

## Introduction to Graphs

Whistleblowers play an integral role in detecting a wide range of illegal activities that involve hundreds of billions of dollars. The Securities and Exchange Commission (SEC), Internal Revenue Service (IRS), and Department of Justice (DOJ) have recognized the value whistleblowers contribute to their enforcement programs and developed mechanisms and programs to effectively facilitate collaboration with whistleblowers.

For example, the SEC launched its Office of the Whistleblower in 2011 after the Dodd-Frank Act became law and directed the SEC to create a program to pay rewards to whistleblowers.<sup>1</sup> Whistleblowers have helped the agency recover over \$584 million.<sup>2</sup> Since 2007, whistleblowers participating in the IRS program have helped the IRS recover \$3.4 billion.<sup>3</sup> The DOJ administers one of the oldest whistleblower laws in the U.S. - the False Claims Act. The DOJ estimates that it has recovered \$31.3 billion from False Claim Act cases since 2009.<sup>4</sup> According to the DOJ, most False Claims Act cases are filed under whistleblower provisions.<sup>5</sup>

In contrast, the Departments of Interior, Commerce, Agriculture, and Treasury have had the ability to use whistleblowers for over 30 years, and none of them have taken steps to capitalize on this powerful tool. The U.S. Fish and Wildlife Service (FWS) has occasionally paid rewards to whistleblowers under the Endangered Species Act and the Lacey Act, but these payments have not been part of an organized whistleblowing program.<sup>6</sup> From fiscal year 2004 to 2015, the FWS paid 47 total rewards under both laws, with the average award valued at \$5,710.<sup>7</sup> In FY 2015, the FWS reported no rewards paid to whistleblowers.<sup>8</sup> It is unknown if the FWS recovered any funds due to whistleblower reports or paid whistleblower rewards in FY 2016 because this information is not readily available to the public. Thus, the graphs below assume these amounts are zero.

The following graphs show how the SEC, IRS, and DOJ are tackling huge illicit industries by using rewards to incentivize whistleblower reports. There is immense potential for whistleblowers to disrupt the illegal wildlife trafficking market, but that potential is unlikely to be realized without the relevant agencies creating formal whistleblower programs.

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<sup>1</sup> 2011 Annual Report on the Dodd-Frank Whistleblower Program. Securities and Exchange Commission. (Nov. 2011) at 3. *Available at* <https://www.sec.gov/about/offices/owb/whistleblower-annual-report-2011.pdf>

<sup>2</sup> 2016 Annual Report on the Dodd-Frank Whistleblower Program. Securities and Exchange Commission. (Nov. 15, 2016) at 1. *Available at* <https://www.sec.gov/whistleblower/reportspubs/annual-reports/owb-annual-report-2016.pdf>

<sup>3</sup> Fiscal Year 2016 Annual Report to the Congress. IRS Whistleblower Program. *Available at* [https://www.irs.gov/pub/whistleblower/fy16\\_wo\\_annual\\_report\\_final.pdf](https://www.irs.gov/pub/whistleblower/fy16_wo_annual_report_final.pdf)

<sup>4</sup> *Press Release*. Justice Department Recovers Over \$4.7 Billion From False Claims Act Cases in Fiscal Year 2016. (Dec. 14, 2016). *Available at* <https://www.justice.gov/opa/pr/justice-department-recovers-over-47-billion-false-claims-act-cases-fiscal-year-2016>

