

FISCAL YEAR 2026 UPDATE

SEC Enforcement Activity:

Public Companies and Subsidiaries

REVIEW & ANALYSIS

CORNERSTONE RESEARCH
Economic and Financial Consulting and Expert Testimony

NYU
Pollack Center for Law & Business

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Executive Summary

An analysis of enforcement activity by the Securities and Exchange Commission (SEC) reveals that the SEC only initiated 16 actions against public companies[1] and subsidiaries in FY 2026, a 71% decrease from FY 2025. This decline from 56 actions in the prior fiscal year is the largest year-over-year change in SEED.

The findings in this report are based on data from the Securities Enforcement Empirical Database (SEED), a collaboration between the NYU Pollack Center for Law & Business and Cornerstone Research. SEED data cover FY 2010 through FY 2026.[2]

Numbers at a Glance: SEC Enforcement of Public Companies and Subsidiaries in FY 2026

16
actions initiated, the lowest in SEED and 21 actions fewer than the 37 actions in FY 2013

$184 million
total monetary settlements, the lowest in SEED

4x
the number of actions initiated in FY 2025 after the change in the SEC administration

53%
of defendants in settled actions had cooperation noted by the SEC, the lowest since FY 2014

63%
of settling defendants had a monetary settlement, the lowest since FY 2010

Stephen Choi, Bernard Petrie Professor of Law and Business, New York University School of Law, and Co-Director, Pollack Center for Law & Business, New York University

"Under Chair Atkins, FY 2026 SEC enforcement against public companies and subsidiaries dropped to its lowest level since the start of SEED in FY 2010, significantly lower than prior post–transition years."

RECORD LOW NUMBER OF ACTIONS INITIATED IN FY 2026

The SEC initiated 16 actions against public companies and subsidiaries in FY 2026, the lowest in SEED and less than half the prior low in FY 2013 (37). This is consistent with Chair Paul Atkins's recent statement that the SEC "no longer measure[s] the success of [its enforcement] program by the quantity of enforcement actions" that are brought.[3]

RECORD LOW AVERAGE MONETARY SETTLEMENTS

Total monetary settlements of $184 million in FY 2026 were the lowest in SEED and more than $600 million lower than in FY 2025. The average and median monetary settlements of $12 million and $1 million reflect decreases of 18% and 76%, respectively, from FY 2025. The average and median monetary settlements were the lowest and second lowest in SEED, respectively.

Number of Actions

The number of SEC enforcement actions initiated against public companies and subsidiaries decreased by 40 (or 71%) from FY 2025 to FY 2026.

The 16 actions initiated in FY 2026 were 52 fewer than the number initiated in FY 2022 (68), the first full fiscal year under the prior SEC administration. The 16 actions initiated were the lowest in a new administration's first full fiscal year since at least FY 2013, compared to 73 and 51 actions initiated in FY 2018 and FY 2014, respectively.

RECORD LOW ACTIONS INITIATED IN FY 2026

According to the SEC, total standalone SEC enforcement actions decreased to 235 actions in FY 2026, 68 fewer than FY 2025 (303).[4] SEC enforcement actions against public companies and subsidiaries was less than 7% of total standalone actions, the lowest share since at least FY 2013 (11%).

