

ORDER DETERMINING WHISTLEBLOWER AWARD CLAIMS

The Commodity Futures Trading Commission (“Commission”) received the above-listed whistleblower award applications, from Claimant 1, Claimant 2, Claimant 3, Claimant 4, and Claimant 5 (collectively, “Claimants”), in response to the above-referenced Noticed of Covered Action regarding **Redacted** (the “Order” or “Covered Action”). In the Order, the Commission imposed a **Redacted Redacted** which has been paid in full by Respondent(s).

The Claims Review Staff (“CRS”) evaluated Claimants’ applications in accordance with the Commission’s Whistleblower Rules (“Rules”), Part 165 of the Commission Regulations, 17 C.F.R. pt. 165 (2022), promulgated pursuant to Section 23 of the Commodity Exchange Act (“Act”), 7 U.S.C. § 26 (2018). On **Redacted** the CRS issued a Preliminary Determination recommending the Claimants applications be denied because they failed to meet the requirements of Section 23 of the Act and the Rules. **Redacted**

Claimants 1 and 5 submitted timely requests for reconsideration of the Preliminary Determination. After reviewing Claimants 1 and 5’s arguments for reconsideration and the additional evidence obtained in relation to the Claimants’ reconsideration requests, the CRS recommended that the Commission deny the Claimants’ applications.

For the reasons set forth below, we agree with the CRS’ determination. Accordingly, Claimants’ award applications are denied.

I. Background

Redacted the CRS issued a Preliminary Determinations recommending denying the whistleblower award application for Claimants 1 and 5, **Redacted**

Redacted

because they failed to meet the requirements of Section 23 of the Commodity Exchange Act (“CEA” or “Act”) and the Rules. Redacted The underlying case involved a series of settlements with Redacted

Claimant 1 sought reconsideration of that determination based on two arguments: ^{Redacted}

After review of the additional evidence obtained in relation to Claimant’s reconsideration request, the CRS recommended that the Commission deny the Claimant’s application for a whistleblower award for the CFTC’s Covered action and for the purported related action.

Claimant 5 sought reconsideration of the determination arguing that Redacted Redacted

II. LEGAL ANALYSIS

A. Claimant 1

Upon review of the record, we determine that Claimant 1 did not provide information that led to the successful enforcement of the Covered Action.

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Claimant 1 also argues that Redacted

Claimant 1’s generalized complaints about manipulation did not lead to the successful enforcement of an action because it neither caused the opening of any investigation, as is required by Rule 165.2(i)(1) nor did it significantly contribute to the success of the action, as is required by Rule 165.2(i)(2). 17 C.F.R. § 165.2(i).

Claimant 1 argues that Claimant 1 meets the requirements of Rule 165.2(i)(1) because the original information Claimant 1 provided need not have “significantly contributed” to the Redacted

Instead, the actions need only to have been based “in whole or in part on conduct that was the subject of” the original information. Claimant 1 then argues that regardless of utility of the information, the Redacted were based in whole or in part on this information. However, Rule 165.2(i)(1) requires the whistleblower give the Commission original information “that was sufficiently specific, credible, and timely to cause the Commission staff to ... open an investigation, and the Commission brought a successful judicial or administrative action based in whole or in part on conduct that was the subject of the whistleblower’s original information.” Here, Claimant 1’s original information that was sufficiently specific, credible, and timely was the information Redacted

The team that

investigated Claimant 1's information determined that Claimant 1's complaints outside of the specific allegations **Redacted** were too generalized and therefore not actionable. Rule 165.2(i)(1) requirement that "the Commission brought a successful judicial or administrative action based in whole or in part on conduct that was the subject of the whistleblower's original information" is restricted to the original information that met the test articulated in the first phrase of the rule. It must be that the Commission brought an action on "conduct that was the subject of" the same information *that was sufficiently specific, credible, and timely to cause the Commission staff to open an investigation*. Here, Claimant 1 offered some specific, credible, and timely original information **Redacted** as well as generalized, vague allegations about **Redacted**. Because the Covered Actions were not brought on "conduct that was the subject of" Claimant 1's "sufficiently specific, credible, and timely" original information, he cannot meet the requirements of Rule 165.2(i)(1).

