

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 94519 / March 25, 2022

WHISTLEBLOWER AWARD PROCEEDING
File No. 2022-45

In the Matter of the Claim for an Award

in connection with

Redacted

Redacted

ORDER DETERMINING WHISTLEBLOWER AWARD CLAIM

The Claims Review Staff (“CRS”) issued a Preliminary Determination recommending that ^{Redacted} (“Claimant”) receive a whistleblower award of approximately \$1.25 million, equal to ^{Redacted} percent (^{***} %) of collected monetary sanctions in the above-referenced Covered Action (the “Covered Action”). Claimant provided written notice of Claimant’s decision not to contest the Preliminary Determination.

The recommendation of the CRS is adopted. The record demonstrates that Claimant voluntarily provided original information to the Commission that led to the successful enforcement of the Covered Action.¹

Exchange Act Rule 21F-6(c) establishes a presumption of a statutory maximum award of 30% where (1) the maximum award would be \$5 million or less; (2) none of the negative award factors under Rule 21F-6(b)—i.e., culpability, unreasonable reporting delay, or interference with an internal compliance and reporting system—are present; and (3) the award claim does not trigger Rule 21F-16.² The Commission may depart from the presumption if (1) the assistance provided by the whistleblower was, “under the relevant facts and circumstances, limited,” or (2) a maximum award “would be inconsistent with the public interest, the promotion of investor

¹ See Exchange Act Section 21F(b)(1), 15 U.S.C. § 78u-6(b)(1); Exchange Act Rule 21F-3(a), 17 C.F.R. § 240.21F-3(a).

² Exchange Act Rule 21F-16 concerns whistleblowers who engage in culpable conduct. See 17 C.F.R. § 240.21F-16.

protection, or the objectives of the whistleblower program.”³

The presumption, however, does not apply here because one negative factor under Rule 21F-6(b) is present with respect to the award application – unreasonable reporting delay. Based on the facts and circumstances of this matter, the Commission finds that Claimant unreasonably delayed in reporting to the Commission. In particular, Claimant waited about a year and a half after internally reporting and approximately three years after first having concerns, to submit information to the Commission. Moreover, the Commission has determined not to waive this criterion under Rule 21F-6(c)(1)(iii).⁴

Applying the award criteria in Rules 21F-6(a) and (b) to the facts and circumstances here, the Commission finds the award percentage determination to be appropriate.⁵ In coming to this determination, the Commission considered that: (i) Claimant provided specific and credible information that prompted staff to open an investigation that resulted in the Covered Action, which was based largely on conduct that was the subject of Claimant’s whistleblower submission; (ii) Claimant provided continuing, extensive assistance, including helping Commission staff identify witnesses, understand critical documents and terminology, and focus the investigation on key issues, saving Commission time and resources; and (iii) although Claimant internally reported in an attempt to stop the misconduct, Claimant unreasonably delayed in submitting information to the Commission.

Accordingly, it is hereby ORDERED that Claimant shall receive an award of ^{Redacted} percent (%) of the monetary sanctions collected or to be collected in the Covered Action.

By the Commission.

Eduardo A. Aleman
Deputy Secretary

³ Exchange Act Rule 21F-6(c)(1)(iv), 17 C.F.R. § 240.21F-6(c)(1)(iv).

⁴ Exchange Act Rule 21F-6(c)(1)(iii) provides that the Commission, in its sole discretion, “may in certain limited circumstances determine to waive this criterion if the claimant can demonstrate that doing so based on the facts and circumstances of the matter is consistent with the public interest, the promotion of investor protection, and the objectives of the whistleblower program.” 17 C.F.R. § 240.21F-6(c)(1)(iii).

⁵ In assessing the appropriate award amount, Exchange Act Rules 21F-6(a) and (b) provide that the Commission consider: (1) the significance of information provided to the Commission; (2) the assistance provided in the Commission action; (3) law enforcement interest in deterring violations by granting awards; (4) participation in internal compliance systems; (5) culpability; (6) unreasonable reporting delay; and (7) interference with internal compliance and reporting systems. 17 C.F.R. § 240.21F-6(a) and (b).