The federal anti-money laundering (AML) whistleblower program gives eligible people a way to report certain financial-crime violations to the U.S. government and, in qualifying cases, seek a monetary award. Congress significantly revised the program in the National Defense Authorization Act for Fiscal Year 2023 (NDAA FY2023), signed on **December 23, 2022**.



The changes matter to people who may know about suspicious activity reporting failures, structuring, weak customer checks, missing records, or sanctions violations. But the program is not a guarantee of payment, and it does not authorize employees to take confidential bank files or disclose protected reports. The facts, the source of the information, and how it is reported all matter.

What is the AML/BSA whistleblower program?

The program is administered by the Financial Crimes Enforcement Network (FinCEN), a bureau of the U.S. Department of the Treasury. It encourages people with nonpublic information about certain violations to report it to the government. If the information contributes to a successful enforcement action that results in qualifying monetary sanctions, a whistleblower may be eligible for an award.

The program operates under the Bank Secrecy Act (BSA), the federal law that requires financial institutions to maintain anti-money-laundering controls and report certain activity. It covers more than employees of banks. Depending on the facts and the legal requirements, a person with relevant information from a covered institution or other source may be able to report.

A report to FinCEN is not the same thing as a suspicious activity report (SAR). A SAR is a confidential report that a financial institution may be required to file with the government when it detects activity that could indicate money laundering or other unlawful conduct. A whistleblower may report suspected failures or anti-money laundering act 2022 misconduct related to SARs, but should not assume they may copy, remove, or share an actual SAR.

When was the program signed into law?

The program's legal history has more than one important date. The AML Act of 2020, enacted as part of the NDAA for Fiscal Year 2021, revised the BSA's whistleblower provisions and created a more substantial award

framework. Congress then made important further changes in the NDAA FY2023. President Biden signed that law on **December 23, 2022**.

That distinction is useful: December 23, 2022 is the date the NDAA FY2023 amendments became law. It is not the date the federal government first had any BSA whistleblower provisions. The 2022 changes broadened and strengthened the framework, including its coverage of sanctions violations and the way awards may be funded.

Date or period What happened Before the 2020 AML Act The BSA had an earlier whistleblower award provision, but its award structure was more limited. January 1, 2021 The AML Act of 2020, included in the NDAA for Fiscal Year 2021, became law and revised the BSA whistleblower framework. December 23, 2022 The NDAA FY2023 was signed. Its amendments strengthened the program and expanded coverage to certain sanctions violations.

What changed in 2022?

1. Sanctions violations were added to the program's reach

The 2022 amendments expanded the program to cover certain violations of U.S. sanctions laws administered by the Office of Foreign Assets Control (OFAC), as well as covered BSA violations. This can matter where a financial institution or other covered party allegedly processed prohibited transactions, failed to maintain required controls, or concealed sanctions-related conduct.

Not every sanctions concern automatically qualifies. The alleged conduct must fall within the laws covered by the statute, and the person must meet the program's reporting and eligibility rules.

2. The law created a dedicated funding mechanism for awards

One practical challenge with the earlier framework was uncertainty about how awards would be paid. The NDAA FY2023 established a fund intended to support awards under the program, using qualifying monetary sanctions and other amounts specified by law. This addressed a major structural issue: a whistleblower award system needs a lawful source of funds, not just a promise that an award might be available.

3. The award framework became more meaningful

Under the statutory framework, eligible whistleblowers may receive an award generally ranging from 10% to 30% of collected monetary sanctions in a qualifying action, subject to the law's requirements and the facts of the case. The percentage is not automatic. The government considers the person's contribution and other statutory factors, and an award depends on a successful action producing qualifying proceeds.

Accordingly, "whistleblower rewards" should not be read as guaranteed compensation for making a report. A report may be valuable even if it does not lead to an award, and a person may face practical or legal risks that should be considered before reporting.. Wait, what?

4. The program's scope became clearer for people reporting financial crime

The amendments reinforced the program as a route for reporting certain serious misconduct tied to financial institutions, money laundering, and sanctions. They did not turn every internal compliance issue into an award claim. A report about a control weakness, for example, is different from specific information indicating a violation of a covered law.

What kinds of violations may qualify?

Qualifying information may concern violations of the BSA or covered sanctions laws. The examples below illustrate common subject areas; they are not a complete list or a legal determination that a particular incident qualifies.

