

Questions for The Honorable Gary Gensler, of Maryland, to be a Member of the Securities and Exchange Commission, from Senator Chuck Grassley:

- 1. During your tenure as CFTC chairman, the CFTC did not pay an award until 2014, even though the program was signed into law in 2010. To what do you attribute this delay in whistleblower program awards?**

Working with other commissioners at the CFTC, we were able to draft and finalize a rulemaking to implement Congress's directives for the whistleblower program by October of 2011 and hire a Director of the Office of the Whistleblower by 2012. As we were standing-up a new program at the Commission, it took some time to establish rules governing the office and to educate the public about the new office as a place to report misconduct. If confirmed to lead the SEC, I will build on the work of past Chairs to ensure continued strength in the whistleblower program.

- 2. Under your leadership, the CFTC began using funds from its Customer Protection Fund to pay for administrative expenses, a practice that has created concern in the whistleblower community, but still continues today. The SEC, on the other hand, continues to rely on appropriated funds to pay for whistleblower office expenses. Do you anticipate a change to this policy?**

I do not anticipate a change to this policy, if confirmed. I plan to request appropriations from Congress to cover the necessary expenses to pay for the operations of the SEC's office. Regarding the CFTC, I support legislation such as your CFTC Fund Management Act which could assist that agency in ensuring the sound operation of their whistleblower program.

- 3. Do you anticipate making any regulatory changes to the SEC whistleblower program? If so, how?**

If confirmed, I would want to work with you, your staff, fellow SEC commissioners and staff in the Office of the Whistleblower to examine whether and how the program could be strengthened to ensure that misconduct within the remit of the SEC is identified, addressed and stopped. I share your goals of ensuring that whistleblowers are encouraged to come forward when they see misbehavior, and that they be protected from retaliation.

- 4. Will you commit to providing the whistleblower office with the necessary appropriated funding, resources and staffing to complete its mission?**

If confirmed, I will work with fellow SEC commissioners and staff to request the resources necessary from congressional appropriators to ensure that the Office of the Whistleblower can fulfill its statutory mandates.

- 5. The SEC has historically had long delays when it comes to paying whistleblower awards. I introduced legislation in the 116th Congress to address this problem.**

Chairman Clayton was supportive of these efforts and informed me on at least one occasion that he agreed that processing times were taking too long. Will you commit to working with Congress to improve the processing times for SEC whistleblower awards? If so, how can we work together to continue this important goal?

If confirmed, I commit to working with you and your staff to reduce processing times in SEC whistleblower award determinations. I agree that awards should be granted in a timely manner, as whistleblowers often have to incur significant expenses and withstand significant uncertainty and distress when waiting for the SEC's determinations.