Yes—an auditor may be able to report Bank Secrecy Act violations and qualify for a whistleblower award. But being an auditor does not guarantee eligibility, and involvement in the conduct under review can reduce or eliminate an award. The key questions are whether the auditor provides qualifying, original information, whether that information leads to a successful enforcement action, and how much the auditor contributed to or participated in the violation.

The Bank Secrecy Act (BSA) is the U.S. law that requires financial institutions to maintain anti-money-laundering controls and certain records, and to report specified transactions. The Anti-Money Laundering (AML) whistleblower program gives eligible people a route to report certain violations to the U.S. Department of the Treasury, including through the Financial Crimes Enforcement Network (FinCEN). A Suspicious Activity Report (SAR) is a confidential report financial institutions may be required to file when they detect suspicious activity.

This guide explains the program, what "original information" means, which violations may qualify, and why an auditor's role can matter to any award. Rules and procedures can change, so check FinCEN's current information at fincen.gov and speak with a qualified attorney before taking action.

What Is the AML/BSA Whistleblower Program?

The program allows eligible whistleblowers to provide information about certain violations of the BSA and related laws to the government. If the information leads to a successful enforcement action that results in monetary sanctions above the statutory threshold, the whistleblower may be eligible for an award. The statute generally sets awards at 10% to 30% of collected monetary sanctions, subject to the program's requirements and the decision-maker's assessment.

An award is not automatic. A person may report credible information and still receive no award—for example, if the information does not lead to an action meeting the threshold, the person is ineligible, or the person's own conduct disqualifies them. The award is tied to sanctions actually collected, not simply to the seriousness of the alleged conduct or the value of a bank's settlement announcement.

Legal Origin and Timeline

Congress expanded the BSA whistleblower provisions in the Anti-Money Laundering Act of 2020. The law was part of the National Defense Authorization Act for Fiscal Year 2021 and created a framework for awards and protections for people who report certain violations.



Congress later amended the framework through the AML provisions of the National Defense Authorization Act for Fiscal Year 2023, signed on **December 23, 2022**. Among other changes, the amendments addressed the award structure and the types of information and conduct considered under the program.

FinCEN administers the program. Because implementation details and procedures may be updated, an auditor considering a report should consult FinCEN's current whistleblower materials rather than rely on an old summary or a workplace policy alone.



Can an Auditor Qualify?

Potentially. The statute does not make someone ineligible simply because they work in internal audit, compliance, risk, or an external https://openclassactions.com/blog/aml-bsa-whistleblower-program-faqs.php audit firm. In practice, however, an auditor's access to information and responsibilities can raise specific questions about where the information came from, whether it is new to the government, and whether the auditor took part in the conduct.

For example, an internal auditor may identify that a bank repeatedly failed to escalate suspicious transactions for SAR review. If the auditor provides nonpublic, specific information that the government did not already have and that helps establish a violation, the report may be useful to an enforcement action. But the analysis changes if the auditor helped design the deficient process, knowingly signed off on misleading testing, or concealed findings.

External auditors also need to consider professional obligations, client confidentiality, engagement terms, and applicable law. Those concerns do not by themselves answer whether a person can report, but they make it important to get independent legal advice. Do not assume that a confidentiality clause either prevents a lawful report or permits disclosure of everything in an audit file.

Eligibility and "Original Information"

"Original information" generally means information derived from the person's independent knowledge or independent analysis, not information already known to the government or merely repeated from public sources. The information should be specific and credible enough to help the government identify, investigate, or prove a violation.

An auditor's testing, transaction analysis, or comparison of internal records may constitute independent analysis. For example, an auditor might identify a pattern of cash transactions divided into smaller amounts to avoid reporting requirements, then connect that pattern to gaps in the institution's monitoring controls. The value is not just that the auditor reviewed records; it is that the auditor explains what the records show, why the pattern matters, and where investigators can verify it.

Information is less likely to be useful as a whistleblower submission if it is vague, already widely known, or simply restates a public enforcement action. A person should also be cautious about relying on materials obtained through privileged communications or other restricted sources. Eligibility can turn on how information was acquired and what the person did with it.

Practical questions for an auditor

- Is the information nonpublic and based on your own knowledge or analysis?
- Can you identify the relevant transactions, controls, dates, business units, and decision-makers?
- Has the government already received the same information?
- Did you participate in, approve, or conceal the conduct?
- Could the documents include privileged material or confidential SAR information?

What Violations May Qualify?

