

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 102901 / April 22, 2025

WHISTLEBLOWER AWARD PROCEEDING
File No. 2025-26

In the Matter of the Claims for Award

in connection with

Redacted

Notice of Covered Action Redacted

ORDER DETERMINING WHISTLEBLOWER AWARD CLAIMS

The Claims Review Staff (“CRS”) approved Preliminary Determinations in connection with Redacted (“Covered Action”) recommending that: (1) Redacted (“Claimant 2”); (2) Redacted (“Claimant 3”); (3) Redacted (“Claimant 4”); (4) Redacted (“Claimant 5”); (5) joint claimants Redacted (“Claimant 6”), Redacted (“Claimant 7”), and Redacted (“Claimant 8”); and (6) joint claimants Redacted (“Claimant 9”) and Redacted (“Claimant 10”) (collectively, “Claimants”) all be denied whistleblower awards for the Covered Action. Claimants submitted timely responses contesting the preliminary denials.¹

After a review of the responses to the Preliminary Determinations, a declaration (“Declaration”) of one of the Division of Enforcement (“Enforcement”) attorneys who was assigned to the investigation that led to the Covered Action (“Investigation”) and a supplemental declaration (“Supplemental Declaration”) of the Enforcement attorney, the CRS maintained the

¹ See Exchange Act Rule 21F-10(e); 17 C.F.R. § 240.21F-10(e). A preliminary denial was also issued to one other claimant in connection with the Covered Action. However, this individual did not contest the preliminary denial of his/her claim and, as such, the Preliminary Determinations with respect to this claimant’s award claim became the Final Order of the Commission through operation of Exchange Act Rule 21F-10(f), 17 C.F.R. § 240.21F-10(f).

same recommendation to deny the award claims of Claimant 2, Claimant 3, Claimant 4, Claimant 5, Claimant 6, Claimant 7, Claimant 8, Claimant 9, and Claimant 10.

For the reasons discussed below, the recommendations of the CRS are adopted. Accordingly, the award applications of Claimants are all denied.

I. Background

A. The Covered Action

On Redacted the Commission Redacted
Redacted (“Respondent”), Redacted
Redacted The Covered Action found that Redacted
Redacted (“Company”) based in *** (“Location A”) Redacted
and Redacted engaged in Redacted
Redacted in Location A. Redacted
Redacted
Redacted
Redacted The participants Redacted included certain Redacted
Redacted within the Company.

The misconduct was Redacted
Redacted
Redacted
Redacted
Redacted
Redacted Throughout the period of ***
Redacted in Location A, Respondent Redacted
Redacted The
Covered Action stated that Redacted
Redacted
Redacted The Covered Action, however, did not identify
Redacted

Among other relief, Respondent agreed to pay a Redacted civil money penalty to settle
charges that it Redacted
Redacted when the Company Redacted
Redacted The Redacted monetary sanctions has been collected in full.

On ^{Redacted} the Office of the Whistleblower (“OWB”) posted a Notice of Covered Action on the Commission’s public website inviting claimants to submit whistleblower award applications within 90 days.² Claimants submitted timely whistleblower award claims.

B. The Preliminary Determinations

On ^{Redacted} the CRS issued Preliminary Determinations³ recommending that Claimants’ claims be denied for two reasons.

First, Claimants 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) promulgated thereunder. According to the Preliminary Determinations, the Investigation was opened as a result of ^{Redacted} sweep that Enforcement staff (“Staff”) commenced in ^{Redacted} (“Sweep”)⁴. One of the companies that was part of the Sweep was Respondent. Staff began investigating Respondent prior to receiving any information from Claimants. While Staff received information provided by Claimants during the Investigation, Claimants’ information was either already known to Staff or did not otherwise become part of the Covered Action.

Second, the CRS preliminarily determined that Claimants did not provide “original 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)(2) and 21F-4(b) promulgated thereunder because Claimants’ information was already known to the Commission. According to the Preliminary Determinations, because Claimants submitted their information after the Sweep had opened and/or after the Investigation had opened, much of Claimants’ information was duplicative of information Staff had already received and identified.

C. Claimants’ Responses to the Preliminary Determinations

Claimants submitted timely written responses contesting the Preliminary Determinations.⁵

² See Exchange Act Rule 21F-10(a), 17 C.F.R. § 240.21F-10(a).

