Lawyers say the Bank Secrecy Act (BSA) whistleblower rules are still developing because Congress created a more formal path for reporting violations and seeking awards, but many practical questions remain. The statute sets out the basic framework. How that framework works in particular cases—including what information qualifies, how agencies evaluate tips, and how retaliation claims proceed—is still taking shape.

The change matters for people inside banks and other covered businesses. For decades, BSA problems were often identified through compliance reviews, regulatory examinations, or investigations after suspicious activity came to light. The newer framework gives individuals a potential financial incentive to report certain violations and adds express anti-retaliation protections. That is a significant shift, but it does not make every internal concern an award-eligible whistleblower submission.

Understanding the distinction requires keeping the agencies' roles straight. The Financial Crimes Enforcement Network (FinCEN), a bureau of the U.S. Department of the Treasury, administers the BSA and receives and analyzes financial reporting. The Department of Justice (DOJ) prosecutes criminal violations. The Securities and Exchange Commission (SEC) and Commodity Futures Trading Commission (CFTC) run separate whistleblower programs for violations within their jurisdictions. Those programs are not interchangeable.

How BSA Enforcement Traditionally Worked

The BSA requires financial institutions and other covered businesses to maintain anti-money-laundering programs and meet recordkeeping and reporting obligations. Depending on the institution and the conduct, those obligations may include monitoring transactions and filing suspicious activity reports (SARs). Pretty simple.. A SAR is a confidential report to the government about activity that may indicate money laundering or another financial crime; it is not proof that a customer committed a crime.

Historically, many BSA failures surfaced through examiner-driven discovery. Federal and state regulators examine institutions, review compliance programs, test controls, and assess whether the institution is meeting its obligations. Examiners may identify weaknesses in transaction monitoring systems, missed or delayed SAR filing, inadequate staffing, or problems with escalation procedures. Agencies may then require corrective action or pursue enforcement.

That history shaped how institutions approached compliance. The central question was often whether the company had designed and operated a sufficiently effective program. An employee's concerns might be raised internally, documented during an examination, or later become relevant in an enforcement investigation. But there was not always a clear, widely understood whistleblower route with a potential financial award for reporting BSA violations.

The Shift to Formal Reporting Pathways

Congress changed the landscape through the Anti-Money Laundering Act of 2020 (AMLA), which amended the BSA to create a whistleblower framework. Congress then revised and strengthened that framework in 2022 through the Anti-Money Laundering Whistleblower Improvement Act. Together, these laws created a new statutory framework: eligible individuals may provide information to the government and, in specified circumstances, seek an award tied to monetary sanctions.

The framework is intended to help the government learn about violations that may be difficult to detect from outside an organization. An employee may know that a transaction monitoring system repeatedly generated

alerts that were not investigated, that management discouraged SAR filing, or that a known control failure was left uncorrected. That information may help authorities assess whether a violation occurred and whether enforcement is warranted.

Formal reporting pathways do not mean that every tip qualifies. The statutory program covers specified violations and requires a connection between the information provided and a successful enforcement action. A person who reports a general concern, a policy disagreement, or a control weakness that does not lead to a qualifying action should not assume that an award will follow.

What the $1 Million Threshold Means

The award structure is one reason the rules receive close legal attention. In broad terms, a whistleblower may be eligible for an award when original information leads to a successful covered action that results in monetary sanctions exceeding $1 million. The potential award is generally set within a statutory range of 10% to 30% of the monetary sanctions collected, subject to the law's requirements and the authorities' assessment.

Feature What it means More than $1 million in sanctions The threshold relates to monetary sanctions in a qualifying action. It is not a promise that a whistleblower will receive $1 million. Potential award range The statutory range is generally 10% to 30% of qualifying monetary sanctions collected, subject to statutory factors and program requirements. Information must contribute A tip must meet the law's conditions and help lead to a successful covered action; simply submitting information does not guarantee an award. Agency decision-making Authorities evaluate eligibility and the amount under the applicable framework. The outcome depends on the facts and the governing rules.

The $1 million figure is especially easy to misread. It is a threshold tied to sanctions in a covered action, not a minimum payment to the whistleblower. Nor does it mean that an award is automatic once an enforcement action exceeds that amount. The information must meet the program's requirements, and the government must obtain qualifying sanctions.

You ever wonder why there are also questions about how authorities will apply concepts such as "original information," the degree to which a tip must contribute to an action, and how awards are calculated when multiple sources provide information. Those details matter in practice. A person considering a report may need to preserve relevant facts, distinguish firsthand knowledge from assumptions, and understand how the reporting route affects eligibility.

