An internal investigation does not automatically prevent someone from making a whistleblower submission to a regulator. But timing can affect whether information qualifies for an award, how useful it is to investigators and what risks a potential whistleblower faces at work.

For employees at banks and other financial institutions, the issue can be especially sensitive. A firm may be investigating suspected money laundering while also considering whether it must file a Suspicious Activity Report (SAR). Employees may have information relevant to that process, but they should not assume that waiting for the firm to finish its investigation is safer—or that reporting internally first is always necessary.

In the United States, the Bank Secrecy Act (BSA) whistleblower programme was significantly overhauled in 2022. The changes strengthened the potential financial incentive for eligible whistleblowers and clarified protections against retaliation. They did not, however, guarantee an award or remove the need to consider confidentiality, evidence and employment risks carefully.

What the 2022 changes mean

The Anti-Money Laundering Whistleblower Improvement Act of 2022 amended the BSA programme. Under the amended law, an eligible whistleblower may receive an award when original information leads to a successful enforcement action resulting in more than $1 million in monetary sanctions.

If the statutory conditions are met, https://www.lawyer-monthly.com/2026/10/bsa-whistleblower-program-policies-for-2027/ an award is mandatory. The award must generally be between 10 and 30 per cent of the monetary sanctions collected in the qualifying action or related actions. The amount within that range is determined by the relevant authorities; it is not a fixed share that a whistleblower can expect to receive.

The $1 million threshold matters. It is a threshold for sanctions in a successful enforcement action, not a promise that a tip will lead to a payment, or a minimum amount a whistleblower will receive. A submission may help investigators without producing a qualifying action, and an action may not result in collected sanctions above the threshold.

Issue What it means in practice Sanctions threshold The qualifying action must result in more than $1 million in monetary sanctions. Award range An eligible award is generally 10 to 30 per cent of sanctions collected, subject to the statutory framework and the facts of the case. Original information The information must meet the programme's requirements, including being sufficiently new and useful to the government. Internal reporting Reporting concerns through a company channel does not, by itself, rule out an external submission. Internal reporting and cooperation may also be relevant to award assessment.

The 2022 changes make timing worth considering, but they do not turn the programme into a simple "first to report wins" system. Eligibility depends on the law and the facts, including whether the information is original, whether it leads to an enforcement action and whether the whistleblower meets other programme requirements.

Does an internal investigation change the timing calculus?

It can. An investigation may mean that the company has already identified a problem, preserved relevant records or started discussions with regulators. It may also mean that an employee has access to information that could disappear, be altered or become harder to verify. None of those possibilities creates a universal deadline, but they make delay a decision with potential consequences.

An investigation is not the same as a regulator's investigation

A company's internal investigation is distinct from an investigation by the US Department of the Treasury, the US Department of Justice or another regulator. The existence of an internal review does not automatically mean the government already has the information or that a potential whistleblower has lost the chance to provide it.

However, if a government agency has already requested the information, or is examining the same conduct, the timing and circumstances of a later submission may affect whether the information is treated as voluntary or original under the programme. The answer depends on the precise facts and applicable rules. A person should not assume that an internal inquiry either protects eligibility or destroys it.

Waiting can reduce the usefulness of a tip

Evidence can become harder to locate as time passes. Records may be overwritten under ordinary retention schedules, employees may leave, and recollections may fade. A tip is more likely to help investigators when it identifies specific conduct, dates, people, transactions and records, rather than offering a broad suspicion.

That does not mean a whistleblower should copy confidential files indiscriminately or conduct a private investigation. Taking documents without authority can create separate legal and employment risks. A person considering a submission should get advice on how to describe what they know and what material, if any, may lawfully be provided.

Internal channels and external submissions are different routes

Internal compliance reporting channels—such as a manager, compliance team, hotline or board-level reporting route—give a company a chance to assess and address concerns. They can create a record that an employee raised the issue and may help the organisation meet its own legal obligations.

An external submission goes to a regulator or law-enforcement authority. Under the BSA whistleblower framework, a person is not generally required to wait for an internal investigation to finish before contacting the relevant government authorities. Nor should an employee assume that making an internal report alone is equivalent to submitting a tip under a government whistleblower programme.

Internal reporting may still matter. The 2022 law allows the authorities to consider a whistleblower's efforts to report internally and assist the employer's response when determining an award. That is not a guarantee of a higher award. It also does not mean a person must report internally before going to the government.

- **Internal channel:** reports a concern to the organisation and may prompt its own investigation or remediation.
- **External submission:** provides information directly to a government authority under the relevant programme or reporting process.
- **Timing choice:** a person may need to consider both routes, rather than treating one as a substitute for the other.

