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Parsing The Lowest SEC Enforcement Stats In Over A Decade

By **Gerald Hodgkins and Destinee Haller** (October 29, 2026, 4:59 PM EDT)


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Sept. 30 marked the end of the U.S. Securities and Exchange Commission's fiscal year 2026 and Chairman Paul Atkins' first full fiscal year at the helm. With new leadership in the Division of Enforcement vowing to bring the SEC's enforcement program "back to basics," the SEC's fiscal year 2026 saw historically low enforcement numbers.

Since fiscal year 2024, the last full year that the SEC was led by a Biden-appointed chair, the commission has cut enforcement activity nearly in half. According to our analysis, the SEC brought 232 stand-alone enforcement cases this year,[1] a drop from the 303 stand-alone actions filed in fiscal year 2025 and the 431 actions brought during fiscal year 2024.[2]

This decline represents a continued reduction in enforcement under Atkins and is consistent with the change in priorities expected at the SEC following President Donald Trump's inauguration in January 2025.

According to SEC Director of Enforcement David Woodcock, several factors have contributed to this decline, including a roughly 20% reduction in the commission's workforce in 2025, a 43-day government shutdown during the first quarter of the 2026 fiscal year and a change in enforcement philosophy requiring a "period of recalibration."[3]

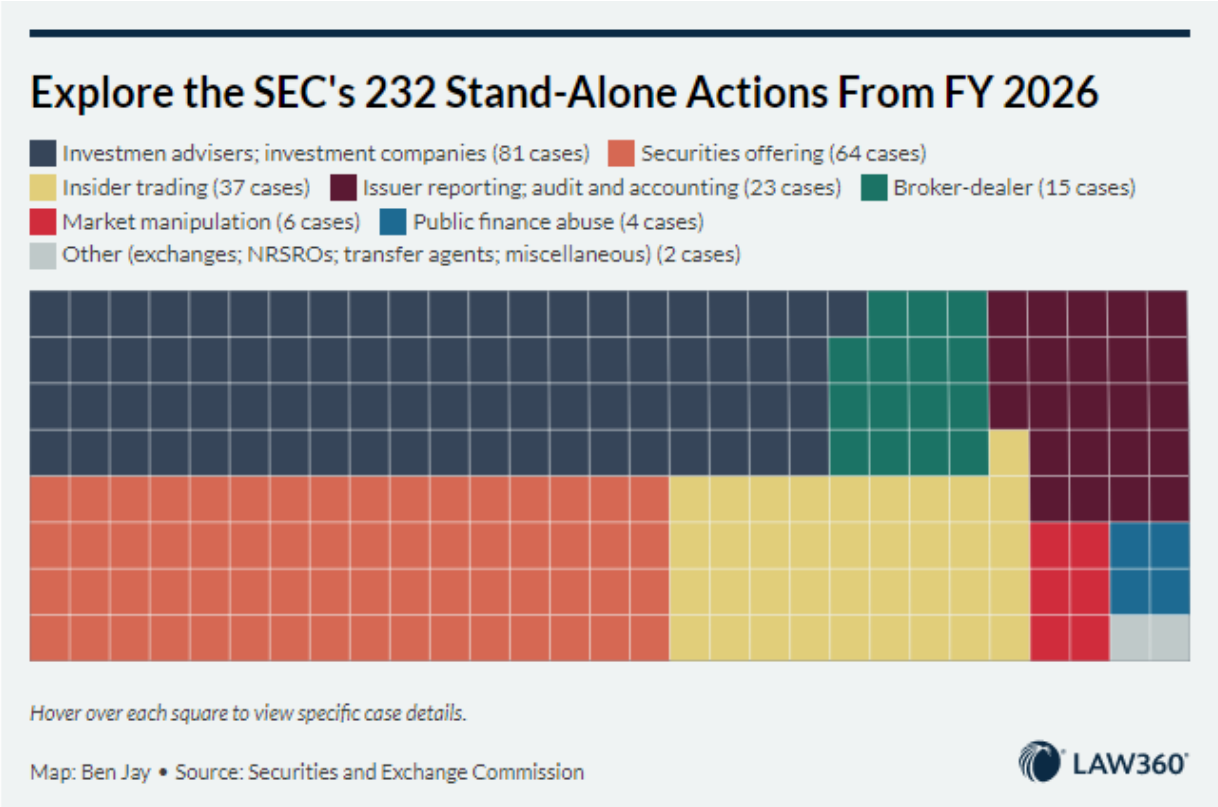
This decrease in enforcement is also consistent with Atkins' so-called first principles approach, which Woodcock endorsed in his Sept. 18 speech before the Government Enforcement Institute:

