PUBLIC VERSION

UNITED STATES OF AMERICA
Before the
COMMODITY FUTURES TRADING COMMISSION

In the Matter of Claims for Award by:	
Redacted Redacted "Claimant 1"),	CFTC Whistleblower Award Determination No. 26-WB-25
Redacted Redacted "Claimant 2"),	
Redacted Redacted "Claimant 3"),	
Redacted Redacted "Claimant 4"),	
Redacted Redacted "Claimant 5"),	
Redacted Redacted "Claimant 6"),	
Redacted Redacted "Claimant 7"),	

Redacted Redacted	"Claimant 8"),	))
Redacted Redacted	"Claimant 9"),	))
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 the claimants referenced above ("Claimants") in response to Notice of Covered Action No. Redacted . The corresponding CFTC action is Redacted ("Covered Action"), and Redacted related actions addressed in this determination are: Redacted

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The Claims Review Staff ("CRS") evaluated all award claims 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 ("CEA" or "Act"), 7 U.S.C. § 26. On Redacted the CRS issued a Preliminary Determination ("PD") recommending that the Commission grant in part the claims of Claimant 1, Claimant 2, Claimant 3, and Claimant 4, and deny all remaining award claims. For reasons set forth below, the Commission adopts the CRS's recommendation to grant awards to Claimant 1, Claimant 2, Claimant 3, and Claimant 4 but revises the award amounts as follows. The following table summarizes the Commission's final determination for the Covered Action. Total award amounts are subject to receipt and confirmation of records showing monetary sanctions collected.

**CFTC Action, Total Award Amount Granted = **		
Claimant	**Recommendation**	**Justification and Applicable Award Factors**
Claimant 2	**	• First whistleblower to report, led the CFTC to open an investigation Redacted and provided significant information about ** Redacted • No negative factors
Claimant 3	**	• Provided significant information about ** Redacted • No negative factors
Claimant 1	**	• Provided significant information about ** ** • Deduction for culpability
Claimant 4	**	• Provided ** information that gave CFTC leverage in negotiations with Redacted • Deduction for culpability

This table summarizes the Commission's final determination for the Related Actions:

** **Actions, Total Award Amount Granted = **		
Claimant	**Recommendation**	**Justification and Applicable Award Factors**
Claimant 2	**	• First to identify Redacted , led to opening of Redacted investigation • No negative factors
Claimant 3	**	• Substantially assisted Redacted • No negative factors
Redacted **, Total Award Amount Granted = **		
Claimant 1	**	• Led to opening of Redacted investigation • Provided significant information about Redacted and substantially assisted Redacted • Deduction for culpability
Claimant 4	**	• Provided Redacted information • Deduction for culpability

I. BACKGROUND

On Redacted the CFTC issued an order filing and settling charges against Redacted

for Redacted

On the same day, Redacted

The CFTC's investigation focused on Redacted
According to the CFTC order, Redacted

Redacted also investigated Redacted

In addition, the CFTC Redacted brought charges against Redacted

II. PRELIMINARY DETERMINATION

On Redacted, the CRS issued a PD setting forth the following. The CRS's first recommendation is to grant the claims of Claimant 1, Claimant 2, Claimant 3, and Claimant 4 for the Covered Action. The CRS recommended granting ** of monetary sanctions collected in the Covered Action, split as ** to Claimant 2, ** to Claimant 3, ** to Claimant 1, and ** to Claimant 4. The CRS also recommended granting ** to Claimant 1 and ** to Claimant 4 of the ** amount collected in the ** Action, and ** to Claimant 2 and ** to Claimant 3 of monetary sanctions collected in the CFTC and ** Actions.

The Rules provided Claimants time and opportunity to review the administrative record and respond to the PD. Claimant 1, Claimant 2, Claimant 3, and Claimant 4 each replied to the PD to preserve his/her right to appeal the final determination. Claimant 5 submitted a reconsideration request objecting to the CRS's denial of his/her award claim. The remaining claimants did not contest the PD. Pursuant to Rule 165.7(h), 17 C.F.R. § 165.7(h), the PD became the Final Order for the uncontested denied claims.