³ See Exchange Act Rule 21F-10(d), 17 C.F.R. § 240.21F-10(d).

⁴ The Sweep, which was commenced in ^{Redacted} was opened prior to the enactment of the Dodd–Frank Wall Street Reform and Consumer Protection Act.

⁵ See Exchange Act Rule 21F-10(e), 17 C.F.R. § 240.21F-10(e).

1. Claimant 2's Response to the Preliminary Determinations

First, Claimant 2 primarily alleges that the Preliminary Determinations did not identify all events that contributed to the Commission's decision to open the Investigation. Claimant 2 argues that instead, the Preliminary Determinations and the Declaration erred by focusing on what caused the Commission to *commence the Sweep* rather than on what caused the Commission to *open the Investigation*. Claimant 2 asserts it was his/her information that caused the Commission to open the Investigation and that he/she is eligible for an award under Rule 21F-4(c)(3) because Claimant 2 sent anonymous emails to Respondent reporting potential ^{Redacted} ^{Redacted} in Location A and reported the same information to the Commission within 120 days.

Second, Claimant 2 argues that the Preliminary Determinations and Declaration erred in stating that the Commission already knew Claimant 2's information before he/she submitted his/her information to the Commission in ^{Redacted}. Claimant 2 contends that if the Commission truly knew about Respondent's ^{Redacted} before ^{Redacted} ^{***} it does not make sense for the Commission to have done nothing with such evidence for years before opening the Investigation in ^{Redacted}.

Third, Claimant 2 argues that the CRS erred in its analysis of Rule 21F-4(c) in several respects. With respect to Rule 21F-4(c)(1), Claimant 2 argues that the CRS did not properly analyze whether the Covered Action was based on conduct that was the subject of Claimant 2's information. With respect to Rule 21F-4(c)(2), Claimant 2 argues that the Preliminary Determinations wrongly stated that he/she did not significantly contribute to the success of the Covered Action. Claimant 2 further argues that the CRS erred in ignoring Rule 21F-4(c)(3).

Fourth, Claimant 2 states that Rules 21F-4(c)(1), (c)(2), and (c)(3) are not the only ways for a claimant to satisfy the "led to" standard under the whistleblower program rules ("Rules"). Claimant 2 argues that the CRS erred in failing to analyze and then find that his/her circumstances satisfied Congress's "led to" standard by alternative circumstances not specified in Rule 21F-4(c).

Fifth, Claimant 2 alleges that the Preliminary Determinations and the Declaration ignored the materials he/she submitted in support of his/her whistleblower award application. Claimant 2 asserts that the Commission must analyze the entirety of his/her whistleblower award application, the Commission's Investigation background materials, and Staff emails related to the Investigation in deciding his/her claim.

Sixth, Claimant 2 has requested that Staff prepare a supplemental declaration that addresses specific facts related to his/her information and the Investigation.⁶

Finally, Claimant 2 argues that he/she has made Freedom of Information Act (“FOIA”) requests in his/her request for reconsideration. Claimant 2 asks that the Commission consider certain documents (including third-party communications concerning his/her information as well as internal investigative files related to the Investigation) as part of the record.

2. Claimant 3’s, Claimant 4’s, Claimant 5’s, Claimant 9’s and Claimant 10’s Responses to the Preliminary Determinations

Claimant 3, Claimant 4, Claimant 5, and Claimant 9, and Claimant 10 submitted information to the Commission that concerned ^{Redacted} outside of Location A. These claimants submitted their tips to the Commission after the Investigation was opened. Their tips focused on ^{Redacted} (“Other Locations”).

In their requests for reconsideration, these claimants state that they internally reported to Respondent specific instances of ^{Redacted} in the Other Locations. They allege that their information “led to” Respondent launching internal investigations into wrongdoing in the Other Locations. They assert that Respondent provided the Commission with the results of the internal investigations. Such results purportedly included instances of Respondent’s ^{***} ^{Redacted} and remediation of that improper conduct in at least certain of the Other Locations, including the implementation of remedial measures with respect to Respondent’s business in ^{***} (“Location B”). In support of their assertions, they cite to email correspondence that they sent to and received from Respondent. They also cite to the Covered Action, which stated that Respondent ^{Redacted} ^{Redacted}

