In the Matter Redacted Redacted Redacted Redacted	Claims for Awa , WB-APP , WB-APP , WB-APP , WB-APP , WB-APP	rd by Reducted Reducted Reducted resource Reducted Reducted	; ; ; ; and)	CFTC Whistleblower Award Determination No. 18-WB-02
In Connectio Notice of Co		edatted •		}	

ORDER DETERMINING WHISTLEBLOWER AWARD CLAIMS

The Commodity Futures Trading Commission ("Commission") received whistleblower award claims from Redacted ("Claimant 1"), Redacted ("Claimant 2"), Redacted ("Claimant 3"), Redacted ("Claimant 4"), and Redacted ("Claimant 5") (collectively "Claimants"), in response to Notice of Covered Action Redacted regarding Redacted , Redacted , Redacted " or "Order").

The Claims Review Staff ("CRS") evaluated each claim in accordance with the Commission's Whistleblower Rules ("Rules"), 17 C.F.R. pt. 165 (2017) (as amended by 82 Fed. Reg. 24,487, 24,496–521 (May 30, 2017)), promulgated pursuant to Section 23 of the Commodity Exchange Act ("CEA" or "Act"), 7 U.S.C. § 26 (2012).

On February 12, 2018, the CRS issued a Preliminary Determination recommending that Claimant 1 receive a whistleblower award in the amount of Red % of the monetary sanctions collected in the Red test test.

The Preliminary Determination also recommended denying the remaining award claims of Claimant 2, Claimant 3, Claimant 4, and Claimant 5, because their claims did not meet the requirements of the CEA and the Rules.

Claimant 1 met all the requirements under the CEA and Rules for an award, because Claimant 1 is a whistleblower who voluntarily provided original information to the Commission that led to the successful enforcement of a covered action. See 7 U.S.C. § 26(b)(1)(2012); 17 C.F.R. §§ 165.1, 165.5.

Claimant 1 also satisfied the eligibility requirements for an award. See 17 C.F.R. §§ 165.5, 165.6.

Claimant 1 submitted a Form TCR, voluntarily provided original information, and provided assistance to Commission staff during the course of the investigation. Moreover, Claimant 1 does not fall into any of the categories of individuals ineligible for an award. See 17 C.F.R. § 165.6.

The Rules justify awarding Claimant 1 Re % of the monetary sanctions collected. Claimant 1's information was specific, timely, and credible, and caused Commission staff to launch an investigation.

Claimant 1's information was essential to the success of the Redacted . The Division was unaware of the violations before Claimant 1 provided information regarding them. Claimant 1 was extensively involved in the investigation, and was truthful, forthcoming, and cooperative. Claimant 1's willingness to provide the Commission with ongoing, extensive, and timely assistance conserved Commission resources. Moreover, the Commission has significant programmatic and law enforcement interests in ensuring that

Redacted . Granting an award to

Claimant 1 will incentivize whistleblowers to report

Reducted

. It would also provide notice to market participants that individuals are reporting quality information about violations of the CEA, thereby enhancing the Commission's ability to enforce the CEA.

Redsctad

¹ For whistleblowers eligible to receive an award, Rule 165.9 contains the factors that influence the percentage amount of an award that the whistleblower receives, including factors to be taking into consideration, factors that may increase the amount of a whistleblower's award, and factors that may decrease the amount of a whistleblower's award, See 17 C.F.R. § 165.9.

Redacted

The CEA and the Rules do not require that the calculation of the award amount to be based solely on the monetary sanctions collected by the Commission. The specific phrase "collected by the Commission" is used in Section 23(g)(3)(A) of the CEA and Rule § 165.12(b)(1) when discussing deposits and credits into the Commission's Customer Protection Fund. See 7 U.S.C § 26(g)(3)(A); 17 C.F.R. § 165.12(b)(1). However, when discussing the calculation of a whistleblower award, the CEA and the Rules use the phrase "what has been collected of the monetary sanctions imposed in the covered judicial or administrative action or related action." See 7 U.S.C. § 26(b); 17 C.F.R. § 165.8. Unlike the language used in subsection (g)(3) of the CEA and subsection 165.12(b)(1) of the Rules, this language does not require that the monetary sanctions be specifically collected by the Commission. Additionally, the CEA and the Rules broadly define "monetary sanctions" with respect to any judicial or administrative action to include "any monies, including penalties, disgorgement ..., ordered to be pald." 7 U.S.C. § 26(a)(3)(A); 17 C.F.R. § 165.2(j)(1) (emphasis added). Again, the requirement is only that these sanctions are "ordered to be paid" by the Commission; not directly collected by the Commission.

Reducted

² The phrase "collected by the Commission" is defined in 17 C.F.R. § 165.2(d) to refer to any funds received, and confirmed by the U.S. Department of the Treasury, in satisfaction of part or all of a civil monetary penalty, disgorgement obligation, or fine owned to the Commission."

PUBLIC VERSION

Rodacicil

Rodected

Rodneted
Rodneted

Redacted

PUBLIC VERSION

None of the Claimants responded to the Preliminary Determination.⁶ Pursuant to Rule 165.7(h), 17 C.F.R. § 165.7(h), the Preliminary Determination becomes final because Claimants 2 - 5 failed to submit a timely response contesting the Preliminary Determination, which constitutes a failure to exhaust administrative remedies. Accordingly, Claimants are prohibited from pursuing an appeal under Rule 165.13, 17 C.F.R. § 165.13.

It is hereby ORDERED that Claimant 1 shall receive and of the monetary sanctions collected in the same claims of Claimant 2, Claimant 3, Claimant 4, and Claimant 5 be, and hereby are, denied.

By the Commission.

Redarted

PUBLIC VERSION

Christopher J. Kirkpatrick

Secretary of the Commission

Commodity Futures Trading Commission

1155 21st Street, N.W.

Washington, DC 20581

Dated: July 12, 2018