III. COMMISSION REVIEW

Under Rule 165.7(h), after the window to contest the PD has closed, every PD in which the CRS recommended an award becomes a Proposed Final Determination ("FD") subject to Commission review. Pursuant to Rule 165.7(j), any Commissioner may request that the Commission review the full administrative record the CRS relied upon when issuing the PD, including all of the claimants' submissions, before the Commission issues the Final Determination. The Commission has statutory discretion to adopt, reject, or modify any part of the CRS's recommendation, including whether to grant an award and what amount to grant to each qualified claimant. Under Section 23(c)(1)(A) of the CEA, the determination of any whistleblower award amount is within the Commission's discretion. 7 U.S.C. § 26(c)(1)(A) ("The determination of the amount of an award made under subsection (b) shall be in the discretion of the Commission."); 17. C.F.R. § 165.9 ("The determination of the amount of an award shall be in the discretion of the Commission.").

Here, the Commission adopts the CRS's recommendation to grant awards to Claimant 1, Claimant 2, Claimant 3, and Claimant 4. After reviewing the administrative record and giving consideration to two award factors not previously addressed in the PD, the Commission has determined to adjust the award amounts. The Rules require the Commission to consider a list of factors when determining the award amount. 17. C.F.R. § 165.9(a). The Commission's final determination remedies the omission. Section IV explains the amount adjustments. Section V addresses Claimant 5's objection to the CRS's denial of his/her award claim. The Commission concurs with the CRS's recommendation to deny Claimant 5's reconsideration request.

IV. LEGAL ANALYSIS

The Commission adopts the CRS's recommendation to grant an award each to Claimant 1, Claimant 2, Claimant 3, and Claimant 4 in the Covered Action because each voluntarily provided the Commission with original information that led to the successful enforcement of the Covered Action. *See* 7 U.S.C. § 26(b)(1); 17 C.F.R. § 165.5(a). Each also met all eligibility requirements, and none fell into any category of ineligible individuals as defined in Rule 165.6(a), 17 C.F.R. § 165.6(a). The Commission has determined, however, to adjust the award amounts. In any award determination, the Commission must consider statutory factors when determining the award amount. *See* 7 U.S.C. § 26(c)(1)(A)–(B). The Commission's Rules governing the whistleblower program incorporate the statutory factors and contain additional factors that may increase or decrease the award amount. *Compare id.* § 26(c)(1)(B), *with* 17 C.F.R. § 165.9. Each award determination involves a highly individualized review of the facts and circumstances. The four criteria in Rule 165.9(a)(1) through (4) "afford the Commission broad discretion to weigh a multitude of considerations in determining the amount of any particular award." Whistleblower Incentives and Protection, 76 Fed. Reg. 53,172, 53,188 (Aug. 25, 2011).

In arriving at its recommendation, the CRS applied some but not all relevant factors to Claimant 1, Claimant 2, Claimant 3, and Claimant 4. The PD did not address Rule 165.9(a)(4) and (5), consideration of which dictates a downward adjustment of the CRS's proposed award amounts. Rule 165.9(a)(4) asks whether the award amount "otherwise enhances the

Commission's ability to enforce the Commodity Exchange Act, protect customers, and encourage the submission of high quality information from whistleblowers." 17 C.F.R. § 165.5(a)(4). Rule 165.9(a)(5) requires the Commission to consider "potential adverse incentives from oversize awards" when determining the award amount. 17 C.F.R. § 165.5(a)(5). Rule 165.9(a)(4) and (5) go hand-in-hand because oversized awards encourage frivolous submissions, drain Commission resources, and impair the Commission's ability to effectively enforce the CEA and protect customers. During the Commission's 2011 rulemaking to implement the whistleblower program, the Commission adopted Rule 165.9(a)(5) in response to Senator Carl Levin's warning that excessive monetary incentives may lead to misreporting and cause investigative waste:[1]

