

SEC's Enforcement Slowdown May Raise Oversight Questions

By **Gerald Hodgkins, Lilia Abecassis and Destinee Haller** (April 27, 2026, 1:29 PM EDT)

In the first six months of the 2026 fiscal year — from Oct. 1, 2025, to March 31, 2026 — the U.S. Securities and Exchange Commission brought 67 enforcement actions,[1] continuing the steep decline of enforcement activity under Chairman Paul Atkins' leadership.[2]

The 67 actions are significantly less than the 201 stand-alone actions brought in the first half of fiscal year 2025,[3] when the SEC's enforcement activity was largely driven by former SEC Chair Gary Gensler.[4] By way of comparison to comparable periods in the tenures of other chairs, the SEC brought 120 enforcement actions in the first half of fiscal year 2022 — the first six months of former Gensler's first full year at the SEC — and 145 enforcement actions in the first half of fiscal year 2018, the same period during former Chairman Jay Clayton's tenure.

The decline, however, is not surprising given the slowdown in enforcement activity during fiscal year 2025, when the SEC filed 303 stand-alone actions[5] — a 30% decrease from the 431 brought in fiscal year 2024, and a 42% drop from the high-water mark year during the first Trump administration, when the SEC brought 526 cases in fiscal year 2019 under Clayton's leadership.[6]

In its April 7 press release announcing the fiscal year 2025 enforcement results, the SEC attributed the decrease in actions to a deliberate refocusing of enforcement priorities, including an emphasis on prosecuting individual wrongdoers, prioritizing fraud cases that directly harm investors and stewarding commission resources away from matters viewed as lacking investor impact.[7]

Then-acting Director of Enforcement Sam Waldon reiterated these priorities at the SEC Speaks conference in March, describing the SEC's plans to protect investors and target those who harm them by focusing on "core types of cases" like insider trading, market manipulation and breaches of fiduciary duty by investment advisers.[8]

Both the SEC's fiscal year 2025 press release and Waldon's comments made clear that the SEC does not correlate effective enforcement with the number of actions brought. The SEC has defended the decline in bringing new actions, deferring to its discretion and arguing that numbers alone don't tell the full story, stating in the fiscal year 2025 press release that "resources have been misapplied in prior years to



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pursue media headlines and run up numbers," leading to "misguided expectations on what constitutes effective enforcement." [9]



Changes in enforcement philosophy and priorities, however, are not the only reason the SEC is bringing fewer enforcement actions these days. Staffing changes at the SEC have likely continued to affect the SEC's level of enforcement activity as well.

In addition to the nearly 20% reduction in headcount since the beginning of 2025 — a loss of approximately 1,300 employees, as of October 2025 [10] — the revolving door at the top of the Division of Enforcement is likely having some impact on the enforcement program as well.

The SEC replaced its director of enforcement just six-plus months into her tenure. Judge Margaret A. Ryan, a former senior judge on the Court of Appeals for the Armed Forces, led the Division of Enforcement from September until she stepped down on March 16. [11] The SEC announced on April 8 that David Woodcock, a former SEC regional director and a partner at Gibson Dunn, has been appointed to replace Judge Ryan. [12]

Our review of the SEC's enforcement actions in the first half of fiscal year 2026 confirms that the current SEC is committed to reducing its enforcement activity, but it is less clear that the agency is delivering on its stated priorities or having a meaningful impact in certain areas of oversight where there is hardly any enforcement activity at all.


For example, the SEC brought just two market manipulation cases during the first half of this fiscal year,

as opposed to 10 in the first half of last year. Similarly, the SEC brought just two enforcement actions against broker-dealers. While the SEC has brought six insider trading investigations this fiscal year so far, the agency had already brought 20 such cases by this time last year and 12 by this time in fiscal year 2022 when Jay Clayton was early in his tenure as chairman.

Here is a breakdown of the enforcement actions brought this fiscal year as of March 31.

Category ▲	FY 2026 H1 cases	FY 2026, percent of total	FY 2025 H1 cases	FY 2025 cases	FY 2025, percent of total
Broker-dealer	2	3%	34	39	12.9%
FCPA	0	0%	6	6	2%
Insider trading	7	10.4%	20	31	10.2%
Investment advisers; investment companies	18	26.9%	48	72	23.8%
Issuer reporting; audit and accounting	9	13.4%	31	36	11.9%
Market manipulation	2	3%	10	15	5%
Other (exchanges; NRSROs; transfer agents; miscellaneous)	2	3%	7	10	3.3%
Public finance abuse	3	4.5%	4	6	2%
Securities offering	24	35.8%	41	88	29%
Total	67	100%	201	303	100%

Table: Ben Jay • Created with [Datawrapper](#)



Securities Offerings

Securities offerings continued to be a relatively active area for SEC enforcement, with the commission bringing 24 enforcement actions for securities offering misconduct in the first half of the 2026 fiscal year.