Why Transaction Monitoring and SAR Filing Matter

Transaction monitoring systems are a central part of many institutions' BSA programs. They use rules, scenarios, or other analytical methods to identify activity for review. A system alert is not itself a SAR, and an alert does not automatically establish that a report must be filed. The institution generally investigates the relevant activity and determines whether filing is required under applicable rules and its procedures.

That process creates potential whistleblower issues. For example, an employee may believe that alert backlogs are so large that significant activity is not being reviewed, that system changes weakened detection without adequate testing, or that staff were pressured to close alerts without appropriate analysis. A separate concern may involve whether SARs are filed when required or whether reports are accurate and timely.

These facts are highly contextual. A disagreement over one alert is not necessarily evidence of a BSA violation. Likewise, a high alert volume or a low SAR count does not, by itself, prove misconduct. Investigators and courts may need to examine the institution's controls, the information available at the time, decision-making records, and whether a pattern of conduct reflects a failure to meet legal obligations.



Anti-Retaliation Protections—and Their Open Questions

The BSA whistleblower provisions also prohibit specified retaliation against individuals for protected reporting and related lawful activity. The law provides a route for a whistleblower to bring a retaliation complaint through the Department of Labor, with a potential path to federal court under statutory conditions. Available remedies can include reinstatement, back pay, and other relief allowed by law.

Those protections are important, but their practical boundaries are still being tested. Disputes may arise over whether an employee's report was protected, whether the employer knew about it, whether a challenged workplace action was retaliatory, cross-border payment aml and how the statutory process applies to a particular claim. Timing and documentation can matter: a report made through one channel may raise different procedural questions from a report made through another.

Emerging case law will help answer these questions, but the body of decisions is not yet as mature as the law governing some longer-established whistleblower programs. Courts may have to interpret the scope of protected activity, the relationship between internal reporting and government reporting, and the standards for proving causation. Until those issues are resolved across more cases, lawyers are cautious about treating any one fact pattern as a settled rule.

Why Lawyers Say the Rules Are Still Developing

There are three overlapping sources of uncertainty: statutory interpretation, agency implementation, and litigation shaping rules. Congress established the framework, but statutory language often needs clarification when applied to real disputes. Agencies must administer the program and explain how submissions, eligibility, and awards will be handled. Courts then review contested issues, including retaliation claims and disputes over statutory meaning.

That is why “agency guidance evolving” is more than a general caveat. As authorities implement the program, they may clarify how they handle submissions, what information is useful, and how award criteria apply. Guidance can help participants understand expectations, but it does not replace the statute or bind a court in every dispute. The details can also depend on the type of violation and the agency involved.

Litigation shaping rules is similarly important. A court decision can explain how a statutory term applies, but a ruling in one case may be limited to its facts or jurisdiction. As more cases proceed, lawyers will look for consistent answers about protected disclosures, retaliation procedures, and the relationship between a whistleblower’s information and a government enforcement result.



What This Means in Practice

For employees, the new framework creates options, not guarantees. Before reporting, a person should understand what conduct they can lawfully disclose, which authority may be relevant, and whether the information is firsthand, documented, and connected to a potential legal violation. Confidentiality and information-handling rules also matter. Whistleblower status does not authorize taking or disclosing protected records in ways the law forbids.

For institutions, the program reinforces the value of credible internal reporting channels and careful follow-up. Compliance teams should be able to document how concerns are reviewed, how transaction monitoring system issues are escalated, and how SAR filing decisions are made. Training managers not to retaliate—and responding consistently when concerns are raised—can reduce both compliance and employment-law risk.

- Do not assume a monitoring alert automatically requires a SAR; assess the facts under applicable requirements and procedures.
- Do not treat an internal report as proof that a violation occurred; investigate it and document the response.
- Do not assume a tip guarantees an award; the statutory conditions and the outcome of a covered action matter.
- Do not confuse the BSA program with SEC or CFTC whistleblower programs, which cover different legal areas.
- Do not retaliate against employees for conduct protected by applicable whistleblower laws.

The Bottom Line

BSA whistleblower rules are still developing because the law has moved beyond an enforcement model driven mainly by examinations and institutional reporting, but the newer award and anti-retaliation framework is still being implemented and interpreted. The $1 million sanctions threshold and the 10% to 30% award range provide a structure, not a guaranteed result.

For now, the most reliable approach is to treat the statute as the starting point, follow developments in agency guidance, and watch how litigation shapes rules over time. For both employees and institutions, precise facts and careful handling of transaction monitoring and SAR filing concerns matter more than broad claims about what a tip will achieve.