

March 6, 2019

CFTC Division of Enforcement Issues Advisory on Violations of the Commodity Exchange Act Involving Foreign Corrupt Practices

Washington, DC – The Commodity Futures Trading Commission (CFTC) Division of Enforcement today announced an Enforcement Advisory on self-reporting and cooperation for violations of the Commodity Exchange Act (CEA) involving foreign corrupt practices. CFTC’s Enforcement Director James McDonald announced the new Advisory in remarks he made today at the American Bar Association’s National Institute on White Collar Crime.

“Combating misconduct that affects our financial markets has truly become a team effort, and that is particularly true with respect to foreign corrupt practices,” said McDonald. “We at the CFTC will do our job as part of the team to identify this type of misconduct in our markets and hold wrongdoers accountable, working closely with our enforcement partners domestically and abroad. This new Enforcement Advisory provides further clarity surrounding the benefits of self-reporting misconduct, full cooperation, and remediation in this context, and it reflects the enhanced coordination between the CFTC and our law enforcement partners like the Department of Justice.”

Brian A. Benczkowski, Assistant Attorney General of the Department of Justice’s Criminal Division, said “Together with the Department’s Corporate Enforcement Policy, CFTC’s Advisory on self-reporting and cooperation will make clear to companies the significant benefits of voluntarily self-disclosing misconduct, fully cooperating with the government’s investigation, and remediating the misconduct. We look forward to working in parallel with the CFTC in cases involving foreign corrupt practices, as well as others.”

In prior Advisories, the Enforcement Division has made clear that it gives substantial credit for self-reporting and cooperation in determining, among other things, the appropriate level of sanctions to impose or seek. With today’s Advisory, the Enforcement Division builds on that foundation to further incentivize individuals and companies to self-report misconduct, cooperate fully in CFTC investigations and enforcement actions, and appropriately remediate to ensure the wrongdoing does not happen again.

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Anyone with information about foreign corrupt practices in the commodities or derivatives markets can share that information with the CFTC Whistleblower Office at whistleblower.gov. Whistleblowers are eligible to receive between 10 percent and 30 percent of the monetary sanctions collected. All whistleblower awards are paid from the CFTC Customer Protection Fund established by Congress and financed entirely through monetary sanctions paid to CFTC by violators of the CEA. No money is taken or withheld from those harmed to fund the program.