These claimants believe that they should receive awards for the Covered Action under Rule 21F-4(c)(3) due to their internal reporting to Respondent. They allege that the purported improper conduct that Respondent found in response to their allegations provided the factual basis (or at least part of the factual basis) of paragraph ^{***} of the Covered Action. That

⁶ According to Claimant 2, such specific facts must include when and how Staff learned the following information, which Claimant 2 contends was originally set forth in Claimant 2’s initial tip to the Commission in ^{Redacted} (1) details about the Company’s ^{Redacted} (2) details about the Company’s ^{Redacted} and (3) details about how Respondent ^{Redacted}. Claimant 2 states that the supplemental declaration must also include similar specifics regarding information contained in Claimant 2’s other 11 submissions to the Commission as well as information in articles published by ^{Redacted} (“Newspaper”) in ^{Redacted} for which Claimant 2 alleges to have served as a source.

paragraph stated:

Redacted

Redacted

Redacted

These claimants allege that this statement indicates that the Commission charged Respondent with misconduct ^{Redacted} outside of Location A.

These claimants also take issue with certain statements made in the Preliminary Determinations and the Declaration. For instance, they contend that the statements that the Commission already knew much of their information before they even reported the information to Respondent is unsupported by the record and does not make sense. They also complain that certain terms in the Declaration, including “information” and “charges” are vague and need to be more fully defined. They request that Staff prepare a supplemental declaration that clarifies whether paragraph ^{***} of the Covered Action is specifically included in the definition of “charges” and whether the Other Locations were part of ^{Redacted} _{Redacted}

Claimant 3, Claimant 4, Claimant 5, and Claimant 9, and Claimant 10 assert that Staff’s supplemental declaration should address all outstanding factual issues.⁷ They also request a list of all of the things that Respondent was remediating in its Location B business. They request that Staff’s supplemental declaration be sent to them before the Commission issues a final order regarding the disposition of their claims so that they have a meaningful opportunity to address the new factual landscape.

Finally, these claimants allege that they never received responses to purported FOIA requests submitted as part of their whistleblower award applications. They ask that the Commission consider documents, including third-party communications concerning their information as well as internal investigative files related to the Investigation as part of the record.

These claimants acknowledge that if their information about ^{Redacted} outside of Location A did not form part of the Covered Action and none of the Covered Action’s charges related ^{Redacted} outside of Location A, then the Preliminary Determinations properly denied their claims for award.

⁷ Claimant 3, Claimant 4, Claimant 5, and Claimant 9, and Claimant 10 request that the supplemental declaration attest to four purported missing facts: (1) the dates of all of Respondent’s briefings to the Commission regarding its internal investigations related to the Other Locations; (2) the fact that Staff was present during the briefings with respect to the Other Locations on all such dates; (3) the fact that Staff reviewed all reports, writings, presentations, or emails from Respondent about Respondent’s findings related to the internal investigations; and (4) the fact that there were no references to “improper conduct” (or what could reasonably be viewed as “improper conduct”) in the Other Locations by Respondent, its agents, or its partners in any of the briefings, reports, writings, presentations, or emails that Respondent gave to the Commission regarding its findings related to the internal investigations.

3. Claimant 6's, Claimant 7's and Claimant 8's Response to the Preliminary Determinations

The tip submitted by Claimant 6, Claimant 7, and Claimant 8 (collectively, "Claimants 6–8") was filed with the Commission after the Investigation was opened. Claimants 6–8 also submitted supplemental information related to the tip. Their information included allegations that Respondent had engaged in ^{Redacted} in Location A to ^{Redacted} ^{Redacted}

In their request for reconsideration, Claimants 6–8 argue that the record they received in connection with the Preliminary Determinations was limited and was insufficient to allow them to properly evaluate why their claim for award was denied. They complain that the copy of the Declaration they received was heavily redacted, conclusory, and contradictory. They also assert that it is problematic that the Declaration was dated one day after the Preliminary Determinations were issued.

Further, Claimants 6–8 allege that although the Declaration stated that Staff reviewed their tip, the Declaration did not identify the date that Staff reviewed the tip. They note that the Declaration stated that Staff had the relevant information dating back to ^{***} even though the Investigation did not actually commence until ^{***}. They also complain that the Declaration did not indicate whether Staff ^{Redacted}. They request that they be provided with an unredacted copy of the Declaration and also the Commission's investigative file related to the Investigation.