The program covers specified BSA violations and related matters within the statute's scope. The following issues may be relevant, depending on the facts and the applicable law. Not every compliance failure is a legal violation, and not every sanctions issue falls within the BSA whistleblower program.

Issue Example of a potential concern What an auditor might document SAR obligations A financial institution fails to detect, investigate, or report suspicious activity when required. Testing results, escalation records, transaction patterns, and evidence of management decisions about SAR review. Structuring Transactions are divided or arranged to evade a reporting requirement. Transaction dates and amounts, related accounts, alerts, and any evidence showing who arranged or knowingly facilitated the activity. Customer due diligence Required customer due diligence (CDD), including applicable beneficial-ownership or ongoing-monitoring steps, is not performed or is knowingly undermined. Policies, account files, exceptions, monitoring results, and records showing whether

controls operated in practice. Records and reporting Required records are not maintained, are inaccurate, or are withheld or falsified in a way that violates applicable requirements. Recordkeeping gaps, altered files, missing documentation, and audit trails showing when records changed. Sanctions-related conduct Transactions may involve prohibited parties or conduct under applicable sanctions laws. Screening results, payment records, escalation decisions, and links to the relevant BSA or other covered legal obligation.

Important distinction: A sanctions violation is not automatically a BSA violation or an award-eligible matter under this program. The legal basis matters. An auditor should describe the underlying facts accurately and let counsel assess which agency and legal provisions may apply.

SAR Confidentiality: A Special Risk for Auditors

SARs and information that would reveal the existence of a SAR are subject to strict confidentiality rules. A whistleblower should not casually attach a SAR, tell a customer that one was filed, or circulate SAR-related details to colleagues as part of an internal escalation. Disclosure restrictions can apply even when the underlying transactions are relevant to a legitimate report.

That does not mean an auditor should ignore suspicious activity. It means the auditor should get advice on how to report facts lawfully and securely. A lawyer can help distinguish between describing transactions and controls, which may be appropriate, and disclosing a SAR or revealing its existence, which may be restricted. FinCEN's website is an important starting point, but it is not a substitute for advice about a specific document or situation.

How Culpability Can Affect an Award

The statute allows award amounts to be adjusted based on the whistleblower's role. This is where **culpability factors** matter. The government may consider whether a person knowingly participated in the violation, directed others, obstructed an investigation, or instead raised concerns, cooperated, and helped identify the problem.

An auditor who discovered a control weakness and promptly documented it may be in a different position from an auditor who knowingly manipulated testing or approved false certifications. Depending on the circumstances, culpability can lead to an award reduction or, in serious cases, ineligibility. A person who was criminally convicted in connection with the relevant conduct may be barred under the statutory framework.

Do not treat "I was only following instructions" or "I was doing my job" as a complete answer. The details matter: what the auditor knew, when they knew it, what they communicated, and whether they helped conceal or correct the conduct. Accurate contemporaneous notes and a clear timeline can help counsel assess those issues.

What to Do Next: A Practical Checklist

1. **Preserve a factual timeline.** Record dates, relevant transactions, audit steps, findings, and who was notified. Keep it factual and avoid speculation.
2. **Do not take or share records indiscriminately.** Do not forward files to a personal email, download broad sets of customer data, or disclose SAR-related material without legal guidance.
3. **Seek independent legal advice.** A lawyer can assess eligibility, confidentiality, privilege, retaliation concerns, and how to submit information safely. Do not use a work laptop or work email for sensitive personal communications.
4. **Review FinCEN's current guidance.** Visit fincen.gov for current program information and submission procedures.

5. **Consider whether internal reporting is safe and appropriate.** Internal escalation may be useful, but it is not always required and may not protect the information from being lost or altered. Discuss the risks with counsel.
6. **Keep your account accurate.** Do not exaggerate, guess, or make unauthorized copies. Identify what you personally observed and what you inferred from your analysis.

Bottom Line

An auditor whistleblower can potentially receive an award for reporting qualifying BSA violations, but eligibility depends on the quality and source of the information, whether it helps produce a successful enforcement action, and the auditor's own conduct. The statute's award framework can account for culpability, so participation in or concealment of a violation may reduce an award or disqualify the person.

For auditors, the safest next step is usually to preserve a careful, factual account and consult independent counsel before disclosing sensitive records—especially anything that could reveal a SAR. FinCEN's current materials can help explain the program, while a lawyer can assess how the rules apply to the specific facts.