
In the Matter of Claims for Award by:)
)
 Redacted ("Claimant 1"),)
 Form WB-APP^{Redacted}; and) CFTC Whistleblower Award
) Determination No. 20-WB-09
 Redacted ("Claimant 2"),)
 Form WB-APP^{Redacted})
)
 In Connection with)
 Notice of Covered Action No. ^{Redacted})
)

ORDER DETERMINING WHISTLEBLOWER AWARD CLAIMS

The Commodity Futures Trading Commission ("Commission") received whistleblower award applications from Claimant 1 and Claimant 2 in response to Notice of Covered Action No. ^{Redacted} regarding ^{Redacted}

. 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 (2019) (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 (2018).

On August 21, 2019, the CRS issued a Preliminary Determination recommending that Claimant 1 receive a whistleblower award in the amount of ^{Redacted} % of the monetary sanctions collected in the ^{Redacted}. The Preliminary Determination also recommended denying Claimant 2's award claim because his/her claim did not meet the requirements of the CEA and the Rules.

The recommendation of the CRS with respect to Claimant 1 is adopted by the Commission. We find that the record demonstrates that Claimant 1 voluntarily provided the Commission with original information that led to the successful enforcement of a covered action. Claimant 1's information was sufficiently specific, credible, and timely to cause Division of Enforcement ("Division") staff to open an investigation. The Commission then brought a successful covered action based in part on the conduct that was the subject of the Claimant 1's original information.

Claimant 1 also satisfied the eligibility requirements for an award. *See* 17 C.F.R. §§ 165.5(b), 165.6. Claimant 1 provided original information on a Tip Complaint or Referral Form ("Form TCR"),¹ submitted a claim in response to a Notice of Covered Action, and

¹ Claimant 1 submitted his/her TCR ^{Redacted}

. The WBO is under the impression that Claimant 1's application is on behalf of both of them as joint whistleblowers. The analysis will hereinafter refer to the information provided and award claim as belonging to "Claimant 1."

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provided explanations and assistance to Division staff. Further, Claimant 1 does not fall into any of the categories of individuals ineligible for an award, as set forth in Rule 165.6(a), 17 C.F.R. § 165.6(a).

The Rules justify awarding Claimant 1 ^{***} % of the total monetary sanctions collected in the ^{Redacted}.² In arriving at this award amount, the CRS applied the factors set forth in Rule 165.9, 17 C.F.R. § 165.9, in relation to the facts and circumstances of the Claimant 1's award application. To this end, the Commission considered the significance of Claimant 1's information, the degree of assistance Claimant 1 provided to the Division staff during the course of the investigation, and the Commission's programmatic and law enforcement interests. The award amount appropriately recognizes the significance of the information Claimant 1 provided to the Commission and will incentivize future whistleblowers to come forth with high quality information.

- Claimant 1's information caused the Division to open its investigation. The Commission had not been aware of the violations before Claimant 1 provided the information.
- Claimant 1's information was essential to the success of the ^{Redacted} and formed the basis of the investigation. Had Claimant 1 not contacted the Commission, it may not have opened an investigation and brought a successful enforcement action resulting in the ^{Redacted}.
- During the investigation, Claimant 1 provided assistance, was forthcoming with this assistance, and provided ongoing, extensive, and timely cooperation.
- The detailed information Claimant 1 provided in his/her TCR and in subsequent documents and communications caused Division staff to request many of the documents ultimately produced by Respondents. This enabled Division staff to obtain signed declarations and to take testimony from a limited number of targeted witnesses, conserving Commission resources.

With regard to Claimant 1's related action claims, ^{Redacted}, resulting in no sanctions. The ^{Redacted} did not impose any monetary sanctions.

² The Commission ordered ^{Redacted} the amount of ^{Redacted} ^{Redacted}

(“Respondents”) to jointly and severally pay restitution in ^{Redacted} in civil monetary penalties, and ^{Redacted} in disgorgement. The

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The CRS recommendation to deny the application of Claimant 2 is adopted. We find that the record demonstrates that Claimant 2 failed to meet the requirements of Section 23 of the Act and the Rules. Claimant 2 played no role in the Commission's successful enforcement action and no information he/she provided was used in the investigation. Division Staff had not heard of Claimant 2 until the WBO informed them of his/her award claim.

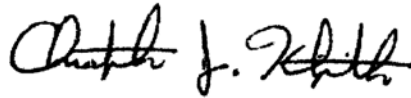
Both Claimants did not respond to the Preliminary Determination. Pursuant to Rule 165.7(h), 17 C.F.R. § 165.7(h), the Preliminary Determination becomes final because Claimant 2 failed to submit a timely response contesting the Preliminary Determination, which constitutes a failure to exhaust administrative remedies. Accordingly, Claimant 2 is prohibited from pursuing an appeal under Rule 165.13, 17 C.F.R. § 165.13.

It is hereby ORDERED that Claimant 1 shall receive ^{***} % of the monetary sanctions collected in the ^{Redacted} ; and it is further ORDERED that the award claim of Claimant 2 be, and hereby is, denied.

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By the Commission.



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

Dated: August 28, 2020