Less is More: SEC's Division of Enforcement Year-End Results Reflect Shift Toward More Targeted Enforcement Amid Decline in Actions and Monetary Remedies

November 11, 2026

On November 10, 2026, the U.S. Securities and Exchange Commission's ("SEC" or "Commission") Division of Enforcement ("Division") announced its enforcement results for fiscal year ("FY") 2026—the first full fiscal year under Chairman Paul S. Atkins and the first annual results released under Director of Enforcement David Woodcock six months into his tenure.[1] The results, which were reported in a press release and an accompanying addendum, show that enforcement activity declined further from FY 2025, which had itself marked a significant drop from FY 2024. The Commission brought 348 enforcement actions, including 235 standalone actions, while monetary remedies fell sharply, to approximately $1.1 billion. By contrast, distributions to harmed investors rose substantially.

The FY 2026 press release also reflects a notable shift in emphasis. Whereas the FY 2025 release offered a sharp rebuke of the prior Commission,[2] this year's release emphasizes the Division's focus on consequential misconduct, individual accountability, and meaningful enforcement outcomes, alongside a series of organizational and procedural reforms. Against the backdrop of declining enforcement activity and monetary remedies, and sounding a prior theme, Chairman Atkins cautioned that enforcement actions and financial remedies "are important measures of activity, but they are not the only or most telling measures."[3] Director Woodcock discussed the results in his remarks at the 26th Annual A.A. Sommer Lecture at Fordham Law School, where he partly attributed the decrease of enforcement actions to the more than month-long government shutdown and "a transition in personnel."[4]

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1 Press Release, SEC Announces Enforcement Annual Results for Fiscal Year 2026 (Nov. 10, 2026), https://www.sec.gov/newsroom/press-releases/2026-113-sec-announces-enforcement-annual-results-fiscal-year-2026 ("FY 2026 Press Release").

2 See Debevoise Update, SEC's Enforcement Division Issues 2025 Report That Shuns Knuckleballs and Embraces Down-the-Middle Fastballs—and Brings In Woodcock as a Reliever (Apr. 8, 2026).

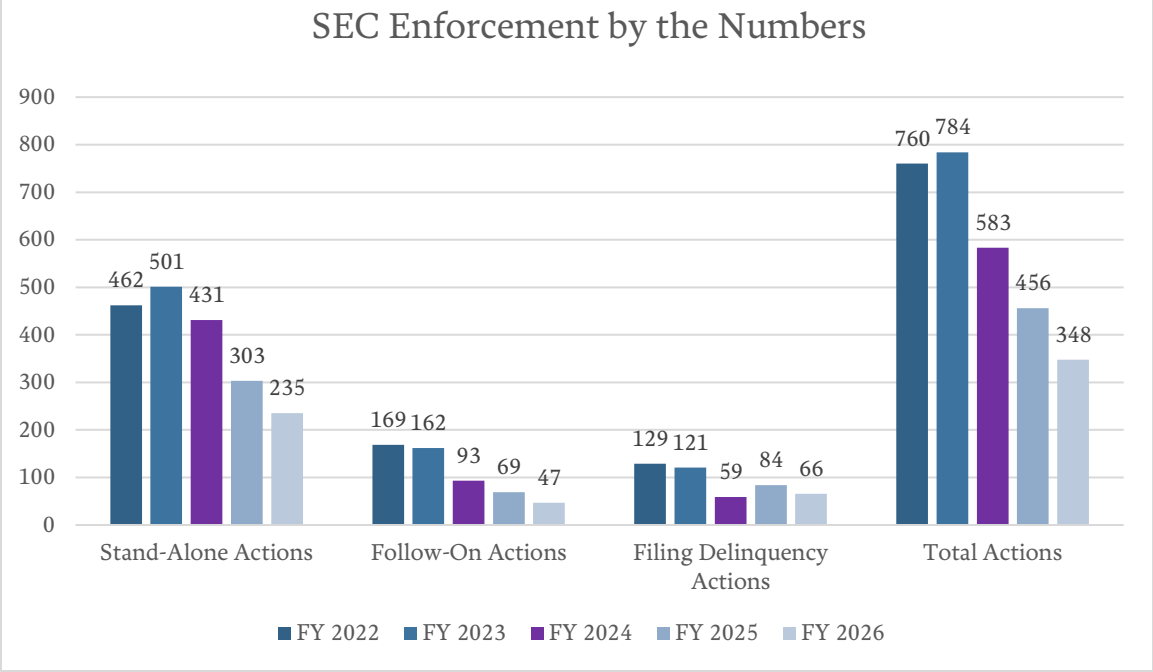
3 FY 2026 Press Release.

