

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 88507 / March 30, 2020

WHISTLEBLOWER AWARD PROCEEDING
File No. 2020-11

In the Matter of the Claim for an Award

in connection with

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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 ^{***} ^{***} (^{***}) of the monetary sanctions collected in Covered Action ^{Redacted} (the “Covered Action”) for a payout of \$450,000. 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 original information to the Commission that led to the successful enforcement of the Covered Action.¹

In reaching this determination, we have considered the application of Exchange Act Rule 21F-4(b)(4)(iii)(B), which excludes information from being credited as the whistleblower’s “independent knowledge” or “independent analysis”—and hence original information²—if the

¹ 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).

² Under Exchange Act Rule 21F-4(b)(1), “[i]n order for [a] whistleblower submission to be considered original information, it must,” among other requirements, be “[d]erived from [the whistleblower’s] independent knowledge or independent analysis.” 17 C.F.R. § 240.21F-4(b)(1).

whistleblower “obtained the information because” the whistleblower was “[a]n employee whose principal duties involve compliance or internal audit responsibilities. . . .”³ Here, the record reflects that Claimant became aware of the potential securities law violations in connection with Claimant’s compliance-related responsibilities. However, an exception applies if

[a]t least 120 days have elapsed since you provided the information to the relevant entity’s audit committee, chief legal officer, chief compliance officer (or their equivalents), or your supervisor, or since you received the information, if you received it under circumstances indicating that the entity’s audit committee, chief legal officer, chief compliance officer (or their equivalents), or your supervisor was already aware of the information.⁴

Here, Claimant first reported certain of the information to the firm’s

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who was also Claimant’s supervisor, and then waited more than 120 days to report the same information to the Commission. The rest of the information that led to the successful action that Claimant reported to the Commission would have been known to Claimant’s supervisor at the time. Because Claimant satisfies the 120-day exception, the compliance officer exclusion does not apply here to disqualify Claimant’s information from treatment as original information.

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.⁵ In reaching that determination, we positively assessed the following facts: (i) although not the source of the investigation, Claimant’s information was significant in that it refocused the investigation on the violations that were ultimately charged; (ii) Claimant assisted Commission staff early in the investigation including by meeting with them in-person; (iii) Claimant suffered unique hardships as a result of Claimant’s internal reporting, including

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; and (iv) Claimant participated in Claimant’s employer’s internal compliance program.

³ 17 C.F.R. § 240.21F-4(b)(4)(iii)(B).

⁴ 17 C.F.R. § 240.21F-4(b)(4)(v)(C); *Order Determining Whistleblower Award Claim*, Rel. No. 34-72947 (Aug. 29, 2014) (finding individual who had compliance or internal audit responsibilities eligible for an award because he or she internally reported the information at least 120 days before reporting the information to the Commission).

⁵ 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.

Accordingly, it is hereby ORDERED that Claimant shall receive an award of ^{***}

^{***} (^{***}) of the monetary sanctions collected or to be collected in the Covered Action.

By the Commission.

Vanessa Countryman

Secretary