

Release Number 8878-24

CFTC Awards Insider Whistleblower Approximately \$1.25 Million

March 14, 2024

Washington, D.C. — The Commodity Futures Trading Commission today announced an approximately \$1.25 million award to a whistleblower who reported misconduct to the CFTC after initially reporting it to the whistleblower's employer.

Although stricter requirements for whistleblower awards apply to employees with compliance or internal audit responsibilities, this whistleblower satisfied the CFTC's whistleblower rules by raising the matter internally and then waiting at least 120 days to contact the CFTC after the employer took no meaningful remedial action. This award is the first to apply the CFTC's 120-day safe harbor provision to a whistleblower who served in an entity's internal compliance or audit function.

"Insiders have some of the most valuable evidence about illegal activity in our markets," said Ian McGinley, Director of the Division of Enforcement. "Today's award recognizes the risks they take in coming forward to the CFTC, as well as the role of their information in amplifying the CFTC's enforcement efforts."

"The whistleblower first reported internally, fulfilling job duties and putting the entity on notice of its wrongdoing," said Director of the Whistleblower Office Brian Young. "The CFTC's Whistleblower Program rewards employees with compliance and audit responsibilities who first raise violations internally and then contact the CFTC if the employer sits on its hands."

Attorney Advisor Laurence Tai in the Whistleblower Office managed this whistleblower award.

About the CFTC's Whistleblower Program

The Whistleblower Program was created under Section 748 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. Since issuing its first award in 2014, the CFTC has granted whistleblower awards amounting to approximately \$365 million. Those awards are associated with enforcement actions that have resulted in monetary sanctions totaling nearly \$3.2 billion. The CFTC issues awards related not only to the agency's enforcement actions, but also in connection with related actions brought by other domestic or foreign regulators, if certain conditions are met.

The Commodity Exchange Act (CEA) provides confidentiality protections for whistleblowers. Regardless of whether the CFTC grants an award, the CFTC will not disclose any information that could reasonably be expected to reveal a whistleblower's identity, except in limited circumstances. Consistent with this confidentiality protection, the CFTC will not disclose the name of the enforcement action in which the whistleblower provided information or the exact dollar amount of the award granted.

Whistleblowers may be eligible to receive between 10 and 30 percent of the monetary sanctions collected. All whistleblower awards are paid from the CFTC's Customer Protection Fund, which was established by Congress, and is financed entirely through monetary sanctions paid to the CFTC by violators of the CEA. No money is taken or withheld from injured customers to fund the program.

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Anyone with information related to potential violations of the CEA or the CFTC's rules and regulations can submit a tip electronically by filing a Form TCR (<https://whistleblower.gov/overview/submitatip>) (Tip, Complaint or Referral) online.

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