

UNITED STATES OF AMERICA

Before the

SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934

Release No. 92416 / July 16, 2021

WHISTLEBLOWER AWARD PROCEEDING

File No. 2021-74

In the Matter of the Claim for an Award

in connection with

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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 of approximately \$40,000, which represents ^{Redacted} percent (^{***} %) of the monetary sanctions collected, or to be collected, in ^{Redacted}

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(the “Covered Action”).¹ Claimant provided written notice of Claimant’s decision not to contest the Preliminary Determination.

The recommendation of the CRS is adopted. The record demonstrates that Claimant voluntarily provided original information to the Commission, and that Claimant’s original information led to the successful enforcement of the Covered Action.²

Rule 21F-6(c) establishes a presumption of a statutory maximum award of 30% where (1) the maximum award would be \$5 million or less; (2) none of the negative award factors under Rule 21F-6(b)—*i.e.*, culpability, unreasonable reporting delay, or interference with an internal compliance and reporting system—are present; and (3) the award claim does not trigger Rule 21F-16.³ The Commission may depart from the presumption if (1) the assistance provided by the whistleblower was, “under the relevant facts and circumstances, limited,” or (2) a maximum award “would be inconsistent with the public interest, the promotion of investor protection, or the objectives of the whistleblower program.”⁴

The presumption does not apply here, however, because one negative factor under Rule 21F-6(b) – unreasonable reporting delay – is present.⁵ Based on the facts and circumstances of this matter, we find that Claimant unreasonably delayed in reporting to the Commission. In particular, Claimant’s information was submitted approximately 33 months from the date on which Claimant first believed that securities violations were occurring. Moreover, investors suffered harm during the period of delay. Given the impact of the delay, the CRS concluded that this criterion under Rule 21F-6(c)(1)(iii) should not be waived.⁶

Applying the award criteria in Rules 21F-6(a) and (b) of the Exchange Act to the specific facts and circumstances here, we find the proposed award amount is appropriate.⁷ In coming to

¹ For the purposes of making an award, we have determined to treat the judicial and administrative actions in this matter as a single Covered Action because they arose out the same nucleus of operative facts. *See* Securities Exchange Act of 1934 (“Exchange Act”) Rule 21F-4(d)(1), 17 C.F.R. § 240.21F-4(d)(1).

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).

³ Rule 21F-16 concerns whistleblowers who engage in culpable conduct. *See* 17 C.F.R. § 240.21F-16.

⁴ Rule 21F-6(c)(1)(iv); 17 C.F.R. § 240.21F-6(c)(1)(iv).

⁵ Rule 21F-6(b) provides that in determining whether to decrease the amount of an award, the Commission will consider the following negative factors – culpability, unreasonable reporting delay, and interference with an internal compliance and reporting system.

⁶ Rule 21F-6(c)(1)(iii) provides that the Commission, in its sole discretion, “may in certain limited circumstances determine to waive this criterion if the claimant can demonstrate that doing so based on the facts and circumstances of the matter is consistent with the public interest, the promotion of investor protection, and the objectives of the whistleblower program.” 17 C.F.R. § 240.21F-6(c)(1)(iii).

⁷ In assessing the appropriate award amount, Exchange Act Rules 21F-6(a) and (b) provide that the Commission consider: (1) the significance of information provided to the Commission; (2) the assistance provided

the *** % award determination, we considered that (i) Claimant offered a detailed list of allegations for staff concerning the misconduct, (ii) Claimant provided information about the leadership structure of the relevant entity and the responsibilities of its personnel, which helped staff interpret and understand information received in document productions and testimony, (iii) Claimant provided substantial, ongoing assistance, including providing voluminous, important documents not otherwise available to staff, (iv) the charges brought by the Commission were based in significant part on conduct that was the subject of the information provided by Claimant and (v) Claimant unreasonably delayed reporting to the Commission for approximately 33 months while investors continued to be harmed.

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

By the Commission.

Vanessa A. Countryman
Secretary

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. Rules 21F-6(a) and (b); 17 C.F.R. § 240.21F-6.