Chairman Atkins has been clear: the past approach of assessing the effectiveness of enforcement by the numbers, not the quality, of cases brought is flawed. I share the Chairman's view. Raw case counts and the total dollar value of remedies obtained tell us little about the quality or nature of our enforcement recommendations. And they don't answer the question whether our efforts are contributing to the health of our capital markets.[4]

The 232 stand-alone actions brought in fiscal year 2026 represent a historic low for the agency's enforcement numbers, down close to 25% from fiscal year 2025 and nearly 50% from fiscal year 2024. Consistent with the SEC's new direction, fiscal year 2026 has seen a decline across nearly every category

of enforcement, except insider trading cases and those related to investment advisers and investment companies.

Enforcement activity increased in the second half of the fiscal year, with the commission bringing 163 actions in the second half compared to just 69 in the first half. In contrast, the SEC initiated 201 stand-alone actions in the first half of fiscal year 2025 — largely under the leadership of Chair Gary Gensler — and just 102 stand-alone actions in the second half, when the SEC was led by Atkins.



Higher enforcement numbers in the second half of the fiscal year, however, are normal. In a typical year, approximately two-thirds of actions might be brought in the second half of the fiscal year. This year, 70% of actions were brought in the second half, consistent with historical trends even as overall enforcement numbers have declined.

Notably, enforcement actions from just four of the nine case categories the SEC normally uses to identify enforcement areas comprised over 88% of the SEC's enforcement portfolio over the past year. Those four categories were securities offerings, issuer reporting and auditing, investment advisers and investment companies, and insider trading.

Cases from the same categories made up 75% of the SEC's enforcement portfolio in 2025 and 64% in 2024. Significant declines in the other five case categories, rather than notable upticks in the four busiest categories, are responsible for the change.

Enforcement against securities law violations involving broker-dealers, market manipulation, the Foreign Corrupt Practices Act, municipal securities and other matters now comprise approximately 12% of the SEC's enforcement program, whereas it previously made up 25% in fiscal year 2025 and 36% in fiscal year 2024.

Investment Advisers/Investment Companies

Actions related to investment advisers and investment companies occupied the largest share of the SEC's enforcement program during fiscal year 2026. The SEC initiated 81 actions relating to investment advisers and investment companies, meaning cases in this category comprised 35% of the SEC's enforcement portfolio.

This marks a modest increase from fiscal year 2025, during which time the SEC brought 72 such actions. The SEC also significantly increased its enforcement in this area during the second half of the year, bringing just 18 actions during the first two quarters and 63 in the last two quarters.

However, the modest increase in this enforcement area is largely attributable to a coordinated sweep in August in which the SEC charged 38 entities with making material misrepresentations in their Forms ADV to unlawfully claim status as exempt reporting advisers.[5] Excluding the sweep, the SEC brought just 43 investment adviser and investment company actions in fiscal year 2026, a substantial decline from the 72 brought in fiscal year 2025.

Other investment adviser cases charged individuals for failing to disclose conflicts of interest,[6] misappropriating client funds for gambling and personal expenses,[7] and making an unreasonable recommendation to a fund board that caused $300 million in losses.[8]

Securities Offering

Unlawful conduct in connection with securities offerings remained a top enforcement priority for the commission in fiscal year 2026, comprising 28% of the total enforcement actions. Even though this category occupied a substantial proportion of total enforcement, the number of actions brought still dropped from 88 in fiscal year 2025 to 64 in fiscal year 2026.

In one high-profile case, the SEC alleged on Sept. 1 that Mordechai Haim Ferder, the former CEO of Lugano Diamonds & Jewelry, reported over $1 billion in fictitious revenue acquired by fraudulently persuading investors to invest hundreds of millions of dollars in contracts related to diamonds.[9]

Insider Trading

Enforcement related to insider trading increased from 31 cases brought in fiscal year 2025 to 37 cases brought in fiscal year 2026. This means that insider trading cases comprised 16% of the SEC's enforcement actions in 2026, compared to just 10% in 2025.