4 David Woodcock, Director, Division of Enforcement, Remarks at the 26th Annual A.A. Sommer Lecture (Nov. 10, 2026), https://www.sec.gov/newsroom/speeches-statements/woodcock-remarks-aa-sommer-lecture-111026.

ENFORCEMENT ACTIVITY CONTINUES TO DECLINE

The Commission filed 348 enforcement actions in FY 2026, including 235 standalone actions, 47 "follow-on" administrative proceedings, and 66 delinquent filing actions.[5] Separately, the Commission instituted 13 trading suspensions in response to suspected manipulation involving the securities of Asia-based issuers.[6]

The 348 actions represent a 24% decrease from the 456 actions brought in FY 2025, while the 235 standalone actions represent a 22% decrease from the 303 standalone actions brought that year.[7] More broadly, the number of standalone actions has declined by approximately 45% from the 431 brought in FY 2024—and by more than half from the 501 brought in FY 2023.



[5] Addendum to Division of Enforcement Press Release Fiscal Year 2026 at 1 (Nov. 10, 2026), https://www.sec.gov/files/2026-113-enforcement-annual-results-fiscal-year-2026.pdf ("FY 2026 Addendum").

[6] FY 2026 Press Release.

[7] Press Release, SEC Announces Enforcement Annual Results for Fiscal Year 2025 (Apr. 7, 2026), https://www.sec.gov/newsroom/press-releases/2026-34 ("FY 2025 Press Release"); Addendum to Division of Enforcement Press Release Fiscal Year 2025 at 1 (Apr. 7, 2026), https://www.sec.gov/files/2026-34-addendum.pdf.

The addendum's classification table shows that the three most common types of standalone enforcement actions were:[8]

- Investment adviser and investment company matters (79 actions; 34% of the total);
- Securities offering matters (63 actions; 27% of the total); and
- Insider trading matters (38 actions; 16% of the total).

The remaining standalone actions consisted of issuer reporting/audit and accounting matters (23), broker-dealer matters (16), market manipulation matters (7), miscellaneous matters (6), and public finance abuse matters (3). Notably, the addendum lists no FCPA actions. Compared to FY 2025, the Commission brought 10% more investment adviser and investment company matters, 28% fewer securities offering matters, and 59% fewer broker-dealer matters.[9]

The investment adviser figures were also significantly affected by two sweeps, in November 2025 and August 2026, in which the Commission charged 45 entities, 42 of them in the District of Colorado, for allegedly filing false Forms ADV to pose as legitimate U.S. advisers.[10] Because the addendum counts each sweep defendant as a separate action, those two sweeps account for 45 of the 79 investment adviser and investment company actions. Excluding them, that category would have declined by roughly half from FY 2025.

MONETARY REMEDIES FALL SHARPLY; DISTRIBUTIONS RISE

The Commission obtained orders for monetary relief totaling $1.095 billion in FY 2026: $752 million in disgorgement and prejudgment interest and $343 million in civil penalties.[11] Of that amount, $235 million was deemed satisfied by a court order in a separate, non-SEC action, such as a parallel criminal proceeding, leaving $860 million net of those offsets.[12]

By comparison, the Commission reported $17.9 billion in monetary relief in FY 2025, but $14.9 billion of that total came from the long-running *Stanford International Bank*

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8 FY 2026 Addendum at 2.

