

In the Matter of Claims for Award by:

Redacted

WB-APP

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; and

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In Connection with

Notice of Covered Action No.

Redacted

CFTC Whistleblower Award  
Determination No. 20-WB-10

**ORDER DETERMINING WHISTLEBLOWER AWARD CLAIMS**

The Commodity Futures Trading Commission (“Commission”) received whistleblower award applications from Redacted (“Claimant 1”) and Redacted (“Claimant 4”) in response to the Commission’s Notice of Covered Action No. Redacted regarding Redacted

(“Covered Action”). The Claims Review Staff (“CRS”) has evaluated each of the applications in accordance with the Commission’s Whistleblower Rules (“Rules”), 17 C.F.R. pt. 165 (2019), promulgated pursuant to Section 23 of the Commodity Exchange Act (“CEA” or “Act”), 7 U.S.C. § 26 (2018). On January 22, 2020, the CRS issued a Preliminary Determination recommending that Claimant 1 receive \*\*\* percent (\*\*\*) and Claimant 4 receive \*\*\* percent

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(\*\*\*) of the monetary sanctions collected in the Covered Action.<sup>1</sup> The award percentage recommended for Claimant 1 would yield a payment of \*\*\*, and the award percentage recommended for Claimant 4 would yield a payment of \*\*\* based on the amount recovered in the Covered Action to date.<sup>2</sup> For the reasons set forth below, we agree with the CRS’s determination. Accordingly, Claimant 1’s claim is approved in the amount of \*\*\* percent (\*\*%), and Claimant 4’s claim is approved in the amount of \*\*\* percent (\*\*%).

I. **BACKGROUND**

The Covered Action arose out of an investigation opened in response to information that Claimant 1 submitted to the Commission regarding Redacted. Specifically, Claimant 1 alleged that Redacted

Redacted. Claimant 1 further alleged that Redacted. The Commission received the information as a Form TCR from Redacted

Redacted. Division of Enforcement (“Division”) staff forwarded Claimant 1’s Form

<sup>1</sup> The Preliminary Determination further recommended that the award applications submitted by the remaining claimants, Redacted (“Claimant 2”), Redacted (“Claimant 3”), and Redacted (“Claimant 5”), be denied. Claimant 2, Claimant 3, and Claimant 5 failed to submit a request for reconsideration of the Preliminary Determination, and, therefore, the Preliminary Determination denying the claims of Claimant 2, Claimant 3, and Claimant 5 for an award has become the Final Order of the Commission. 17 C.F.R. § 165.7(h) (2019).

<sup>2</sup> Redacted has fully paid the \*\*\* civil monetary penalty ordered in connection with the Covered Action. Redacted has paid Redacted in restitution Redacted in civil monetary penalties ordered in connection with the Covered Action. If the CFTC Redacted, a proportional distribution of \*\*% and \*\*% of the funds will be awarded to Claimant 1 and Claimant 4, respectively. Redacted. See 17 C.F.R. § 165.2(j).

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TCR to the Commission's Chicago office for review, at which point the Division opened an investigation into Redacted .

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. The Court found that Redacted

. Claimant 1 and Claimant 4 subsequently submitted Form WB-APP whistleblower award applications in response to Notice of Covered Action No. Redacted regarding the Covered Action.

**II. PRELIMINARY DETERMINATION**

On January 22, 2020, the CRS issued a Preliminary Determination recommending that Claimant 1 and Claimant 4 receive whistleblower awards in the amounts of \*\*\* percent (\*\*\*) and \*\*\* percent (\*\*%), respectively, of any monetary sanctions collected because Claimant 1 and Claimant 4 voluntarily provided original information that led to the successful enforcement of a covered action.

### **III. LEGAL ANALYSIS**

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 recommendation of the CRS with respect to Claimant 1 and Claimant 4 is adopted. We find that the record demonstrates that both claimants voluntarily provided original information to the Commission that led to the successful enforcement of the Covered Action pursuant to Section 23(b)(1) of the CEA. 7 U.S.C. § 26(b)(1) (2018). The information provided by Claimant 1 was sufficiently specific, credible, and timely to cause the Commission to open an investigation. The Commission then brought a successful covered action based in part on conduct that was the subject of the original information provided by Claimant 1 and Claimant 4. Claimant 1 and Claimant 4 alleged several potential violations of the CEA, and the Commission's investigation corroborated those allegations, in some instances to a high degree of specificity. The information provided by Claimant 1 and Claimant 4 was significant to the success of the Commission's action. *See* 17 C.F.R. § 165.9(a)(1), (b)(1).

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In addition, the Commission has a law enforcement interest in preserving the integrity and reliability of

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. See 17 C.F.R.

§ 165.9(a)(3), (4), (b)(3). The aforementioned facts and circumstances support granting Claimant 1 and Claimant 4 a high award percentage.

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Accordingly, we agree with the CRS that the award percentage should be \*\*\* percent (\*\*\*) for Claimant 1 and \*\*\* percent (\*\*\*) for Claimant 4.

**IV. CONCLUSION**

Accordingly, it is hereby ORDERED that Claimant 1 shall receive an award of \*\*\* percent (\*\*\*) and Claimant 4 an award of \*\*\* percent (\*\*\*) of the monetary sanctions collected, or to be collected, in the Covered Action.

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By the Commission.

A handwritten signature in black ink that reads "Robert Sidman". The signature is written in a cursive style with a horizontal line underneath it.

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

Dated: September 4, 2020