These numbers are consistent with fiscal year 2024, during which time the SEC brought 34 insider trading cases, comprising 8% of its enforcement portfolio. Insider trading seemingly remains a high-priority enforcement area for Atkins and Woodcock.

In the biggest insider trading case of the year, the SEC charged 21 people on May 7 for their involvement in an insider trading scheme orchestrated by Nicolo Nourafchan, a Los Angeles corporate attorney who allegedly misappropriated material nonpublic information about pending client deals.[10] Others in the insider trading ring were alleged to have traded based on the information and provided the attorney with kickbacks.

Issuer Reporting/Audit and Accounting

The SEC brought 23 actions this year related to issuer reporting and auditors. These cases represented 10% of the SEC's enforcement actions during fiscal year 2026 compared to their 12% share in fiscal year 2025. While the proportion of cases only dropped by two percentage points, the total number of actions dropped from 36 to 23.

This decline in cases involving public company accounting and disclosure is consistent with a steady drop over the past decade. While the SEC brought 92 such cases in fiscal year 2019 and 86 in fiscal year 2023, there were only 49 in fiscal year 2024.

Category	FY 2026 cases	FY 2026, percent of total	FY 2025 cases	FY 2025, percent of total
Broker-dealer	15	6.5%	39	12.9%
FCPA	0	0%	6	2%
Insider trading	37	15.9%	31	10.2%
Investment advisers; investment companies	81	34.9%	72	23.8%
Issuer reporting; audit and accounting	23	9.9%	36	11.9%
Market manipulation	6	2.6%	15	5%
Other (exchanges; NRSROs; transfer agents; miscellaneous)	2	0.9%	10	3.3%
Public finance abuse	4	1.7%	6	2%
Securities offering	64	27.6%	88	29%
Total	**232**	**100%**	**303**	**100%**

Table: Ben Jay

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The SEC brought actions against public companies for, among other violations, allegedly manipulating a key business segment's reported performance to inflate earnings,[11] forging millions of dollars' worth of consulting contracts,[12] and recording sham advertising and marketing transactions.[13]

Broker-Dealer

Broker-dealer cases experienced a sharp decline in fiscal year 2026, dropping from 39 in fiscal year 2025

to just 15 in fiscal year 2026. This is a continuation of the decline seen from fiscal year 2024, when the SEC brought 61 actions.

This drop may be explained in part by the SEC's shift away from off-channel communications cases and "definition of a dealer" cases.[14] The SEC also could be relying more heavily on the Financial Industry Regulatory Authority to police the broker-dealer industry.

Of the 15 actions brought, seven were brought on Sept. 30 against unregistered parties engaging in broker-dealer activity, including against three social media influencers and both a former and a current NFL player.[15] These unregistered broker-dealers placed their own branding on third-party white-label brokerage platforms and promoted them to retail investors. Even though the trading products available on the white-label platforms were sold by third parties, the seven individuals charged were treated as brokers who had failed to register as required.

The remaining eight cases focused on various issues, including failing to file suspicious activity reports when the circumstances warranted it,[16] failing to maintain adequate anti-money laundering procedures[17] and failing to adequately protect sensitive client information.[18]

Market Manipulation

The SEC brought only six market manipulation cases in fiscal year 2026, which represents a significant decline from the 15 cases brought in fiscal year 2025 and the 17 cases brought in fiscal year 2024. As a result, market manipulation cases comprise less than 3% of the SEC's enforcement portfolio, compared to 5% in fiscal year 2025.

A majority of the market manipulation cases brought focused on spoofing schemes.[19]

Public Finance Abuse

Public finance abuse cases continued their decline this year. The SEC initiated just four cases in fiscal year 2026, compared to six in fiscal year 2025 and 14 in fiscal year 2024.

While this seems like a notable downward trend, the SEC initiated only six public finance actions in 2023, indicating that the variation is not exclusively explained by the change in administration or the agency's shifting priorities.

Half of the four cases initiated in fiscal year 2026 charged respondents for unregistered municipal adviser activity,[20] while the other two focused on an alleged municipal bond offering fraud[21] and unregistered broker activity.[22]

Foreign Corrupt Practices Act

The SEC did not bring any cases under the FCPA in fiscal year 2026. This represents a decline from the prior fiscal year, during which the SEC brought six actions. However, all the FCPA cases brought during fiscal year 2025 were brought prior to the beginning of Atkins' term. Thus, Atkins' SEC has yet to bring a single FCPA case, and nearly 23 months have now passed since the presidential election.

