

UNITED STATES OF AMERICA

Before the

SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934

Release No. 103202 / June 6, 2025

WHISTLEBLOWER AWARD PROCEEDING

File No. 2025-34

In the Matter of the Claims for an Award

in connection with

Redacted

Redacted

Notice of Covered Action Redacted

ORDER DETERMINING WHISTLEBLOWER AWARD CLAIMS

The Office of the Whistleblower (“OWB”) issued a Preliminary Summary Disposition (“PSD”) recommending the denial of the whistleblower award claims submitted by Redacted
Redacted (“Joint Claimants”), Redacted (“Claimant 2”) and Redacted (“Claimant 3”) (collectively “Claimants”) in connection with the above-referenced covered action (the “Covered Action”). Claimants filed timely responses contesting the preliminary denial. For the reasons discussed below, Claimants’ award claims are denied.

I. Background

A. The Covered Action

On Redacted the Commission announced settled charges against Redacted (“Company”) for failing to file at least Redacted in a timely manner Redacted between Redacted Redacted. According to the Commission’s order, due to the Company’s Redacted Redacted.

Redacted . The Company was ordered to pay more than \$1 million.

The OWB posted the Notice for the Covered Action on the Commission’s public website inviting claimants to submit whistleblower award applications. Claimants submitted timely award

applications.

B. The Preliminary Summary Disposition

The OWB issued a PSD recommending that Claimants' claims be denied because Claimants' information did not lead to the success of the Covered Action within the meaning of Section 21F(b)(1) of the Securities Exchange Act of 1934 ("Exchange Act") and Rules 21F-3(a)(3) and 21F-4(c) thereunder.

The PSD provided the following reasons for the denial: (1) the investigation that led to the Covered Action was opened in ^{Redacted} based upon a referral ("Referral") from the ^{Redacted} ("Other Authority"), and not based upon any information provided by Claimants; (2) while investigative staff responsible for the Covered Action received a tip and unsolicited anonymous emails from Claimant 2, none of the information provided by Claimant 2 contributed to the underlying investigation or Covered Action; (3) apart from receiving the tip and unsolicited anonymous emails, investigative staff responsible for the Covered Action did not have any communications with Claimant 2; and (4) investigative staff responsible for the Covered Action never received or reviewed any information from the Joint Claimants or Claimant 3 and had no communications with Joint Claimants or Claimant 3. As such, Claimants did not provide any information that was used in, or otherwise had any impact on, the investigation or resulting Covered Action.

C. Claimants' Responses to the Preliminary Summary Disposition

Claimants submitted timely written responses contesting the PSD.¹

^{Redacted} Joint Claimants' reconsideration request makes the following principal arguments: (1) their TCR may have contributed to the Other Authority's Referral to the Commission; (2) their internal reporting to various Company employees in ^{Redacted} may have contributed to the Covered Action; (3) their reporting to the ^{Redacted} in *** could have "led to" the success of the Covered Action; and (4) if Enforcement staff did not review their TCR then the Commission's process for reviewing and triaging TCRs must be defective.

Claimant 2 principally argues that he/she provided information to the Other Authority and had communications with a staff member from the Other Authority and contends that the Referral to the Commission was based on his/her information. Claimant 2 argues that he/she sent a TCR to the Commission on ^{Redacted}, to the Other Authority on ^{Redacted}, and to the Other Authority again on ^{Redacted}, after which he/she and the Other Authority staff entered into a back-and-forth emailed communication. Claimant 2 complains that the Enforcement staff declaration,

¹ See Exchange Act Rule 21F-18(b)(3).

which states that in connection with the Referral, the Other Authority made no reference to whistleblower claims or any other source outside of the Other Authority’s identification of Redacted
Redacted, does not definitively rule out the possibility that his/her information was used in connection with the Referral.

Claimant 3 principally argues that he/she uncovered “new evidence” related to “fraud, theft and possible money laundering” at the Company. Because individuals made unauthorized withdrawals from his/her account, he/she submitted a complaint to the Other Authority about this misconduct on Redacted
Redacted,² which would have been after the filing of the Covered Action on Redacted.

