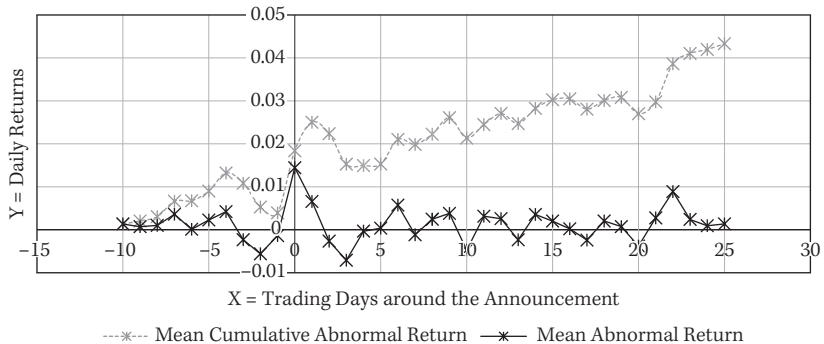


**FIGURE 1** The Curious Spike: Deferred Prosecution and Nonprosecution Agreements, 2008 to 2018

**TABLE 1** An Event Study of Market Reaction to the Announcement of Corporate Fines

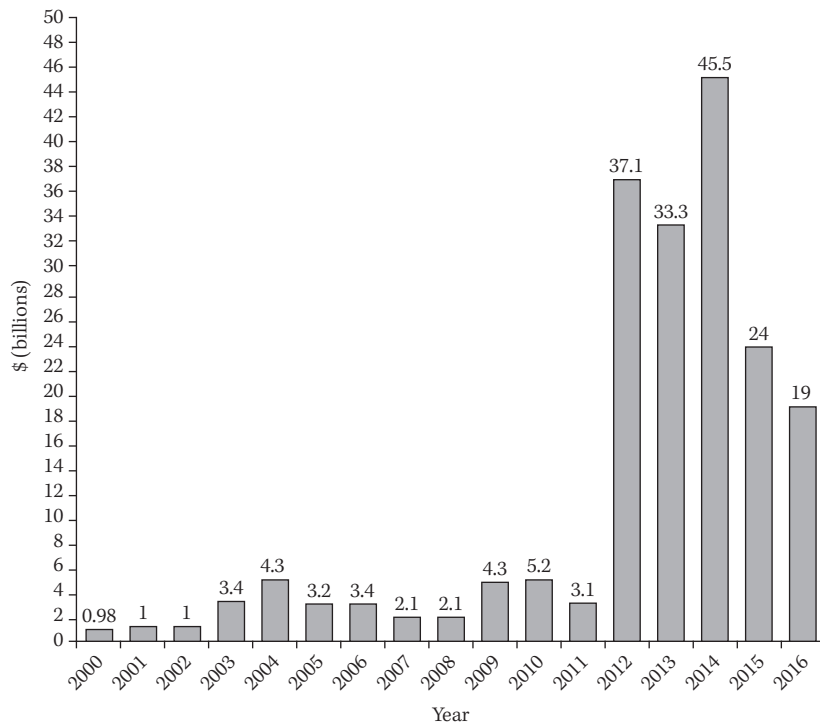
<i>Company</i>	<i>Year</i>	<i>Cumulative Total Return</i>	<i>Change in Stock Market Price on Date of Announcement (+ or −)</i>	<i>Cumulative Abnormal Return (CAR): Event Window +/- 8 days</i>	<i>Cumulative Abnormal Return (CAR): Event Window +/- 15 days</i>	<i>Total Fine (in dollars)</i>
Anadarko Petroleum Corporation	2014	17%	+	23%	29%	1,250,000,000
Bank of America	2012	9%	+	9%	21%	11,800,000,000
Teva Pharmaceutical Industries LTD	2016	5%	+	8%	−8%	519,000,000
Citigroup Inc.	2014	6%	+	7%	8%	7,000,000,000
Barclays PLC	2015	8%	+	7%	5%	2,400,000,000
UBS Group AG	2015	6%	+	6%	14%	545,000,000
Royal Bank of Scotland	2015	4%	+	6%	6%	669,000,000
The Goldman Sachs Group Inc.	2016	7%	+	5%	8%	5,000,000,000
Wells Fargo and Company	2018	3%	+	4%	6%	2,100,000,000
Bank of America	2014	6%	+	4%	10%	16,650,000,000
Citigroup Inc.	2015	3%	+	2%	10%	1,267,000,000
Eli Lilly and Co.	2009	−4%	0	2%	3%	1,415,000,000
Allergan PLC	2010	4%	+	0%	0%	600,000,000
JPMorgan Chase Bank NA	2013	0%	+	0%	−1%	13,000,000,000
BP Exploration and Production Inc.	2012	−1%	+	−1%	−1%	4,000,000,000
Credit Suisse	2014	−2%	−	−3%	1%	2,600,000,000
GlaxoSmithKline LLC	2012	−2%	+	−3%	1%	3,000,000,000
Deutsche Bank AG	2015	−10%	+	−6%	−3%	2,500,000,000



**FIGURE 2** Abnormal Return around the Announcement of a Fine

		Does Not Confess	Confesses
PRISONER A	Confesses	$A = 1$ $B = 3$	$A = 1$ $B = 1$
	Does Not Confess	$A = 0$ $B = 0$	$A = 3$ $B = 1$
		PRISONER B	

FIGURE 3 The Prisoner's Dilemma



**FIGURE 4** The Escalation in Financial Enforcement (Aggregate Total Monetary Sanctions Imposed on Financial Firms, 2000 to 2016)

**TABLE 2** Comparison of Class Action Recovery to SEC Recovery against Same Defendants

<i>Company</i>	<i>Securities Class Action Recovery</i>	<i>SEC Recovery</i>
Enron	\$7.242 billion	\$450 million
WorldCom	\$6.194 billion	\$750 million
Tyco International	\$3.2 billion	\$50 million
AOL Time Warner	\$2.5 billion	\$308 million
Bank of America	\$2.425 billion	\$150 million
Citigroup	\$1.320 billion	\$75 million
Nortel Networks	\$2.217 billion	\$35 million
Merrill Lynch	\$940 million	none
American International Group	\$937.5 million	\$800 million
HealthSouth Corp.	\$804.5 million	\$100 million
Xerox	\$750 million	\$44 million
Lucent Technologies	\$667 million	\$25 million
Wachovia	\$627 million	none
Countrywide Financial	\$624 million	\$48.15 million
Lehman Brothers	\$600 million	none
Washington Mutual (WaMu)	\$208 million	none
National City	\$168 million	none
New Century	\$125 million	\$1.5 million
Wells Fargo (MBS)	\$125 million	\$6.5 million

TABLE 3 SEC Whistle-Blower Payments by Fiscal Year

<i>Fiscal Year</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>
Amount of Payments	\$37 million	\$57 million	\$49 million	\$168 million

**TABLE 4** Amounts Collected and Awards under IRC § 7623

	<i>FY 2016</i>	<i>FY 2017</i>	<i>FY 2018</i>
Total Number of Awards:	418	242	217
Total Amounts of Awards:	\$61,390,910	\$33,979,873	\$312,207,590
Proceeds Collected:	\$368,907,298	\$190,583,750	\$1,441,255,859
Awards as a Percentage of Proceeds Collected:	16.6%	17.8%	21.7%