

UNITED STATES OF AMERICA  
before the  
SECURITIES AND EXCHANGE COMMISSION  
SECURITIES EXCHANGE ACT OF 1934  
Release No. 89996 / September 25, 2020  
WHISTLEBLOWER AWARD PROCEEDING  
File No. 2020-34

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In the Matter of the Claim for an Award

in connection with

Redacted

Redacted

Notice of Covered Action Redacted

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**ORDER DETERMINING WHISTLEBLOWER AWARD CLAIM**

The Claims Review Staff (“CRS”) issued a Preliminary Determination recommending that Redacted (the “Claimant”) receive a whistleblower award of over Redacted which is equal to Redacted percent ( \*\*\* ) of the monetary sanctions collected in Redacted (the “Covered Action”).<sup>1</sup> Claimant subsequently provided written notice of Claimant’s decision not to contest the Preliminary Determination.

After considering the administrative record, we choose to depart from the Preliminary Determination and award Claimant Redacted percent ( Redacted ) of the monetary sanctions collected in the Covered Action, for a payout of over \$1,800,000. The record demonstrates that Claimant voluntarily provided original information to the Commission that led to the successful enforcement of the Covered Action.<sup>2</sup> In reaching this determination, we have relied on Exchange Act Rule 21F-4(b)(7) and Exchange Act Rule 21F-4(c)(3). Exchange Act Rule 21F-4(b)(7) states in relevant part that if a claimant

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<sup>1</sup> The Preliminary Determination of the CRS also recommended denying an award claim submitted by two joint claimants. On July 23, 2020, the joint claimants, through their attorney, provided written notice of their decision not to contest the Preliminary Determination. As such, the Preliminary Determination has become the Final Order of the Commission in accordance with Exchange Act Rule 21F-10(f).

<sup>2</sup> 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).

provides information to an entity's internal whistleblower, legal or compliance procedures for reporting allegations of possible violations of law, and then, within 120 days, submits the same information to the Commission, then for purposes of evaluating a claim for award, the Commission will consider that claimant provided the information as of the date of the original disclosure, report or submission. Further, Exchange Act Rule 21F-4(c)(3) provides that a claimant's original information will be deemed to have led to a successful enforcement action if:

(3) You reported original information through an entity's internal whistleblower, legal, or compliance procedures for reporting allegations of possible violations of law before or at the same time you reported them to the Commission; the entity later provided your information to the Commission, or provided results of an audit or investigation initiated in whole or in part in response to information you reported to the entity; and the information the entity provided to the Commission satisfies either paragraph (c)(1) or (c)(2) of this section. Under this paragraph (c)(3), you must also submit the same information to the Commission in accordance with the procedures set forth in §240.21F-9 within 120 days of providing it to the entity.

Here, Claimant reported original information through the internal compliance system at <sup>Redacted</sup> (the "Company"), and provided the same information in a Form TCR to the Commission within 120 days. Therefore, Claimant is deemed to have reported the information to the Commission as of the date of Claimant's report to the Company. Initiated in part in response to Claimant's tip, the Company, in turn, launched an internal investigation into the alleged misconduct and subsequently reported the findings to the Commission. Further, the Company's report of the findings of its internal investigation caused the Commission to open an investigation, and the resulting Covered Action was based in part on the conduct alleged by Claimant and reported by the Company, in satisfaction of Exchange Act Rule 21F-4(c)(1).

Applying the award criteria in Exchange Act Rule 21F-6 to the specific facts and circumstances here, we have chosen to increase the award to Claimant.<sup>3</sup> In reaching this determination, we positively assessed the following facts: (i) Claimant's tip was significant in that it was a key source that formed the underlying basis of the Company's internal investigation; (ii) Claimant timely reported the securities violations to the Company and ultimately, the Company's findings focused the Commission's investigation, revealed misconduct overseas that is difficult to detect and investigate, and conserved significant Commission staff time and resources; (iii) the law enforcement interest is substantial here because the Company had previously been sanctioned for similar misconduct; and (iv) the Claimant took both personal and professional risks in reporting this information. In considering the appropriate award percentage, we have

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<sup>3</sup> 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 Covered Actions; (3) the 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.

also determined to credit Claimant for the results of the Company's internal investigation that were provided to the Commission and that ultimately formed the basis for the Covered Action.

Accordingly, it is hereby ORDERED that Claimant shall receive an award of over \$1,800,000 ( \*\*\* of the monetary sanctions collected in the Covered Action).

By the Commission.

Vanessa A. Countryman  
Secretary