

UNITED STATES OF AMERICA

Before the

SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 106545 / September 30, 2026

WHISTLEBLOWER AWARD PROCEEDING
File No. 2026-55

In the Matter of the Claims for an Award

in connection with

Redacted

Notice of Covered Action Redacted

ORDER DETERMINING WHISTLEBLOWER AWARD CLAIMS

The Claims Review Staff (“CRS”) issued Preliminary Determinations recommending that Redacted (“Claimant 1”) receive a whistleblower award of *** percent (*%) of the monetary sanctions collected in the above-referenced Covered Action (the “Covered Action”), for a payment of more than \$900,000; that Redacted (“Claimant 2”) receive an award of Redacted percent (**%) of the monetary sanctions collected in the Covered Action for a payment of more than \$2,700,000; that (“Claimant 3”) receive an award of *** percent (**%) of the monetary sanctions collected in the Covered Action for a payment of more than \$1,300,000; and that Redacted (“Claimant 4”) receive an award of *** percent (**%) of the monetary sanctions collected in the Covered Action for a payment of more than \$1,800,000. The CRS also preliminarily recommended that the award claim of Redacted (“Claimant 6”) should be denied.¹ Claimants 1, 2, 3, and 4 provided written notices of their decisions not to contest the Preliminary Determinations and Claimant 6 filed a timely response contesting the

¹ The CRS also recommended the denial of the award application of one other claimant, who did not contest the Preliminary Determinations. Accordingly, the Preliminary Determinations with respect to that award claim became the Final Order of the Commission through operation of Exchange Act Rule 21F-10(f), 17 C.F.R. § 240.21F-10(f).

Preliminary Determinations. For the reasons discussed below, the CRS's recommendations are adopted with respect to Claimants 1, 2, 3, 4, and 6.

I. Background

A. The Covered Action

On ^{Redacted}, the Commission instituted settled cease-and-desist proceedings which alleged that ^{Redacted} (the "Company") violated ^{Redacted} from at least ^{***} through ^{***}. The Commission found that the Company's subsidiaries in ^{Redacted} ("Region A"), ^{Redacted} ("Region B"), and ^{***} ("Region C") used ^{Redacted} ^{Redacted} in violation of the Company's internal policies. The Company was ordered to pay more than \$1 million.

The Office of the Whistleblower ("OWB") posted the above-referenced Notice of Covered Action on the Commission's website, inviting claimants to submit whistleblower award applications within 90 days.² Claimants 1, 2, 3, 4, and 6 filed timely whistleblower claims.

B. The Preliminary Determinations

The CRS issued Preliminary Determinations³ recommending that the Commission find that Claimants 1, 2, 3, and 4 voluntarily provided original information to the Commission that led to the successful enforcement of the referenced Covered Action pursuant to Section 21F(b)(1) of the Exchange Act and Rule 21F-3(a) promulgated thereunder and that: (1) Claimant 1 receive an award of ^{*}% of the monetary sanctions collected in the Covered Action; (2) Claimant 2 receive an award of ^{***} % percent of the monetary sanctions collected in the Covered Action; (3) Claimant 3 receive an award of ^{*}% percent of the monetary sanctions collected in the Covered Action; and (4) Claimant 4 receive an award of ^{*}% percent of the monetary sanctions collected in the Covered Action. The CRS further preliminarily determined to recommend that the award claim of Claimant 6 be denied because Claimant 6 did not provide original information that "led to" the success of the Covered Action as required under Exchange Act Rule 21F-4(c).

The CRS recommended that Claimant 6's claims be denied because Claimant 6's information did not cause the staff to open the investigation, which was opened based on another source. Additionally, none of the information submitted by Claimant 6 caused staff to inquire into different conduct or significantly contributed to the success of the Covered Action.

² See Exchange Act Rule 21F-10(a), 17 C.F.R. § 240.21F-10(a).

³ See Exchange Act Rule 21F-10(d), 17 C.F.R. § 240.21F-10(d).

Enforcement staff responsible for the Covered Action did not receive or review information submitted by Claimant 6 or communicate with Claimant 6. The CRS also noted that Enforcement staff responsible for the investigation confirmed that the conduct alleged by Claimant 6 was not the same conduct that the staff investigated or that the Commission charged in the Covered Action. Therefore, information submitted by Claimant 6 had no impact on the staff's investigation or the Covered Action. Finally, the CRS preliminarily determined that Claimant 6 failed to satisfy the requirements of Rule 21F-4(c)(3) because the record did not reflect that staff assigned to the investigation received any information from the Company relating to Claimant 6's allegations in connection with the Company's internal investigation which was triggered by information submitted by Claimant 1.