In all, Claimants 6–8 allege that they did not receive a reviewable record. They allege that the material they did receive failed to demonstrate why they did not provide information that advanced the Covered Action. They argue that while they provided the Commission with information that later appeared in the Covered Action, their information should have led to additional charges that did not appear in the Covered Action.

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.⁸ 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

⁸ Exchange Act Section 21F(b)(1), 15 U.S.C. § 78u-6(b)(1).

conduct that was the subject of the original information;⁹ or (2) the conduct was already under examination or investigation, and the original information “significantly contributed to the success of the action.”¹⁰

In determining whether the information “significantly contributed” to the success of the action, the Commission will consider whether the information was “meaningful” in that it “made a substantial and important contribution” to the success of the covered action.¹¹ For example, the Commission will consider a claimant’s information to have significantly contributed to the success of an enforcement action if it allowed the Commission to bring the action in significantly less time or with significantly fewer resources, or to bring additional successful claims or successful claims against additional individuals or entities.¹²

A whistleblower will also be deemed to have provided original information that led to the successful enforcement of a covered action if the whistleblower meets all the criteria of Rule 21F-4(c)(3), which requires the following to be established:

- (1) the whistleblower 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 the whistleblower reported them to the Commission;
- (2) the entity later provided the information to the Commission or provided results of an audit or investigation initiated in whole or in part in response to information the whistleblower reported to the entity;
- (3) the information the entity provided to the Commission satisfies either paragraph (c)(1) or (c)(2) of Rule 21F-4; and
- (4) the whistleblower submitted the same information to the Commission in accordance with the procedures set forth in Rule 21F-9 within 120 days of providing it to the entity.¹³

⁹ See Exchange Act Rule 21F-4(c)(1); 17 C.F.R. § 240.21F-4(c)(1).

¹⁰ See Exchange Act Rule 21F-4(c)(2), 17 C.F.R. § 240.21F-4(c)(2).

¹¹ *Order Determining Whistleblower Award Claims*, Exchange Act Rel. No. 90922 at 4 (Jan. 14, 2021); see also *Order Determining Whistleblower Award Claims*, Exchange Act Rel. No. 85412 at 9 (Mar. 26, 2019).

¹² Exchange Act Rel. No. 85412 at 8–9.

¹³ Exchange Act Rule 21F-4(c)(3), 17 C.F.R. § 240.21F-4(c)(3).

A. Claimant 2

Claimant 2 does not qualify for an award. Claimant 2's information did not lead to the success of the Covered Action. Claimant 2 did not provide any information that was used in, advanced, or impacted the Investigation or the Covered Action. In all, Claimant 2's information did not open the Investigation, did not cause Staff to inquire into different conduct, and did not significantly contribute to the Investigation or the Covered Action. Although Staff communicated with Claimant 2, and Claimant 2 made himself/herself available for an interview with Staff, the information that Claimant 2 provided was not helpful to Staff. Thus, Claimant 2 fails to satisfy Rules 21F-4(c)(1) and (c)(2).

Claimant 2 argues that he/she satisfies Rule 21F-4(c)(3) and is entitled to an award because Claimant 2 internally reported misconduct to Respondent involving the Company in Location A. Claimant 2 also submitted tips to the Commission regarding the purported misconduct in Location A as well as Claimant 2's internal reporting to Respondent of the same. Claimant 2 asserts it was his/her information that caused the Commission to open the Investigation and that he/she is eligible for an award under Rule 21F-4(c)(3) because Claimant 2 sent anonymous emails to Respondent reporting potential ^{Redacted} in Location A and reported the same information to the Commission within 120 days.

Specifically, Claimant 2 alleges that after coming forward to the Commission, Claimant 2 decided to report the information Claimant 2 previously submitted to the Commission anonymously to Respondent in ^{Redacted}. Claimant 2 alleges that Respondent subsequently responded to him/her, informing him/her that it would conduct an investigation into the issues Claimant 2 raised. In ^{Redacted} Claimant 2 forwarded his/her correspondence with Respondent regarding his/her allegations to the Commission; Staff subsequently reviewed this correspondence. According to Claimant 2, he/she then provided his/her same information to the Newspaper, which subsequently published articles in ^{Redacted} regarding ^{Redacted} ^{Redacted} at Respondent. Claimant 2 asserts that in ^{Redacted} in Location A ^{Redacted}

Claimant 2 alleges that the authorities in Location A also were investigating many of the same allegations that Claimant 2 had made to the Commission and had internally reported to Respondent.