This change coincides with the 2025 departure of two of the SEC's top attorneys from the Foreign

Corrupt Practices Unit and the significant reduction in FCPA enforcement by the U.S. Department of Justice.[23]

Other

This category includes actions related to exchanges, nationally recognized statistical rating organizations, transfer agents and any other actions that do not fall neatly into one of the above categories.

The SEC brought two cases in this category in fiscal year 2026, compared to 10 in fiscal year 2025 and 15 in fiscal year 2024.

In one such case, the SEC charged the New York Stock Exchange for failing to conduct opening auctions for over 2,800 securities due to a critical systems disruption. The SEC settled the case on March 6, and the NYSE agreed to pay a $9 million civil penalty.[24]

Conclusion

It comes as no surprise that Atkins' first full fiscal year leading the SEC is marked by the lowest enforcement numbers in over a decade. Atkins has been a vocal critic of regulation by enforcement and the perceived emphasis in the past on quantity over quality when it comes to enforcement actions.

Atkins reaffirmed his commitment to his enforcement philosophy in his remarks at the Economic Club of New York in June:

Under this SEC, we have ended the "regulation by enforcement" approach of the past and recentered our enforcement program on the Commission's core mission by prioritizing cases that provide meaningful investor protection and strengthen market integrity. Rather than focusing on the number of enforcement cases and record-setting penalties as opposed to true investor protection, we are redirecting resources toward the types of misconduct that inflict the greatest harm — particularly fraud, market manipulation, and abuses of trust.[25]

So far, the enforcement results for fiscal year 2026 reflect that Atkins has delivered on his promise to reduce enforcement in program areas focused on recordkeeping and other technical violations. However, enforcement actions related to insider trading and securities offerings continue to occupy a sizable portion of the SEC's enforcement portfolio, indicating a continuing commitment to investigating fraud.

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[1] 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. In fiscal year 2026, the SEC brought 66 actions against delinquent filers and 52 follow-on administrative proceedings.

[2] 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.

[3] Remarks Before 12th Annual Government Enforcement Institute, (Sep. 18, 2026), https://www.sec.gov/newsroom/speeches-statements/woodcock-remarks-before-12th-annual-government-enforcement-institute-091826.

[4] Id.

[5] SEC: 38 Entities Feigned Legitimacy as U.S. Advisers Through False Filings to Lure Retail Investors, (Aug. 27, 2026), https://www.sec.gov/enforcement-litigation/litigation-releases/lr-26622.

[6] SEC Charges Registered Investment Adviser Zoe Financial for Failure to Disclose Conflict of Interest, (Sep. 28, 2026), https://www.sec.gov/newsroom/press-releases/2026-94-sec-charges-registered-investment-adviser-zoe-financial-failure-disclose-conflict-interest.

[7] SEC Files Settled Action as to Chicago-Area Investment Adviser for Allegedly Misappropriating Client Funds, (Sep. 3, 2026), https://www.sec.gov/enforcement-litigation/litigation-releases/lr-26628.

[8] SEC Institutes Settled Order as to Investment Adviser and Its Principal for Breach of Fiduciary Duties, (Sep. 18. 2026), https://www.sec.gov/enforcement-litigation/administrative-proceedings/34-106418-s.

[9] SEC Charges Former CEO of Lugano Diamonds in Alleged Massive Accounting and Offering Fraud, (Sep. 1, 2026), https://www.sec.gov/enforcement-litigation/litigation-releases/lr-26625.

[10] SEC Charges 21 Individuals with Alleged Wide-Reaching Insider Trading Scheme, (May 7, 2026), https://www.sec.gov/enforcement-litigation/litigation-releases/lr-26551.

[11] Id.

[12] SEC Charges Public Company and Officers in Alleged Fraudulent Scheme to Overstate Revenue, (Aug. 10, 2026), https://www.sec.gov/enforcement-litigation/litigation-releases/lr-26607.

[13] Order Instituting Cease-and-Desist Proceedings Pursuant to Section 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Order, (Sep. 11,

2026), https://www.sec.gov/files/litigation/admin/2026/34-106344.pdf.

