No. The Bank Secrecy Act (BSA) whistleblower programme does not generally require you to report suspected misconduct through your employer's internal compliance reporting channels before making an external whistleblower submission to the Financial Crimes Enforcement Network (FinCEN). FinCEN is a bureau of the US Department of the Treasury.

That does not mean every report will qualify for an award or legal protection. Eligibility depends on factors including the information you provide, whether it is original and voluntary, and whether it helps produce a successful enforcement action with sufficiently large monetary sanctions. Your choice of timing and reporting route can also affect confidentiality, employment relationships and retaliation risk.



This article explains the distinction between internal compliance reporting and reporting to FinCEN, and summarises the changes made to the BSA whistleblower programme in 2022. It is general information, not legal advice about an individual case.

Internal reporting and a FinCEN submission are different

An internal report goes to your employer: for example, to an anti-money laundering (AML) officer, a compliance team, a whistleblowing hotline or a designated manager. It can alert the organisation to a control failure or suspected breach and give it a chance to investigate and take corrective action.

An external whistleblower submission goes to the government. Under the BSA programme, a person with qualifying information may submit it to the US Treasury, including through FinCEN's whistleblower process. This is separate from a financial institution's obligation to file Suspicious Activity Reports (SARs) where the law and regulations require it. An employee's whistleblower tip is not itself a SAR, and an employee should not assume they can access or disclose a SAR without authorisation.

The two routes can serve different purposes. Internal reporting may help an organisation identify https://www.lawyer-monthly.com/2026/10/bsa-whistleblower-program-policies-for-2027/ a problem quickly. A submission to FinCEN may bring information to regulators or law enforcement that would otherwise remain unknown. Neither route is a substitute for understanding the rules that apply to your role, your evidence and your personal circumstances.

Do you have to report internally first?

The BSA whistleblower framework does not impose a general "report internally first" requirement. In other words, you do not usually have to alert your employer before making a protected disclosure to the government. A company policy may encourage or require employees to raise concerns internally, but that policy is not the same thing as a statutory prerequisite to contacting FinCEN.

That distinction matters where a person believes an internal report could lead to evidence being altered, a warning being passed to people involved, or retaliation. It also matters where the internal channel has already failed to address a concern. A person should not assume that they must wait for an internal investigation to finish before seeking advice about an external submission.

Nor should you assume that an internal report alone is enough to qualify for a BSA whistleblower award. The award programme concerns information provided to the government that leads to a qualifying enforcement outcome. An internal report may be relevant to the history of a disclosure, but it is not the same as a submission to FinCEN.

Internal reporting can still be useful

Where it is safe and appropriate, internal compliance reporting can create a record that a concern was raised and give the company an opportunity to respond. It may also help the organisation meet its own legal and regulatory responsibilities. But the decision to report internally should take account of the facts, the employer's processes and the risk of retaliation—not just a general preference for internal resolution.

Before making either kind of report, consider preserving a clear, lawful record of what you personally know and when you learned it. Do not take documents you are not entitled to access, remove confidential material without advice, or disclose information in a way that could breach other legal duties. A lawyer familiar with whistleblower matters can help assess how to communicate relevant facts lawfully.

What changed in 2022?

Congress created the BSA whistleblower framework through the Anti-Money Laundering Act of 2020. In 2022, the Anti-Money Laundering Whistleblower Improvement Act amended the programme. Among other things, the 2022 changes addressed the award structure and expanded the programme's practical reach, including in relation to certain sanctions violations.

The changes are significant because an award can now be mandatory when the statutory conditions are met, rather than being treated as simply a matter of government discretion. But "mandatory" does not mean that every person who reports wrongdoing receives money. The claimant must still meet the legal requirements, and the government must obtain a qualifying result.

Question General position Must you report internally first? No general BSA whistleblower rule requires it. What kind of outcome is relevant? A successful enforcement action resulting in monetary sanctions exceeding $1 million. What is the award range? Generally 10 to 30 per cent of the monetary sanctions collected, subject to statutory requirements and award determinations. Is every tip eligible? No. The information, the person's role and conduct, and the enforcement outcome all matter.

Mandatory awards and the $1 million sanctions trigger

The amended programme provides for an award where a whistleblower supplies qualifying information that leads to a successful enforcement action resulting in monetary sanctions exceeding $1 million. When the statutory conditions are satisfied, the award is not meant to depend solely on whether the government chooses to reward a tip as a matter of grace.