As explained by Staff in the Supplemental Declaration, in ^{Redacted} the Commission initiated the Sweep of ^{Redacted} including Respondent. As such, the Commission began investigating Respondent starting in ^{Redacted} when the Sweep commenced. In ^{Redacted} the Commission's investigation into Respondent was converted to a formal investigation to facilitate the management of the Commission's inquiry into Respondent separate and apart from the larger Sweep, which continued investigations of other

Redacted
Around this time, Staff learned that Redacted
Redacted these events also figured into the decision to convert to a formal investigation. The Commission's investigation into Respondent was not converted to a formal investigation in response to any information Claimant 2 provided directly to the Commission, in response to any information Claimant 2 provided to Respondent, or in response to any information that Respondent provided to the Commission related to Claimant 2 and his/her information.

Further, as confirmed by Staff in the Supplemental Declaration, the information contained in Claimant 2's internal report to Respondent in Redacted and in subsequent correspondence with Respondent that Claimant 2 forwarded to the Commission in Redacted was largely duplicative and known to Staff at the time it was provided. Consequently, such information had no effect on the Investigation or the resulting Covered Action. Additionally, no information that Claimant 2 provided directly to the Commission, no information that Claimant 2 provided to Respondent, and no information that Respondent provided to the Commission related to Claimant 2 and his/her information had any impact on the Investigation or Covered Action.

Staff had been investigating Respondent years before Claimant 2 internally reported any information to Respondent. In fact, from Redacted onwards, and as part of the Investigation, Staff received information about Respondent's operations in Location A from Respondent and other sources. As a result of its review of its operations in Location A, Respondent Redacted
Redacted
Redacted

Redacted Respondent thus was actively providing information to Staff about its operations in Location A as part of the Investigation years before Claimant 2 internally reported any information to Respondent beginning in Redacted Further, Claimant 2 had already reported the information he/she internally reported to Respondent in Redacted to the Commission, starting in Redacted such information was largely duplicative and known to Staff at the time it was provided. Thus, it is not accurate to state that Claimant 2's internal reporting to Respondent prompted Respondent to initiate an internal investigation, the results of which assisted Staff during the Investigation and in bringing the Covered Action. Staff is not aware of Respondent providing any information to Staff as a result of Claimant 2's internal reporting that was useful to the Investigation or the Covered Action.

As to Claimant 2's FOIA request regarding documents (including third-party communications concerning Claimant 2's information as well as internal investigative files related to the Investigation), such a request is beyond the scope of this whistleblower proceeding. We decline Claimant 2's request that the Commission consider such documents as part of the record for the whistleblower proceeding, as such a request is inconsistent with Rule 21F-12(a),

which specifies the materials that the Commission may consider in making an award determination.¹⁴

Finally, Claimant 2's other arguments are unavailing. Claimant 2's assertions that Rules 21F-4(c)(1), (c)(2), and (c)(3) are not the only ways for a claimant to satisfy the "led to" standard and that there are alternative circumstances through which Congress's "led to" standard can be satisfied are not supported by the Rules. We have previously discussed these matters in great detail.¹⁵ In short, as we have previously explained, Rule 21F-4(c) provides the only mechanisms by which a claimant can satisfy the "led to" requirement. If (as is the case here) a claimant does not fall within any of the three circumstances identified in Rule 21F-4(c), then the claimant is not entitled to an award. Although Rule 21F-4(c) does not expressly state that the three components are the only way to establish "led to," it has been the Commission's consistent practice for more than a decade to apply the rule in this manner.¹⁶ When the Commission has considered whether a claimant provided information that "led to" a successful covered action, the Commission has looked only to the definition in Rule 21F-4(c). Thus, and for the other reasons explicitly set forth in the August 2020 Final Order, there is no basis to expand the "led to" requirement beyond the three standards specified in Rule 21F-4(c).

