

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 88462 / March 24, 2020

WHISTLEBLOWER AWARD PROCEEDING
File No. 2020-9

In the Matter of the Claims for an Award

in connection with

Redacted

Redacted

Redacted

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 in the amount of Redacted percent *** (%) of the monetary sanctions collected in: Redacted

Redacted

Redacted

Redacted

“Covered Action”) and Redacted percent *** (%) of the monetary sanctions collected in related actions brought by the Redacted (the (“Other Agency”): ***

Redacted

Redacted

¹ For the purposes of payment on the award in this matter, we are treating the enforcement actions against the individual respondents and defendants in this matter, together with the action against the company, as a single Covered Action, as the proceedings arise out of the same nucleus of operative facts. *See* Securities Exchange Act of 1934 (“Exchange Act”) Rule 21F-4(d), 17 C.F.R. § 240.21F-4(d)(2).

Redacted (“Related Actions”) and that Redacted (“Claimant 2”) receive a whistleblower award in the amount of *** percent (***) of the monetary sanctions collected in the Covered Action.² These proposed awards would yield a likely payout to Claimant 1 of approximately \$478,000 and a likely payout to Claimant 2 of approximately \$94,000. Claimant 1 and Claimant 2 provided written notice of their decisions not to contest the Preliminary Determination.

The recommendation of the CRS is adopted. The record demonstrates that Claimant 1 voluntarily provided the same original information to the Commission and to the Other Agency, and that this information led to the successful enforcement of both the Covered Action and the Related Actions,³ and that Claimant 2 voluntarily provided original information to the Commission that led to successful enforcement of the Covered Action.

Applying the award criteria in Rule 21F-6 of the Exchange Act to the specific facts and circumstances here, we find the proposed award amounts are appropriate.⁴ In reaching that determination, we positively assessed the following facts as to Claimant 1: (1) Claimant 1 reported significant information to the Commission; (2) the information reported by Claimant 1 saved Commission time and resources; (3) Claimant 1 provided assistance to staff in the form of

² Additionally, the CRS recommended that Claimant 2’s claim for an award in connection with the Related Actions be denied in part because the original information submitted by Claimant 2 used by the Commission in connection with the Covered Action was not used in the Related Actions. Because Claimant 2 provided written notice of Claimant 2’s decision not to contest the preliminary determination, the CRS’s preliminary determination as to the denial of the award in connection with the Related Actions became the final order of the Commission pursuant to Exchange Act Rule 21F-11(f); 17 C.F.R. § 240.21F-11(f).

³ 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); 17 C.F.R. § 240.21F-11(c)).

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. Exchange Act Rule 21F-6; 17 C.F.R. § 240.21F-6.

an in-person interview early in the investigation; and (4) there are significant law enforcement interests here, as Claimant 1's information helped the agency bring antifraud charges related to conduct that had been ongoing at the time Claimant 1 reported to the Commission. In addition, Claimant 1's information bears a close nexus to the charges brought by the Commission, as well as by the Other Agency in the Related Actions. The record further demonstrates that Claimant 1 should receive a substantially higher award percentage in the Covered Action as compared to Claimant 2 because Claimant 1's information was significantly more important than Claimant 2's information, as it was provided early in the investigation, played a critical role in helping staff develop their case, and related to all enforcement actions. By comparison, Claimant 2's information was important, but contributed to charges against only one of the respondents.

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 ^{Redacted} *** percent ^{***} %) of the monetary sanctions collected in the Related Actions 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