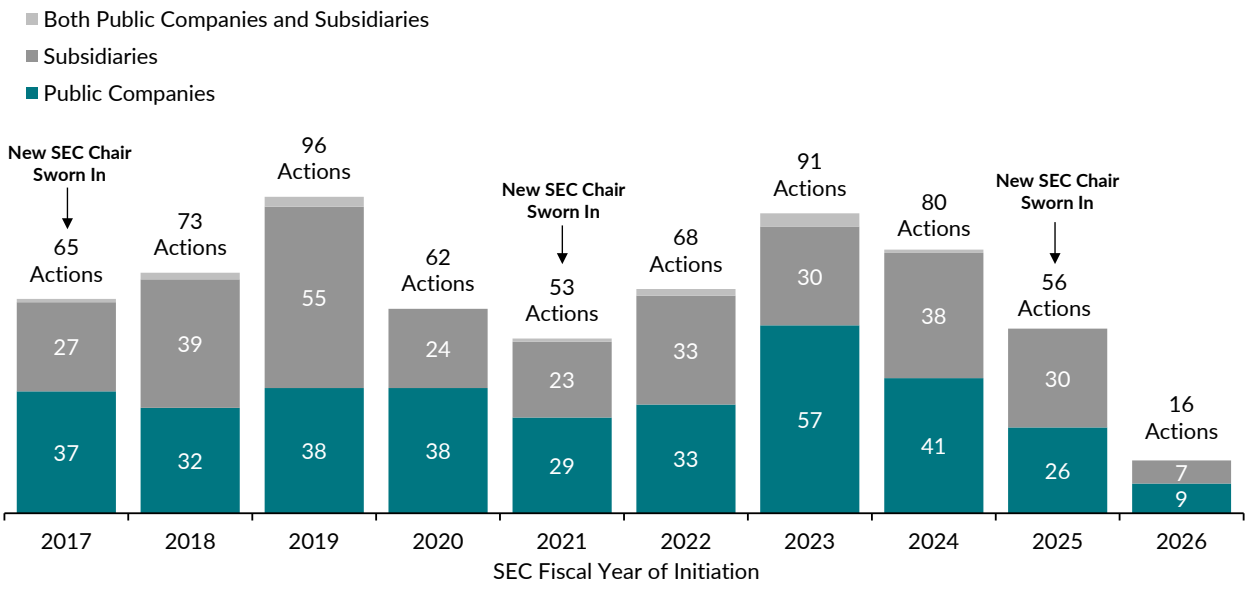
INCREASE IN PERCENTAGE OF PUBLIC COMPANY AND SUBSIDIARY ACTIONS WITH INDIVIDUAL DEFENDANTS

There was a larger proportion of public company and subsidiary actions with individuals named as defendants in FY 2026 than in the prior 10 fiscal years. This is consistent with one area of focus for the SEC under Chair Atkins: "[H]olding individual wrongdoers accountable."[5]

HIGHEST PERCENTAGE OF ACTIONS BROUGHT AS CIVIL ACTIONS SINCE FY 2013

In FY 2026, the SEC brought 25% of public company and subsidiary actions as civil actions, the highest percentage since FY 2013. This is more than double the average of 10% from FY 2017 to FY 2025, which ranged from 5% to 16% each year (see Appendix 1).

Figure 1: Public Company and Subsidiary Actions
FY 2017–FY 2026



Note: Relief defendants are not considered.

Allegations

In FY 2026, half of SEC actions against public companies and subsidiaries involved Issuer Reporting and Disclosure allegations.

FOCUS ON ISSUER REPORTING AND DISCLOSURE CONTINUED UNDER CHAIR ATKINS

In FY 2026, 50% of SEC actions against public companies and subsidiaries had Issuer Reporting and Disclosure allegations, an increase from 39% in FY 2025. FY 2020 was the last year with Issuer Reporting and Disclosure allegations in 50% of actions. This continued focus on Issuer Reporting and Disclosure allegations is consistent with statements made by Chair Atkins and his administration that SEC enforcement should be brought "to address . . . accounting and financial frauds."[6]

Percentage of Civil Actions with Issuer Reporting and Disclosure Allegations in FY 2026

100%

of civil actions had Issuer Reporting and Disclosure allegations for the third consecutive fiscal year

FIRST FISCAL YEAR WITHOUT AN ACTION INVOLVING THE FOREIGN CORRUPT PRACTICES ACT

FY 2026 is the first fiscal year in SEED without any actions initiated against public companies or subsidiaries with Foreign Corrupt Practices Act allegations. This is down from an average of 10% over FY 2017–FY 2025. The lack of actions follows an executive order issued by the White House on February 10, 2025, pausing Foreign Corrupt Practices Act enforcement by the Department of Justice.[7]

Figure 2: Heat Map of Allegations Against Public Companies and Subsidiaries
FY 2017–FY 2026

