

UNITED STATES OF AMERICA

Before the

SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934

Release No. 104616 / January 15, 2026

WHISTLEBLOWER AWARD PROCEEDING

File No. 2026-3

In the Matter of the Claim for an Award

in connection with

Redacted

Notice of Covered Action Redacted

ORDER DETERMINING WHISTLEBLOWER AWARD CLAIM

The Office of the Whistleblower (“OWB”) issued a Preliminary Summary Disposition¹ recommending the denial of the whistleblower award claim submitted by Redacted (“Claimant”) in connection with the above-referenced covered action (the “Covered Action”). Claimant filed a timely response contesting the preliminary denial. For the reasons discussed below, Claimant’s award claim is denied.

I. Background

A. The Covered Action

On Redacted, the Commission brought the Covered Action by filing a complaint in district court against Redacted (“the Company”) and Redacted, the Company’s Redacted. The Commission’s complaint alleged that, in violation of generally accepted accounting principles and the securities laws, the Company Redacted. On Redacted, the Court entered final judgment against the Company and the individual defendant, permanently

¹ See Exchange Act Rule 21F-18, 17 C.F.R. § 240.21F-18.

enjoining them from future violations of the securities laws and ordering ^{Redacted} in monetary sanctions, combined.

On ^{Redacted}, OWB posted the Notice for the Covered Action on the Commission's public website inviting claimants to submit whistleblower award applications within 90 days. Claimant filed a timely whistleblower award claim.

B. The Preliminary Summary Disposition

On ^{Redacted}, OWB issued a Preliminary Summary Disposition recommending that Claimant's claim be denied because Claimant's information was not helpful to or used by Enforcement staff assigned to the investigation that led to the Covered Action (the "Company Investigation") and therefore did not lead to the successful enforcement of the Covered Action within the meaning of Section 21F(b)(1) of the Exchange Act and Rules 21F-3(a)(3) and 21F-4(c) thereunder. While staff responsible for the Covered Action received information from Claimant during the course of the investigation, Claimant's information was not helpful and was not used in the investigation. Accordingly, OWB determined that Claimant's information did not either (1) cause the Commission to (a) commence an examination, open or reopen an investigation, or inquire into different conduct as part of a current Commission examination or investigation, and (b) thereafter bring an action based, in whole or in part, on conduct that was the subject of claimant's information, pursuant to Rule 21F-4(c)(1); or (2) significantly contribute to the success of a Commission judicial or administrative enforcement action under Rule 21F-4(c)(2) of the Exchange Act.

C. Claimant's Response to the Preliminary Summary Disposition

Claimant submitted a timely written response contesting the Preliminary Summary Disposition (the "Response").² Claimant principally argues that Claimant satisfied the "led to" requirement in Exchange Act Rule 21F-4(c) because, in ^{Redacted}, Claimant submitted information to the Commission (the "Initial Tip") that prompted the Commission's Chicago Office to open an investigation into the Company, but this investigation was ultimately closed. Although the Covered Action resulted from a different investigation—the Company Investigation—Claimant argues that the conduct described in his/her tip is on the same subject as conduct at issue in the Covered Action: specifically, Claimant's tip involved the Company's ^{Redacted}

^{Redacted} ^{Redacted}; and the Covered Action concerns the Company's ^{Redacted}. Claimant argues that this connection is sufficient to satisfy the "led to" requirement under Rule 21F-4(c)(1) because it meets the two prongs laid out in the

² See Exchange Act Rule 21F-18(b)(3), 17 C.F.R. § 240.21F-18(b)(3).

Rule; namely: (1) his/her information caused the Commission to open an examination or investigation; and (2) the Commission brought a successful action based in whole or in part on the conduct that was the subject of his/her original information. More specifically, Claimant argues that the Rule does not require that the investigation that results in the successful action be the same investigation that was opened because of the whistleblower's information. Claimant further argues that requiring the investigation in the first prong to be same investigation would allow for a scenario where "SEC personnel could recklessly or deliberately disregard whistleblower tips and open separate investigations, thereby enabling the SEC to avoid paying whistleblowers a share of any resulting monetary penalties."

II. Analysis

To qualify for an award under Section 21F of the Exchange Act, a whistleblower must have "voluntarily provided original information to the Commission that led to the successful enforcement of the covered . . . action."³ Rules 21F-4(c)(1) and (c)(2) specify that this "led to" requirement is satisfied if either "you gave the Commission original information that cause[d] the staff to . . . open an investigation . . . or to inquire concerning different conduct as part of a current examination or investigation, and the Commission brought a successful judicial or administrative action based in whole or in part on conduct that was the subject of your original information;" or "[y]ou gave the Commission original information about conduct that was already under examination or investigation by the Commission . . . and your submission significantly contributed to the success of the action."