9 FY 2026 Addendum at 2; Addendum to Division of Enforcement Press Release Fiscal Year 2025 at 2 (Apr. 7, 2026), https://www.sec.gov/files/2026-34-addendum.pdf.

10 FY 2026 Press Release; FY 2026 Addendum at 7–9.

11 FY 2026 Press Release; FY 2026 Addendum at 1.

12 FY 2026 Addendum at 1 & n.3.

Ltd. matter. Excluding Stanford, "deemed satisfied" amounts, and off-channel communications penalties, the FY 2025 total was approximately $2.7 billion.[13] Even against that adjusted figure, FY 2026 net remedies were down roughly 68%. The decline is consistent with both the smaller number of actions and the current Commission's shift away from the kind of penalty-driven sweeps, including the off-channel communications cases, which it has criticized as an inappropriate use of enforcement resources. The FY 2026 total was also not affected by a single outsized judgment comparable to the Stanford judgment that drove the FY 2025 results.

Distributions to harmed investors, by contrast, rose significantly: the Commission returned approximately $731 million to more than 250,000 harmed investors, up from approximately $262 million in FY 2025.[14] That increase is consistent with the Commission's repeated emphasis on investor protection and the return of funds to harmed investors as important measures of enforcement effectiveness. Distributions can arise from cases brought in earlier years, however, and therefore should not be treated as a measure of relief ordered in FY 2026.

A RESTRUCTURED DIVISION

Much of the FY 2026 press release is devoted to organizational and procedural changes, which may have important implications for market participants beyond the headline numbers:[15]

- **Retail Fraud Working Group.** The Division formed a Retail Fraud Working Group to identify Ponzi schemes, offering frauds, impersonation scams, broker-dealer misconduct, false filings, and manipulation schemes affecting retail investors. According to the release, the group's efforts have already generated more than a dozen new investigations.

- **Financial Reporting and Accounting Unit.** A new Financial Reporting and Accounting Unit ("FRAU") combines attorneys and accountants to pursue complex accounting and financial reporting fraud and misconduct by accountants and auditors. On the same day that the SEC released its FY 2026 enforcement results, the PCAOB announced the creation of five specialized units within its Division of Enforcement and Investigations and emphasized its continued coordination with the SEC, particularly through the new FRAU. The parallel reorganizations underscore

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13 FY 2025 Press Release; Addendum to Division of Enforcement Press Release Fiscal Year 2025 at nn.1–4.

14 FY 2026 Press Release; FY 2025 Press Release.

15 FY 2026 Press Release.

the continued attention that issuers and audit firms should give to financial reporting controls, audit issues, and documentation.[16]

- **Office of Super Intelligence and Analytics.** The Division launched a new office to bring data-driven and "Super Intelligence" tools into its investigations, including anomaly detection, faster document and transcript review, and blockchain and financial-flow analysis.

- **Trial Unit reorganization.** The Trial Unit was reorganized under the Chief Litigation Counsel, with newly created Deputy Chief Litigation Counsels overseeing litigation attorneys across all of the Commission's offices, in contrast to the prior structure under which those trial counsel were supervised in their regional offices.

- **Enforcement Manual updates.** The Division updated the Enforcement Manual for the first time since 2017, standardizing the Wells process, permitting simultaneous Commission consideration of settlement recommendations and related waiver requests, and explaining the framework for evaluating cooperation and its impact on civil penalties.

- **Rescission of the "no-deny" policy.** The Commission rescinded Rule 202.5(e), which had generally conditioned settlements involving sanctions on a defendant's or respondent's agreement not to publicly deny the allegations.

- **Interagency coordination.** The Commission entered into memoranda of understanding with the CFTC and the FDA and continued its coordination with the PCAOB and criminal authorities.

FOCUS AREAS

The press release emphasized what the Division described as "serious and consequential violations of the federal securities laws—including fraud, market manipulation, insider trading, failures and misconduct by gatekeepers, and violations that compromise the integrity of disclosures and financial reporting."[17]

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[16] Press Release, PCAOB Announces New Specialized Units in Enforcement Division (Nov. 10, 2026), https://pcaobus.org/news-events/news-releases/news-release-detail/pcaob-announces-new-specialized-units-in-enforcement-division.