The threshold is important. A report may describe serious suspected misconduct and still fail to generate an award if it does not lead to a qualifying enforcement action or if the monetary sanctions do not exceed the statutory amount. The threshold concerns the enforcement outcome, not the whistleblower's estimate of the potential loss or the size of the company.

"Mandatory" therefore describes the government's obligation once the legal criteria are met; it is not a promise that a particular submission will succeed. It also does not guarantee that sanctions will be collected. Award calculations are tied to monetary sanctions collected, and the programme's rules govern how a particular claim is assessed.

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

The statutory award range is generally 10 to 30 per cent of monetary sanctions collected in the qualifying action or related actions. The percentage is not automatically 30 per cent, and it is not a fixed payment for filing a report. The amount depends on the applicable rules and the facts of the case.

For example, if an enforcement action collects $5 million in qualifying monetary sanctions, a percentage within the statutory range would be calculated by reference to the amount collected—not simply the amount alleged in a tip. This example is illustrative only; it does not predict the award in any case.

In assessing an award, relevant considerations may include the value of the information, the degree of assistance provided, and whether the person participated in or contributed to the wrongdoing. An award may also be affected by statutory exclusions and other programme rules. A person should not treat the upper end of the range as an expected outcome when deciding whether to report.

What counts as a protected disclosure?

A **protected disclosure** is a report or other qualifying act covered by the relevant law's anti-retaliation rules. Under the BSA programme, the protections are tied to lawful whistleblower activity, including providing information to the Treasury and participating in certain proceedings. The exact scope depends on the statutory language and the facts.

An internal report may be protected under other laws, employment agreements or company policies, but employees should not assume that every internal complaint automatically receives the BSA's specific federal protection. In particular, a report made only to an employer is not necessarily the same as providing information to the Treasury for purposes of the federal programme.



That does not mean you should avoid an internal channel. It means you should identify which protection applies to the particular route you take. Depending on the circumstances, employment law, state law or other federal whistleblower provisions may also be relevant.

Anti-retaliation protection and a federal cause of action

The BSA amendments prohibit certain retaliation against whistleblowers for protected activity. The prohibited conduct can include discharge, demotion, suspension, threats, harassment or other discrimination in the terms and conditions of employment. A person who believes an employer retaliated may be able to bring a federal claim in a US district court.

Potential remedies can include reinstatement, double back pay with interest, compensation for special damages, and payment of litigation costs and reasonable legal fees. The availability of a remedy depends on the facts and legal requirements. Protection is not a guarantee that retaliation will not happen, or that a claim will be straightforward to prove.

Timing matters. The statute includes time limits for bringing a retaliation claim, and those limits can be complex. Waiting to seek advice may affect your options. If you are considering an internal report, a FinCEN submission or both, get advice promptly about any deadlines and how to document subsequent workplace action.

Practical considerations before you report

There is no single best route for every person. Before acting, consider these questions:

- **What do you know first-hand?** Separate direct observations from assumptions, rumours and conclusions.
- **What evidence can you lawfully use?** Do not access, copy or remove material in breach of your duties or the law.
- **Is there an immediate risk?** Consider whether internal notification could compromise an investigation or expose you to harm.
- **What records should you keep?** Make a dated note of your concerns, reports and relevant responses, while protecting confidential information.

- **What deadlines may apply?** Do not wait for an internal process to conclude before asking a lawyer about your rights.
- **Could you be implicated?** Your own involvement may affect eligibility or the award amount. Get independent legal advice before deciding what to disclose.

Keep in mind that whistleblower status does not generally authorise unlawful access to records or disclosure of material outside the permitted process. Nor does making a report guarantee anonymity in every circumstance. Confidentiality, identity protection and the handling of a submission are matters to check against current programme rules and the facts of your case.

The practical answer

You generally do not have to report internally before making an external whistleblower submission to FinCEN under the BSA programme. Internal compliance reporting and a government submission are separate routes, and an employer's preferred process does not by itself create a federal "internal first" condition.

The 2022 overhaul strengthened the award framework: a qualifying whistleblower may be entitled to a mandatory award of 10 to 30 per cent when their information leads to a successful enforcement action with more than $1 million in monetary sanctions. But the threshold, eligibility rules and enforcement outcome matter. The anti-retaliation provisions and federal cause of action can offer meaningful protection, yet they do not remove the practical risks of reporting.

If you are weighing an internal report against a direct submission, consider the urgency, your evidence, your potential exposure and the risk of retaliation. Independent legal advice can help you choose a lawful route and protect important deadlines without assuming that either reporting path guarantees an award or a particular result.