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SEC Focused On Fraud As Actions Markedly Declined In 2025

By **Gerald Hodgkins, Lilia Abecassis and John Minor** (November 12, 2025, 4:38 PM EST)


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With its fiscal year 2025 in the books, the U.S. Securities and Exchange Commission's enforcement activity is at its lowest level in 10 years.[1]

By our analysis, the SEC brought 313 stand-alone enforcement actions[2] in fiscal year 2025, which ended on Sept. 30.[3] This is a marked decline from last year.

There are likely several reasons for this decrease, including the loss of approximately one-fifth of the SEC's workforce since this time last year.[4] But while a smaller workforce is certainly affecting productivity, it does not tell the full story.

After the 2024 presidential election, it was widely expected that the SEC would shift gears on its enforcement strategy under the new administration. So far, that prediction has largely borne out.

In his first statement after Senate confirmation, on April 21, SEC Chairman Paul Atkins promised to "end [the SEC's] waywardness and return to its core mission."[5] He has also stated that the commission will be prioritizing what he calls a "sensible" approach toward cryptocurrency regulation and building out a regulatory foundation for digital assets.[6]

If the enforcement actions initiated by the SEC over the last nine months are any indication, the SEC under Atkins is focusing on what it sees as flagrant fraud and individual wrongdoing.

The 313 stand-alone actions initiated in fiscal year 2025 marked a 10-year low for enforcement actions, down 27% from fiscal year 2024 and down 38% from fiscal year 2023.[7] Fiscal year 2025 has seen a decrease in the number of enforcement actions across nearly every area of the SEC's enforcement program.

CATEGORY	FY 2025 CASES	FY 2025 % OF CASES	FY 2024 CASES	FY 2024 % OF CASES
Securities Offering	84	27%	94	22%
Investment Advisers/Investment Companies	74	23%	97	23%
Issuer Reporting/Audit and Accounting	33	10%	49	11%
Broker-Dealer	43	14%	61	14%
Other (Exchanges, Nationally Recognized Statistical Rating Organizations, Transfer Agents, Misc.)	2	1%	63	15%
Insider Trading	31	10%	34	8%
Market Manipulation	31	10%	17	4%
Foreign Corrupt Practices Act	7	2%	2	0%
Public Finance Abuse	8	3%	14	3%
Category Total	**313**	**100%**	**431**	**100%**

As previously mentioned, the SEC has lost a large number of employees since the start of 2025: Approximately 1,300 employees have departed the agency, for an overall headcount **reduction** from 5,400 to 4,100.[8]

Some positions may have been eliminated through policy and priority changes, but the biggest driver of the reduction in force appears to be the many staffers who have reportedly chosen to either retire or take a buyout.[9] In an earlier speech before the SEC staff, Atkins noted, with regard to the staffing cuts, that the SEC had approximately 3,600 employees when he last served as a commissioner more than 15 years ago, perhaps implicitly suggesting that the agency could be effective with even less staff than it currently has.[10]

SEC enforcement slowed as the fiscal year progressed.

In addition to seeing a significant decline in enforcement activity year-over-year, fiscal year 2025 also saw the rate of enforcement actions drop significantly after the change in administrations.

During the last three months or so of former Chair Gary Gensler's term — October 2024 to Jan. 20, 2025 — the SEC brought 183 stand-alone actions. In contrast, under former acting Chairman Mark Uyeda and current Chairman Atkins, the SEC initiated 130 stand-alone actions during the final nine months of fiscal year 2025.

The average number of stand-alone enforcement actions brought on a weekly basis dropped from 11.44 cases per week under Gensler to 3.61 cases per week under Uyeda and Atkins.

Securities offering cases were the largest category of enforcement actions during fiscal year 2025; however, there were no new crypto cases after the change in administrations. All other enforcement categories, except market manipulation and insider trading cases, saw varying levels of decreased activity throughout fiscal year 2025.

