

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 96128 / October 24, 2022

WHISTLEBLOWER AWARD PROCEEDING
File No. 2023-05

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 a Preliminary Determination recommending that Redacted (“Claimant 1”) receive a whistleblower award of Redacted percent (*** %) of the monetary sanctions collected in the above-referenced Covered Action, which would yield an award of more than \$1,000,000, and Redacted (“Claimant 2”) receive a whistleblower award of *** percent (*** %) of the monetary sanctions collected in the above-referenced Covered Action, which would yield an award of more than \$500,000. Both Claimants provided written notice of their decisions not to contest the Preliminary Determination. For the reasons discussed below, the CRS’s recommendations are adopted.

I. Background

A. The Covered Action

On Redacted the Commission instituted settled cease and desist proceedings (the “Order”) settling charges with Redacted (“the Company”) for Redacted

Redacted In the Order, the Commission found that, from approximately Redacted Redacted

Redacted The Commission further found that Redacted

Redacted The Commission established that ***

Redacted

Redacted

The Commission concluded that

Redacted

Redacted

Redacted

Commission ordered the Company to pay
in full by the Company.

Redacted

Among other relief, the

This amount has been paid

On ^{Redacted} the Office of the Whistleblower posted a Notice of Covered Action on the Commission's public website inviting claimants to submit whistleblower award applications within 90 days. Claimants 1 and 2 filed timely whistleblower award claims.

B. The Preliminary Determination

The CRS issued a Preliminary Determination recommending that Claimants 1 and 2 receive whistleblower awards of ^{***}% and ^{***}%, respectively, of the monetary sanctions collected in the Covered Action. In recommending that Claimant 1 receive a larger award than Claimant 2, the CRS considered that, while Claimant 2 provided significant information, Claimant 2's information was less significant than Claimant 1's information. In particular, Claimant 1 brought the operation of the scheme to the Commission staff's attention and assisted in the staff's understanding of the scheme as a whole. The CRS also made its recommendation based on Claimant 2's unreasonable reporting delay to the Commission for over 30 months.

II. Analysis

The recommendations of the CRS are adopted. The record demonstrates that Claimant 1 and Claimant 2 each voluntarily provided original information to the Commission that led to the successful enforcement of the Covered Action.¹

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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).

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Based on the specific facts and circumstances here, we find that an award of ^{Redacted} percent (***) to Claimant 1 and ^{Redacted} percent (***) to Claimant 2 is appropriate. In particular, Claimant 1's information caused the opening of the investigation that led to the Covered Action and formed the basis for the some of the findings in the Covered Action. Further, Claimant 1 provided additional information and assistance to the Enforcement staff through interviews in person and via telephone, along with internal Company documents. Accordingly, the CRS believes that a ^{Redacted} % award reflects Claimant 1's contributions to the success of the Covered Action. In contrast, Claimant 2 provided evidence of false statements by the Company's ^{Redacted} ^{Redacted} and provided significant information about the Company's internal processes. Claimant 2's information formed the basis for the some of the findings in the Covered Action. However, while Claimant 2 provided significant information, Claimant 2's information was indeed less significant vis-à-vis Claimant 1's information. This is because, as noted, Claimant 1 brought the operation of the scheme to the Commission staff's attention and assisted in the staff's understanding of the scheme as a whole. The award percentage also recognizes that Claimant 2 unreasonably delayed reporting to the Commission for over 30 months. Accordingly, we believe that a ^{Redacted} % award strikes the appropriate balance between Claimant 2's assistance to the success of the Covered Action and Claimant 2's unreasonable reporting delay.

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III. Conclusion

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 Claimant 2 shall receive an award of *** percent (***) of the monetary sanctions collected in the Covered Action.

By the Commission.

Vanessa A. Countryman
Secretary