> Because the CFTC may impose large monetary sanctions potentially involving hundreds of millions of dollars, careful thought should be given to how the CFTC should exercise the discretion provided by the law. Persons who envision receiving tens or hundreds of millions of dollars in exchange for information may, even unconsciously, exaggerate a situation and, as a result, unfairly damage the reputation and activities of particular corporations or individuals. Although these persons may ultimately be denied an award, excessive monetary incentives may lead to misreporting that could lead to the waste of investigative resources and unnecessarily harm reputations.

Indeed, extremely large awards can incentivize individuals to file frivolous whistleblower tips and award claims perennially because the barrier to entry is practically nonexistent to participate in the whistleblower program. Anyone, company insider or market observer, can easily submit a whistleblower tip or award claim electronically free of charge on the Commission's website. No legal representation is necessary, and a whistleblower can choose to file a tip or award claim anonymously.

Because of this, over the years the Commission received multiple award claims from either frivolous filers who never even submitted information to the Commission before claiming awards, or claimants who submitted applications that lacked any colorable connection between the tip they provided to the Commission and the actions for which they sought awards. For example, in fiscal year 2023, the Commission issued 136 final orders denying 174 whistleblower award applications, 144 of which did not even relate to a covered action, judgment in a related action, or a previously filed Form TCR.[2] Processing frivolous applications drains staff resources and can significantly delay the processing of meritorious applications and the eventual payment of awards to deserving whistleblowers.

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[1] Senator Carl Levin, U.S. Senate Permanent Subcommittee on Investigations, Comment Letter on Proposed Rule to Implementing the Whistleblower Provisions of Section 23 of the Commodity Exchange Act (Feb., 4, 2011), https://comments.cftc.gov/PublicComments/ViewComment.aspx?id=27537&SearchText=levin.

[2] Whistleblower Program and Customer Education Initiatives 2023 Annual Report to Congress (Oct. 2023), https://www.whistleblower.gov/sites/whistleblower/FY23CustomerProtectionFundAnnuaReporttoCongress.pdf, at 3.

Adverse incentives were evident after the Commission announced a series of related enforcement actions that totaled $1.475 billion in civil monetary penalties. With the award payout potentially ranging from $147 million to $443 million for a single whistleblower based on Commission actions alone, the Commission received multiple dubious award claims. *See Kitchen v. CFTC*, 2026 WL 1615678 (D.C. Cir. June 5, 2026). One of the claimants filed a series of award applications six years after the application deadline. CFTC Whistleblower Award Determination Nos. 26-WB-13-18, (July 17, 2026).

In addition to encouraging frivolous award claims and causing administrative waste, exceedingly large awards may incentivize individuals to exaggerate the scope, duration, or egregiousness of the alleged misconduct in an attempt to cast a wide net against persons, firms, or even entire industries to see what sticks. After the Commission issued an award of nearly $200 million in October 2021, the number of whistleblower tips increased from 961 in 2021 to 1506 and 1530 in 2022 and 2023, respectively, representing an increase of over 50% from 2021.[3] Similarly, the number of award applications jumped dramatically from 152 in 2022 to 301 in 2023, an increase of 98%.[4] The Commission's 2023 annual report to Congress, publicly available on the Commission's website, shows these trends.[5]

Further, because requesting the CRS to reconsider a PD denial is free, and the cost of filing an appeal is low relative to a multimillion dollar payout, frivolous claimants can and have filed unmeritorious reconsideration requests and appeals in court, causing the Commission to waste resources. In one example, a claimant filed twenty petitions in the D.C. Circuit seeking judicial review of the denial of his applications in twenty different matters, despite that the claimant never even contacted the Commission to provide information in the enforcement actions that totaled over $1 billion in sanctions.[6]

