

UNITED STATES OF AMERICA
Before the
COMMODITY FUTURES TRADING COMMISSION

In the Matter of Claims for Award by:)	
Redacted ("Claimant 1"),)	
Redacted)	
;)	
Redacted ("Claimant 2"),)	
Redacted)	
;)	
Redacted ("Claimant 3"),)	CFTC Whistleblower Award
Redacted)	Determination No. 22-WB-02
;)	
and)	
Withdrawn ("Claimant 4"),)	
Withdrawn)	
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 four claimants in response to the above-referenced Notice of Covered Action regarding Redacted

(collectively, "Orders" or "Covered Action"). The Claims Review Staff ("CRS") evaluated each of the applications 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 ("Act"), 7 U.S.C. § 26 (2018), and issued a Preliminary Determination. The Preliminary Determination recommended an aggregate award of *** of the monetary sanctions collected in the Covered Action, consisting of *** each to Claimant 1 and Claimant 2.* The Commission hereby adopts this recommendation for the reasons the CRS provided.

Claimant 1 and Claimant 2 are eligible for whistleblower awards because each voluntarily provided the Commission original information on a Form TCR that led to the successful enforcement of the Covered Action. Here, after the Division of Enforcement ("Division") began the underlying investigation, Claimant 1 and Claimant 2 provided the

* The Preliminary Determination also recommended denying Claimant 3's and Claimant 4's applications for awards in the Covered Action and Claimant 1's application for a related action award. Claimant 1 and Claimant 3 did not contest their respective recommendations for denial, so pursuant to Rule 165.7(h), 17 C.F.R. § 165.7(h), these components of the Preliminary Determination have become the Commission's Final Order. Claimant 4 withdrew his/her award application pursuant to Rule 165.7(d), *id.* § 165.7(d).

Division information that “significantly contributed to the success” of the Covered Action. *See* 17 C.F.R. § 165.2(i)(2). Further, Claimant 1 and Claimant 2 do not fall into any of the categories of individuals ineligible for awards listed in Rule 165.6(a), *id.* § 165.6(a).

Claimant 1’s and Claimant 2’s information significantly contributed to the success of the Covered Action because it had a “meaningful nexus to the Commission’s ability to successfully complete its investigation, and to . . . obtain a settlement.” *See* Whistleblower Incentives and Protection, 76 Fed. Reg. 53,172, 53,177 (Aug. 25, 2011). First, the initial information that Claimant 1 and Claimant 2 provided Redacted

led the Division to key evidence underlying the Orders. Second, part of Claimant 1’s and Claimant 2’s information Redacted

expanded the potential scope of violations of the Act by the respondents in the Orders. This expanded scope increased Division staff’s expectation that the Commission would ultimately be able to charge the respondents with such violations. Also, the “meaningful nexus” exists because Claimant 1’s and Claimant 2’s information was of “high quality, reliability, and specificity.” *See* Whistleblower Incentives and Protection, 76 Fed. Reg. 53,172, 53,177 (Aug. 25, 2011).

For the determination of award percentages, three factors are especially relevant here. First, Claimant 1’s and Claimant 2’s information was significant Redacted to the Covered Action under Rule 165.9(a)(1), 17 C.F.R. § 165.9(a)(1). Though these claimants’ information was very useful at the start of the investigation, it did not ultimately support the Orders. *See id.* § 165.9(b)(1)(ii). Overall, their information Redacted conserved Commission resources. *See id.* § 165.9(b)(1)(i). Claimant 1 and Claimant 2’s information was equally significant in the early stages of the investigation and at the time the Commission issued the Orders.

Second, Claimant 1 and Claimant 2 were each willing to provide, and did provide, all the assistance that Division staff requested, and their assistance was substantial. *See* 17 C.F.R. § 165.9(a)(2), (b)(2). Furthermore, these claimants experienced “unique hardships” under Rule 165.2(b)(2)(vi), *id.* § 165.9(b)(2)(vi), based on the violations they were reporting. Redacted

Third, the type of violation of the Act that Claimant 1 and Claimant 2 reported is a Commission priority, and the respondents in the Orders engaged in this type of violation repeatedly. *See* 17 C.F.R. § 165.9(b)(3).

Based on these factors, the Commission agrees with the CRS’s recommendation of a *** award, split equally between Claimant 1 and Claimant 2. As of the date of this Order Determining Whistleblower Award Claims, the Commission has collected Redacted in connection with the Covered Action, so these awards will yield payments of Redacted for each of these whistleblowers.

Accordingly, it is hereby ORDERED that Claimant 1 and Claimant 2 shall each receive *** of the monetary sanctions collected in the Covered Action, for a total of *** .

By the Commission.



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

Dated: March 10, 2022