CATEGORY	CASES BROUGHT BY GENSLER-LED SEC IN FIRST THREE MONTHS OF FY 2025	% OF CASES BY GENSLER-LED SEC IN FIRST THREE MONTHS OF FY 2025	CASES BROUGHT BY ATKINS-LED SEC IN LAST NINE MONTHS OF FY 2025	% OF CASES BY ATKINS-LED SEC IN LAST NINE MONTHS OF FY 2025
Securities Offering	34	18%	50	39%
Investment Advisers/Investment Companies	44	24%	30	23%
Issuer Reporting/Audit and Accounting	26	19%	7	5%
Broker-Dealer	35	11%	8	6%
Other (Exchanges, Nationally Recognized Statistical Rating Organizations, Transfer Agents, Misc.)	1	<1%	1	1%
Insider Trading	14	5%	17	13%
Market Manipulation	17	5%	14	11%
Foreign Corrupt Practices Act	7	2%	0	0%
Public Finance Abuse	5	1%	3	2%
Category Total	**183**		**130**	

The numbers alone, however, do not fully capture the difference in enforcement activity under Atkins and Gensler. Under Gensler, the SEC focused much of its enforcement resources on policing digital currency assets, in addition to pursuing recordkeeping violations by financial services firms. In particular, Gensler brought several high-profile cases against crypto companies for alleged fraudulent activity.

In contrast to his predecessor, Atkins has embraced the crypto industry and brought it to the table. In his statement at the May 12 crypto roundtable, Atkins noted, "In the past few years, the SEC first pursued what I call the 'head-in-the-sand' approach — perhaps hoping that crypto would go away. … I am committed to the Commission charting a new course."[11]

In addition to the updated enforcement policy, on Jan. 21, Uyeda announced the formation of the crypto task force to provide clear policymaking and regulatory guidance to companies and investors.[12]

However, changes in enforcement activity and priorities upon the political transition at the SEC are seen not just in crypto industry regulation, but also in other areas of SEC enforcement.

Investment Advisers/Investment Companies

Investment adviser/investment company stand-alone actions saw a marked decrease. Seventy-four cases were brought in fiscal year 2025, down from the 97 in fiscal year 2024. The 74 cases represented about a quarter of all enforcement actions.

During the first three months of fiscal year 2025, coinciding with the end of the Gensler era, 44 enforcement actions were brought by the SEC. Thirty cases were brought under the Uyeda/Atkins-led SEC during the final nine months of the fiscal year.

The average number of investment adviser/investment company cases brought on a weekly basis dropped from nearly three per week under Gensler to less than one case per week under Uyeda and Atkins. These cases, however, constituted a similar proportion of overall actions during the Gensler months and the Uyeda/Atkins months of fiscal year 2025 (24% and 23%, respectively).

The nature of the cases brought after the transition between administrations has varied, from investment advisers allegedly failing to comply with marketing or disclosure obligations,[13] to financial analysts allegedly manipulating their employers' investment models,[14] to a self-proclaimed "luminary" with a Financial Industry Regulatory Authority-suspended license soliciting investors via a Facebook group.[15]

Broker-Dealer

Broker-dealer cases also experienced a steep decline in fiscal year 2025, dropping from 61 in fiscal year 2024 to 43 in fiscal year 2025.

Similar to the investment adviser/investment company cases, there was a clear demarcation between the administrations. Of the 43 actions brought this past year, 35 cases were initiated during the roughly three months under Gensler's leadership, and eight cases were initiated during the nine months or so since Inauguration Day.

The facts underpinning these broker-dealer enforcement actions vary as well. The SEC under Atkins has initiated cases involving so-called cherry-picking, fabricated documents, and failure to file suspicious activity reports and investigate red flags.[16]

Issuer Reporting/Audit and Accounting

The SEC initiated 33 stand-alone actions in fiscal year 2025 relating to issuer disclosure and accounting, and auditors. These cases represented 11% of the actions in fiscal year 2025, the same percentage as in fiscal year 2024, though 49 cases were brought that year.

This enforcement area saw the largest drop in activity after the change in administrations, with the exception of the Foreign Corrupt Practices Act program.