In practice, someone may make an internal report and then decide to submit information externally, or may contact an authority without first reporting internally. The right course depends on the person's role, what they know, the company's response and any legal restrictions. Advice from a lawyer familiar with whistleblower law can help protect both the person and the integrity of any submission.

SAR obligations create a separate confidentiality issue

A SAR is a report that certain financial institutions must file with the US government when they know, suspect or have reason to suspect that a transaction involves unlawful activity or meets other reporting criteria. The obligation belongs to the covered institution, not ordinarily to every employee personally. An internal investigation may be part of the institution's process for deciding whether a SAR is required, but it does not itself determine the answer.



SAR confidentiality is important. US law generally prohibits a financial institution and its employees from disclosing a SAR or information that would reveal its existence to the person involved in the reported activity. That restriction is not a reason to stay silent about suspected misconduct through appropriate channels. But it is a reason not to share a SAR, refer to its existence, or forward related material casually—including in a proposed whistleblower submission.

A whistleblower can raise the underlying conduct without disclosing a SAR. Because the line between describing the facts and revealing protected SAR information can be difficult, anyone with access to SAR-related material should obtain legal advice before sending documents or discussing the institution's reporting decision externally.

Retaliation exposure: timing is only part of the risk

Employees may worry that reporting during an active investigation will make them a target. That concern is real. Retaliation exposure can include dismissal, demotion, reduced hours, exclusion from work, threats or other adverse treatment linked to protected reporting. A company's investigation does not eliminate that risk.



The BSA includes anti-retaliation protections for people who provide information in circumstances covered by the statute, including certain reports to their employer or to government authorities. The amended framework provides a federal cause of action for an eligible person who suffers prohibited retaliation. Available remedies can include reinstatement, double back pay with interest, special damages and legal costs, subject to the law and the case's facts.

These protections are not a guarantee that retaliation will not happen, or that every workplace complaint will qualify. Procedural deadlines also matter. The BSA process includes a requirement to file a retaliation complaint with the US Secretary of Labor within 180 days of the alleged retaliation. If the Department of Labor has not issued a final decision within 180 days, and the delay is not due to the complainant's bad faith, the statute provides a route to bring a case in federal district court. The details can be technical, so prompt legal advice is important.

Keep a careful, lawful record of relevant events: when concerns were raised, to whom, what response followed and any subsequent changes in treatment. Preserve records you are entitled to keep, but do not remove company files or confidential information without advice. If a negative employment action occurs, timing and documentation may become important to assessing whether it was connected to protected activity.

Practical steps when an internal investigation is underway

A potential whistleblower should avoid both extremes: rushing out a poorly supported account, and waiting indefinitely for the company to complete its review. Consider these steps:

1. **Write down what you know.** Separate first-hand observations from assumptions or information heard from others. Note dates, transactions, people involved and the location of relevant records.
2. **Identify what is already being investigated.** Consider whether the company's inquiry appears to cover the same conduct, without trying to access information you are not authorised to see.
3. **Understand the reporting routes.** Check the organisation's compliance channels, but do not assume internal reporting is a prerequisite to an external submission.
4. **Protect confidential information.** Do not disclose a SAR or information that reveals one. Get advice before transferring documents, particularly if they contain customer, employee or privileged information.

5. **Get independent legal advice early.** A lawyer can assess the programme's eligibility rules, submission timing, confidentiality limits and retaliation protections. Advice is especially important if a regulator has already contacted the company or requested information.
6. **Keep retaliation concerns in view.** Note changes in treatment and seek advice promptly. Do not let uncertainty about an award distract from a short deadline for a retaliation complaint.

Timing can help, but it cannot guarantee an award

An ongoing internal investigation does not automatically close the door to a BSA whistleblower claim. A person may still have valuable information, and the 2022 overhaul created a mandatory award framework for qualifying cases that exceed the $1 million sanctions threshold. But "mandatory" applies only after the legal conditions are met; it does not promise that every tip will produce an award.

The 10 to 30 per cent range is meaningful, but it is not a prediction of what any individual will receive. The information must qualify, contribute to a successful enforcement action and meet the programme's requirements. Internal reporting may be relevant, while waiting for an investigation to conclude may affect the usefulness or timing of a tip.

The practical question is not simply whether to report first internally or externally. It is how to preserve useful information, respect SAR confidentiality, understand the programme's timing rules and reduce retaliation exposure. Because those issues are fact-specific—and because award and retaliation deadlines can differ—independent legal advice is often the safest starting point.

This article is general information, not legal advice. US whistleblower and SAR rules are technical and may change; anyone considering a submission should consult a qualified lawyer about their circumstances.