**Short answer: sometimes, but not simply because you made a legally protected report to a regulator.** In the United States, federal whistleblower protections under the Bank Secrecy Act (BSA) can protect certain workers who report suspected violations outside their employer's internal process. A workplace policy may still require staff to use designated reporting channels, and an employer may investigate a genuine policy breach. But disciplining someone because they lawyer-monthly.com made a protected external report can create a separate legal problem.

The distinction matters in financial services, where employees may be expected to report concerns internally while also working under rules that protect disclosures to government agencies. It matters especially when a concern involves Suspicious Activity Reports (SARs): a bank or other covered institution may have obligations to identify and report suspicious activity, while an employee's own right to report a suspected legal violation is a different question.

This article focuses on the United States. The rules discussed here are not a general statement of UK whistleblowing law, and an employee working across borders should get advice about which laws apply. The facts, timing and nature of the disclosure can all affect the answer.




## Internal reporting and external reporting are not the same thing

An internal compliance channel is a route set up by an employer: for example, a compliance hotline, a designated financial-crime officer, a manager or an internal investigations team. External reporting means making a submission to a government body, such as the US Department of the Treasury or the Department of Justice (DOJ).

These routes can serve different purposes. Internal reporting gives an employer a chance to assess and address a problem. A regulator submission may alert the government to suspected misconduct or assist an investigation. Neither route automatically replaces the other.

In particular, the fact that an employer has a policy encouraging or requiring internal escalation does not, by itself, establish that an employee must report internally before making a protected external disclosure under federal law. Equally, a policy does not disappear just because an employee has a statutory right to contact a regulator. Whether discipline is lawful depends on what the employee disclosed, why the employer acted, and the protections that apply.

## What changed in the BSA whistleblower programme?

The BSA is a US law that requires covered financial institutions to maintain anti-money-laundering controls and meet certain reporting obligations. One such obligation is filing a SAR where the institution identifies activity that meets the applicable reporting criteria. SARs are generally filed by the institution, not by an employee acting in a personal capacity.

Congress reshaped the BSA whistleblower programme through the Anti-Money Laundering Act of 2020, enacted in 2021. Further changes followed in the AML Whistleblower Improvement Act, enacted in December 2022. The changes were intended to make the programme more capable of attracting useful information, including by setting a more defined award structure and strengthening protections against retaliation.

The programme can provide awards to eligible whistleblowers whose information leads to successful enforcement actions involving violations of the BSA or related laws. It is not a general reward for raising any workplace concern. Eligibility depends on statutory requirements, the quality and role of the information, the outcome of the enforcement action and the applicable rules.

### The $1 million sanctions threshold

Under the amended framework, an award is required when a qualifying enforcement action results in monetary sanctions exceeding $1 million, subject to the programme's eligibility rules and limits. The threshold is important: it does not mean that every person who reports suspected misconduct receives money. There must be a qualifying case, a qualifying contribution and sanctions above the statutory threshold.

Nor is the threshold a guarantee that an award will be paid promptly. A successful enforcement outcome and the collection of monetary sanctions matter. The whistleblower programme is administered by the Treasury, and a person must follow the required process to seek an award.

### What does the 10 to 30 per cent range mean?

For qualifying cases, the award is generally set at between 10 and 30 per cent of monetary sanctions collected in the covered action or related actions. The exact amount is not automatic. The decision-maker considers the circumstances, including the usefulness and significance of the information, the assistance provided, and the whistleblower's role in the underlying conduct.

The range is a share of sanctions collected, not a percentage of the amount reported, the institution's revenue or a predicted settlement. It also has a ceiling: an award cannot exceed 30 per cent under this framework. The possibility of an award should not be treated as a promise of financial recovery, particularly when an investigation does not result in qualifying sanctions.

Programme feature What it means in practice Sanctions threshold A qualifying enforcement action must result in monetary sanctions exceeding $1 million for the mandatory-award framework to apply. Award range Generally 10 to 30 per cent of monetary sanctions collected, subject to eligibility rules and the programme's decision-making process. Internal reporting first Internal escalation may be sensible, but it is not generally a prerequisite to making a protected external report under the BSA framework. Retaliation remedy Eligible workers may have a federal cause of action if they suffer prohibited retaliation for protected activity.

## Can an employer still enforce its compliance policy?

Employers can generally set procedures for raising concerns, handling confidential information and cooperating with investigations. A worker who ignores a reasonable process may face questions about that decision, especially

if the conduct involved an unrelated breach—for example, taking restricted records or disclosing information to unauthorised people.

But a policy cannot safely be treated as a blanket ban on contacting regulators. The BSA's anti-retaliation protections cover certain disclosures to government bodies and can also cover some reports to an employer. In general terms, the protection concerns a worker who provides information about a suspected BSA violation, or a related violation, to an authorised recipient, with the required reasonable belief and in the circumstances set out by law.

That creates a possible **compliance policy conflict**: a policy may say "report internally first", while federal law protects specified external reporting. The practical question is not simply whether the employee followed the handbook. It is whether the employer's action was because of protected whistleblowing, or because of a distinct and properly supported conduct issue.

### Why the reason for discipline matters

Retaliation risk can arise through dismissal, demotion, suspension, threats, harassment or other adverse treatment. A company may say it acted for performance or policy reasons. The timing, the decision-makers' knowledge, changes to the employee's treatment and the consistency of the employer's explanation may all become relevant.

That does not mean every disciplinary decision after a report is retaliation. Employers can act for legitimate reasons, and whistleblower status does not give an employee immunity for unrelated misconduct. But where discipline closely follows a protected disclosure, or a previously tolerated practice suddenly becomes grounds for action, the employer may face scrutiny.