Of the actions initiated in fiscal year 2025, 26 were initiated under Gensler, while seven were initiated under Uyeda or Atkins. On a more granular level, the SEC initiated on average 1.63 issuer reporting actions per week prior to Inauguration Day, but that figure dropped to 0.19 actions per week after the inauguration.

Following the change in administrations, the SEC has brought cases against public companies and their officers who allegedly hid from investors unfavorable critiques from the U.S. Food and Drug Administration,[17] as well as against Emergent BioSolutions Inc., a company that allegedly lied about its ability to manufacture COVID-19 vaccines.[18]

Insider Trading

Insider trading cases were down slightly in the fiscal year that just ended, decreasing to 31 cases from the 34 cases brought in fiscal year 2024.

Due to the overall decrease in enforcement actions brought by the commission in fiscal year 2025, insider trading cases comprised a greater share of the overall enforcement portfolio, reflecting 10% of all cases, up from 8% in fiscal year 2024. Out of the 31 cases brought this year, 17 were initiated under Atkins, suggesting that insider trading was a bigger enforcement priority than other areas of the program.

Under Atkins, the SEC brought actions against individuals who gained access to material nonpublic information from relatively predictable sources, such as family members and their employers. In addition, the SEC brought insider trading charges against alleged members of a sophisticated, international insider trading ring.[19]

Foreign Corrupt Practices Act

Enforcement actions for violations of the FCPA increased over the last fiscal year, with seven actions brought in fiscal year 2025 compared to two in fiscal year 2024. However, all seven of these cases were brought during the first three months of fiscal year 2025, which also marked the final three months of Gensler's tenure.

The lack of FCPA enforcement actions under Atkins' leadership is consistent with the U.S. Department of Justice's pause and reassessment of its approach to FCPA enforcement.[20]

Based on the lack of new FCPA cases post-Inauguration Day and the Trump administration's broader shift in FCPA enforcement strategy, there may be even fewer FCPA cases brought in fiscal year 2026.

Public Finance Abuse

Public finance abuse and other municipal securities cases also decreased significantly in FY 2025: Eight stand-alone actions were brought in fiscal year 2025, compared to 14 actions initiated in fiscal year 2024.

The Gensler-led SEC brought five actions, while the Uyeda/Atkins-led SEC brought three actions. While there was a notable decrease from fiscal year 2024 to fiscal year 2025, fewer public finance abuse cases — six stand-alone actions — were brought in fiscal year 2023 than in fiscal year 2025.

Multiple municipal securities cases initiated in fiscal year 2025 fell into two categories of allegations: unregistered municipal adviser activity and misrepresentations or falsification of documents in connection with municipal bond offerings.

Market Manipulation

Market manipulation cases are one of the few instances where enforcement cases increased from the previous year. Thirty-one cases were brought in FY 2025, an increase from the 17 cases brought in FY 2024. Market manipulation cases made up 10% of the enforcement actions initiated by the SEC this year, but this percentage remained consistent from one administration to the other.

A majority of the market manipulation cases involved microcap fraud and alleged manipulative trading in crypto and traditional securities markets.

Securities Offering

Securities offerings cases comprised a significant portion of the SEC's enforcement actions under Gensler, and so far, that has remained the same under the new administration.

In fiscal year 2025, the SEC brought 84 securities offerings cases, which comprised 27% of all cases that fiscal year. This was a modest decrease from fiscal year 2024, when there were 94 cases totaling 22% of all enforcement actions.