In light of all of the above, and after reviewing the administrative record and applying Rule 165.9(a)(4) and (5) to the PD, the Commission revises the aggregate award amount in the Covered Action to ** , adjusted proportionally as ** to Claimant 2, ** to Claimant 3, ** to Claimant 1, and ** to Claimant 4. To be clear, each claimant received a proportional deduction in light of Rule 165.9(a)(4) and (5)'s application. The allocation of the award amount among the claimants remains the same as what the CRS recommended in the PD. The Commission now applies Rule 165.9(a)(4) and (5) across all award claimants.

A principal purpose of the whistleblower program is "to promote 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 53,177. The revised award amounts, still significant, would incentivize individuals with knowledge of misconduct to report to the Commission. The Commission's goal is not to drive down whistleblower reporting but rather to build an effective enforcement program that expeditiously rewards meritorious whistleblowers while deterring frivolous filers from abusing the award process. Given that the collected sanctions exceeded **

[3] *Id.* at 6-7.
[4] *Id.* at 9.
[5] *Id.*
[6] *See Doe v. CFTC*, Nos. 24-1325 through 1344 (D.C. Cir.).

** in this matter, the revised amounts still handsomely reward each claimant for his/her contribution to the Commission. Under Rule 165.9(a)(5), these amounts would enhance the Commission's ability to enforce the CEA and protect customers while still encouraging the submission of high quality information from whistleblowers.

Contributions to the CFTC Action. The CFTC's investigation focused on Redacted Claimant 1, Claimant 2, Claimant 3, and Claimant 4 each provided significant information, with Claimant 2 and Claimant 3 being the most important whistleblowers for Redacted while Claimant 1 and Claimant 4 the most important whistleblowers for Redacted On the Redacted side, Claimant 2's contributions were significant because (i) Claimant 2 was the first whistleblower to report to the CFTC about Redacted , (ii) Claimant 2's information caused the CFTC to open an investigation, and (iii) Claimant 2 provided significant information about Redacted

Claimant 3 was also an important whistleblower for the CFTC's Redacted case because Claimant 3 provided significant eyewitness information about Redacted .

On the Redacted side, Claimant 1 was an important whistleblower. CFTC staff received a vast amount of significant information from Redacted that originated from Claimant 1, who also submitted a Form TCR to the CFTC. Claimant 1's information was critical to the Redacted part of the CFTC's case, which made up a significant portion of the civil monetary penalty the CFTC assessed. Claimant 4 was also important to the Redacted case for providing information about Redacted .

Contributions to Redacted Action. The same set of whistleblowers described above made similar contributions to Redacted investigations. The ** also investigated Redacted , but the ** split the matter into two cases, with Redacted

Based on information provided to CFTC staff by various attorneys and agents from Redacted the most important whistleblowers ** staff directly identified were Claimant 1, Claimant 3, and Claimant 4. In the Redacted Action, Claimant 1 was an important whistleblower because Claimant 1's information caused the ** to open an ** investigation, and Claimant 1 provided crucial firsthand information about Redacted hat made the ** ** Action. Claimant 4 was also an important whistleblower. Claimant 4 contributed by identifying Redacted who corroborated information. However, Claimant 4's information was a much smaller piece compared to Claimant 1's information.

In the Redacted Action, ** staff found Claimant 3's information significant. Claimant 2 was important because the CFTC's referral led Redacted to open a Redacted investigation, and the CFTC opened its investigation because of Claimant 2's information. As such, Claimant 2's information indirectly led Redacted to open its Redacted investigation. Claimant 2 was also the first whistleblower to identify ** Redacted to CFTC staff, whose name the CFTC then shared with ** staff. Redacted

subsequently became an important Redacted and provided significant information to the Redacted .

