JP Morgan SOX Whistleblower Wins \$1.13M at Trial

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After an arduous eight year battle, including two successful appeals at the Second Circuit, former JP Morgan wealth manager Jennifer Sharkey prevailed in her Sarbanes-Oxley whistleblower lawsuit. The jury awarded her \$1.13M, consisting of \$563,000 in back pay and \$563,000 in emotional distress damages.



Ms. Sharkey alleged that JP Morgan terminated her employment in 2009 because she reported internally that a bank client was potentially engaging in money laundering. As summarized in a Second Circuit opinion vacating summary judgment, Ms. Sharkey's concern was based on "evidence that the client (1) was trading in a third-party account, with no documented authority to do so; (2) was not forthcoming with information on various matters relating to his businesses; and (3) maintained numerous accounts through some of which he engaged in unusual transfers, while others were almost empty."

JP Morgan asserted that Ms. Sharkey did not engage in SOX protected conduct because her concerns were unfounded and she failed to take reasonable steps to investigate her concerns. But under the whistleblower protection provision of SOX, Ms. Sharkey need not prove that she reported

actual fraud and instead can prevail by showing that she had a reasonable belief that the conduct about which she complained violated one of the enumerated anti-fraud statutes in Section 806 of SOX.

Ms. Sharkey's significant win at trial is among several recent large verdicts in SOX whistleblower cases, including the following:

Jury Awards Six Million Dollars to Whistleblower in Sarbanes-Oxley Case

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