

In the Matter of Claim for Award by:

Redacted  
Form WB-APP Redacted

In Connection with  
Noticed of Covered Action No. Redacted

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) CFTC Whistleblower Award  
) Determination No. 21-WB-06  
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### **ORDER DETERMINING WHISTLEBLOWER AWARD CLAIM**

The Commodity Futures Trading Commission (“Commission”) received a whistleblower award application from Claimant in response to Notice of Covered Action No. Redacted . The corresponding enforcement action is Redacted

. The Claims Review Staff (“CRS”) has evaluated Claimant’s award claims for the Covered Action and a related Redacted action, Redacted (“Related Action”), in accordance with the Commission’s Whistleblower Rules (“Rules”), 17 C.F.R. pt. 165 (2020), promulgated pursuant to Section 23 of the Commodity Exchange Act (“CEA” or “Act”), 7 U.S.C. § 26 (2018).

#### **I. PRELIMINARY DETERMINATION**

On Redacted , the CRS issued a Preliminary Determination recommending that Claimant receive a whistleblower award in the amount of \*\*\* of monetary sanctions collected in the Covered Action. The CRS also recommended denying Claimant an award for the Related Action. Claimant did not contest the Preliminary Determination. Accordingly, the Preliminary Determination became the Proposed Final Determination under 17 C.F.R. § 165.7(h). For the reasons set forth below, the CRS’s determination is adopted.

#### **II. LEGAL ANALYSIS**

Section 23(b)(1) of the CEA requires the Commission to pay an award to an individual who voluntarily provides the Commission with original information that leads to the successful enforcement of a covered or related action. 7 U.S.C. § 26(b)(1) (2018). The CRS recommended that the Commission grant Claimant’s award claim for the Covered Action because it meets the requirements of Section 23 of the CEA and the Rules. Claimant voluntarily provided the Commission with original information that led to the successful enforcement of a covered action. Claimant also meets all eligibility requirements for an award. *See* 17 C.F.R. §§ 165.5(b), 165.6. Further, Claimant 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 CRS recommended that the award amount should be \*\*\* of the amount of monetary sanctions collected in the Covered Action, which would result in an award of Redacted .<sup>1</sup> 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 Rules do not specify how much any factor in Rule 165.9(b) or (c) should increase or decrease the award percentage. Not satisfying any one of the positive factors does not mean that the award percentage must be less than 30%, and the converse is true. Not having any one of the negative factors does not mean the award percentage must be greater than 10%.

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 Claimant's award application. Claimant provided significant information that formed the basis of the Division's investigation. When the Commission brought the Covered Action, the Division made numerous statements in Redacted that were based on Claimant's information. Claimant also provided a substantial amount of assistance. After causing the Division to open an investigation, Claimant significantly assisted the Division's investigation by providing additional information and producing materials that were direct evidence of Defendants' violations. Division staff interviewed Claimant in-depth at an in-person meeting and several times after by phone as Claimant produced additional documents and provided explanations about those documents. In addition, the CRS did not find any negative factors to decrease the award amount. Accordingly, Redacted award amount is appropriate.

### III. CONCLUSION

It is hereby ORDERED that Claimant shall receive \*\*\* of monetary sanctions collected in the Covered Action.

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By the Commission.

A handwritten signature in black ink, reading "Robert Sidman". The signature is fluid and cursive, with the first name "Robert" and last name "Sidman" clearly distinguishable.

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Robert Sidman  
Deputy Secretary of the Commission  
Commodity Futures Trading Commission  
1155 21<sup>st</sup> Street, N.W.  
Washington, DC 20581

Dated: May 27, 2021