
SEC Focuses on Severance Agreement Impact on Whistleblowing

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The Securities and Exchange Commission remains keenly focused on whether confidentiality provisions in corporate agreements, particularly severance agreements, can impede whistleblower reporting of potential legal violations to the SEC or other government agencies. In two recent settlements, companies agreed to sanctions arising from their use of provisions in severance agreements that, in the SEC's opinion, restricted the ability of employees to share confidential corporate information regarding possible securities law violations with the SEC and to accept financial rewards for providing information to the SEC under the SEC's whistleblower bounty rules. [See WilmerHale's client alert.](#)

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