Based on the information contained in the Declaration and the Supplemental Declaration—which we credit and which we find to be sufficient evidence upon which to make award determination findings—it is clear that there is no basis to grant Claimant 2 a whistleblower award for the Covered Action. Overall, none of Claimant's information advanced or impacted the Investigation or the Covered Action in any way, and Claimant 2's information

¹⁴ We have appropriately considered all materials contemplated by the Rules in reaching our conclusion to deny an award to Claimant 2. The Rules state that the record upon which an award determination is made shall consist of sworn declarations provided by the relevant Commission staff, in addition to the publicly available materials related to the Covered Action, the claimant's tip, the claimant's award application, and any other materials timely submitted by the claimant in response to the Preliminary Determination. *See* Exchange Act Rule 21F-12(a), 17 C.F.R. § 240.21F-12(a). There is no basis to disregard Rule 21F-12(a) and expand the record to include any of the additional documents requested by Claimant 2. *See* Exchange Act Rule 21F-12(b), 17 C.F.R. § 240.21F-12(b) ("These rules do not entitle claimants to obtain from the Commission any materials (including any pre-decisional or internal deliberative process materials that are prepared exclusively to assist the Commission in deciding the claim) other than those listed in paragraph (a) of this section [i.e., Rule 21F 12(a)]." Additionally, we note that FOIA requests must be submitted to the Commission's Office of FOIA Services (OFS), the centralized unit that handles all FOIA requests for the Commission and whose website provides procedures on submitting requests directly to OFS. *See Order Determining Whistleblower Award Claim*, Exchange Act Rel. No. 95714 (Sept. 9, 2022).

¹⁵ *See Order Determining Whistleblower Award Claim*, Exchange Act Rel. No. 89551, 5–7 (Aug. 13, 2020) ("August 2020 Final Order").

¹⁶ *See, e.g., In the Matter of the Claims for Award*, 2018 WL 1378788, at *4 (March 19, 2018) (declining to adopt a "more flexible" understanding of "led to" than is provided for in Rule 21F-4(c) and explaining that "the 'led to' requirement was carefully tailored as part of the Commission's promulgation of the whistleblower program rules to provide a uniform standard that would apply to all claimants and thus we do not believe that adopting a more relaxed standard for this matter would be appropriate.").

was not helpful to the Investigation or the Covered Action. Accordingly, Claimant 2 is not eligible for an award.

B. Claimant 3, Claimant 4, Claimant 5, Claimant 9, and Claimant 10

Claimant 3, Claimant 4, Claimant 5, Claimant 9, and Claimant 10 do not qualify for awards. These claimants' information did not lead to the success of the Covered Action. They did not provide any information that was used in, advanced, or impacted the Investigation or the Covered Action. In all, their information did not open the Investigation, did not cause Staff to inquire into different conduct, and did not significantly contribute to the Investigation or the Covered Action. Further, Staff did not communicate with any of these claimants. Thus, these claimants fail to satisfy Rules 21F-4(c)(1) and (c)(2).

These claimants argue that they satisfy Rule 21F-4(c)(3) and are entitled to awards because they internally reported misconduct to Respondent that purportedly transpired in the following Other Locations: Location B (Claimant 3); ^{Redacted} (Claimant 4); ^{***} (Claimant 5); and ^{Redacted} (Claimant 9 and Claimant 10). These claimants also submitted tips to the Commission regarding the purported misconduct in the Other Locations as well as their internal reporting to Respondent of the same. However, the Investigation was not opened in response to any allegations of misconduct that transpired in any of the Other Locations. Instead, as confirmed by Staff, the Commission initiated the Sweep in ^{Redacted} and one of the companies included in the Sweep was Respondent. As such, the Commission began investigating Respondent starting in ^{Redacted} when the Sweep commenced. In ^{Redacted} the Commission's investigation into Respondent was converted to a formal investigation.

Claimant 3, Claimant 4, Claimant 5, Claimant 9, and Claimant 10 reported their allegations internally and submitted their tips to the Commission well after the Sweep commenced in ^{Redacted} and even after the conversion of the inquiry into Respondent to a formal investigation in ^{Redacted}. In fact, Claimant 3 reported internally in ^{Redacted} and first submitted a tip to the Commission in ^{Redacted}. Claimant 4 reported internally in ^{Redacted} and first submitted a tip to the Commission in ^{Redacted}. Claimant 5 reported internally in ^{Redacted} and first submitted a tip to the Commission in ^{Redacted}. Finally, Claimant 9 and Claimant 10 reported internally in ^{Redacted} and first submitted a tip to the Commission in ^{Redacted}.

