

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION
SECURITIES EXCHANGE ACT OF 1934
Release No. 93636 / November 22, 2021

WHISTLEBLOWER AWARD PROCEEDING
File No. 2022-15

In the Matter of the Claim for an Award

in connection with

Redacted

Redacted

Notice of Covered Action Redacted

ORDER DETERMINING WHISTLEBLOWER AWARD CLAIM

The Claims Review Staff (“CRS”) issued Preliminary Determinations recommending that (1) Redacted (“Claimant 1”) receive Redacted percent (*** %) of the monetary sanctions collected in the above-referenced Covered Action and *** percent (*** %) of the monetary sanctions collected as a result of the Redacted

Redacted (“Other Agencies”) and Redacted (the “Related Action”),¹ which together would result in a payment of more than \$6.2 million, and (2)

¹ The Commission may pay an award based on amounts collected in a related action that is based on the same original information that the whistleblower voluntarily provided to the Commission and that led the Commission to obtain monetary sanctions totaling more than \$1 million. Exchange Act Rule 21F-3(b), 17 C.F.R. § 240.21F-3(b). Redacted is deemed to be an administrative action that may be a “related action” that is eligible for a whistleblower award. Redacted

Redacted The Commission finds that Redacted

award ^{Redacted} (“Claimant 2”) ^{***} percent (^{**} %) of the monetary sanctions collected in the above-referenced Covered Action, which, based on current collections, would yield an award of more than \$1.3 million.² The recommendations of the CRS are adopted for the reasons discussed below.

The record demonstrates that Claimant 1 voluntarily provided original information to the Commission and that this original information led to the successful enforcement of the Covered Action and the Related Action. The record also demonstrates that Claimant 2 voluntarily provided original information to the Commission and that this original information led to the successful enforcement of the Covered Action.

Applying the award criteria in Rule 21F-6 of the Securities Exchange Act of 1934 to the specific facts and circumstances here, we find the proposed amounts are appropriate.³ In reaching those determinations, we considered that: (i) both Claimant 1 and Claimant 2 provided new information during an existing investigation, alerting Commission staff to alleged ^{Redacted} schemes occurring in different geographic areas; (ii) while both Claimants’ information was important to the success of the Covered Action, Claimant 1’s information was more significant as Commission staff was able to corroborate all of Claimant 1’s information and the majority of the relief ordered in the case was based on the conduct alleged by Claimant 1; (iii) both Claimants provided substantial, ongoing assistance that conserved significant Commission time and resources; (iv) Claimant 1 reported the concerns internally prior to reporting to the Commission; and (v) Claimant 1 reported to the Commission expeditiously while Claimant 2 waited a period of approximately 16 months before reporting to the Commission.

^{Redacted} constitutes a “related action” ^{Redacted}
^{Redacted}

² The CRS also recommended that Claimant 2’s award claim for the Related Action be denied and that the award claims of a third claimant (“Claimant 3”) with respect to both the Covered Action and the Related Action be denied. Because Claimant 2 and Claimant 3 did not contest the preliminary denials, the CRS’s preliminary determinations as to the denials became the final order of the Commission pursuant to Exchange Act Rules 21F-10(f) & 11(f); 17 C.F.R. §§ 240.21F-10(f) & 11(f).

³ In assessing the appropriate award amount, Exchange Act Rule 21F-6 provides that the Commission consider: (1) the significance of information provided to the Commission; (2) the assistance provided in the Covered Action; (3) the 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.

Further, as to the Related Action, we find that the proposed *** % award to Claimant 1 is appropriate. Claimant 1 provided the same information to the Other Agencies, which commenced an investigation based on Claimant 1's information and brought charges in the Related Action based on the same conduct alleged by Claimant 1 that formed the factual basis for part of the Covered Action. We find that the contributions made by Claimant 1 to the Covered Action are similar to Claimant 1's contributions to the success of the Related Action, and, therefore, it is appropriate that Claimant 1 receive a *** % award percentage in the Related Action.

Accordingly, it is hereby ORDERED that Claimant 1 shall receive an award of ^{Redacted} percent (*** %) of the monetary sanctions collected in the Covered Action and *** percent (** %) of the monetary sanctions collected in the Relation Action, and Claimant 2 shall receive an award of *** percent (** %) of the monetary sanctions collected in the Covered Action.

By the Commission.

Eduardo A. Aleman
Deputy Secretary