[17] FY 2026 Press Release.

Cross-Border Fraud

Building on the Cross-Border Task Force formed in September 2025, the Commission highlighted actions against 42 entities in the District of Colorado, two in the Southern District of New York, and one in the Northern District of New York for allegedly filing false Forms ADV. It also pointed to cases involving investment confidence scams conducted through social media and messaging platforms, and to a foreign-based issuer that allegedly engaged in sham transactions.[18] The 13 trading suspensions involving Asia-based issuers likewise targeted suspected manipulation, much of it allegedly carried out through social media.

Retail Investors and Pre-IPO Markets

The Commission highlighted several Ponzi and offering fraud cases, including charges against Goliath Ventures, Inc. and its founder for an alleged Ponzi scheme that raised at least $425 million from more than 1,300 investors, and against AKL Transport LLC, Southern Truck Leasing LLC, and their founder in an alleged scheme that raised at least $127 million.[19] The Division also highlighted its enforcement efforts in the pre-IPO secondary market, pointing to actions against Adit Ventures Management, Meyer Global Management, and boiler room operator Andrew Spaventa.[20] Given the Commission's emphasis on the risks to retail investors in these markets, pre-IPO secondary market fraud appears likely to remain an enforcement priority.

Investor Protection "Guardrails"

Although the current Commission has criticized certain technical and penalty-driven enforcement sweeps brought under its predecessor, the release pointed to a range of compliance actions that it described as reinforcing "critical investor-protection guardrails," including cases under the Custody Rule, the Net Capital Rule, Regulation Best Interest, Regulations S-P and S-ID, Regulation SCI, Rule 21F-17(a), SAR filing obligations, and blue sheet requirements.[21] The juxtaposition suggests that the Commission distinguishes broad enforcement sweeps from cases involving obligations it considers central to investor protection. Examples include settled actions against David Lerner Associates (Regulation Best Interest), Foot Locker (whistleblower-impeding separation agreements), Merrill Lynch and Canaccord Genuity (SAR failures), and Wedbush Securities (blue sheet data).[22]

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18 *Id.*

19 *Id.*

20 *Id.*

21 *Id.*

22 *Id.*

Market Abuse

On the market abuse front, the Commission pointed to insider trading and manipulation cases, including charges against 21 individuals in an alleged insider trading scheme involving information misappropriated from multiple global law firms, several spoofing cases, and insider trading actions against corporate employees, an attorney, and members of due diligence teams.[23] The Commission brought 38 standalone insider trading actions in FY 2026, up from 31 in FY 2025, while standalone market manipulation actions fell from 15 to 7.[24] Insider trading was thus one of the few categories to increase, and became the third most common type of standalone action.

Disclosure, Accounting, and Gatekeepers

The release featured settled charges against Archer-Daniels Midland Company and two former executives (along with a litigated action against a third) concerning the alleged inflation of the performance of a key business segment, as well as cases involving RYVYL, Near Intelligence, Battle Motors, and Lottery.com.[25] On the gatekeeper side, the Commission brought settled actions against an audit engagement partner in connection with the FTX audits and against EisnerAmper LLP.[26]

Investment Advisers and Private Funds

The Division remained focused on misappropriation, undisclosed fees, valuation practices, and conflicts of interest at investment advisers, including a settled action against Madison Capital Funding LLC for allegedly selling loans to private fund clients without reasonably determining fair market value.[27] Most notably, the Commission imposed a $100 million civil penalty on Western Asset Management Company, LLC for failing to take reasonable steps to detect and prevent a cherry-picking scheme by its former co-Chief Investment Officer.[28]

Individual Accountability

Consistent with last year's messaging, two-thirds of standalone actions included charges against at least one individual, though that did not signal much departure from prior years.[29] Highlighted cases included charges against former executives of Tricolor Holdings, LLC in connection with an alleged double-pledging scheme, as well as settled

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[23] *Id.*

[24] FY 2026 Addendum at 2; Addendum to Division of Enforcement Press Release Fiscal Year 2025 at 2.