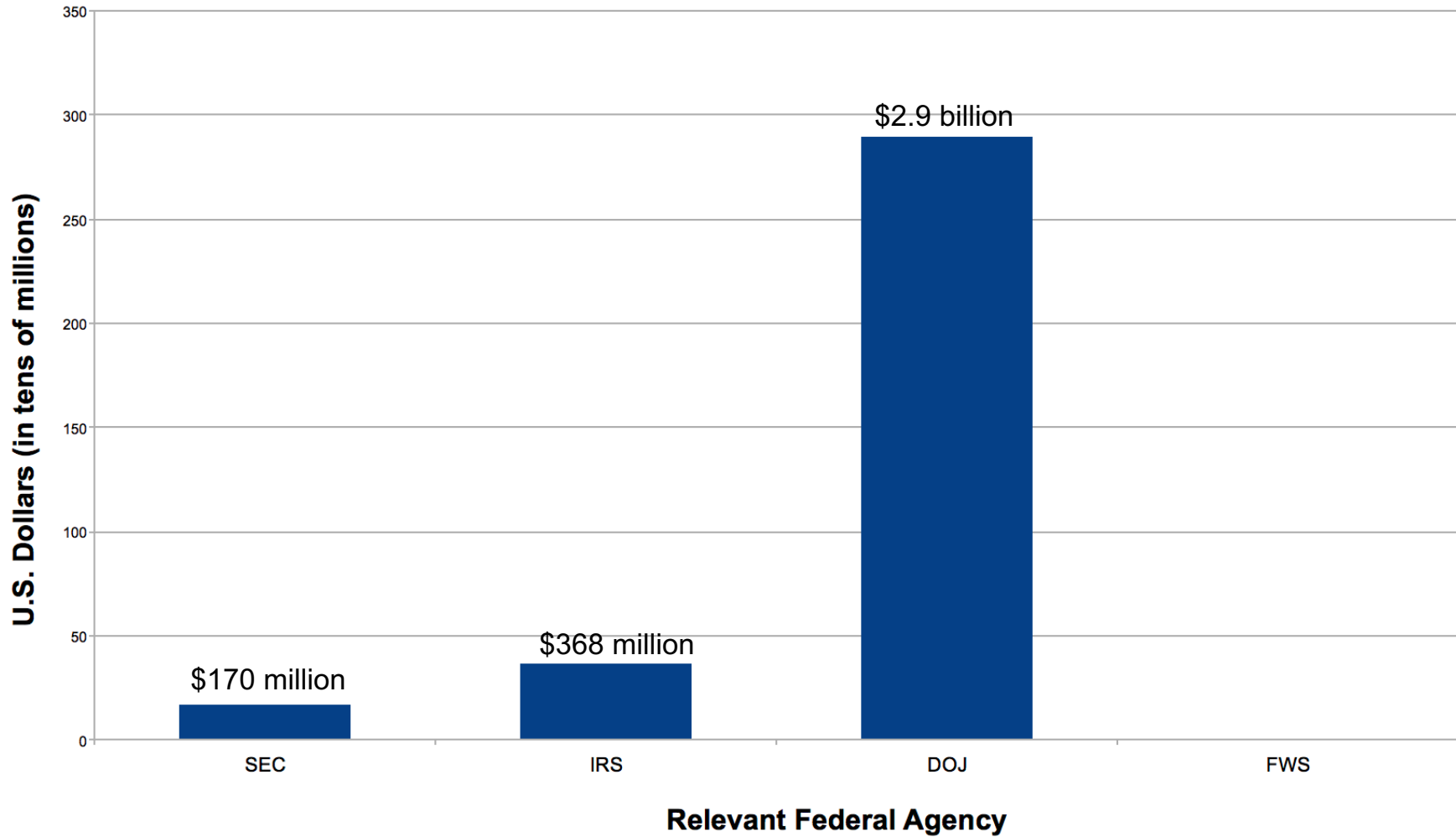
<sup>5</sup> *Id.*

<sup>6</sup> Stephen M. Kohn, *Monetary Rewards for Wildlife Whistleblowers: A Game-Changer in Wildlife Trafficking Detection and Deterrence*, 46 ENVR. L. REV. 10054 (2016) at 10062. *Available at* [https://www.kkc.com/assets/site\\_18/files/reward-wildlife-whistleblowers.pdf](https://www.kkc.com/assets/site_18/files/reward-wildlife-whistleblowers.pdf)

<sup>7</sup> *Id.* See Appendix C and D. The FWS reward statistics included in Mr. Kohn's article were not public information and had to be obtained through a Freedom of Information Act request.

