



The Commodity Futures Trading Commission (CFTC) has announced an award of approximately USD30 million to a whistleblower who voluntarily provided key original information that led to a successful enforcement action.

The award is the largest award made by the CFTC's Whistleblower Program to date and the fifth overall.

"This is a major breakthrough for whistleblower protections," says Stephen M Kohn, a whistleblower attorney and the pro bono Executive Director of the National Whistleblower Center. The CFTC has been slow in processing and granting awards for whistleblowers. Today's USD30 million award is good news for whistleblowers who expose frauds in the trillion-dollar commodities markets. Large awards in whistleblower cases are the key in deterring future wrongdoing, and incentivising other whistleblowers to step forward, facts that the Chairman of the CFTC recognised."

"The Whistleblower Program has become an integral component in the agency's enforcement arsenal," says CFTC Chairman, J Christopher Giancarlo. "We hope that an award of this magnitude will incentivize whistleblowers to come forward with valuable information and provide notice to market participants that individuals are reporting quality information about violations of the Commodity Exchange Act [CEA]."

James McDonald, Director of the Division of Enforcement, says: "Whistleblower submissions have become a significant part of our enforcement program, allowing us to pursue violations we might otherwise have been unable to detect. That's one reason why we've worked hard to expand our Whistleblower Program, including by increasing the protections afforded to whistleblowers that come forward. I expect the Whistleblower Program to contribute even more substantially to our enforcement efforts going forward."

The CFTC's Whistleblower Program was created by section 748 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act). The CFTC pays monetary awards to eligible whistleblowers who voluntarily provide the CFTC with original information on violations of the CEA that leads the CFTC to bring a successful enforcement action resulting in monetary sanctions exceeding USD1,000,000. By law, the CFTC protects the confidentiality of whistleblowers and does not disclose information that might directly or indirectly reveal a whistleblower's identity. Under the Dodd-Frank Act, employers may not retaliate against whistleblowers for reporting possible violations of the CEA to the CFTC.

Whistleblowers are eligible to receive between 10 per cent and 30 per cent of the monetary sanctions collected. All whistleblower awards are paid from the CFTC Customer Protection Fund established by Congress and financed entirely through monetary sanctions paid to the CFTC by violators of the CEA. No money is taken or withheld from harmed investors to fund the program.

Previously, the highest award amount paid to a CFTC whistleblower was in March 2016 of more than USD10 million.

“The award today is a demonstration of the program’s commitment to reward those who provide quality information to the CFTC,” says Christopher Ehrman, Director of the CFTC’s Whistleblower Office. “The number of leads the office receives continues to grow each year by the hundreds. We hope that this award will continue to facilitate the upward momentum and success of the CFTC’s Whistleblower Program by attracting those with knowledge of wrongdoing to come forward.”

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