The Anti-Money Laundering Act of 2020 (AMLA) did more than update compliance rules. It began changing how the government could learn about money laundering and Bank Secrecy Act (BSA) violations. For decades, regulators and law enforcement largely depended on financial institutions, examinations, and investigative work to surface potential misconduct. AMLA added a different route: financial incentives and legal protections for people who report violations.

Congress revisited that route in 2022. The AML Whistleblower Improvement Act, enacted as part of the National Defense Authorization Act for Fiscal Year 2023, strengthened the award framework and clarified protections. The result was a two-step reform: AMLA created the statutory foundation, and the 2022 changes made the whistleblower program more meaningful on paper.



This is the central connection between the two laws. AMLA 2020 laid the groundwork for a whistleblower program; the 2022 changes supplied a more defined award structure and reinforced the reporting pathway.



What the BSA enforcement system looked like before AMLA

The Bank Secrecy Act is the main federal framework requiring financial institutions to keep certain records and report activity that may indicate financial crime. It is not a single agency. The Financial Crimes Enforcement Network (FinCEN), the Treasury bureau that administers the BSA, writes regulations and receives and analyzes financial reports. Other regulators examine institutions, while the Department of Justice (DOJ) prosecutes federal crimes. Those roles overlap in enforcement, but they are not interchangeable.

For many years, BSA enforcement relied heavily on information generated by institutions and uncovered through supervision. Banks and other covered businesses built compliance programs, reviewed transactions, and filed sar backlog reporting risks suspicious activity reports (SARs) when required. Examiners assessed whether those programs were adequate and whether the institution had followed its obligations. Investigators and prosecutors could then use records, SAR information, and other evidence to develop cases.

Examiner-driven discovery had limits

Examinations can identify weak controls, delayed filings, or gaps in a compliance program. But an examiner may see only part of a business, at a particular point in time. Internal employees may know more about how transactions were handled, how alerts were closed, or whether senior personnel influenced decisions. They may also see conduct that is difficult to detect from formal records alone.

Transaction monitoring systems illustrate the problem. A system can generate alerts, but its usefulness depends on data quality, detection rules, staffing, escalation practices, and management decisions. A stream of closed alerts does not by itself establish that the institution investigated risk adequately. Nor does a high SAR count prove that the underlying program is effective. The relevant question is whether the institution identified and reported suspicious activity as the law and its risk profile required.

In practice, the old model placed substantial responsibility on institutions to identify problems and report them, while government discovery often depended on examinations and investigative leads. AMLA's whistleblower provisions recognized that people inside or close to a business could supply information the ordinary supervisory process might miss.

AMLA 2020 foundations: a formal reporting and incentive framework

AMLA, enacted in January 2021 as part of the National Defense Authorization Act for Fiscal Year 2021, made broad changes to the BSA. It addressed issues including information sharing, compliance expectations, and the government's approach to financial crime. One of its less visible but important reforms was a revised whistleblower framework in the BSA.

Before AMLA, the BSA already had a whistleblower provision, but its award ceiling was low. AMLA replaced that limited approach with a program that contemplated awards tied to successful enforcement outcomes. It also established anti-retaliation protections for people who reported covered violations. In other words, the statute put two related ideas together: a reason to come forward and a legal remedy if an employer retaliated for doing so.

From internal compliance evidence to outside reporting

The reporting pathway was designed to let qualifying individuals provide information to the Treasury Department about possible BSA violations. A report could concern conduct such as failures to maintain an effective anti-money-laundering program, inadequate controls, or failures involving required records and reports. The individual's information could help an investigation or enforcement action, though an award would depend on statutory requirements and the outcome.

That pathway is relevant to SAR filing, but it does not replace SAR obligations. A whistleblower's report to the government is not a substitute for a financial institution's duty to file a SAR when required. Nor does a whistleblower automatically gain permission to disclose a SAR or information that the law protects as confidential. The reporting rules and confidentiality restrictions remain important.

For compliance teams, the practical point is that internal processes and external reporting can coexist. A worker may raise a concern internally, report it to the government, or do both, depending on the facts and applicable law. A sound program should not assume every concern will remain inside the organization.

Why the 2020 framework needed another round of reform

AMLA created a stronger statutory concept, but the original award provision left important questions unresolved. The award ceiling that had made the prior program unattractive was removed, and the law linked awards to monetary sanctions collected in qualifying cases. But key details about how the program would operate and how awards would be financed remained uncertain.

That uncertainty mattered. A whistleblower program needs more than a promise that an award may be available. Potential reporters need a workable process, clear eligibility rules, and confidence that an award can actually be paid. Employers and counsel also need to understand the boundaries of anti-retaliation protection.

The 2022 legislation responded to those concerns. It did not create the entire program from scratch. It strengthened the framework AMLA had established and made the financial incentive more concrete.

