

THE REVIEW OF SECURITIES & COMMODITIES REGULATION

AN ANALYSIS OF CURRENT LAWS AND REGULATIONS
AFFECTING THE SECURITIES AND FUTURES INDUSTRIES

Vol. 58 No. 19 November 19, 2025

HOW GATEKEEPERS SHOULD HANDLE WHISTLEBLOWERS

Whistleblower programs have changed corporate compliance — and raised the stakes for gatekeepers. With the SEC, CFTC, and DOJ offering strong protections and large monetary awards, whistleblower tips and enforcement have been accelerating. This article explains what that means for corporate counsel, compliance officers, and senior executives, and explores the evolving whistleblower landscape and delivers practical guidance, including how to align internal protocols with regulators' expectations. Done right, a strong response can turn a potential liability into a compliance advantage.

By Osman Nawaz and Brian A. Richman *

Gatekeepers — corporate counsel, compliance officers, auditors, and senior executives — occupy a critical position in the architecture of corporate accountability. Their role is not merely to work to ensure adherence to legal and regulatory frameworks, but to serve as the first line of defense against misconduct that can threaten a company and the integrity of financial markets and investor trust. In recent years, the emergence and expansion of federal whistleblower programs have reshaped the landscape in which gatekeepers operate.

The Securities and Exchange Commission (“SEC”), the Commodity Futures Trading Commission (“CFTC”), and, most recently, the Department of Justice (“DOJ”) have all embraced whistleblower-driven enforcement as a cornerstone of their regulatory strategies. These programs offer confidentiality, anti-retaliation protections, and substantial financial incentives to individuals who report violations. As a result, whistleblower tips have become a primary source of investigative leads, and the volume and sophistication of such reports continue to grow.

For gatekeepers, this shift presents both a challenge and an opportunity. Mishandling a whistleblower report

can expose a company — and its personnel — to reputational damage, regulatory scrutiny, and legal liability. Conversely, a well-designed and faithfully executed whistleblower response protocol can mitigate risk, demonstrate good governance, and even serve as a basis for cooperation credit in enforcement actions.

This article explores how gatekeepers should approach whistleblower allegations in light of recent developments in federal enforcement priorities. It offers practical guidance on internal processes, training, and risk management, and analyzes how evolving whistleblower programs affect gatekeepers' responsibilities and potential exposure.

THE WHISTLEBLOWER LANDSCAPE

Federal whistleblower programs have become central to the enforcement strategies of multiple agencies, including the SEC, the CFTC, and the DOJ. These programs are designed to encourage individuals to report potential violations of securities, commodities, and other laws by offering confidentiality, protection against retaliation, and substantial monetary awards.

* OSMAN NAWAZ is a partner and BRIAN A. RICHMAN is a senior associate with Gibson, Dunn & Crutcher LLP in New York, NY, and Dallas, TX, respectively. Their e-mail addresses are onawaz@gibsondunn.com and brichman@gibsondunn.com.