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BUSINESS

Monsanto Whistleblower to Collect \$22 Million SEC Reward

Award is second-largest since the agency launched its whistleblower program in 2011

By **SAMUEL RUBENFELD**

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A former financial executive at Monsanto Co. will collect a nearly \$22.5 million reward for alerting the Securities and Exchange Commission to alleged accounting violations related to the company's trademark weedkiller, a lawyer for the whistleblower said.

The SEC said Tuesday it granted a reward, its second-largest since the whistleblower program's 2011 inception, but it didn't disclose information about the case. It credited the whistleblower's "detailed tip and extensive assistance" with helping to stop a "well-hidden fraud" at the tipster's company.



The U.S. Securities and Exchange Commission headquarters in Washington in 2011. *PHOTO: ANDREW HARRER/BLOOMBERG NEWS*

Monsanto agreed in February to pay \$80 million to settle accusations of accounting violations relating to a rebate program for Roundup, its signature herbicide. The SEC said at the time that Monsanto didn't properly account for tens of millions of dollars in rebates the company paid to retailers and distributors when booking sales amid sliding market share, leading Monsanto to "materially" misstate its earnings over a three-year period. Monsanto agreed to the penalty while not admitting or denying the SEC's allegations, the agency said at the time.

A representative for Monsanto declined to comment.

Stuart Meissner, the attorney who represented the whistleblower, said his client went to the SEC only after first trying to correct the issues internally.

"Internal gatekeepers like our client represent the first line of defense against financial wrongdoing at companies," said Mr. Meissner.

Mr. Meissner declined to publicly identify his client.

Jane Norberg, acting chief of the SEC's whistleblower's office, said in a statement that the tipster's position inside the company as key to unraveling the wrongdoing, which she called "deeply buried."

"Without this whistleblower's courage, information and assistance, it would have been extremely difficult for law enforcement to discover this securities fraud on its own," said Ms. Norberg.

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- Monsanto to Pay \$80 Million in Settlement With SEC (Feb. 9)

The latest award brings the total issued to whistleblowers under the SEC's program to more than \$100 million, the agency said. Thirty-three

whistleblowers have received awards; the largest, issued in 2014, was \$30 million. The SEC said the whistleblower office has received more than 14,000 tips from all 50 U.S. states and 95 foreign countries since its launch, and the tips have led to more than \$500 million in penalties.

Calling the program a "game changer" for the agency, SEC Chair Mary Jo White said tips to the whistleblower office are "providing a source of valuable information" to help the SEC with its mission.

The program, developed under the Dodd-Frank Act, gives 10% to 30% of a penalty for a securities violation if that penalty exceeds \$1 million.

—*Aruna Viswanatha contributed to this article.*

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