Allegation Type	SEC Fiscal Year of Initiation										
	Average 2017–2025	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Issuer Reporting and Disclosure	39%	40%	33%	29%	50%	49%	38%	45%	31%	39%	50%
Investment Adviser/ Investment Company	21%	18%	18%	38%	23%	25%	15%	7%	16%	27%	19%
Broker Dealer	17%	12%	26%	16%	10%	6%	24%	19%	24%	21%	13%
Securities Offering	2%	0%	3%	1%	2%	2%	6%	2%	1%	2%	6%
Foreign Corrupt Practices Act	10%	15%	14%	16%	11%	8%	9%	12%	3%	7%	0%
Public Finance Abuse	2%	0%	1%	1%	2%	4%	7%	3%	1%	0%	0%
Insider Trading	0%	0%	0%	0%	0%	2%	0%	0%	0%	0%	0%
Market Manipulation	1%	6%	1%	0%	2%	0%	0%	0%	1%	0%	0%
Other	7%	8%	4%	0%	2%	6%	1%	12%	23%	4%	13%
Number of Actions	72	65	73	96	62	53	68	91	80	56	16

0% | 1–10% | 11–20% | 21–50% | 51–100%

Note: Relief defendants are not considered. Percentages may not add to 100% due to rounding. "Other" includes actions categorized by the SEC as "Miscellaneous," "Transfer Agent," or "SRO / Exchange."

Settlements and Cooperation

SEED measures self-reporting, remediation, and the SEC noting cooperation in the settlement announcement as an indication of whether the public company or subsidiary defendant cooperated with the SEC. This is consistent with the assertion of the SEC under Chair Atkins that a "company that self-reports, cooperates fully, and remediates" can demonstrate its commitment to compliance and potentially avoid harsher penalties.[8]

Settling Defendants with Cooperation Noted in FY 2026

53%

the lowest share since FY 2014 (41%) and below the FY 2017–FY 2025 average of 66%

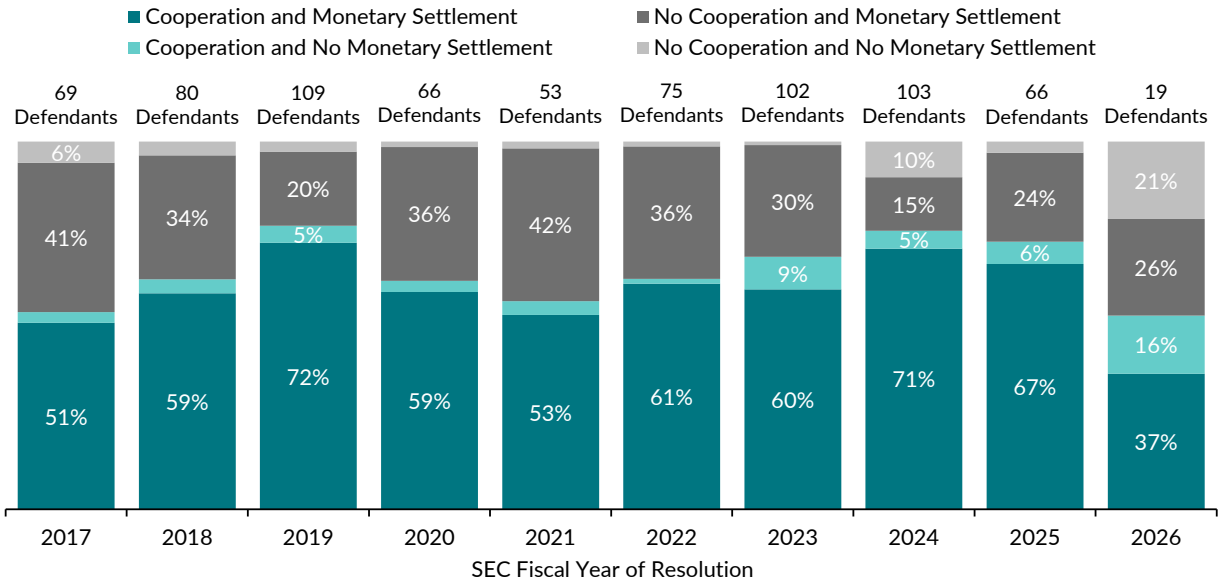
PERCENTAGE OF DEFENDANTS WITH MONETARY SETTLEMENTS FELL TO LOWEST LEVEL SINCE FY 2010