[25] FY 2026 Press Release.

[26] *Id.*

[27] *Id.*

[28] *Id.*

[29] *Id.*

orders against the former CEO and CFO of Spero Therapeutics and a former CFO of The Bancorp, Inc.[30]

Cooperation and Remediation

The release devoted considerable attention to cooperation and remediation credit. The Commission imposed no civil penalties on CBIZ Inc. and Key Tronic Corporation, acknowledging their cooperation and remedial efforts, and on Ammo, Inc., in recognition of its remediation. In an insider trading matter, the Commission imposed a penalty equal to half of an individual's illicit profits after he voluntarily self-reported and cooperated with the investigation.[31] At the same time, the Commission emphasized that firms failing to remediate known deficiencies will be held accountable, citing a $20 million penalty against UBS Financial Services Inc. for anti-money laundering monitoring and "lookback" SAR failures.[32] The contrast suggests that the timing and substance of remediation, not merely its eventual completion, may affect penalty outcomes.

Whistleblowers

The Commission received approximately 26,000 whistleblower tips in FY 2026 and awarded more than $158 million to 65 individual whistleblowers, the highest number of individual whistleblowers receiving awards in a fiscal year since FY 2023.[33]

KEY TAKEAWAYS FOR MARKET PARTICIPANTS

The SEC's FY 2026 results, and the messaging that accompanied them, carry several important implications:

- **A Smaller, More Targeted Docket.** The continued decline in standalone actions suggests that the "course correction" announced last year reflects a sustained shift in enforcement priorities rather than a temporary dip. It also likely reflects a reduction in the number of Enforcement attorneys in the past two years. The Commission has signaled particular attention to fraud, substantial investor harm, and significant market abuse, although important compliance cases continue.

- **Compliance Failures Still Carry Risk.** Despite its criticism of the prior Commission's sweeps, the Division continues to bring Custody Rule, Regulation Best

30 *Id.*
31 *Id.*
32 *Id.*
33 *Id.*

Interest, SAR, cybersecurity, and whistleblower-protection cases. Firms should not read the shift in priorities as a safe harbor for core compliance obligations, particularly where deficiencies are known and have gone unremediated. To that end, a number of these cases highlighted the "recidivist" nature of the conduct.

- **Cooperation and Remediation Can Matter—and the Process Is More Defined.** The updated Enforcement Manual, the standardized Wells process, and multiple no-penalty resolutions provide greater clarity regarding the potential benefits of cooperation, self-reporting, and remediation. The rescission of the "no-deny" policy may also change settlement dynamics.

- **Individual Accountability Remains a Priority.** Two-thirds of standalone enforcement actions included charges against at least one individual, and the Commission has signaled that charging individuals will remain a focus. Executives, gatekeepers, and adviser personnel should expect continued scrutiny of their individual conduct.

- **New Tools, Greater Detection Capabilities.** Taken together, the FRAU, the Retail Fraud Working Group, and the Office of Super Intelligence and Analytics suggest the Division intends to enhance its ability to identify accounting and trading anomalies, potentially generating new investigations even if the number of filed actions remains low.

CONCLUSION

The SEC's FY 2026 enforcement results reflect a Division that has increasingly aligned its enforcement program with the current Commission's priorities: fewer cases, lower monetary totals, and a greater emphasis on fraud, individual accountability, and returning money to investors. The practical test will be whether the new units and procedures improve the identification and resolution of consequential misconduct.

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Please do not hesitate to contact us with any questions.



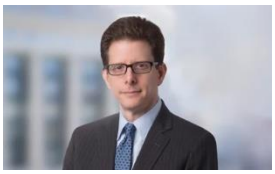
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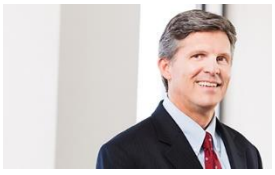
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