to tip off regulators to possible illegal activity.

### Whistleblower comparisons

tips per year



\* From July 22, 2010 to Feb. 2, 2011, or 6½ months

wards for tips on fraud in government contracts, received 700 complaints in 2010 and 565 in 2009.

Kohn said he expected the SEC, which oversees a much wider universe than the one for government contracts, would receive closer to 3,000 whistleblower tips a year.

While the disappointing number might simply be the result of a slow start, whistleblower advocates say it may reflect the battle being fought over the SEC's final rules for governing the program, which are to be released in April.

Among other concerns, the SEC has been asked to force employees to go through companies' internal whistleblower programs as a prerequisite to filing an official complaint.

Congress passed the whistleblower program in July as part of President Obama's financial reforms.

The program is designed to offer tipsters big financial incentives — rewards of up to 30 percent of anything the watchdog collects over \$1 million — for tips on corporate wrongdoing that lead to a financial penalty.

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