[14] SEC Announces Enforcement Results for Fiscal Year 2025, 1 n.4 (Apr. 7, 2026), https://www.sec.gov/newsroom/press-releases/2026-34; see e.g., SEC Charges Convertible Note Dealer and Its Owner for Failure to Register, (Nov. 25, 2024), https://www.sec.gov/enforcement-litigation/litigation-releases/lr-26181; Twelve Firms to Pay More Than $63 Million Combined to Settle SEC's Charges for Recordkeeping Failures, (Jan. 13, 2025), https://www.sec.gov/newsroom/press-releases/2025-6.

[15] SEC Institutes Settled Orders as to Seven Individuals for Operating as Unregistered Brokers that Facilitated the Offer and Sale of Security-Based Swaps, (Sep. 3, 2026), https://www.sec.gov/enforcement-litigation/administrative-proceedings/34-106538-s.

[16] Order Instituting Cease-and-Desist Proceedings Pursuant to Section 15(b)(4) and 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Order, (Sep. 11, 2026), https://www.sec.gov/files/litigation/admin/2026/34-106333.pdf; Order Authorizing the Transfer to the U.S. Department of the Treasury of the Remaining Funds and Any Funds Returned to the Fair Fund IN the Future and Terminating the Fair Fund, (Apr. 30, 2026), https://www.sec.gov/files/litigation/admin/2026/34-105343.pdf.

[17] SEC Charges Registered Broker-Dealer Canaccord Genuity LLC with Failing to File Suspicious Activity Reports, (Mar. 6, 2026), https://www.sec.gov/enforcement-litigation/administrative-proceedings/34-104935-s.

[18] SEC Charges Oregon Firm for its Deficient Cybersecurity and Identity Theft Prevention Programs, (Nov. 25, 2025), https://www.sec.gov/enforcement-litigation/administrative-proceedings/34-104255-s.

[19] See e.g., SEC Files Settled Action as to Southern California Resident in Alleged Manipulative Spoofing Scheme, (Dec. 16, 2025), https://www.sec.gov/enforcement-litigation/litigation-releases/lr-26445; SEC Charges Day Trader in Alleged Market Manipulation Scheme, (Apr. 205, 2026), https://www.sec.gov/enforcement-litigation/litigation-releases/lr-26532; SEC Files Settled Action as to California Day Trader in Alleged Manipulative Spoofing Scheme, (Jun. 25, 2026), https://www.sec.gov/enforcement-litigation/litigation-releases/lr-26574; SEC Files Settled Action as to Nevada Resident in Alleged Manipulative Spoofing Scheme, (Aug. 10, 2026), https://www.sec.gov/enforcement-litigation/litigation-releases/lr-26606.

[20] Order Instituting Administrative and Cease-and-Desist Proceedings, Pursuant to Sections 15B and 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist order, (Jan. 23, 2026), https://www.sec.gov/files/litigation/admin/2026/34-104677.pdf; Order Instituting Administrative and Cease-and-Desist Proceedings, Pursuant to Sections 15B and 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist order, (Feb. 12, 2026), https://www.sec.gov/files/litigation/admin/2026/34-104834.pdf.

[21] SEC Obtains Partial Consent Judgments Against Legacy Cares Defendants, (Mar. 9, 2026), https://www.sec.gov/enforcement-litigation/litigation-releases/lr-26498.

[22] SEC Charges Company for Unregistered Broker Activity Related to Municipal Bonds, (Aug. 21, 2026), https://www.sec.gov/enforcement-litigation/administrative-proceedings/34-106171-s.

[23] Top officials to leave US SEC's anti-bribery unit, sources say, (Apr. 2, 2025), https://www.reuters.com/world/us/top-officials-leave-us-secs-anti-bribery-unit-sources-say-2025-04-02/; Total Elimination of Cartels and Transnational Criminal Organizations, (Feb. 5, 2025), https://www.justice.gov/ag/media/1388546/dl?inline.

[24] SEC Charges New York Stock Exchange LLC for Failing to Establish Policies and Procedures to Monitor Opening Auctions, (Mar. 6, 2026), https://www.sec.gov/enforcement-litigation/administrative-proceedings/34-104934-s.

[25] Remarks at the Economic Club of New York, (June 30, 2026), https://www.sec.gov/newsroom/speeches-statements/atkins-remarks-economic-club-new-york-063026.