Additional Claims and Related Actions. The award recommendation for the Covered Action already counted the entirety of Redacted in sanctions collected in Redacted because of the offset ordered in the Covered Action. As such, in considering the award claims from Claimant 1, Claimant 2, Claimant 3, and Claimant 4 for the Redacted , the Commission will not double count this amount. However, the recommendation for the Covered Action is consistent with these four claimants' contributions to the Redacted .[7]

The following section addresses actions with no offsets and Redacted amount collected in the Redacted Action that the Commission did not order in the Covered Action. Redacted was required to pay Redacted in restitution in Redacted , an amount not ordered in the Covered Action. Because the Covered Action did not include this restitution amount, double counting is not an issue. Restitution, however, must be counted when determining the award amount because the CEA's definition of monetary sanctions includes restitution. 7 U.S.C. § 26(a)(3)(A); 17 C.F.R § 165.2(j).

The CRS had recommended granting Redacted

. The Commission adopts the CRS's proposed award amounts for Claimant 2 and Claimant 3 in the ** Actions but revises the total ** restitution award amount to ** , adjusted proportionally to ** for Claimant 1 and ** for Claimant 4. This proportional deduction reflects Claimant 1's and Claimant 4's involvement in Redacted . Redacted

. While Claimant 1 and Claimant 4 were not the principal orchestrators, they were also not innocent bystanders. Claimant 4 did Redacted . Although Claimant 1 did not organize Redacted Claimant 1 served as Redacted . Claimant 1 had Redacted , and Claimant 1 likely Redacted . These facts support additional but proportional deductions for both Claimant 1 and Claimant 4.

[7] There are two issues to consider when determining the award amount in a matter in which the CFTC ordered an offset for sanctions. First, when determining the total amount of sanctions collected, or the base from which to calculate the award percentage, the Commission will count sanctions collected by the authority named in the offset provision. *See* CFTC Whistleblower Award Determination No. 18-WB-02, 2018 WL 4383036 (July 12, 2018). Second, the Commission will not double count the offset sanctions if the claimant applies for an award each in the CFTC action and the related action the other authority brought. *See* CFTC Whistleblower Award Determination No. 24-WB-06, at *5 (June 17, 2024). To allow double counting would impermissibly increase the base for calculating the award amount and circumvent the 30% award ceiling Congress created.

As for Redacted Actions, the Commission concurs with the CRS's recommendation and adopts the proposed award amounts. Neither Claimant 2 nor Claimant 3 had negative factors, and given the smaller collections in the matters, Rule 165.9(a)(5) is not at issue here. Claimant 2's and Claimant 3's contributions to the CFTC and ** Redacted Actions were the same as their contributions to Redacted Actions. Based on information Redacted provided, Redacted was the focus of the Redacted investigation, which Redacted opened because of the CFTC referral. As such, Redacted did not view Redacted as separate investigations. Claimant 3 provided helpful information regarding Redacted prior to Redacted in Redacted investigation, and Claimant 2's information led the CFTC to refer the matter to Redacted .

V. CLAIMANT 5'S RESPONSE TO PD

The Commission concurs with the CRS's recommendation to deny Claimant 5's reconsideration request. Claimant 5 made two primary arguments in response to the PD. First, Claimant 5 argued the Redacted case team did not understand the basics of Redacted until they came forward with information in ** Second, Claimant 5 argued they were prejudiced in the determination because the government had asked them to reduce the amount of written materials while related Redacted trials were ongoing. These arguments lack merit.