<sup>8</sup> *Id.*

## Government Recovery Resulting from Whistleblower Activity (FY 2016)



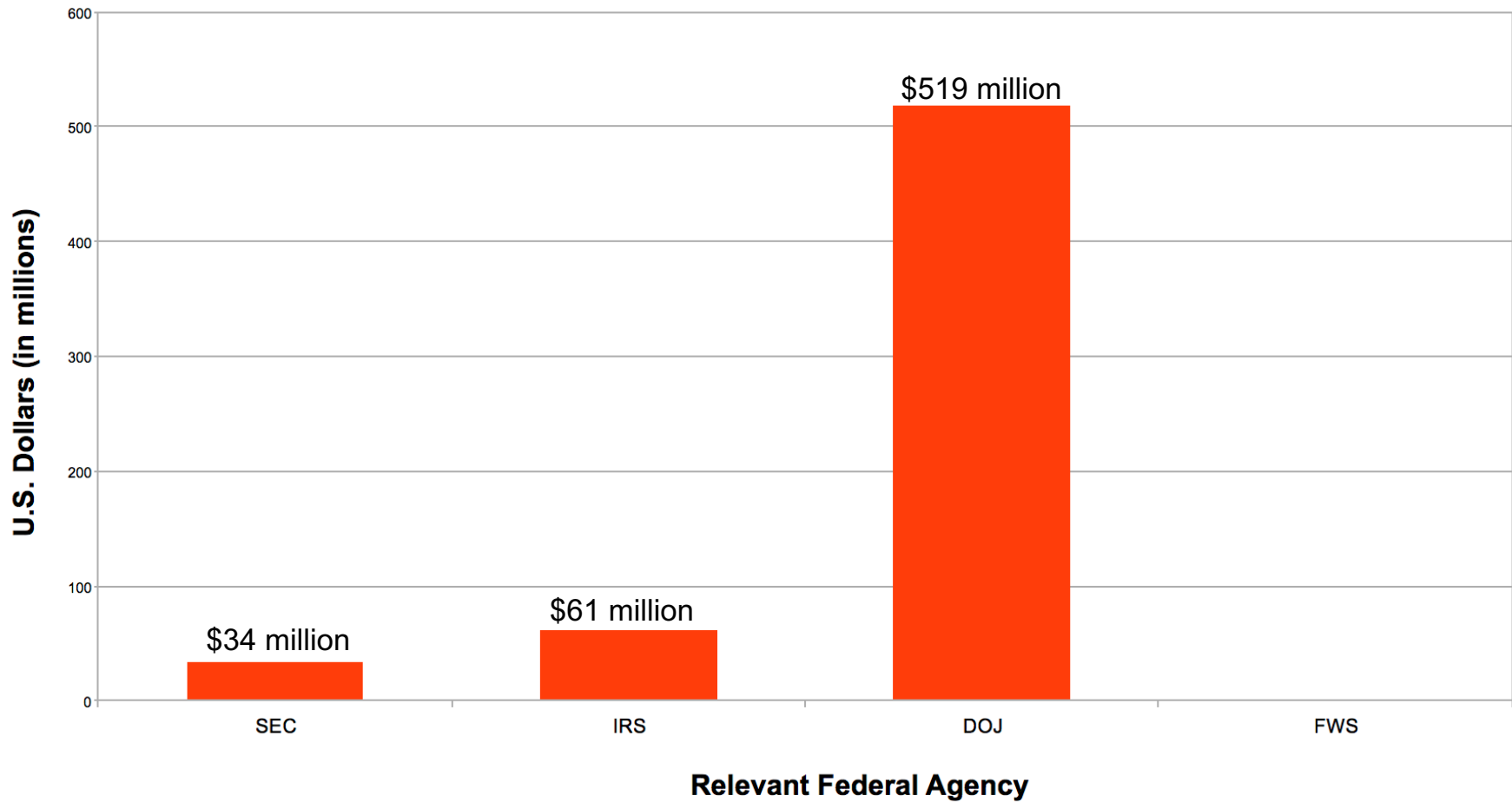
### Sources

**SEC:** This number was calculated by looking at the total amount of rewards paid for 2016 and assuming that figure represented roughly 20% (because rewards range from 10%-30% of recovery amounts) of total recoveries by the SEC.

**IRS:** 2016 IRS Whistleblower Program Report. [https://www.irs.gov/pub/whistleblower/fy16\\_wo\\_annual\\_report\\_final.pdf](https://www.irs.gov/pub/whistleblower/fy16_wo_annual_report_final.pdf)

**DOJ:** Department of Justice Press release. <https://www.justice.gov/opa/pr/justice-department-recovers-over-47-billion-false-claims-act-cases-fiscal-year-2016>

