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In the Matter of Claims for Award by: )  
 )  
 Redacted )  
 WB-APP, Redacted ; and )  
 )  
 Redacted ) CFTC Whistleblower Award  
 WB-APP, Redacted ) Determination No. 19-WB-03  
 )  
 In Connection with )  
 Notice of Covered Action No. Redacted )  
 )  


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**ORDER DETERMINING WHISTLEBLOWER AWARD CLAIMS**

The Commodity Futures Trading Commission (“Commission”) received a whistleblower award application from an anonymous applicant (“Claimant 1”) in response to the Commission’s Notice of Covered Action Redacted regarding Redacted (“Covered Action”).<sup>1</sup> The Claims Review Staff (“CRS”) has evaluated each of the applications in accordance with the Commission’s Whistleblower Rules (“Rules”), 17 C.F.R. pt. 165 (2018) (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 October 30, 2018, the CRS issued a Preliminary Determination recommending that Claimant 1 receive Redacted percent (\*\*%) of the amount of monetary sanctions collected in the Covered Action. The award percentage recommended for Claimant 1 would yield a payout of \$ Redacted, based on the amount recovered in the Covered Action to date.<sup>2</sup> For the reasons set forth below, we agree with the CRS’s determination. Accordingly, Claimant 1’s claim is approved in the amount of Redacted percent (\*\*%).

**I. BACKGROUND**

The Covered Action arose out of an investigation opened in response to information that Claimant 1 submitted to the Commission regarding Redacted.

. Specifically, Claimant 1 alleged that

Redacted

. The Commission received the information as a form TCR Redacted from

. Division of Enforcement (“Division”) staff forwarded

<sup>1</sup> The Preliminary Determination further recommended that the award application submitted by another claimant (“Claimant 2”) be denied. Claimant 2 failed to submit a request for reconsideration of the Preliminary Determination, and, therefore, the Preliminary Determination denying Claimant 2’s claim for an award has become the Final Order of the Commission. 17 C.F.R. § 165.7(h) (2018).

<sup>2</sup> Redacted has fully paid the Redacted ordered in connection with the Covered Action, Redacted Redacted. Thus, the total monetary sanctions under the Rules are Redacted. See 17 C.F.R. § 165.2(j).

Claimant 1's Form TCR to the Commission's New York office for review, at which point the Division opened an investigation into Redacted.

Redacted

. The Commission found that

Redacted

. Claimant 1 subsequently submitted a whistleblower award application in response to Notice of Covered Action No. Redacted regarding the Covered Action.

## II. PRELIMINARY DETERMINATION

On October 30, 2018, the CRS issued a Preliminary Determination recommending that Claimant 1 receive a whistleblower award in the amount of Redacted (\*\*\*) of monetary sanctions collected because Claimant 1 voluntarily provided original information that led to the successful enforcement of a covered action.

Redacted

## III. ANALYSIS

The CRS has discretion in determining the award amount but must consider certain criteria specified in the CEA. 7 U.S.C. § 26(c)(1)(A). The Rules contain both factors that incorporate the statutory criteria for determining the award amount and factors that may increase or decrease the award amount. The determination of the appropriate percentage of a whistleblower award involves a highly individualized review of the facts and circumstances. Depending upon the facts and circumstances of each case, some factors may not be applicable or may deserve greater weight than others. The analytical framework in the Rules provides general principles without mandating a particular result. The criteria for determining the amount of an award in Rule 165.9, 17 C.F.R. § 165.9, are not listed in any order of importance and are not assigned relative importance.

The recommendation of the CRS with respect to Claimant 1 is adopted. We find that the record demonstrates that he/she voluntarily provided original information to the Commission that led to the successful enforcement of the Covered Action pursuant to Section 23(b)(1) of the CEA. 7 U.S.C. § 26(b)(1) (2012). The information Claimant 1 provided was sufficiently specific, credible, and timely to cause the Commission to open an investigation. The Commission then brought a successful covered action based in part on conduct that was the subject of the original information provided by Claimant 1. Claimant 1 alleged several potential violations of the CEA, and the Commission's investigation corroborated those allegations, in some instances to a high degree of specificity. Claimant 1's information was significant to the success of the Commission's action. See 17 C.F.R. § 165.9(a)(1), (b)(1).

Claimant 1's assistance did not end with the TCR. Redacted, Claimant 1 was able to produce a variety of documents, statements, and analyses that assisted with the investigation and corroborated Claimant 1's allegations. Further, Claimant 1 Redacted

Redacted

Claimant 1's assistance was significant, and it continued throughout the course of the investigation. See 17 C.F.R. § 165.9(a)(2), (b)(2).

In addition, the Commission has a law enforcement interest in preserving the integrity and reliability of Redacted

. See 17 C.F.R.

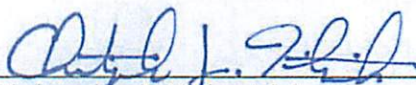
§ 165.9(a)(3), (4), (b)(3). The aforementioned facts and circumstances support granting the Claimant 1 a high award percentage.

But, in spite of Claimant 1's significant contributions and helpfulness with respect to the Covered Action, Claimant 1 delayed in submitting information to the Commission, and this single but significant negative factor justifies decreasing the amount of the award. Claimant 1 delayed reporting the wrongdoing to the Commission for Redacted. Failure to report violations in a timely manner can lead to additional financial loss to customers or the general public, Redacted. Accordingly, we agree with the CRS that the award percentage should be reduced to Redacted (\*\*%).

IV. CONCLUSION

Accordingly, it is hereby ORDERED that Claimant 1 shall receive an award of Redacted (\*\*%) of the monetary sanctions collected in the Covered Action.

By the Commission.

  
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Christopher J. Kirkpatrick  
Secretary of the Commission  
Commodity Futures Trading Commission  
1155 21<sup>st</sup> Street, N.W.  
Washington, DC 20581

Dated: June 24, 2019