Notably, the Covered Action did not contain any findings related to conduct in any of Other Locations. The Covered Action also did not contain any charges relating to conduct in the Other Locations. Instead, the Covered Action related solely to conduct that took place ^{Redacted} ^{Redacted} involving ^{Redacted} the Company and ^{Redacted} based in Location A. Such ^{Redacted}

Redacted

Redacted

in Location A.

The Supplemental Declaration confirms that the Covered Action was a case about misconduct in Location A. No alleged conduct in any of the Other Locations was part of the Commission’s settlement discussions with Respondent or the resolution of the Covered Action. Further, the reference to Redacted in paragraph *** of the Covered Action was merely an observation by the Commission that Redacted were not limited to Location A. Conduct Redacted outside of Location A did not alter the findings or outcome of the Covered Action.

Claimant 3 alleges that after he/she reported his/her information internally beginning in Redacted Respondent informed him/her that it would investigate his/her allegations. Claimant 3 states that Redacted after Claimant 3 internally reported his/her information, Respondent sent Claimant 3 a follow-up email in Redacted. According to Claimant 3, in that email, Respondent informed Claimant 3 that Respondent had Redacted Claimant 3 previously raised. According to Claimant 3, Respondent stated *** remedial measures have begun to be implemented by the [Respondent] Redacted in [Location B]” Redacted

Claimant 3 argues that these representations indicate that Respondent found improper conduct in Location B, as companies do not remediate proper conduct.

Even if Respondent made statements to Claimant 3 via email in Redacted about new remedial measures in Location B, such statements do not entitle Claimant 3 to an award for the Covered Action. There is insufficient evidence to show that any information relating to Location B was helpful to the Staff during the Investigation or in bringing the Covered Action. Additionally, the Commission brought the Covered Action for conduct that transpired in Location A Redacted the Company and Redacted based in Location A. The Covered Action contained no references to any Redacted outside of Location A in the entirety of the order. The Covered Action did not reference Location B, any of the Other Locations, or any Respondent Redacted Redacted

Thus, the record does not support a finding that any of Claimant 3’s, Claimant 4’s, Claimant 5’s, Claimant 9’s, or Claimant 10’s information led to the success of the Covered Action within the meaning of Rule 21F-4(c)(3).

As to Claimant 3's, Claimant 4's, Claimant 5's, Claimant 9's, and Claimant 10's complaints that they never received responses to FOIA requests submitted as part of their whistleblower award applications, those requests are beyond the scope of this whistleblower proceeding. These claimants also request that the Commission consider the previously requested documents (including third-party communications concerning their information as well as internal investigative files related to the Investigation) as part of the record for the whistleblower proceeding. We decline these requests, as they are inconsistent with Rule 21F-12(a), which specifies the materials that the Commission may consider in making an award determination.¹⁷

Finally, Claimant 3's, Claimant 4's, Claimant 5's, Claimant 9's, and Claimant 10's other arguments are unavailing.¹⁸

Based on the information contained in the Declaration and the Supplemental Declaration—which we credit and which we find to be sufficient evidence upon which to make award determination findings—it is clear that there is no basis to grant these claimants any whistleblower awards for the Covered Action. Overall, none of Claimant 3's, Claimant 4's, Claimant 5's, Claimant 9's, and Claimant 10's information advanced or impacted the Investigation or the Covered Action in any way, and their information was not helpful to the Investigation or the Covered Action. Accordingly, these claimants are not eligible for awards.

C. Claimant 6, Claimant 7, and Claimant 8

Claimants 6–8 do not qualify for a joint award. The record demonstrates that the Investigation was opened well before Claimants 6–8 submitted their information to the Commission. The record also demonstrates that Claimants 6–8's information did not cause Staff to inquire into different conduct as part of the Investigation or significantly contribute to the Investigation. According to the Declaration, although Claimants 6–8's information was relevant to the charges contained in the Covered Action, Staff had already obtained knowledge of such information before Claimants 6–8 submitted information to the Commission. In all, Claimants 6–8's information did not open the Investigation, did not cause Staff to inquire into different conduct, and did not significantly contribute to the Investigation or the success of the Covered Action. Further, Staff did not communicate with Claimants 6–8. Thus, Claimants 6–8 fail to satisfy Rules 21F-4(c)(1) and (c)(2). Claimants 6–8 are also not eligible for an award under Rule

¹⁷ See *supra* note 14.