II. Analysis

A. Claimants 1, 2, 3, and 4

The record demonstrates that Claimant 1, Claimant 2, Claimant 3 and Claimant 4 voluntarily provided original information to the Commission that led to the successful enforcement of the Covered Action. Accordingly, Claimant 1, Claimant 2, Claimant 3 and Claimant 4 qualify for a whistleblower award. Applying the award criteria as specified in Rule 21F-6 of the Exchange Act based on the specific facts and circumstances here, we find that an award of *% of the monetary sanctions collected in the Covered Action to Claimant 1, an award of *** % of the monetary sanctions collected in the Covered Action to Claimant 2, an award of *% of the monetary sanctions collected in the Covered Action to Claimant 3, and an award of **% of the monetary sanctions collected in the Covered Action to Claimant 4 is appropriate based on their level of contribution to the success of the Covered Action.⁴

B. Claimant 6

Claimant 6 submitted a timely written response contesting the Preliminary Determinations.⁵ Claimant 6 primarily argues that he/she is eligible for an award under Rule 21F-4(c)(3) because: (1) his/her internal report to the Company prompted an internal investigation by the Company; (2) the Company must have provided his/her information to the staff; and (3) his/her information is about the same conduct alleged in the Covered Action

⁴ 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 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.

⁵ See Exchange Act Rule 21F-10(e), 17 C.F.R. § 240.21F-10(e).

relating to Region A and must have formed the basis for the Covered Action allegations. According to Claimant 6, from *** to ***, he/she reported information to the Company that Redacted in Region A Redacted. Claimant 6 alleged that the Redacted Redacted.

Claimant 6 asserts that new evidence, not previously reported to the Commission but reported to the Company, demonstrates that the scheme he/she reported to the Company is the same as the scheme in Region A described in the Covered Action. However, Claimant 6 concedes that this similarity was “not obvious” from his/her TCRs. Claimant 6 asserts that while his/her TCR submissions focused on explaining the Redacted aspect of the scheme, he/she also reported Redacted misconduct to the Company. Claimant 6 acknowledges that he/she did not attach every relevant email concerning his/her Redacted allegations to his/her TCRs and submits new emails with his/her response not previously provided to the Commission to demonstrate that the scheme reported to the Company is the same as the scheme alleged in the Covered Action. In further support of his/her assertion that the schemes are the same,⁶ Claimant 6 asserts that he/she informed the Company about certain Redacted and the Company’s Redacted Redacted.⁷ According to Claimant 6, because the Covered Action references the Redacted and the Redacted, Claimant 6 surmises that the scheme charged in the Covered Action must be the same as the one he/she reported to the Company and that the Company provided his/her information to the Commission.

Claimant 6 does not qualify for an award because he/she does not satisfy the requirements of Rule 21F-4(c)(3)⁸ which provides that: (1) the whistleblower reported original

⁶ Claimant 6 also asserts that he/she informed the Company of the names of two individuals and the two Redacted involved in the scheme.

⁷ Claimant 6’s response acknowledges that he/she did not report allegations referenced in the Covered Action concerning the Redacted in Region A.

⁸ Claimant 6’s response states he/she no longer seeks an award pursuant to Rule 21F-4(c)(1) or (2) which requires that a whistleblower must voluntarily provide the Commission with original information that leads to the successful enforcement of a covered action. See Exchange Act Section 21F(b)(1), 15 U.S.C. § 78u-6(b)(1). As relevant here, information will be deemed to have led to a successful enforcement action if it “caused the Commission to (i) commence an examination, (ii) open or reopen an investigation, or (iii) inquire into different conduct as part of a current Commission examination or investigation,” and the Commission thereafter brought a successful action based in whole or in part on conduct that was the subject of the claimant’s original information, or was “about conduct that was already under examination or investigation by the Commission” and the “submission significantly contributed to the success of the action.” Exchange Act Rule 21F-4(c)(1), 17 C.F.R. § 240.21F-4(c)(1); Exchange Act Rule 21F-4(c)(2), 17 C.F.R. § 240.21F-4(c)(2). A whistleblower will also be deemed to have provided original information that led to the successful enforcement of a covered action if the whistleblower meets all the criteria of Rule 21F-4(c)(3). Exchange Act Rule 21F-4(c)(3), 17 C.F.R. § 240.21F-4(c)(3). As stated in the Preliminary Determination, the record does not support an award as to Claimant 6 under either Rule 21F-4(c)(1) or (2).

information through an entity's internal whistleblower, legal, or compliance procedures for reporting allegations of possible violations of law before or at the same time whistleblower reported them to the Commission; (2) the entity later provided the information to the Commission or provided results of an audit or investigation initiated in whole or in part in response to information the whistleblower reported to the entity; (3) the information the entity provided to the Commission satisfies either paragraph (c)(1) or (c)(2) of Rule 21F-4; and (4) the whistleblower submitted the same information to the Commission in accordance with the procedures set forth in Rule 21F-9 within 120 days of providing it to the entity.⁹ Although Claimant 6 satisfied the first requirement of Rule 21F-4(c)(3) – Claimant 6 reported internally to the Company before or at the same time he/she reported to the Commission – two of the other requirements are not met here.

