

UNITED STATES OF AMERICA

Before the

SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934

Release No. 97879 / July 12, 2023

WHISTLEBLOWER AWARD PROCEEDING

File No. 2023-74

In the Matter of the Claim for Award

in connection with

Redacted ***
Redacted

Notice of Covered Action Redacted

ORDER DETERMINING WHISTLEBLOWER AWARD CLAIM

The Claims Review Staff (“CRS”) issued a Preliminary Determination recommending that Redacted (“Claimant”) receive a whistleblower award in the amount of *** percent (%) of the monetary sanctions collected in the above-referenced Covered Action (the “Covered Action”), which would result in a payment of over \$9 million.¹ Claimant provided

¹ Claimant was a Redacted at the time Claimant obtained the information. As a result, the CRS considered whether Claimant’s information was “original information”. Under Rule 21F-4(b)(1), “[i]n order for [a] whistleblower submission to be considered original information, it must,” among other requirements, be “[d]erived from [the whistleblower’s] independent knowledge or independent analysis.” 17 C.F.R. § 240.21F-4(b)(1). In turn, Rule 21F-4(b)(4)(iii)(B) provides that, unless an exception applies, “[t]he Commission will not consider information to be derived from [a whistleblower’s] independent knowledge or independent analysis” if the whistleblower “obtained the information because” the whistleblower was “[a]n employee whose principal duties involve compliance or internal audit responsibilities,” 17 C.F.R. § 240.21F-4(b)(4)(iii)(B). The CRS preliminarily determined that Rule 21F-4(b)(4)(iii)(B) did not apply here to disqualify Claimant’s information from treatment as original information pursuant to the 120-day exception in Rule 21F-4(b)(4)(v)(C), 17 C.F.R. § 240.21F-4(b)(4)(v)(C), because Claimant reported the information internally to his/her supervisor and then waited at least 120 days to report the information to the Commission.

written notice stating that Claimant will not 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.²

In determining the amount of award to recommend for the Claimant, we considered the following factors set forth in Rule 21F-6 of the Exchange Act as they apply to the facts and circumstances of the Claimant's application: (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.

In making this preliminary recommendation, we considered, among other things, that the Claimant provided highly significant and detailed information that alerted Enforcement staff to the underlying conduct, prompting the opening of the investigation; his/her information bears a close nexus to the charges brought by the Commission in the Covered Action; he/she provided critical and ongoing assistance throughout the investigation, including meeting with Enforcement staff multiple times; Claimant repeatedly raised concerns internally; and that millions of dollars have been returned to harmed investors as a result of the Claimant's information and assistance.

Accordingly, it is hereby ORDERED that Claimant shall receive an award of *** percent (%) of the monetary sanctions collected in the Covered Action.

By the Commission.

Vanessa A. Countryman
Secretary

² See Securities Exchange Act of 1934 ("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).