¹⁸ There is no basis to send Claimant 3, Claimant 4, Claimant 5, Claimant 9, and Claimant 10 copies of the Supplemental Declaration before this Final Order has been issued. The Rules do not contemplate such a practice, and Claimant 3, Claimant 4, Claimant 5, Claimant 9, and Claimant 10 will receive copies of the Supplemental Declaration (in redacted form, to protect the confidentiality of other claimants) after this final order has been issued, consistent with the Rules.

21F-4(c)(3), as there is no evidence in the record that they internally reported to Respondent, and they make no argument that they should receive a joint award under Rule 21F-4(c)(3).

None of Claimants 6–8’s arguments alter these conclusions. The Declaration confirms that Claimants 6–8’s information was not helpful to Staff in settlement negotiations and that Claimants 6–8’s information was duplicative of information the Commission already had. Claimants 6–8’s assertion that the record does not support these conclusions is belied by the text of the Declaration, which we credit. The copy of the Declaration that Claimants 6–8 received was redacted—pursuant to the Commission’s statutory obligation—to protect the confidentiality of other claimants who submitted whistleblower award claims. Thus, there is no validity to Claimants 6–8’s complaint that the redacted Declaration somehow was improper and that Claimants 6–8 should receive an unredacted copy of the Declaration. There is also no basis to provide Claimants 6–8 with the Commission’s investigative file related to the Investigation. Claimants 6–8 have received all materials they are entitled to under the Rules, and they are not entitled to any extra-record materials.¹⁹ Claimants 6–8’s other complaints are all unavailing.²⁰

Based on the information contained in the Declaration and the Supplemental Declaration—which we credit and which we find to be sufficient evidence upon which to make award determination findings—it is clear that there is no basis to grant these claimants any whistleblower award for the Covered Action. Overall, none of Claimants 6–8’s information advanced or impacted the Investigation or the Covered Action in any way, and their information was not helpful to the Investigation or the Covered Action. Accordingly, these claimants are not eligible for an award.

¹⁹ See *supra* note 14.

²⁰ Claimants 6–8 allege that the CRS acted improperly by relying upon a staff declaration that was signed after issuance of the Preliminary Determinations. The unsigned and signed versions of the declaration are identical except for the signature such that the information relied upon by the CRS in its Preliminary Determinations was not affected by the signature being affixed after the CRS met to approve the Preliminary Determinations. See *Order Determining Whistleblower Award Claims*, Exchange Act Release No. 96669 at 5 n.13 (Jan. 17, 2023); *Order Determining Whistleblower Award Claims*, Exchange Act Release No. 94743 at 2 n.6 (Apr. 18, 2022). Additionally, Claimants 6–8’s unfounded allegation that the Commission did not review Claimants 6–8’s information is belied by the Declaration and the Supplemental Declaration, which confirm that Staff reviewed Claimants 6–8’s information but did not find it helpful. Claimants 6–8’s other allegations and arguments—including that the Declaration did not identify the date that Staff reviewed their tip and that the Declaration did not say Redacted—are inapposite. Even if such alleged factual omissions were addressed in a declaration, such hypothetical new facts would not prove that Claimants 6–8’s information was helpful to Staff, the Investigation, or the Covered Action. Further, even if such facts were addressed in a declaration, that would not change the fact that the Declaration and Supplemental Declaration both confirm that Staff did not utilize Claimants 6–8’s information. Finally, Claimants 6–8’s allegation that the Covered Action should have included additional charges based on Claimants 6–8’s information is not relevant to Claimants 6–8’s eligibility to receive an award. The standard for award eligibility is not what staff would have or could have done in hypothetical circumstances but, rather, what impact the claimant’s information actually had on an investigation. In this case, the record does not support any finding that Claimants 6–8’s information contributed to the Investigation or Covered Action.

III. Conclusion

Accordingly, it is hereby ORDERED that the whistleblower award applications of Claimant 2, Claimant 3, Claimant 4, Claimant 5, Claimant 6, Claimant 7, Claimant 8, Claimant 9, and Claimant 10 for the Covered Action be, and they hereby are, denied.

By the Commission.

Vanessa A. Countryman
Secretary