Claimant 6 does not satisfy the second requirement of Rule 21F-4(c)(3) that the Company provided the Commission with the results of an investigation initiated in response to Claimant 6's information. Rather, the record, including a supplemental declaration from Enforcement staff, which we credit, supports the conclusion that the information that the Company provided to the staff in connection with the Covered Action Investigation was from an internal investigation initiated by Claimant 1 in *** and later expanded to include conduct in Region A after Claimant 4 submitted information to the Company and the staff in connection with the Covered Action Investigation. Additionally, while Claimant 6 speculates that his/her information must have been provided to the staff by the Company because the Covered Action "contains highly unique and difficult-to-discover details" which he/she reported to the Company, the supplemental staff declaration reflects that the staff is not aware of any information indicating that Claimant 6's internal reporting to the Company played any role in the internal investigation conducted by the Company that relates to the Covered Action or that Claimant 6's information was provided to the staff by the Company during the course of the investigation. Based on the record, we conclude that there is insufficient evidence to show that Claimant satisfied the second requirement of Rule 21F-4(c)(3).

Finally, Claimant 6 does not satisfy the fourth requirement of Rule 21F-4(c)(3) that he/she submitted the same information to the Commission within 120 days of providing it to the Company. Claimant 6's response acknowledges that it was not obvious from his/her TCRs, which focused on Redacted conduct at the Company, that he/she was also alleging Redacted conduct. Claimant 6 argues, however, that his/her TCR gave a basic introduction to the Redacted scheme and included emails with a reference to the Redacted, Region A's two Redacted, and use of the term Redacted. Claimant 6's response includes emails that were not previously provided to the Commission to demonstrate more clearly that his/her allegations related to the Redacted and included allegations about the use of Redacted, and the involvement of the

⁹ Exchange Act Rule 21F-4(c)(3), 17 C.F.R. § 240.21F-4(c)(3).

Redacted . The supplemental staff declaration states that it was not apparent from Claimant 6's tips that the conduct he/she alleged related to Redacted , but after reviewing Claimant 6's response which included these additional emails not previously provided to the Commission, Claimant 6's allegations appear related to the allegations in the Covered Action.

Claimant 6 claims that his/her omission of these Redacted -related emails from the TCR was due to the fact he/she was unrepresented at the time and is a non-native English speaker, but that he/she "substantially complied with the requirements of Rule 21F-4(c)(3) to provide his/her information to the Commission in a timely manner" because he/she provided three emails with his/her TCRs that offered details of the Redacted scheme.¹⁰ We are, however, unable to endorse Claimant 6's interpretation of Rule 21F-4(c)(3). Absent the context offered by the Redacted -related emails, Claimant 6's TCR and attachments do not present Redacted as a central allegation. The Redacted -related emails therefore constitute a crucial component of Claimant 6's Redacted allegations, which are relevant to the theme of the Covered Action. If Claimant 6 provided these crucial components to the Company but never provided them to the Commission during the investigation, we decline to find that Claimant 6 submitted the "same information" to the Commission within the meaning of Rule 21F-4(c)(3).

Because Claimant 6 did not provide original information that led to the successful enforcement action, his/her award claim should be denied.

III. Conclusion

Accordingly, it is hereby ORDERED that Claimant 1 receive an award equal to *% of the monetary sanctions collected in the Covered Action, that Claimant 2 receive an award of ***% of the monetary sanctions collected in the Covered Action, that Claimant 3 receive an award of **% of the monetary sanctions collected in the Covered Action, and that Claimant 4 receive an award

¹⁰ Additionally, according to Claimant 6, one of the emails was provided to the Commission with his/her TCRs 130 days after being sent to the Company, while the other two were sent to the Commission 11 and 66 days after being sent to the Company. To the extent Claimant 6 is requesting that the Commission waive compliance with the fourth requirement of Rule 21F-4(c)(3), we decline to consider this issue because Claimant 6 has not satisfied the second requirement of Rule 21F-4(c)(3) and is therefore ineligible for an award.

equal to ^{*}% of the monetary sanctions collected in the Covered Action.

It is further ORDERED that Claimant 6's whistleblower award application in the Covered Action be, and hereby is, denied.

By the Commission.

Vanessa A. Countryman
Secretary