Unlike Gensler, Atkins has demonstrated an interest in regulating cryptocurrencies via the rulemaking process in lieu of enforcement actions. However, the SEC has not announced any cryptocurrency enforcement actions during his tenure. Nevertheless, Atkins has indicated that future crypto enforcement actions will likely involve clear instances of fraud or market manipulation.[21]

This change in enforcement strategy appears to align with the Trump administration's stated goals to promote cryptocurrency and enact policies to increase its adoption throughout the market.[22]

Conclusion

It should surprise no one that the SEC is bringing fewer cases during this time of transition, staff reductions and new leadership. More than 15 years ago, then-Commissioner Atkins criticized the SEC's emphasis on statistics on penalties imposed and the number of actions brought, and in 2008, he called for a "re-evaluation of the incentives" for Division of Enforcement staff to bring such actions, which he noted include "promotions, awards, and public recognition."[23]

His views have not changed. During his Oct. 7 keynote at the A.A. Sommer Jr. lecture, Atkins delivered a similar message:

If we reward the staff only for bringing enforcement actions, then we have discouraged the staff from determining not to recommend an enforcement action. A basic tenet of management is, "You get what you measure." The wrong incentives make it more difficult for the staff to follow the evidence and the law wherever it leads and instead encourage the staff to stretch the boundaries of existing law. Our goal is to reward the staff for their quality work and [judgment] on cases to bring, violations to charge, and relief to seek. All of this aligns with the belief that I share with Al Sommer: that the manner in which we achieve outcomes is critical.[24]

Only nine months into the new administration, it is too early to tell what will define Atkins' tenure, though we have a sense that he will not stray far from his stated commitment to focus on what has traditionally been considered fraudulent activity.

As we have seen so far, this is not the SEC of 10 months ago. Recordkeeping violations are much less likely to trigger SEC enforcement, but insider trading, fraudulent securities offerings and market manipulation remain a surefire way to end up on the wrong end of an SEC investigation.

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[1] The cases filed in FY 2025 are viewable by category here: https://public.tableau.com/views/SECEnforcementActionsFY2025-1_1/Overview?:language=en-US&publish=yes&:sid=&:redirect=auth&:display_count=n&:origin=viz_share_link.

[2] Stand-alone cases are civil actions filed or administrative proceedings instituted, excluding Section 12(j) proceedings against delinquent filers and follow-on administrative proceedings to obtain suspensions and bars based on prior enforcement actions by the SEC or other agencies.

[3] If and when the SEC announces its enforcement results for Fiscal Year 2025, it may include cases that we did not include in our analysis, and, as a result, their count of cases may differ from ours. While we reviewed all of the litigation releases, press releases, and enforcement-related administrative orders, to the extent the SEC has not published or otherwise made public additional actions, they are not reflected in our report but would be reflected in the SEC's year-end presentation of its enforcement program. In addition, we have categorized the Fiscal Year 2025 enforcement actions in various enforcement program areas consistent with what we believe the SEC would do if and when they announce its enforcement results. However, the SEC might not follow its prior approach to categorizing cases, or it could disagree with our determinations, resulting in additional differences between our analysis and the SEC's presentation.

[4] Paul Atkins, Opening Remarks at the SEC Town Hall, SEC (May 6, 2025), https://www.sec.gov/newsroom/speeches-statements/atkins-townhall-05062025.

[5] Remarks of Chairman Paul S. Atkins, SEC (April 22, 2025), https://www.sec.gov/newsroom/speeches-statements/atkins-white-house-042225.

[6] Paul Atkins, Keynote Address at the Crypto Task Force Roundtable on Tokenization, SEC (May 12, 2025), https://www.sec.gov/newsroom/speeches-statements/atkins-remarks-crypto-roundtable-tokenization-051225-keynote-address-crypto-task-force-roundtable-tokenization.

[7] See Gerald Hodgkins, Linh Nguyen & Phoebe Yu, SEC Prioritized Enforcement Sweeps As Cases Slowed In '24, (Dec. 4, 2024) https://www.law360.com/articles/2268666/sec-prioritized-enforcement-sweeps-as-cases-slowed-in-24.

[8] Jessica Corso, SEC's Atkins Wants to "Future-Proof" Deregulatory Agenda, Law360 (Oct. 7, 2025), https://www.law360.com/articles/2396863/sec-s-atkins-wants-to-future-proof-deregulatory-agenda.

[9] Paul Atkins, Opening Remarks at the SEC Town Hall (May 6, 2025), https://www.sec.gov/newsroom/speeches-statements/atkins-townhall-05062025.