II. Analysis

To qualify for an award under Section 21F of the Exchange Act, a whistleblower must voluntarily provide the Commission with original information that leads to the successful enforcement of a covered action.³ As relevant here, original information will be deemed to lead to a successful enforcement action if either: (i) 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;⁴ or (ii) the conduct was already under investigation, and the original information “significantly contributed to the success of the action.”⁵

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.⁶ 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.⁷

² While Claimant 3’s response states that he/she made a complaint to the Other Authority on Redacted, he/she attaches a letter to the Other Authority dated Redacted.

³ Exchange Act Section 21F(b)(1), 15 U.S.C. § 78u-6(b)(1).

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

⁵ See Exchange Act Rule 21-F-4(c)(2), 17 C.F.R. § 240.21F-4(c)(2).

⁶ Order Determining Whistleblower Award Claims, Release No. 90922 (Jan. 14, 2021) at 4; *see also* Order Determining Whistleblower Award Claims, Release No. 85412 (Mar. 26, 2019) at 9 (same).

⁷ Release No. 85412 at 8-9.

Additionally, under Rule 21F-4(c)(3), a claimant satisfies the “led to” requirement if he/she “provided 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 [he/she] reported them to the Commission; the entity later provided [the] information to the Commission, or provided the results of an audit or investigation initiated in whole or in part in response to information [the claimant] reported to the entity; and the information the entity provided to the Commission satisfies either paragraph (c)(1) or (c)(2) of this section” and the claimant submits “the same information to the Commission in accordance with the procedures set forth in § 240.21F-9 within 120 days of providing it to the entity.”

The record supports the conclusion that Claimants’ information did not lead to the success of the Covered Action. According to a declaration provided by Enforcement staff responsible for the Covered Action, which we credit, the investigation was opened based on the Referral from the Other Authority, and not because of information provided by any of the Claimants. In addition, Claimant 3’s tip was submitted years after the investigation was opened.

Enforcement staff stated that Claimants’ information did not cause Enforcement staff responsible for the Covered Action to inquire into different conduct or significantly contribute to the ongoing investigation. Enforcement staff stated that they did not receive or review any information from Joint Claimants or Claimant 3. Enforcement staff further stated that in reviewing Claimants’ information in connection with their award claims, the information provided by Joint Claimants and Claimant 3 was unrelated to the conduct that gave rise to the charges included in the Covered Action.⁸ Enforcement staff also affirmed that while they received some information from Claimant 2 during the course of the investigation, the information was broad and speculative, and as such, did not contribute to the Covered Action. Enforcement staff had no communications with Joint Claimants, Claimant 2 or Claimant 3.

Turning to the arguments raised in the requests for reconsideration, each Claimant asserts he/she provided information to the Other Authority and/or that his/her information may have been used in connection with the Referral made by the Other Authority to the Commission which prompted the opening of the investigation. In response to these arguments, OWB obtained an additional declaration, which we credit, based on OWB staff’s communications with Other Authority staff. The Other Authority staff confirmed that the Referral was based on a *** cause exam, and Joint Claimants, Claimant 2 and Claimant 3 provided no information that contributed to the Referral or the cause exam. Because Claimant 2 used an anonymous email inbox when communicating with staff from the Other Authority, the Other Authority staff further confirmed that they received no information from that

⁸ That Joint Claimants’ TCR was unrelated to the conduct that gave rise to the charges included in the Covered Action belies Joint Claimants’ argument that their information was somehow overlooked or not properly reviewed by Commission staff.

anonymous email inbox that had any role in or was otherwise helpful to the Referral or the cause exam.

With respect to Joint Claimants' argument that they provided information to a ^{Redacted} in ^{***}, even assuming that information had been passed on to the Commission, such information could not have contributed to the Covered Action, which addressed misconduct that occurred more than five years later. Finally, Joint Claimants do not satisfy the "led to" requirement under Rule 21F-4(c)(3) through their internal reporting in ^{***} and ^{***} because, again, the Commission's case concerned the ^{Redacted} time period. As such, any information Joint Claimants reported internally in ^{***} and ^{***} could not have had any impact on the Covered Action, which addressed misconduct that occurred years later.

In short, Joint Claimants, Claimant 2, and Claimant 3 did not provide information that "led to" the success of the Covered Action.

III. Conclusion

Accordingly, it is hereby ORDERED that the whistleblower award applications of Joint Claimants, Claimant 2, and Claimant 3, in connection with the Covered Action be, and hereby are, denied.

By the Commission.

Vanessa A. Countryman
Secretary