Only 63% of settling defendants had a monetary settlement in FY 2026, the lowest share since FY 2010 (59%) and well below the FY 2017–FY 2025 average (92%).[9]

Under Chair Atkins, there was an increase in the share of cooperating defendants without a monetary settlement. In FY 2026, 16% of settling defendants had cooperation noted and no monetary settlement, the highest share since FY 2010 (18%) and higher than the FY 2017–FY 2025 average (4%).

In FY 2026, four defendants (21%) settled without a monetary settlement and did not have cooperation noted, the highest share since FY 2010 (22%).

Figure 3: Public Company and Subsidiary Defendants: Monetary Settlements and Cooperation Noted
FY 2017–FY 2026



Note: Settlements are counted at the defendant level. Relief defendants, individual defendants, and non-public/non-subsidiary defendants are not considered. Defendants that did not settle, either because the action is ongoing or because the action was resolved through trial, are excluded. A defendant with cooperation indicates the defendant cooperated with the SEC prior to the non-trial resolution of that action. The words "cooperation" or "remediation" must be mentioned in the document detailing the non-trial resolution, or the SEC must acknowledge voluntary reporting by the defendant. Percentages may not add to 100% due to rounding.

NEARLY ALL OF THE RECORD LOW TOTAL MONETARY SETTLEMENTS WERE CIVIL PENALTIES

FY 2026 had the lowest total monetary settlements in SEED ($0.2 billion), more than $550 million lower than the previously lowest total in FY 2012 ($0.8 billion).