## Whistleblower Rewards Paid (FY 2016)



### Sources

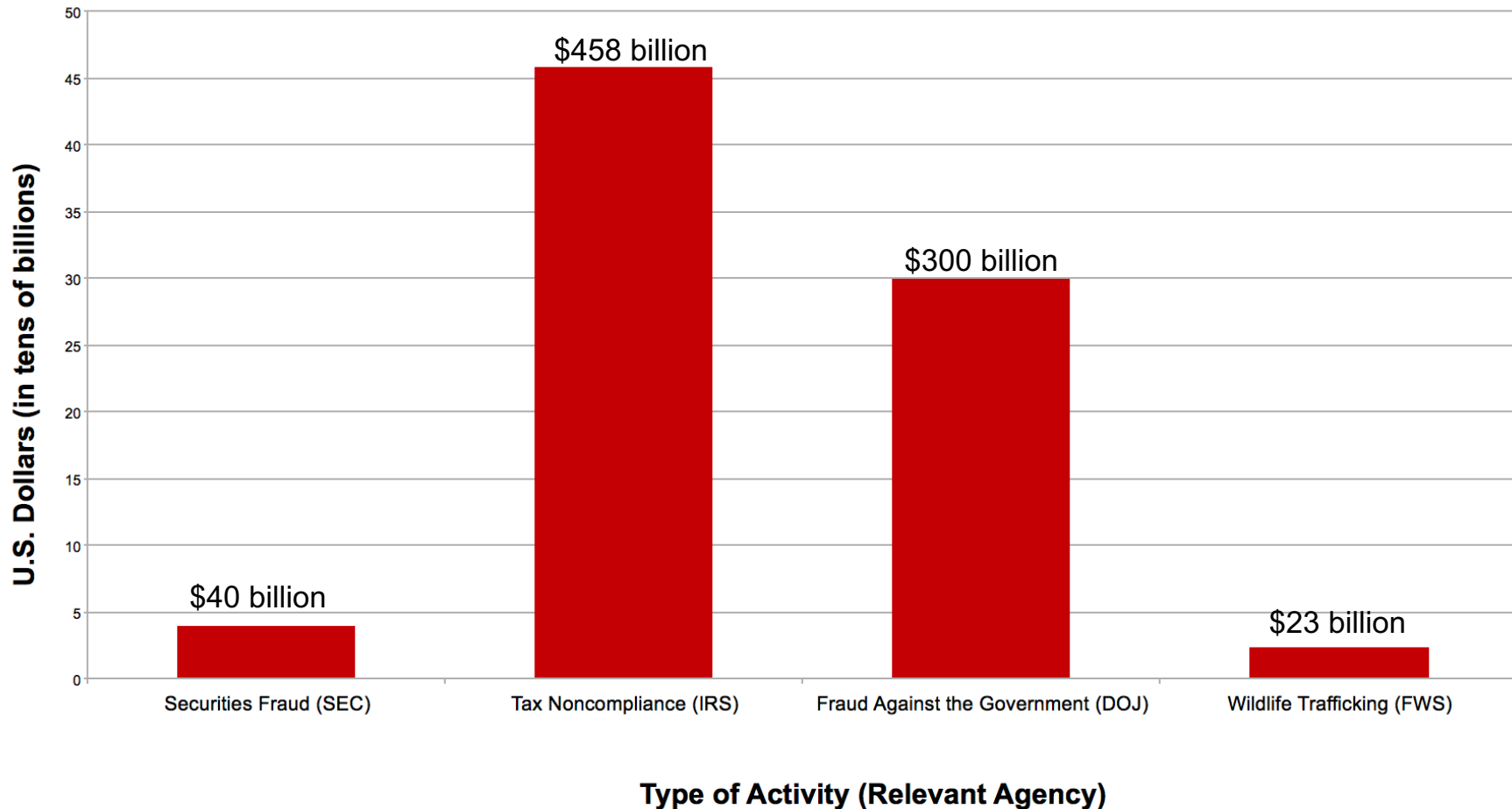
**SEC:** 2016 Annual Report to Congress on the Dodd-Frank Whistleblower Program.

<https://www.sec.gov/whistleblower/reportspubs/annual-reports/owb-annual-report-2016.pdf>

**IRS:** 2016 IRS Whistleblower Program Report. [https://www.irs.gov/pub/whistleblower/fy16\\_wo\\_annual\\_report\\_final.pdf](https://www.irs.gov/pub/whistleblower/fy16_wo_annual_report_final.pdf)

**DOJ:** Department of Justice Press release. <https://www.justice.gov/opa/pr/justice-department-recovers-over-47-billion-false-claims-act-cases-fiscal-year-2016>

## Estimated Annual Value of Illegal Activity



### Sources

**Securities Fraud:** FBI Financial Crimes Report 2006. [https://www.fbi.gov/stats-services/publications/fcs\\_report2006](https://www.fbi.gov/stats-services/publications/fcs_report2006)

**Tax Noncompliance:** Tax Gap Estimate for Years 2008-2010 (IRS Statement on Tax Gap Update). <https://www.irs.gov/uac/the-tax-gap>

**Fraud:** *The Atlantic*. <https://www.theatlantic.com/politics/archive/2013/08/just-how-wrong-is-conventional-wisdom-about-government-fraud/278690/>

**Wildlife Trafficking:** Global Financial Integrity. <http://www.gfintegrity.org/press-release/wildlife-trafficking-generates-us23-billion-illicit-financial-flows-year/>