Securities offering actions made up 36% of the SEC's enforcement program, a significant increase from

29% in fiscal year 2025. By comparison, in the first six months of fiscal year 2022, the SEC brought 31 actions related to securities offerings, and 35 in the first six months of fiscal year 2018.

Investment Advisers/Investment Companies

The SEC initiated 18 actions relating to investment advisers and investment companies in the first half of fiscal year 2026, accounting for 27% of the SEC enforcement actions brought during this period

Though the number is a decrease from the 72 actions brought in the 12 months of fiscal year 2025, investment advisers and investment company actions continue to make up a sizable portion of the SEC's enforcement activity.

The 18 investment adviser cases this year are also significantly fewer than the 41 such actions brought in the first half of fiscal year 2022 and the 28 actions in the first half of fiscal year 2018.

Issuer Reporting/Audit and Accounting

At the six-month mark of this fiscal year, the SEC has brought nine cases relating to issuer reporting, audit and accounting, continuing the broader trend of reduced enforcement activity.

Actions relating to issuer reporting, audit and accounting account for 13% of all actions brought, a slight increase from 12% from the year prior, though 31 actions were brought in the first half of fiscal year 2025 — more than triple this year's first-half total.

Broker-Dealer

The SEC brought just two broker-dealer cases in the first half of fiscal year 2026, suggesting a further, steep reduction in enforcement activity in this category.

Broker-dealer actions also saw a decline in fiscal year 2025, falling from 61 in fiscal year 2024 to 39 in fiscal year 2025. These actions accounted for 13% of SEC enforcement actions in fiscal year 2025 and only 3% in the first half of fiscal year 2026.

In comparison, the SEC brought 23 broker-dealer actions in the first six months of fiscal year 2018, and 11 in the first six months of fiscal year 2022.

The current commission's well-publicized aversion to bringing off-channel communications and other books-and-records cases explains some of the decline, but not all of it. Perhaps the SEC is consciously leveraging the Financial Industry Regulatory Authority to handle broker-dealer enforcement, since two actions in six months is hardly meaningful enforcement by the SEC.

Market Manipulation

Perhaps the most surprising decline is in the SEC's actions involving market manipulation. Such cases are down to a new low, with the SEC only bringing two market manipulation cases in fiscal year 2026 so far, accounting for just 3% of all actions brought. For context, the SEC initiated eight market manipulation cases in the first half of fiscal year 2022, as well as 11 in the first half of fiscal year 2018.

For full-year comparisons, the SEC brought 15 cases last fiscal year, accounting for 5% of actions,

compared to 17 cases in fiscal year 2024, accounting for 4%.

That the SEC only charged two market manipulation cases in the first half of fiscal year 2026 is at odds with the SEC's stated priorities for this year, and it will be interesting to see if this rate of enforcement continues through the rest of the year as Woodcock leads the Division of Enforcement.

Insider Trading

Insider trading continues to be a relatively busy area for SEC enforcement, with the SEC bringing seven cases in the first half of the 2026 fiscal year. This is consistent with the SEC's stated prioritization of charging individual wrongdoing and accounts for 10% of the SEC's program this fiscal year to date, similar to the 10% in fiscal year 2025 when the SEC brought 31 such cases for the full year.

The SEC brought 12 insider trading cases in the first six months of fiscal year 2022 and 13 in the first half of fiscal year 2018, nearly twice as many as brought so far this year.

Year after year, the SEC's insider trading enforcement program consists almost entirely of actions against individuals. Looking beyond insider trading at the entire enforcement program, 65% of all 2026 cases to date involved charges against individuals. By way of comparison, in fiscal year 2022, that number was 68%.

Public Finance Abuse

The SEC announced three public finance abuse actions so far this year. This reflects 5% of all actions brought, a percentage slightly larger than in fiscal year 2025. For context, the SEC brought six actions that year.

