To: rule-comments@sec.gov

Secretary, Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: File Number DSP-3

Comments in Response to U.S. Securities and Exchange Commission Draft Strategic Plan, fiscal years 2026-2030

Dear Madam Secretary:

The Anti-Fraud Coalition respectfully submits these comments in response to the U.S. Securities and Exchange Commission's Draft Strategic Plan, fiscal years 2026-2030 (Draft Strategic Plan).

The Anti-Fraud Coalition (TAF Coalition) is a public interest, non-profit organization dedicated to defending and empowering whistleblowers who expose fraud on the government and the financial markets and protect public resources by empowering whistleblowers, supporting the legal community, and advocating for robust anti-fraud legislation. We believe in effective, efficient, and transparent whistleblower programs.

In this context, we respectfully offer below our comments and suggestions regarding the Draft Strategic Plan.

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The Draft Strategic Plan emphasizes returning the SEC's Division of Enforcement (Enforcement) to more traditional and predictable priorities that allow for economic growth. As a general statement, this is not objectionable. When one considers that the Draft Strategic Plan never mentions the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank), however, or the positive, impactful role of Whistleblowers on the SEC's Enforcement Program over the last fifteen years, the statement becomes troublesome. Congress implemented the Dodd-Frank reforms and carved out a role for Whistleblowers because it concluded that Whistleblowers would enhance and improve traditional SEC Enforcement.[1] The SEC's Dodd-Frank Whistleblower Program has not only enhanced and improved traditional SEC enforcement, the SEC's Whistleblower Program has increased efficiencies in the Division of Enforcement's ability to detect, investigate, and punish fraud.[2] It is not in dispute; the SEC's

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[1] *See* S. Rep. No. 111-176, at 37-8 (2010).

[2] Whistleblower awards act as an incentive for whistleblowers to come forward despite the risks they face from whistleblowing. *See e.g., A $6 Billion Success Story: The SEC's Whistleblower Program*, BETTER MARKETS (Dec. 7, 2023), https://bettermarkets.org/wp-content/uploads/2023/12/BetterMarkets_SECs_Whistleblower_Program_12-07-2023.pdf. Because whistleblowers often confront retaliation, awards compensate them for putting their careers on the line to report lawbreaking. This is why the SEC's whistleblower program has long enjoyed strong bipartisan support. Jay Clayton, SEC Chair during President Trump's first term, noted that the program had "been a success"

Whistleblower Program has been a tremendous success. Since its inception, the SEC Whistleblower Program has recovered over $6.3 billion in sanctions and has awarded over $2.2 billion to Whistleblowers.[3]

Whistleblowers have provided the SEC's Enforcement Division with original information leading to the opening of new investigations, "insider" views as to how a company approaches its disclosures to investors, and highly technical analyses of rapidly evolving fraud schemes. Whistleblowers have testified at temporary restraining order or asset freeze proceedings, enabling Enforcement staff to stop fraud schemes before investor losses mount; they have identified additional witnesses and encouraged those witnesses to come forward; and they have explained documents to enhance the Enforcement attorneys' understanding of cases.

The SEC's Whistleblower Program has forced companies to strengthen their compliance programs. If a registrant or public company ignores or fails to properly address an internal whistleblower tip, the whistleblower can report directly to the SEC, and the registrant or public company could be penalized for failing to address the violation. Large whistleblower awards also serve a deterrent value, in that they signal to would-be fraudsters that there is a high risk of getting caught.[4]

The SEC's Whistleblower Program has significantly enhanced the Enforcement Division's ability to uncover difficult-to-detect misconduct occurring abroad. Since the program's inception, the SEC has received tips from whistleblowers in **133 countries outside the United States** and the SEC has made substantial awards to foreign residents who have provided information.[5]

Despite its successes, including the investors it has saved from harm, and its immense impact on the SEC's Enforcement Program, the Draft Strategic Plan excludes any mention of the SEC's Whistleblower Program. We strongly urge the SEC to rectify this omission.

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that "stopped frauds and prevented losses for countless investors." Chairman Jay Clayton, *Strengthening our Whistleblower Program* (Sept. 23, 2020), https://www.sec.gov/newsroom/speeches-statements/clayton-whistleblower-2020-09-23. He touted the fact that, at the time, the five largest awards in the program's history were issued during his tenure. *Id.*

[3] SEC Off. of the Whistleblower, *Annual Report to Congress for Fiscal Year 2024* (Nov. 15, 2024), https://www.sec.gov/files/fy24-annual-whistleblower-report.pdf.
[4] *See e.g.,* Christine Wiedman & Chunmei Zhu, *The deterrent effect of the SEC Whistleblower Program on financial reporting securities violations,* 40(4) CONTEMPORARY ACCOUNTING RES., CANADIAN ACADEMIC ACCOUNTING ASS'N 2711, 2713-18 (2023) (discussing study of fraud revealing that the probability of financial misstatements decreased in the years following the Whistleblower Program).
[5] The SEC whistleblower program has significantly enhanced the SEC's ability to uncover difficult-to-detect misconduct occurring abroad. Joseph Orr, *Reporting Securities Fraud to the SEC: International How-to Guide*, INT'L WHISTLEBLOWER ADVOCATES, https://whistle-blower.com/guide/reporting-secu,rities-fraud-to-the-sec-international-how-to-guide/ (updated June 17, 2026); SEC Off. of the Whistleblower, *Annual Report to Congress for Fiscal Year 2021*, https://www.sec.gov/files/2021_ow_ar_508.pdf.

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Thank you in advance for your consideration of the views expressed in this letter. Should you have any questions regarding the points we have raised, please reach out to Jacklyn DeMar at jdemar@taf.org.