Percentage of Total Monetary Settlements That Were Civil Penalties in FY 2026

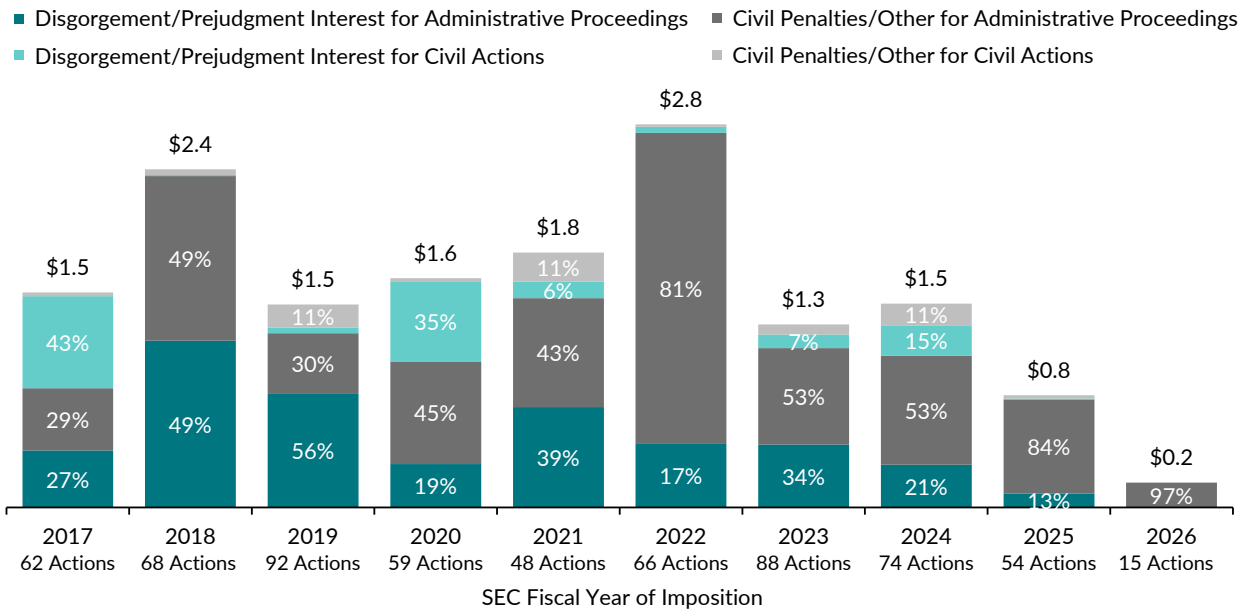
99%

the highest percentage in SEED

RECORD LOW DISGORGEMENT AND PREJUDGMENT INTEREST

The total amount of disgorgement and prejudgment interest ($1 million) was the lowest in any fiscal year in SEED, approximately $100 million less than the next lowest total in FY 2025 ($108 million). Disgorgement and prejudgment interest made up 1% of total monetary settlements—a record low and below the prior low of 13% in FY 2025.

Figure 4: Breakdown of Total Monetary Settlements Imposed in Public Company and Subsidiary Actions
FY 2017–FY 2026
(Dollars in billions)



Note: Relief defendants are not considered. For actions where monetary settlements are not imposed on all defendants in the same fiscal year, actions are classified by the first fiscal year in which a monetary settlement was imposed. There are seven actions for which not all defendants have settled. Total monetary settlements for those actions only include monetary settlements through September 30, 2026. Percentages may not add up to 100% due to rounding. Monetary settlements include Sarbanes-Oxley 304 clawbacks, which were noted for fewer than 25 defendants in FY 2017–FY 2026.

NO DEFENDANTS HAD ADMISSIONS OF GUILT FOR THE FIRST TIME SINCE FY 2021

In FY 2026, no defendant in a public company and subsidiary action had an admission of guilt, marking the first time since FY 2021.

An average of 21 public company or subsidiary defendants per year had admissions of guilt between FY 2022 and FY 2025.

From FY 2010 to FY 2021, an average of three public company or subsidiary defendants per year had an admission of guilt per year (see Appendix 2 for complete admission of guilt figures for FY 2017–FY 2026).