Conclusion

With six months of enforcement activity behind us, it is clear that fiscal year 2026 will see an unprecedented decline in SEC enforcement activity relative to past years. More uncertain, though, is whether the SEC will be viewed as sufficiently policing the securities markets at the end of the fiscal year.

To be fair, SEC leadership has consistently asserted over the last 10 to 15 years that more enforcement is not always better enforcement.[13] Across administrations, SEC directors of enforcement have said that the numbers alone are not a good indicator of a successful enforcement program. For example, in 2018, then-Co-Director of Enforcement Stephanie Avakian stated that "statistics do not provide a full and meaningful picture" of the SEC's enforcement program.[14]

Still, given how much less the Division of Enforcement is doing, it might take creative messaging by the current commission to convince the public that the markets are better protected now than in the recent past. Clearly, this SEC is looking to strike a balance between bringing fewer cases while remaining impactful. Whether it is successful in reaching this goal will be the key question when the full fiscal year is examined this fall.

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[1] If and when the SEC announces its enforcement results for Fiscal Year 2026, 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 2026 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.

[2] The cases filed in the first half of FY 2026 are viewable by category here: https://public.tableau.com/views/SECEnforcementActions2026H1/Overview?:language=en-US&:sid=&:redirect=auth&:display_count=n&:origin=viz_share_link.

[3] 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.

[4] Chairman Gary Gensler departed the Securities and Exchange Commission on January 20, 2025. Commissioner Mark Uyeda served as Acting Chairman from January 20, 2025, through April 21, 2025, when Paul Atkins was sworn in as Chairman.

[5] We previously published an article on November 11, 2025, suggesting that the SEC brought 313 enforcement actions. The SEC has since published enforcement results for Fiscal Year 2025, noting that the SEC brought 303 cases that year. We are using the SEC's reported figures in this article.

[6] SEC Division of Enforcement Publishes Annual Report for Fiscal Year 2019 (Nov. 6, 2019), <https://www.sec.gov/newsroom/press-releases/2019-233>.

[7] SEC Announces Enforcement Results for Fiscal Year 2025, SEC Press Release (Apr. 7, 2026), <https://www.sec.gov/newsroom/press-releases/2026-34>.

[8] Remarks of Sam Walden, Division of Enforcement: The SEC Speaks in 2026 (Mar. 19, 2026), [https://plus.pli.edu/Details/Details?rows=10&fq=title_id~3A~\(~22~441767~22~\)&fq=~2B~id~3A~\(~2B22~462189~22~\)&origin=title](https://plus.pli.edu/Details/Details?rows=10&fq=title_id~3A~(~22~441767~22~)&fq=~2B~id~3A~(~2B22~462189~22~)&origin=title).

[9] See SEC Announces Enforcement Results for Fiscal Year 2025, *supra* note 5.

[10] 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-deregulatoryagenda>.

[11] SEC Announces Enforcement Division Director Judge Margaret A. Ryan Has Resigned From Agency, SEC Press Release, (Mar. 16, 2026), <https://www.sec.gov/newsroom/press-releases/2026-27-sec-announces-enforcement-division-director-judge-margaret-ryan-has-resigned-agency>.

[12] SEC Appoints David Woodcock as Director of the Division of Enforcement, SEC Press Release (Apr. 8, 2026), <https://www.sec.gov/newsroom/press-releases/2026-35-sec-appoints-david-woodcock-director-division-enforcement>.

[13] See, e.g., Stephanie Avakian, Measuring the Impact of the SEC's Enforcement Program, SEC (Sept. 20, 2018), <https://www.sec.gov/newsroom/speeches-statements/speech-avakian-092018> ("Statistics such as the number of actions the SEC brought in a fiscal year and the dollar amount of judgments and orders obtained in that year are interesting so far as they go, but they only tell us so much. Put simply, statistics do not provide a full and meaningful picture of the quality, nature, and effectiveness of the Division's efforts."); SEC Using 'Flawed Metrics' to Report Enforcement Actions, Bloomberg InvestmentNews (Sept. 25, 2015) <https://www.investmentnews.com/regulation-legal-compliance/sec-using-flawed-metrics-to-report-enforcement-actions/64561> (quoting then-Director of Enforcement Andrew Ceresney stating "...[A]s we have emphasized, first and foremost is the quality of our cases, which span the securities industry, include first-of-their kind actions, aggressive use of industry and other types of bars, and demonstrate successful pursuit of wrongdoers.").

[14] Avakian, Measuring the Impact of the SEC's Enforcement Program, *supra* note 12.