
In the Matter of Claims for Award by:

Redacted ("Claimant 1"), withdrawn pursuant to Section 165.7(d)

Redacted ("Claimant 2")

In Connection with

Notice of Covered Action No Redacted

PRELIMINARY DETERMINATION OF THE CLAIMS REVIEW STAFF

The Commodity Futures Trading Commission ("Commission") received whistleblower award applications from Claimant 1 and Claimant 2 on the above-listed Forms WB-APP regarding


¹ The determination of the appropriate percentage of a whistleblower award involves a highly individualized review of the facts and circumstances. 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(b) does not mean that the presence of negative factors will result in an award percentage lower than 30%, nor does the absence of negative factors in Rule 165.9(c) mean the award percentage will be higher than 10%. Not all factors may be relevant to a particular decision.
1. The CRS has determined to recommend that the Commission deny Claimant 1 and Claimant 2’s applications on the Covered Action because each application fails to meet the requirements of Section 23 of the Act and the Rules. Specifically, each of the Claimants’ information did not lead to the successful enforcement of the Covered Action.

- In or about \(\text{Redacted}\), the Commission opened its investigation leading to the Order based on the information Commission staff learned from staff of another authority, who did not provide information from Claimant 1 or Claimant 2. Accordingly, the Commission did not commence its investigation as a direct or indirect result of any of Claimant 1’s or Claimant 2’s information. \(\text{See } 17\text{ C.F.R. } \S\ 165.2(i)(1)\ (2020).\) In particular, Claimant 1 first contacted the Commission only in \(\text{Redacted}\), after the Commission started the investigation.

- None of Claimant 1’s or Claimant 2’s information was used in connection with the Order or the investigation leading to the Order. Accordingly, neither Claimant 1’s nor Claimant 2’s information significantly contributed to the Covered Action. \(\text{See } 17\text{ C.F.R. } \S\ 165.2(i)(2)\ (2020).\)

- Claimant 1’s information also did not lead to the successful enforcement of a related action.\(^2\) Because Claimant 1’s information did not lead to the Commission’s successful enforcement action against the defendant in the \(\text{Redacted}\).

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\(^2\) Under the Rules, a related action is a judicial or administrative action brought by any of the following non-Commission entities: Department of Justice; an agency or department of the U.S. government; a registered entity, registered futures association, or self-regulatory organization; or a State criminal or civil agency. \(\text{See } 17\text{ C.F.R. } \S\ 165.11\ (2020).\) A related action must be “based on the original information that the whistleblower voluntarily submitted to the Commission and led to a successful resolution of the Commission judicial or administrative action.” \(\text{Id. (emphasis added); see } 17\text{ C.F.R. } \S\ 165.11(a)(2)\ (2020); see also } 17\text{ C.F.R. } \S\ 165.2(m)\ (2020).\) In other words, for an action to qualify as a related action under the Act and the Rules there must be a corresponding successful enforcement of a Commission action based on the same original information voluntarily submitted by the whistleblower to the Commission. Here, as referenced above, Claimant 1’s information did not provide any meaningful assistance to Commission staff assigned to the investigation that led to the \(\text{Redacted}\).
Order, Claimant 1’s information also did not lead to the successful enforcement of a related action.

Dated: August 12, 2020

By: Whistleblower Claims Review Staff
Commodity Futures Trading Commission
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