The 2022 changes: a defined award range

The AML Whistleblower Improvement Act of 2022 amended the BSA whistleblower provisions. Under the revised structure, a qualifying whistleblower may be eligible for an award of at least 10% and no more than 30% of monetary sanctions collected in qualifying enforcement actions, when the sanctions exceed $1 million in total. The award is not automatic. The law gives the government a role in determining whether the person qualifies and the appropriate award amount.

Feature What the framework provides Why it matters Sanctions threshold Qualifying monetary sanctions must exceed $1 million. The threshold separates the award program from smaller matters. Award range Generally 10% to 30% of qualifying sanctions collected. The potential award is linked to the enforcement result, not a fixed low cap. Eligibility The person must meet statutory requirements and provide qualifying information. Not every tip, employee complaint, or SAR-related concern qualifies. Retaliation remedies The law provides a route to seek relief for prohibited retaliation. Reporting protections have practical consequences for employers.

The $1 million threshold is a sanctions threshold, not a guaranteed payout. It does not mean a whistleblower receives 10% of every fine, and it does not mean every person who submits information receives an award. The statute's criteria, the quality and usefulness of the information, and the enforcement result all matter.

What the award structure signals

Linking awards to sanctions collected gives the program a clearer financial incentive than a small fixed cap. It also places the BSA whistleblower framework closer in form to other federal whistleblower programs, although each program has its own statute, rules, and administering agency. The SEC, for example, administers securities whistleblower awards; it does not administer the BSA program. FinCEN is the Treasury bureau responsible for the BSA framework.

The change also reflects a policy judgment: information from insiders can help authorities detect and prove violations that may not be apparent from an examination or a company's own filings. But the award mechanism is only one part of the system. It works alongside institutional compliance duties, examinations, SAR filings, and law-enforcement investigations.

Anti-retaliation protections and emerging case law

AMLA's whistleblower framework also prohibits retaliation against covered individuals for protected reporting. The law provides a process for seeking relief and identifies potential remedies, including reinstatement, double back pay with interest, and compensation for certain costs and damages. The precise claim and available remedy depend on the facts and statutory requirements.

These protections matter because the decision to report can carry real workplace risks. A person may fear dismissal, demotion, threats, or other adverse treatment after raising concerns. A formal anti-retaliation provision gives that person a legal route to challenge prohibited conduct, rather than relying only on internal policies or assurances.

Case law is still developing

The BSA whistleblower provisions are relatively new, and a large, settled body of case law has not yet developed. Courts will have to address questions about who is covered, what counts as protected activity, how a retaliation claim must be brought, and how the statutory remedies apply. Those issues should be treated as evolving rather than settled.

That is a practical caution for both employees and employers. A report does not automatically establish a retaliation claim, and an employer's adverse action is not automatically unlawful simply because the employee previously raised a compliance concern. The connection between the protected activity and the employer's conduct, along with the statute's procedural requirements, will matter.

Employers should avoid treating the lack of extensive case law as a reason to ignore the risk. Retaliatory conduct can create liability and discourage the reporting the law is designed to encourage. Organizations should document legitimate employment decisions, route complaints to appropriate personnel, and keep compliance investigations separate from decisions that could appear punitive.

What this means in practice

AMLA 2020 established the foundation for a BSA whistleblower program. The 2022 amendments made the award structure more specific, including the 10% to 30% range for qualifying cases with more than $1 million in monetary sanctions. Together, the laws shift part of the enforcement model away from exclusive reliance on institution-generated records and examiner discovery and toward formal reporting by individuals with relevant information.

For financial institutions and other covered businesses, that shift has operational consequences:

- **Test transaction monitoring beyond alert volume.** Review whether alert scenarios, data, investigation quality, escalation, and disposition decisions match the business's actual risks.
- **Check SAR processes.** Confirm that suspicious activity is escalated, investigated, and reported on time where required. A whistleblower channel does not replace SAR filing duties.
- **Protect reporting channels.** Make it possible to raise concerns without unnecessary barriers, and train managers not to retaliate against employees who report suspected misconduct.
- **Preserve records.** Keep clear documentation of alert handling, SAR decisions, control changes, and employment actions that could later be scrutinized.
- **Coordinate carefully.** Compliance, legal, human resources, and senior management should understand their roles without compromising SAR confidentiality or an independent investigation.

For potential whistleblowers, the statute creates an incentive and a protected route, but it does not promise an award. The person's eligibility, the usefulness of the information, the government's action, and the amount of sanctions collected all affect the outcome. Legal advice can be important before disclosing sensitive information, particularly where SAR confidentiality or employment issues are involved.

The bottom line

AMLA 2020 set up the 2022 changes by creating the modern BSA whistleblower framework: a path for individuals to report suspected violations, potential awards tied to enforcement, and anti-retaliation protections. The 2022 legislation made that framework more concrete by establishing a 10% to 30% award range for qualifying cases when monetary sanctions exceed $1 million.

The reform does not displace examinations, transaction monitoring, or SAR filing. It adds another source of information to the enforcement system. The broader message is straightforward: regulators and law enforcement are no longer expected to learn about BSA failures only from an institution's own controls or an examiner's review. Individuals with relevant information now have a more formal route to bring it forward.