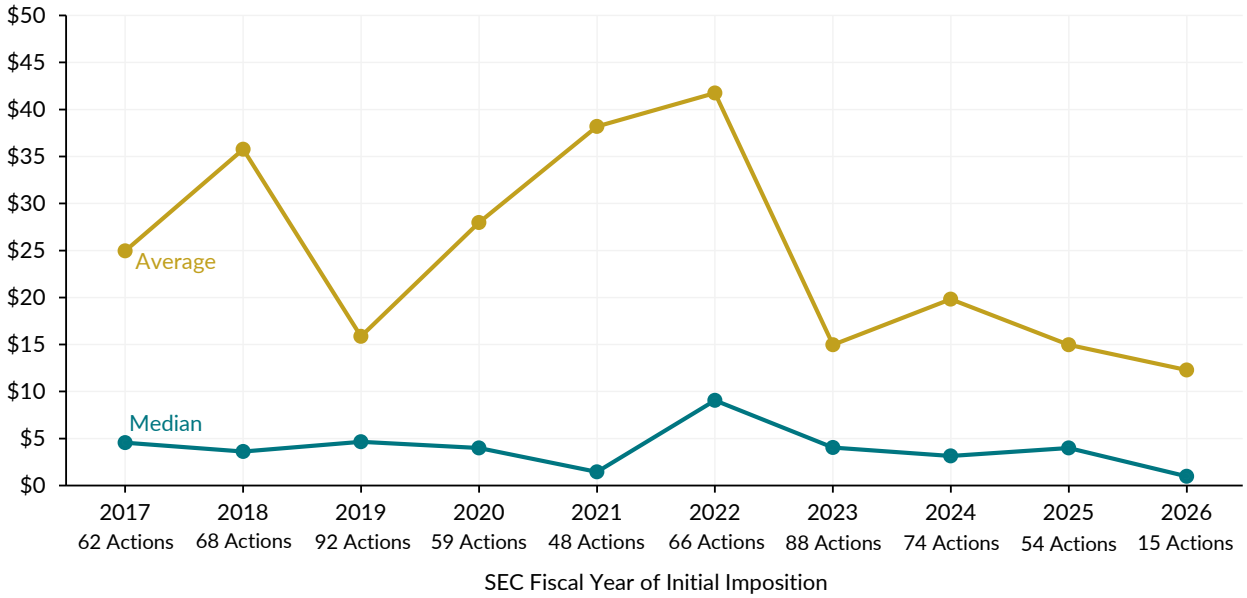
RECORD LOW AVERAGE MONETARY SETTLEMENTS

The FY 2026 average monetary settlement was $12 million, the lowest in SEED and 18% lower than the FY 2025 average of $15 million. Similarly, the median settlement for FY 2026 was $1 million, the second lowest in SEED ($0.6 million in FY 2015) and 76% lower than the median in FY 2025 ($4 million).

SECOND HIGHEST PERCENTAGE OF CIVIL ACTIONS INITIATED AND RESOLVED ON DIFFERENT DATES

Three of the four civil actions were not resolved on the same day they were initiated in FY 2026,[10] which is the second-highest percentage (75%) in SEED behind FY 2021 at 86%. In contrast, and consistent with historical trends, all 12 administrative proceedings were resolved on the same day they were initiated (see Appendix 1 for complete enforcement venue figures for FY 2017–FY 2026).

Figure 5: Monetary Settlements Imposed in Public Company and Subsidiary Actions
FY 2017–FY 2026
(Dollars in millions)



Note: Relief defendants are not considered. For actions where monetary settlements are not imposed on all defendants in the same fiscal year, actions are classified by the first fiscal year in which a monetary settlement was imposed. There are seven actions for which not all defendants have settled. Total monetary settlements for those actions only include monetary settlements through September 30, 2026. Monetary settlements include Sarbanes-Oxley 304 clawbacks, which were noted for fewer than 25 defendants in FY 2017–FY 2026.

Research Sample

The Securities Enforcement Empirical Database (SEED) is a collaboration between the NYU Pollack Center for Law & Business and Cornerstone Research. The analysis in this report is based on data identified by NYU and Cornerstone Research as of November 5, 2026 (https://seed.law.nyu.edu/).

SEED identifies 374 individuals that are named defendants in the 1,065 actions initiated against public companies and subsidiaries between October 1, 2009, and September 30, 2026.

The sample used for the majority of this report is referred to as "public company and subsidiary actions" and includes only those enforcement actions with public companies or their subsidiaries listed explicitly as defendants. The sample does not include cases where the allegations relate exclusively to delinquent filings.

Public companies are defined as those that traded on a major U.S. exchange as identified by the Center for Research in Security Prices (CRSP) at the time the enforcement action was initiated, or otherwise within the five-year period preceding the initiation.

1,065

SEED identifies 1,065 enforcement actions initiated against 903 public companies and subsidiaries between October 1, 2009, and September 30, 2026.

Thus, public companies that traded over-the-counter or only on major non-U.S. exchanges are excluded, as are companies that did not become publicly traded until after the enforcement action was initiated.

Subsidiaries are defined as those entities that had a publicly traded parent company at the time the enforcement action was initiated, or otherwise within the five-year period preceding the initiation. The public parent companies of subsidiaries were identified as those cited in the enforcement action document initiating proceedings when available, or those identified through SEC filings if no parent company was mentioned in the initial enforcement action document.

Individuals are defined as named defendants in actions against public companies or their subsidiaries.

Endnotes

[1] Public companies are defined as those that traded on a major U.S. exchange as identified by the Center for Research in Security Prices (CRSP) at the time the enforcement action was initiated or within the five-year period preceding the initiation.

[2] SEC fiscal years begin on October 1 of the prior year and end on September 30. SEC FY 2010 through FY 2026 spans October 1, 2009, to September 30, 2026.

[3] Paul S. Atkins, Chairman, U.S. Securities and Exchange Commission, "Remarks at the Conference on Financial Market Regulation," May 8, 2026.

