

Tim Newman in Cook County Record on SCOTUS Whistleblower Ruling

March 19, 2018 Tim Newman

PRACTICES Litigation

The *Cook County Record* quoted Haynes Boone Partner [Tim Newman](#) on the U.S. Supreme Court's ruling in *Digital Realty Trust v. Paul Somers*, which held that the Dodd-Frank Wall Street Reform and Consumer Protection Act does not protect whistleblowers if they only report wrongdoing internally.

"The Supreme Court held that Dodd-Frank's anti-retaliation provision protects only those corporate whistleblowers who report suspected securities laws violations to the Securities and Exchange Commission," Newman [told the Cook County Record](#). "Those who only report internally within their company are not subject to Dodd-Frank's protection." ...

Newman explained there may be many reasons employees decide against reporting to the SEC.

"Fear of retaliation, regardless of any statutory protection, is often a factor," Newman said. "They may have a strong sense of loyalty to their employer and want to give the organization an opportunity to correct the violation, or they may have played a part in the suspected violation or failed to detect and correct it and are afraid the SEC may investigate their conduct as well. They may also want to avoid the time and potential stress of cooperating with what could be a lengthy investigation by the SEC."

As for the reasons why they would report to the SEC, Newman said it often involves recognition.

"Employees may report to the SEC out of a sense of civic duty or because they may be eligible for a whistleblower award," he said. "We now know that they must report to the SEC to be protected by Dodd-Frank."

Newman said the SCOTUS decision would encourage whistleblowers to take their concerns to the SEC.

"This decision further incentivizes employees to report suspected violations to the SEC, whereas before they may have reported only internally," he said. "It makes it even more important for organizations to create a culture of compliance and reporting to facilitate early detection and remediation of potential violations."

Excerpted from the *Cook County Record*. To read the full article, click [here](#).