[10] See Corso, supra note 6.

[11] Paul Atkins, Keynote Address at the Crypto Task Force Roundtable on Tokenization, SEC (May 12, 2025), https://www.sec.gov/newsroom/speeches-statements/atkins-remarks-crypto-roundtable-tokenization-051225-keynote-address-crypto-task-force-roundtable-tokenization.

[12] Id.

[13] In the Matter of Empower Advisory Group, LLC and Empower Financial Services, Inc. (Aug. 29, 2025), https://www.sec.gov/files/litigation/admin/2025/34-103809.pdf.

[14] Quantitative Model Developer Charged with Defrauding Registered Investment Advisers, SEC Release (Sep. 11, 2025), https://www.sec.gov/enforcement-litigation/litigation-releases/lr-26398.

[15] SEC Charges Self-Described Trading "Luminary" in Offering Fraud, SEC Release, (Aug. 21, 2025), https://www.sec.gov/enforcement-litigation/litigation-releases/lr-26381.

[16] SEC Charges Former Registered Representative of Brokerage Firms with Defrauding Customers, SEC Release, (Jun. 27, 2025), https://www.sec.gov/enforcement-litigation/litigation-releases/lr-26337.

[17] In the Matter of Allarity Therapeutics, SEC Release (Mar. 12, 2025), https://www.sec.gov/files/litigation/admin/2025/33-11367.pdf; SEC Charges Three Former Biopharmaceutical Company Executives with Scheme to Mislead About Cancer Drug Application, SEC Release (Mar. 12, 2025), https://www.sec.gov/enforcement-litigation/litigation-releases/lr-26265.

[18] SEC Charges Former FibroGen Chief Medical Officer for False and Misleading Claims about Clinical Trial Results, SEC Release, (Sept. 5, 2025), https://www.sec.gov/enforcement-litigation/litigation-releases/lr-26394; In the Matter of Emergent BioSolutions, Inc., SEC Release (Apr. 7, 2025), https://www.sec.gov/files/litigation/admin/2025/33-11371.pdf.

[19] SEC Charges Foreign Traders in International Insider Trading Scheme, SEC Release, (Mar. 14, 2025), https://www.sec.gov/enforcement-litigation/litigation-releases/lr-26268 ; SEC Charges Former Director and Four Others with Insider Trading, SEC Release (Aug. 22, 2025), https://www.sec.gov/enforcement-litigation/litigation-releases/lr-26383.

[20] Pam Bondi, Total Elimination of Cartels and Transnational Criminal Organizations, DOJ Release (Feb. 5, 2025), https://www.justice.gov/ag/media/1388546/dl?inline; President Donald Trump, Executive

Order Pausing Foreign Corrupt Practices Act Enforcement to Further American Economic and National Security (Feb. 10, 2025), https://www.whitehouse.gov/presidential-actions/2025/02/pausing-foreign-corrupt-practices-act-enforcement-to-further-american-economic-and-national-security/.

[21] Paul Atkins, Testimony Before the United States House Appropriations Subcommittee on Financial Services and General Government, SEC (May 11, 2025), https://www.sec.gov/newsroom/speeches-statements/atkins-testimony-fsgg-052025.

[22] Paul Atkins, Remarks at the Crypto Task Force Roundtable on Decentralized Finance, SEC (June 9, 2025) https://www.sec.gov/newsroom/speeches-statements/atkins-remarks-defi-roundtable-060925.

[23] Paul Atkins, Evaluating the Mission: A Critical Review of the History and Evolution of the SEC Enforcement Program, SEC (June 1, 2008), https://www.sechistorical.org/collection/papers/2000/2008_0601_AtkinsEnforcementTr.pdf.

[24] Paul Atkins, Keynote Address at the 25th Annual A.A. Sommer, Jr. Lecture on Corporate, Securities, and Financial Law, SEC (October 7, 2025), https://www.sec.gov/newsroom/speeches-statements/atkins-100925-keynote-address-25th-annual-aa-sommer-jr-lecture-corporate-securities-financial-law.