[4] U.S. Securities and Exchange Commission, "SEC Announces Enforcement Annual Results for Fiscal Year 2026" and "Addendum to Division of Enforcement Press Release Fiscal Year 2026," November 10, 2026.

[5] David Woodcock, Director, Division of Enforcement, U.S. Securities and Exchange Commission, "Remarks Before 12th Annual Government Enforcement Institute," September 18, 2026 ("Indeed, in the last several months the Commission has brought a number of cases confirming that we're prioritizing back to basics cases—cases focusing on conduct that harms investors, holding individual wrongdoers accountable, and pursuing opportunities to return money to harmed investors.").

[6] Paul S. Atkins, Chairman, U.S. Securities and Exchange Commission, "Testimony Before the U.S. Senate Committee on Banking, Housing, and Urban Affairs," February 12, 2026; David Woodcock, Director, Division of Enforcement, U.S. Securities and Exchange Commission, "Remarks at the MFA Legal & Compliance 2026 Conference," May 13, 2026.

[7] The White House, "Pausing Foreign Corrupt Practices Act Enforcement to Further American Economic and National Security," February 10, 2025.

[8] David Woodcock, Director, Division of Enforcement, U.S. Securities and Exchange Commission, "Remarks at the MFA Legal & Compliance 2026 Conference," May 13, 2026 ("But how the firm engages with the Division during an investigation also matters. A company that self-reports, cooperates fully, and remediates will not be treated the same as one that conceals or obstructs.").

[9] SEED includes data for monetary settlements imposed by the SEC on all types of defendants in public company and subsidiary actions: public companies, subsidiaries, individuals, and other entities. Total monetary settlements include disgorgement, prejudgment interest, civil penalties, and other monetary penalties imposed by the SEC in public company and subsidiary actions that were initiated in FY 2010 and later.

[10] An action is considered resolved on the same date it was initiated when all public company and subsidiary defendants settle on the date the action was initiated.

Appendices

Appendix 1: Public Company and Subsidiary Defendants: Timing of Resolutions and Enforcement Venue
FY 2017–FY 2026

SEC Fiscal Year of Initiation	Civil Actions Initiated and Resolved on Same Date	Civil Actions Initiated and Resolved on Different Dates	Administrative Proceedings Initiated and Resolved on Same Date	Administrative Proceedings Initiated and Resolved on Different Dates
2017	6	1	58	0
2018	8	4	61	0
2019	4	3	89	0
2020	5	3	54	0
2021	1	6	46	0
2022	3	5	60	0
2023	4	3	84	0
2024	2	3	75	0
2025	3	0	53	0
2026	1	3	12	0

Note: Relief defendants are not considered. Only public company and subsidiary defendants are considered when determining timing of resolution.

Appendix 2: Public Company and Subsidiary Defendants: Admission of Guilt
FY 2017–FY 2026

SEC Fiscal Year of Resolution	Total Number of Defendants	Number of Defendants with Admission of Guilt	Number of Defendants with Neither Admit Nor Deny	Number of Defendants with Other
2017	69	7	51	11
2018	80	2	72	6
2019	109	5	98	6
2020	66	2	59	5
2021	53	0	50	3
2022	75	16	56	3
2023	102	16	78	8
2024	103	34	63	6
2025	66	16	45	5
2026	19	0	15	4

Note: SEED captures whether defendants had admissions of guilt or did not admit or deny the allegations. Defendant settlements that do not fall into either of those categories typically have default judgments against them or consent to the entry of the resolution without specific language regarding the allegations (identified in SEED as "other"). Relief defendants, individual defendants, and non-public/non-subsidiary defendants are not considered.

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Stephen Choi is a noted authority on SEC enforcement matters. He provides expert testimony before judges and juries and analyzes price impact, materiality, loss causation, securities disclosures and liability, and corporate governance. His research interests include empirical and theoretical analysis of securities litigation and SEC enforcement, corporate finance and governance, valuation, and financial institutions.

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The views expressed herein are solely those of the authors and do not necessarily represent the views of Cornerstone Research.

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