In determining whether information "significantly contributed" to the success of the action, the Commission will consider whether the information was "meaningful" in that it "made a substantial and important contribution" to the success of the covered action.⁴ For example, the Commission will consider a claimant's information to have significantly contributed to the success of an enforcement action if it allowed the Commission to bring the action in significantly less time or with significantly fewer resources, or to bring additional successful claims or successful claims against additional individuals or entities.⁵

Based on the record, which includes a detailed declaration, which we credit, from one of the primary Enforcement attorneys assigned to the Company Investigation, Claimant did not provide information that led to the success of the Covered Action. First, Claimant's information did not cause Enforcement staff to open the Company Investigation or inquire into different

³ Exchange Act Section 21F(b)(1), 15 U.S.C. § 78u-6(b)(1).

⁴ *Order Determining Whistleblower Award Claims*, Exchange Act Rel. No. 90922 (Jan. 14, 2021) at 4; *see also Order Determining Whistleblower Award Claims*, Exchange Act Rel. No. 85412 (Mar. 26, 2019) at 9.

⁵ Exchange Act Rel. No. 85412 at 8-9.

conduct, thus Claimant cannot satisfy Rule 21F-4(c)(1). The Company Investigation was opened by Enforcement staff in or around ^{Redacted} based upon a ^{Redacted} referral (the “Referral”) from the Commission’s Division of Corporation Finance. While Claimant’s information led to the opening of *an* investigation, that investigation was ultimately closed and did not result in the Covered Action. Although Enforcement staff working on the Company Investigation did receive a copy of the Initial Tip, staff determined that it was not relevant or helpful to the Company Investigation. Claimant takes the position that the two prongs of Rule 21F-4(c)(1) can be decoupled, such that the Covered Action need not arise from the same investigation that Claimant’s tip prompted the opening of; however, such position would eliminate the causation requirement that underpins the entire rule. More specifically, the two prongs of Rule 21F-4(c)(1) need to be read together, with the examination or investigation referred to in the first prong resulting in the successful action referred to in the second prong; otherwise there is no causal link under the Rule. As such, we reject Claimant’s argument that merely prompting the opening of *an* investigation is sufficient to satisfy the first prong of Rule 21F-4(c)(1): the investigation must be the same investigation that results in the Covered Action. Moreover, Claimant’s argument that the staff could open separate investigations to deny whistleblowers awards misinterprets the “led to” requirement. Even if separate investigations are opened based on the same tip, each of those separate investigations would still retain a causal link to the tip; in other words, the mere act of opening separate investigations does not negatively affect a whistleblower’s eligibility. Rather, it is the lack of a causal link that would negatively affect eligibility under Rule 21F-4(c)(1). Finally, Claimant’s suggestion that Commission staff could potentially misrepresent the cause of investigations does not appear to bear any relationship to the interpretation of the “led to” requirement; rather it, amounts to speculation, without evidentiary support, about the credibility of declarants used in the claims review process. Here, the Commission has seen no evidence that its staff engaged in such conduct. We credit the staff declaration included in the record.

Second, none of Claimant’s information was used in or advanced the Company Investigation or the Covered Action and, as such, it did not significantly contribute to the success of the Covered Action under Rule 21F-4(c)(2). The Initial Tip concerned ^{Redacted}

^{Redacted}

^{Redacted}

^{Redacted}

^{Redacted}. Enforcement staff did not rely on the Initial Tip in developing the facts in the Company Investigation or the Covered Action. Nor did Enforcement staff rely on the supplemental letter that Claimant submitted in or about ^{Redacted}, as the Enforcement staff assigned to the Company Investigation and the Covered Action did not review the supplemental submission during the Company Investigation or the Covered Action.

We therefore conclude that Claimant did not provide original information that led to the successful enforcement of the above-referenced Covered Action within the meaning of Section

21F(b)(1) of the Exchange Act and Rules 21F-3(a)(3) and 21F-4(c) thereunder.

For these reasons, we deny Claimant's whistleblower award claim.

III. Conclusion

Accordingly, it is hereby ORDERED that the whistleblower award application of Claimant in connection with the Covered Action be, and it hereby is, denied.

By the Commission.

A handwritten signature in blue ink that reads "Vanessa A. Countryman". The signature is fluid and cursive, with the first name "Vanessa" and last name "Countryman" clearly legible.

Vanessa A. Countryman
Secretary