

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 100770 / August 19, 2024

WHISTLEBLOWER AWARD PROCEEDING
File No. 2024-35

In the Matter of the Claim for an Award

in connection with

Redacted

Redacted

Notice of Covered Action Redacted

ORDER DETERMINING WHISTLEBLOWER AWARD CLAIM

The Office of the Whistleblower (“OWB”) issued a Preliminary Summary Disposition¹ recommending the denial of the whistleblower award application submitted by claimant Redacted
Redacted (“Claimant”) in connection with the above-referenced covered action (“Covered Action”). Claimant submitted a timely response contesting the preliminary denial.² For the reasons discussed below, Claimant’s award claim is denied.

I. Background

A. The Covered Action

On Redacted the Commission instituted settled public administrative and cease-and-desist proceedings against Redacted (“Company”) in the Covered Action. The

¹ See Exchange Act Rule 21F-18, 17 C.F.R. § 240.21F-18.

² OWB also recommended denying the award applications of two other claimants in connection with the Covered Action. These individuals did not contest the preliminary denial of their claims; as such, the Preliminary Summary Dispositions as to these claimants’ award claims became the Final Order of the Commission through operation of Exchange Act Rule 21F-18(b)(4), 17 C.F.R. § 240.21F-18(b)(4).

Covered Action arose out of

Redacted

Redacted

Redacted

Redacted

The Covered Action found that, as

Redacted

a result of its conduct, the Company willfully violated

Redacted

Redacted

Redacted

Among other relief, the Commission ordered that the Company pay

Redacted

Redacted

On Redacted OWB posted a Notice of Covered Action on the Commission’s public website inviting claimants to submit whistleblower award applications within 90 days. Claimant submitted a timely whistleblower award claim.

B. The Preliminary Summary Disposition

On Redacted OWB issued a Preliminary Summary Disposition recommending that Claimant’s claim be denied because the information provided by Claimant was never provided to or used by Division of Enforcement staff (“Staff”) handling the Covered Action or underlying investigation that led to the Covered Action (“Investigation”), and Staff otherwise had no contact with Claimant. As such, Claimant did not provide information that led to the successful enforcement of the Covered Action within the meaning of Section 21F(b)(1) of the Exchange Act and Rules 21F-3(a)(3) and 21F-4(c) thereunder because the information provided by Claimant did not: (1) cause the Commission to (i) commence an examination, (ii) open or reopen an investigation, or (iii) inquire into different conduct as part of a current Commission examination or investigation under Rule 21F-4(c)(1) of the Exchange Act; or (2) significantly contribute to the success of a Commission judicial or administrative enforcement action under Rule 21F-4(c)(2) of the Exchange Act.

C. Claimant’s Response to the Preliminary Summary Disposition

Claimant submitted a timely written response contesting the Preliminary Summary Disposition. In contesting the Preliminary Summary Disposition, Claimant stated the following in an email sent to OWB on Redacted the same day that the Preliminary Summary Disposition was issued: “I would like to have the commissioner review , and or appeal . I was in touch through several reporting on submitting details through the complaint form wb40. Please I would like review on determining the order. .and more details [sic].”

In a response email to Claimant, OWB confirmed receipt of Claimant’s email and informed Claimant that if Claimant “wish[ed] to reply to the Preliminary Summary Disposition,

you may do so by submitting a single written response to OWB setting forth the grounds for your objection to the denial of your claim. Please see the cover letter we sent to you by email on ^{Redacted} for further information.”³ Claimant subsequently emailed OWB asking where to send such a reply to the Preliminary Summary Disposition. OWB informed Claimant that Claimant could submit a reply to OWB by email. Subsequently, Claimant did not submit any reply to OWB; as such, Claimant’s sole response to the Preliminary Summary Disposition was Claimant’s email, dated ^{Redacted} to OWB.

II. Analysis

To qualify for a whistleblower award under Section 21F of the Exchange Act, an individual must voluntarily provide the Commission with original information that leads to the successful enforcement of a covered action.⁴ Under Rules 21F-4(c)(1) and (2), respectively, the Commission will consider a claimant to have provided original information that led to the successful enforcement of a covered action if either: (1) the original information caused the staff to open an investigation “or to inquire concerning different conduct as part of a current . . . investigation” and the Commission brought a successful action based in whole or in part on conduct that was the subject of the original information;⁵ or (2) the conduct was already under examination or investigation, and the original information “significantly contributed to the success of the action.”⁶

Staff executed a declaration discussing the Investigation and Covered Action (“Declaration”). The Declaration, which we credit, confirms under penalty of perjury that Staff did not receive or review any information provided by Claimant before or during the Investigation. According to the Declaration, Staff also did not communicate with Claimant before or during the Investigation. The Declaration stated that overall, Claimant did not provide any information that opened, was used in, advanced, or impacted the Investigation. Furthermore, Claimant did not provide any information that was used in, advanced, or impacted the Covered Action.

We therefore conclude that Claimant is not eligible for an award under Rule 21F-4(c)(1) or Rule 21F-4(c)(2).

³ The cover letter OWB sent to Claimant stated, among other things, that if Claimant wished to reply to the Preliminary Summary Disposition, Claimant “may do so by submitting a single written response to OWB setting forth the grounds for your objection to the denial of your claim.”

⁴ Exchange Act Section 21F(b)(1), 15 U.S.C. § 78u-6(b)(1).

⁵ See Exchange Act Rule 21F-4(c)(1); 17 C.F.R. § 240.21F-4(c)(1).

⁶ See Exchange Act Rule 21F-4(c)(2), 17 C.F.R. § 240.21F-4(c)(2).

III. Conclusion

Accordingly, it is hereby ORDERED that the whistleblower award application of Claimant for the Covered Action be, and it hereby is, denied.

By the Commission.

Vanessa A. Countryman
Secretary