In response to the first argument, by the time the CFTC received the first Form TCR from Redacted , the CFTC's Redacted investigation had already been opened for many years. Specifically, the investigation had been opened for nearly four years and six months when ** submitted ** first Form TCR. The Division learned about Redacted violations all the way back on Redacted , when Claimant 2 submitted his Form TCR to the CFTC. Immediately thereafter, the Division opened its investigation into Redacted and interviewed Claimant 2 on Redacted . The CFTC gained knowledge about ** ** from Claimant 2 in Redacted . It was Claimant 2—not Claimant 5 over four years later—who played the key role in educating CFTC staff about basic facts. At the time of ** cted Form TCR submission, the whistleblower was Redacted

** did not file ** first Form TCR until Redacted .

Instead of significantly contributing, Claimant 5's ** information largely just confirmed what the CFTC staff already knew about Redacted through its investigation from other whistleblowers who are the recommended award recipients in this determination. Claimant 5 argued "the CFTC lacked basic knowledge about ** because staff asked each of them "basic questions." This is incorrect. Just as asking a witness to spell his or her name at the beginning of testimony does not reflect that the attorney cannot spell the witness's name, asking relatively basic background questions does not reflect the attorney lacks background knowledge. In essence, a staff attorney's interview questions are not necessarily indicative of that attorney's or the case team's underlying knowledge. Further, the Division had no fewer than ** employees working on Redacted at various points during the investigation, as named in the Commission press release. Even if the attorney interviewing Claimant 5 was unaware of certain

basic knowledge about ** others had been investigating the matter for years and already possessed such knowledge.

As previously stated, the CFTC gained knowledge about Redacted from Claimant 2 in Redacted. Ultimately, the Commission brought its historic action on the extensive investigative work of teams of attorneys and case agents working tirelessly from the Redacted, all of which were consulted in preparation for this Redacted award determination. The CFTC and Redacted teams relied on the significant information and substantial assistance of four whistleblowers who are the recommended award recipients in this determination, three of whom were Redacted with Redacted information.

Under Rule 165.2(l)(3), if the Commission already knows some information about a matter from other sources at the time the whistleblower makes the whistleblower's submission, then the whistleblower must provide information that "materially adds" to the investigation. *See* 17 C.F.R. 165.2(l)(3). Unlike Claimant 3, who added material information regarding Redacted, Claimant 5's information largely confirmed what the CFTC staff already knew about the industry. Thus, Claimant 5's information did not contribute to the Covered Action.[8] Because Claimant 5 did not contribute to the Covered Action, they do not qualify for awards on related actions.

Claimant 5 also argued they were prejudiced in the determination because they had to reduce the amount of written materials while Redacted trials were ongoing. Specifically, Redacted. However, all Redacted award claimants were treated the same and subject to the same discovery limitations. Moreover, all award claimants were still able to provide their information orally to the CFTC and **

Furthermore, support for denying Claimant 5's claims was not limited to a review of their written submissions and only information from Division staff. Rather, the claims review process for Claimant 5 included a careful review of ** notes from multiple meetings, as well as extensive conversations with attorneys, agents, and case handlers from Redacted. Information obtained from this multitude of sources formed the basis of statements in the Division's declaration regarding each claimant's contributions, or lack thereof, to the CFTC's and Redacted investigations, including whether Claimant 5 contributed to the ** investigations beyond just their written submissions. Claimant 5 was also not prejudiced in written submissions during the claims review process. To the contrary, the WBO accommodated Claimant 5's request to submit a memorandum twice the length of the standard limit allotted for PD responses, as well as attach hundreds of pages of exhibits. The WBO then reviewed these materials. As such, Claimant 5 was not prejudiced in this proceeding.

[8] The legal and factual analyses in this award determination do not govern other pending determinations in which Claimant 5 has also claimed awards.

VI. CONCLUSION

It is hereby ORDERED that the aggregate award amount is ** of monetary sanctions collected in the Covered Action, split as ** to Claimant 2, ** to Claimant 3, ** to Claimant 1, and ** to Claimant 4.

It is further ORDERED that Claimant 1 shall receive ** and Claimant 4 shall receive ** of the restitution collected in Redacted Action, and Claimant 2 shall receive ** and Claimant 3 shall receive ** of monetary sanctions collected in the CFTC and ** Actions.

It is further ORDERED that Claimant 5's award claims are denied.

By the Commission.

Robert Sidman
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Date: September 11, 2026