Further, even if the Commission were to credit Claimant 1's generalized allegations **Redacted**, to qualify under Rule 165.2(i)(1), Claimant 1's information still must have "a meaningful nexus" to the successful action. *See* 76 Fed. Reg. 53172-01, at *53177. The **Redacted** team did not use Claimant 1's information during the investigation. Thus, Claimant 1's information fails to have a "meaningful nexus" to the successful action.

In an untimely argument submitted more than seven months after Claimant 1's request for reconsideration was due, **Redacted**

III. Claimant 5

Upon review of the record, we determine that Claimant 5 did not provide information that led to the successful enforcement of the Covered Action.

To be eligible for an award, a Claimant must have provided information that led to the successful resolution of the covered action. *See* CEA § 23(b)(1), 7 U.S.C. § 26(b)(1); Rules 165.2(i), 165.5(a), 17 C.F.R. §§ 165.2(i), 165.5(a). In its Preliminary Determination, the CRS found that the information that Claimant submitted to the Commission did not lead to the successful resolution of the Covered Action.

In Claimant 5's request for reconsideration, Claimant 5 requests reconsideration of the determination **Redacted**

A. Claimant 5 Did Not Cause the Commission to Open the Investigation

As previously stated, **Redacted** caused the opening of the investigation. ^{Redacted}

Redacted

Redacted

Claimant 5 argues that Claimant 5 could be considered the “original source” of the information in **Redacted** because, though Claimant 5 did not have contact with the **Redacted**, Rule 165.2(1)(1) only requires the source “obtained the information from the whistleblower” and that this does not require **Redacted** to have obtained the information directly from Claimant 5, **Redacted**

Redacted

Finally, it would be inappropriate to attribute the motives of the sources ^{Redacted}
to Claimant 5. Redacted

First, even if their motive was ^{Redacted}
are independent persons. The
Commission cannot attribute *their* actions to Claimant 5. Nor can their motives be sufficient.
The whistleblower program is premised upon encouraging people to come forward with
information, not rewarding third parties for encouraging other whistleblowers to come forward.

Claimant 5 argues that Claimant 5's information was sufficiently "specific and credible" for
Redacted, and now that the information is in the Commission's
possession the Commission cannot say that the information Redacted was not
specific and credible. This argument fails to account for the fact that a specificity and credibility
determination must be made by the Commission staff at the time. For information to be
sufficiently specific, credible, and timely "to cause the Commission staff" to open the matter, the
Commission staff must be in possession of the information at that time. Division staff recall that
they did not know whether the information was credible or specific and were unable to act on the

information without talking to the whistleblower or getting more specific information from the

Redacted

Given the above, the Commission cannot conclude that Claimant 5's information led to the successful enforcement of the Action under Rule 165.2(i)(1).

B. Claimant 5's Information Did Not Significantly Contribute to the Action and Related Actions

Claimant 5 argues that Redacted

demonstrates that Claimant 5 information significantly contributed to the Action and Related Actions within the meaning of Rule 165.2(i). However, as stated above, Division staff never received any information from Claimant 5 Redacted.

As part of its reconsideration, Redacted

* Redacted

Redacted

Claimant 5 has no excuse for waiting until after the Order to contact the Commission. The very first Rule warns, “Whistleblowers should read these procedures carefully, because the failure to take certain required steps within the time frames described in this part may result in disqualification from receiving an award.” 17 C.F.R. § 165.1. Claimant 5’s failure to contact the Commission earlier is not technical but substantive. Coupled with **Redacted**

, Claimant 5’s delay deprived Division staff of the opportunity to evaluate and use his/her information while it could have contributed to the Covered Action.

C. Claimant 5’s Procedural Arguments Are Unavailing

Claimant 5 makes two procedural arguments: first, Claimant 5 argues the record is deficient. Claimant 5 argues a variety of information should have been included in the original preliminary determination that was relevant. Many of the issues raised are irrelevant to the question of whether Claimant 5 is entitled to an award **Redacted**

Redacted

As demonstrated above, multiple

arguments that Redacted

The Commission does not read

Rule 165.10 to require all determinations to include in the record negative answers to all potential arguments an applicant could conjure. Division staff's original declaration gave sufficient reasons for the CRS to determine that Redacted

Nonetheless, the supplemental

declarations do not alter the conclusion.

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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

Dated: March 12, 2025