- **SAR-related misconduct:** A financial institution allegedly failed to file required SARs, filed them late, or submitted reports that omitted material facts. A whistleblower can report suspected conduct without possessing or distributing the confidential SAR itself.
- **Structuring:** Transactions may have been divided or arranged to evade transaction-reporting requirements. Structuring is not established merely because someone makes several cash deposits; intent and the surrounding facts matter.
- **Customer due diligence (CDD):** A covered institution may have failed to identify or verify customers, understand the nature of a customer relationship, or maintain required information about beneficial owners where applicable.
- **Recordkeeping and reporting:** Allegations may involve missing or inaccurate records, failures to retain required documents, or failures to meet BSA reporting obligations.
- **Sanctions:** Information may concern transactions or controls that allegedly violated covered U.S. sanctions requirements.

For example, a compliance employee might observe that a group of related accounts repeatedly moves funds in ways that appear designed to avoid controls, while managers instruct staff not to escalate the activity. The useful report would focus on what the employee personally observed, when it happened, who was involved, and what records may exist—not on taking files the employee is not authorized to remove.

Who may be eligible, and what is “original information”?

The law generally allows an individual with relevant information to submit a tip. Employees, former employees, contractors, and other people with firsthand knowledge may be potential sources, depending on the circumstances. Eligibility is not determined by job title alone.

A central requirement is **original information**. In broad terms, this means information based on the person’s independent knowledge or independent analysis that is not already known to the government from another source and is not derived exclusively from certain public sources. The details matter: information that is specific, credible, and not merely a repetition of public allegations is more likely to be useful.

Personal knowledge can include direct observations, conversations, or analysis of information the person was legitimately able to access. A whistleblower does not necessarily need to prove the whole case. The government investigates and decides whether enforcement is appropriate. But vague suspicions without dates, examples, or a clear explanation may be difficult to assess.

Common eligibility cautions

- Some people may be excluded or face limits under the statute, including in certain circumstances government personnel or people involved in the misconduct.
- Information protected by attorney-client privilege or obtained through certain confidential professional relationships may be restricted.
- Improperly obtained documents can create separate legal and employment risks, even if the underlying concern is serious.
- Providing information does not guarantee that FinCEN will open an investigation, bring an enforcement action, or pay an award.

Reporting SAR concerns safely

SAR confidentiality deserves particular care. The BSA generally restricts disclosure of the existence or contents of a SAR, including by the institution that filed it. A whistleblower should not assume that a desire to expose wrongdoing overrides those restrictions. Reporting suspected SAR failures is different from circulating an actual SAR or telling a subject that one was filed.

Ask yourself this: focus on the conduct and facts you know: the transactions, dates, instructions, control failures, or decisions that raised concern. Do not access systems beyond your authorization, forward restricted material to a personal account, or take documents simply because you believe they may be evidence. If you already have sensitive records, get advice about how to handle them before sending anything.



FinCEN's website, fincen.gov, is the official place to look for current program information and reporting instructions. Procedures can change, so check the current FinCEN guidance rather than relying solely on older articles or informal advice.

What to do next: a practical checklist

1. **Write down what you observed.** Note dates, people, transactions, instructions, and how you learned the information. Separate firsthand knowledge from assumptions.
2. **Preserve information lawfully.** Do not remove, alter, or send confidential records unless you are authorized and have received appropriate advice.
3. **Identify the possible legal issue.** Consider whether the facts concern BSA reporting, structuring, CDD, records, sanctions, or another matter. Avoid labeling conduct as illegal before the facts are assessed.
4. **Review FinCEN's current instructions.** Use the official website to confirm how tips are submitted and what information is requested.
5. **Consider independent legal advice.** A lawyer familiar with whistleblower matters can help assess eligibility, confidentiality, retaliation concerns, and how to report without creating avoidable risks.
6. **Keep the process private and secure.** Do not use an employer's laptop, email, or network for sensitive personal communications. Avoid discussing a potential report with people who do not need to know.

The bottom line

The AML/BSA whistleblower program grew from earlier BSA provisions and was substantially revised by the AML Act of 2020. The NDAA FY2023, signed on **December 23, 2022**, strengthened the framework, established a funding mechanism for awards, and expanded its reach to certain sanctions violations. Potentially relevant information can involve SAR failures, structuring, customer due diligence, records, and sanctions—but eligibility depends on the statute, the quality and source of the information, and whether it leads to a qualifying enforcement action.

Last month, I was working with a client who made a mistake that cost them thousands.. For anyone considering a report, the safest starting point is a factual account of what they know, careful handling of confidential information, and current guidance from FinCEN. A whistleblower award is possible, not promised.