

Federal appeals court revives whistleblower lawsuit against JPMorgan

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[JURIST] The [US Court of Appeals for the Second Circuit](#) [official website] on Thursday [revived](#) [order, PDF] a whistleblower's lawsuit against [JPMorgan Chase & Co.](#) [corporate website]. In a unanimous decision, the court vacated and remanded a lower court's grant of [summary judgment](#) [order, PDF] to JPMorgan, which had effectively tossed a suit filed by former vice president Jennifer Sharkey.



Sharkey filed a complaint in October 2009 with the

[Occupational Safety and Health Administration](#) (OSHA) [official website] claiming that JPMorgan ignored major signs of fraudulent consumer practices in violation of the [Sarbanes-Oxley Act](#) [text, PDF]. OSHA dismissed her complaint, and the trial court agreed, concluding that Sharkey, as a whistleblower, did not engage in protected activity because she failed to show that "her complaints 'definitively and specifically' related to one of the six enumerated categories of misconduct identified in Section 806." The appeals court, however, revived the suit, citing its recent ruling in [Nielsen v. AECOM Tech. Corp.](#) [opinion], which held the requirement "definitively and specifically" was too strict and found that those bringing suit simply had to show that they "reasonably believed" that their complaints constituted a violation of the enumerated federal provisions.

This is the latest development in a string of [litigation](#) [JURIST backgrounder] against JPMorgan. In March an Italian appeals court [overturned](#) [JURIST reports] the fraud oversight convictions of JPMorgan and several other banks. In February JPMorgan [agreed](#) [JURIST reports] to pay the US government \$614 million and improve company mortgage lending practices for claims it

approved thousands of unqualified home mortgage loans for government insurance since 2002 costing the government millions of dollars when the loans defaulted. Last November the US Department of Justice finalized a \$13 billion **settlement** [JURIST reports] with JPMorgan that resolved federal and state claims arising from the bank's risky mortgage practices that helped lead to the 2008 financial crisis.