## Federal anti-retaliation protection and a cause of action

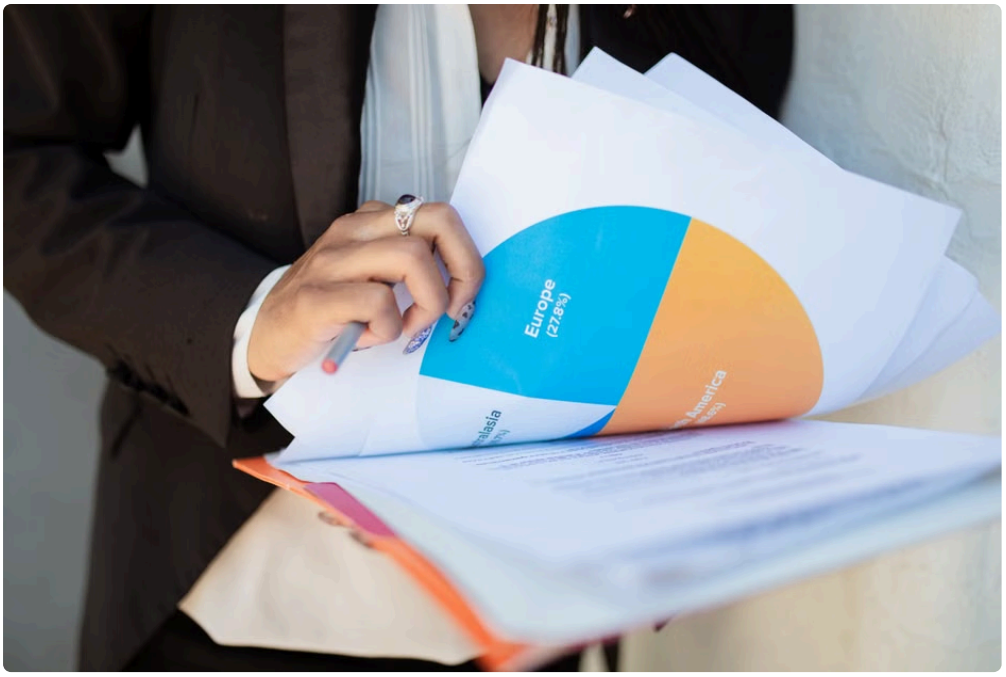
The BSA provides a federal anti-retaliation route for qualifying whistleblowers. In broad terms, a worker who believes they have suffered prohibited retaliation may use the statutory complaint process and, in specified circumstances, bring a claim in federal district court. The statute sets deadlines and procedural steps; missing them can affect a claim.

Available relief can include reinstatement, double back pay with interest, compensation for special damages, and litigation costs and reasonable legal fees. These remedies depend on the case and the legal process. They are not automatic, and a worker should obtain advice promptly rather than assume that an internal grievance pauses a statutory deadline.

The BSA framework also protects certain reports made to an employer. That point is important: the choice is not always "internal report protected, external report unprotected." Both may qualify, depending on what was reported, to whom, and whether the statutory conditions are met.

## SAR confidentiality is a separate issue

Employees should be careful not to confuse reporting suspected wrongdoing with disclosing a SAR. US rules generally restrict revealing that a SAR has been filed, or sharing its contents, except where disclosure is authorised. An employee who wants to report suspected misconduct should not assume that copying a SAR, naming a SAR filing or forwarding restricted material is necessary—or lawful.




The institution's duty to file a SAR is distinct from an individual's potential whistleblower rights. A worker can raise concerns about a failure to meet reporting obligations without casually disclosing protected SAR information. If a proposed report may reveal SAR-related material, seek advice on how to describe the concern without disclosing information the law protects.

There is also a practical difference between giving information to a regulator and removing company records. A protected report does not necessarily authorise a worker to take documents, access systems beyond their permissions or share confidential customer data. Preserve relevant information lawfully and get legal advice before copying or transmitting records.

## Practical steps before making a report

1. **Identify the concern precisely.** Record what you observed, when it happened, which controls or legal obligations may be involved, and what you know firsthand versus what you infer.
2. **Check the reporting routes.** Review the internal policy, but do not assume it overrides statutory protections. Consider whether an external report is appropriate, particularly if internal escalation may create a risk of evidence being altered or the concern being suppressed.
3. **Protect confidential information.** Do not disclose a SAR or take restricted material without authority. Ask a lawyer how to provide relevant information lawfully.
4. **Keep a careful record.** Note the dates of disclosures and any subsequent changes to duties, access, performance assessments or treatment. Keep records lawfully and avoid retaining customer data or confidential files without permission.
5. **Get advice early.** A US employment or whistleblower lawyer can assess whether the disclosure is covered, which agency route may apply, and how to preserve rights and meet deadlines.

## The bottom line

An employer may enforce legitimate reporting and confidentiality rules, and an employee can face discipline for independent misconduct. But a workplace rule requiring internal escalation does not automatically cancel federal protection for a qualifying external report. The 2022 changes strengthened the BSA programme by providing a 10

to 30 per cent award range for qualifying cases above the $1 million sanctions threshold and reinforcing the framework for anti-retaliation claims.

For employees, the safest course is not to treat an award as assured or assume that any disclosure is protected. Understand the reporting route, preserve evidence lawfully, take SAR confidentiality seriously and act promptly if retaliation occurs. For employers, the corresponding lesson is to distinguish genuine policy enforcement from punishment for protected external reporting—and to document the reason for any employment decision carefully.