



CFTC Whistleblower Alert: Blow the Whistle on Corrupt Practices in the Commodities and Derivatives Markets

Under the Whistleblower Program of the Commodity Futures Trading Commission (CFTC), individuals can become eligible for both financial awards and certain protections by identifying Commodity Exchange Act (CEA) violations connected to corrupt practices such as bribes and kickbacks or similar conduct.

What are corrupt practices?

Corrupt practices include actions that seek to improperly influence officials or agents with personal payments or rewards – commonly thought of as bribes or kickbacks. Companies and individuals engaging in such practices may be liable for fraud, manipulation, false reporting, or a number of other types of violations under the CEA and Commission Regulations.

What types of misconduct should you be on the lookout for?

The CFTC will enforce the CEA provisions that encompass corrupt practices. Such misconduct may include:

- Corrupt practices that **impact the prices in commodity markets** that drive U.S. derivatives prices or that are used to **manipulate benchmarks**, such as those that serve as the basis for related derivatives contracts
- Corrupt payments used to **secure business** in connection with regulated activities like trading, advising, or dealing in swaps or derivatives, paid out of funds investors believed were being used to invest
- Corrupt practices used to **misappropriate material nonpublic information** that traders would want to know

What can you do if you suspect misconduct?

You do **not** need to be a company “insider” (like an employee or trader) to be a whistleblower. **Victims of fraud and other market participants** who observe misconduct committed by others may also qualify as whistleblowers. The Whistleblower Rules define a whistleblower as **one or more individuals**; a company or another entity cannot meet the definition.

If you see something suspicious, you can

- Complete a [Form TCR \(Tip, Complaint, Referral\)](#) correctly and as completely as possible
- Provide details that are specific, credible, and timely
- Include as much information about the misconduct as possible – e.g., price effect or intent
- Attach supporting documents or files to your Form TCR, as long as they are not protected by the attorney-client privilege
- Supplement your Form TCR filing with any additional information via mail, fax, or email

About the CFTC

The mission of the CFTC is to promote the integrity, resilience, and vibrancy of the U.S. derivatives markets through sound regulation.

About the Whistleblower Program

We will pay **monetary awards** to persons who voluntarily provide us with original information on a Form TCR about potential violations of the CEA or its rules, if that information leads to a successful CFTC enforcement action resulting in more than \$1 million in monetary sanctions. The program also affords certain **confidentiality** and **anti-retaliation protections**.

For more information go to: www.whistleblower.gov

Whistleblower Office
Commodity Futures Trading Commission
1155 21st Street, NW
Washington, DC 20581
Hotline: 866.873.5675
whistleblower@cftc.gov

This article was prepared by the Commodity Futures Trading Commission’s Whistleblower Office. This article is provided for general informational purposes only and does not provide legal or investment advice to any individual or entity. It is not intended to, does not, and may not be relied upon to create any rights, substantive or procedural, enforceable by any party in any matter, civil or criminal. Please consult with your own legal adviser before taking any action based on this information. Please note that the above list of relevant types of misconduct is not exhaustive.

April 30, 2021