

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 88015 / January 22, 2020

WHISTLEBLOWER AWARD PROCEEDING
File No. 2020-6

In the Matter of the Claim for an Award

in connection with

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, or to be collected in Redacted (the “Covered Action”) and *** percent (***) of the monetary sanctions collected or to be collected, in a related criminal prosecution, Redacted (“Related Action”). These proposed awards would yield a likely payout to the Claimant of more than \$277,000. 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 the same original information to the Commission and, through the Commission, to the United States Attorney’s Office for the Redacted (“USAO”), and that this information led to the successful enforcement of both the Covered Action and the Related Action.¹

¹ See Exchange Act Section 21F(b)(1), 15 U.S.C. § 78u-6(b)(1); Exchange Act Rule 21F-3(a) and (b), 17 C.F.R. § 240.21F-3(a), (b). See also *In the Matter of Claim for Award*, Rel. No. 34-84046 (Sept. 6, 2018) (for a whistleblower to obtain an award in connection with a potential related action, the whistleblower must “demonstrate [that he or she] directly (or through the Commission) voluntarily provided the governmental agency, regulatory authority or self-regulatory organization the same original information that led to the Commission’s successful covered action, and that this information led to the successful enforcement of the related action.”) (citing Exchange Act Rule 21F-11(c)).

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 award amount is appropriate.² In reaching that determination, we positively assessed the following facts: (1) Claimant reported significant information to the Commission, alerting the staff to an ongoing fraudulent scheme; (2) Claimant's information saved Commission time and resources; (3) Claimant's information bears a close nexus to the charges brought by the Commission, as well as by the USAO; (4) Claimant provided assistance to staff in the form of an in-person interview; (5) there are significant law enforcement interests here, as Claimant's information helped the agency shut down an ongoing fraudulent scheme that was preying on retail investors; and (6) there have been low collections to date.

Accordingly, it is hereby ORDERED that Claimant shall receive an award of *** percent (**) of the monetary sanctions collected or to be collected in the Covered Action, and *** percent (**) of the monetary sanctions collected or to be collected in the Related Action.³

By the Commission.

Vanessa A. Countryman
Secretary

² 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.

³ We have treated those amounts distributed to injured investors by the court-appointed receiver in the Covered Action as collected monetary sanctions on which Claimant's award can be based. Further, monetary sanctions collected by the Commission in the Covered Action or by the USAO in the Related Action, including those that are either deemed to satisfy or are in fact used to satisfy any payment obligations of the defendants in the other action, shall not be double counted for purposes of paying an award; further, for purposes of calculating an award payment, any monetary sanctions collected in the manner just described shall be attributed, first, to the Commission's Covered Action up to the full amount of monetary sanctions ordered in the Covered Action, with any remaining amounts attributed to the Related Action. *See Order Determining Claim for Award*, Rel. No. 34-77530 (April 5, 2015).