

Kit Addleman in Business Insurance on SCOTUS Whistleblower Ruling

March 1, 2018 Kit Addleman

Business Insurance quoted Haynes Boone Partner [Kit Addleman](#) on the U.S. Supreme Court's Feb. 21 ruling that the Dodd-Frank Wall Street Reform and Consumer Protection Act does not protect whistleblowers if they only report wrongdoing internally.

Business Insurance [reported](#) that the decision in *Digital Realty Trust v. Paul Somers* could encourage reporting directly to the Securities and Exchange Commission.

Under the Dodd-Frank Act, whistleblowers who voluntarily provide original information that leads to successful SEC enforcement action resulting in monetary sanctions of more than \$1 million and successful related actions can receive an amount equal to 10 percent to 30 percent of the monetary sanctions collected. ... Lawyers said a separate federal law still protects employees from being fired for internally reporting a securities violation, *Business Insurance* reported.

Defense attorney Kit Addleman, a partner with Haynes Boone in Dallas who is a former SEC director, said of the Supreme Court ruling: "In part, it could give rise to more whistleblowers going to the SEC. There is the potential for more company employees to be motivated" to do so "in order to be protected from retaliation, and it could give rise to everything that the Commission and Congress wanted in passing Dodd-Frank in the first instance." ...

Ms. Addleman said, "Companies should continue to emphasize the benefits of internal reporting as well as take their own position on retaliation being against company policy. In that way, employees won't feel that they have to go to the commission first, to obtain the protection against retaliatory conduct."

She added, "Most of our clients have great policies with respect to the processes for internal reporting, including sanctions against managers or other employees who engage in retaliatory behavior, so to ensure that companies are still getting good information and whistleblowing reports from its line employees, emphasizing those internal anti-retaliation provisions will continue to be important."

Excerpted from *Business Insurance*. To read the full article, click [here](#).