

FINAL ORDER – THIS PRELIMINARY DETERMINATION BECAME THE FINAL ORDER OF THE COMMISSION ON SEPTEMBER 18, 2023 PURSUANT TO SECTION 165.7(h) OF THE WHISTLEBLOWER RULES, 17 C.F.R. PART 165, ADOPTED PURSUANT TO SECTION 23 OF THE COMMODITY EXCHANGE ACT, 7 U.S.C. § 26.

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In the Matter of Claim for Related Action Award by: )  
 Redacted (“Claimant”), )  
 Redacted )  
 In Connection with )  
 Redacted )  
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**PRELIMINARY DETERMINATION OF THE CLAIMS REVIEW STAFF**

The Commodity Futures Trading Commission (“Commission”) received a related action award application on Form WB-APP from Claimant for Redacted

(“Action” or “Order”), an action by Redacted

(“Authority”). Claimant associated this Action with Redacted

(“Commission Action” or “Commission

Order”), an “action brought by the Commission ... that is not a covered judicial or administrative action,” 17 C.F.R. § 165.7(b)(3)(iii). The instant Order imposed monetary sanctions of

Redacted, of which Redacted has been collected.

The Claims Review Staff (“CRS”) has evaluated Claimant’s application in accordance with the Commission’s Whistleblower Rules (“Rules”), 17 C.F.R. pt. 165, promulgated pursuant to Section 23 of the Commodity Exchange Act (“Act”), 7 U.S.C. § 26. The CRS sets forth its Preliminary Determination as follows:

1. The CRS has determined to recommend that the Commission deny Claimant’s application because it fails to meet the requirements of Section 23 of the Act and the Rules.

2. 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.” *See* 17 C.F.R. § 165.11(a)(2).

3. The instant Action was not “based on” any information from Claimant because the Authority did not receive any substantive information from Claimant, either directly or via the Commission.

- Claimant’s award application does not describe any contact by Claimant with the Authority. Staff of the Authority confirmed that the Authority did not receive any substantive information from Claimant involving Redacted (“Respondent”).

- One of the members of Division of Enforcement (“Division”) staff who were responsible for the Commission Action said that these Division staff did not share any information or documents, including from Claimant, regarding the Commission Action with the Authority. Independently, staff of the Authority confirmed that the Authority did not receive any information from the Commission in connection with the Authority’s Action against Respondent.

4. Claimant’s information also does not satisfy Rule 165.11(a)(2) because it did not lead to the successful resolution of the Commission Action, as defined by Rule 165.2(i), 17 C.F.R. § 165.2(i).

5. Claimant’s information does not satisfy Rule 165.2(i)(1), *id.* § 165.2(i)(1). Though Claimant’s information caused Commission staff to open an investigation, the Commission Action was not “based in whole or in part on conduct that was the subject of the whistleblower’s original information,” *id.* Specifically, whereas Claimant complained about Redacted

Redacted

, the Commission Order charged Respondent with

Redacted

6. Claimant’s information also did not “significantly contribute[.]” to the Commission Action under Rule 165.2(i)(2), 17 C.F.R. § 165.2(i)(2). This Rule credits only information that “because of its high quality, reliability, and specificity, has a meaningful nexus to the Commission’s ability to successfully complete its investigation, and to either obtain a settlement or prevail in a litigated proceeding.” Whistleblower Incentives and Protection, 76 Fed. Reg. 53,172, 53,177 (Aug. 25, 2011).

7. Any contributions to the investigation that Claimant’s information caused Commission to open are not “significant[.]” Redacted

Redacted

8. Concluding that Claimant’s information did not lead to the success of the Commission Action is consistent with the “purpose of Section 23” of “promot[ing] effective enforcement of the commodity laws by providing incentives for persons with knowledge of misconduct to come

forward and share their information with the Commission.” Whistleblower Incentives and Protection, 76 Fed. Reg. at 53,181. Here, Claimant did not demonstrate any “knowledge of [the] misconduct” with which the Commission Order charged Respondent. Nor did Claimant’s information help with “effective enforcement of the commodity laws.” Redacted

The CRS considers it appropriate not  
to reward information like Claimant’s, which ultimately amounted to an unsuccessful tip.

By: Whistleblower Claims Review Staff  
Commodity Futures Trading Commission

Dated: July 17, 2023