

CFTC Releases FY 2023 Annual Report on its Whistleblower Program

Proskauer Whistleblower Defense on November 16, 2023

The Commodity Futures Trading Commission (“CFTC”) recently released its statutorily mandated [2023 Annual Report](#) detailing the status of its whistleblower program for the fiscal year ending on September 20, 2023.

The CFTC’s whistleblower program pays awards to eligible whistleblowers who voluntarily provide original information about violations of the Commodity Exchange Act (“the Act”) that leads either to a “covered judicial or administrative action” or a “related action.”

The Act also established the CFTC Customer Protection Fund (“the Fund”), which is used to pay whistleblower awards and to fund education initiatives designed to help customers protect themselves against fraud or other violations of the Act.

Whistleblower Tips Received

In FY 2023, the CFTC’s Whistleblower Office (“WBO”) received a record number of tips, recording at total of 1,530.

Whistleblower Tips and Complaints

The tips related to a range of potential violations, including market manipulation, spoofing, insider trading, corruption, and fraud and manipulation related to digital assets, and included pump-and-dump schemes, fraudulent representations of moneymaking opportunities, and romance scams. Of note, over 900 of the 1,530 tips received involved allegations of fraudulent solicitation and subsequent misappropriation of crypto/digital assets.

Whistleblower Awards Granted

The agency awarded a total of \$16 million from 7 awards issues in FY 2023 to individuals who voluntarily provided original information that led to successful enforcement actions. Whistleblower awards can range from 10 to 30 percent of monetary sanctions collected from an enforcement case. In total, the WBO reached 301 award applications, setting a new record for the office and roughly doubling the FY 2022 applications.

Whistleblower Award Applications

The report states that the increase in the award applications is likely due to the CFTC's issuance in 2021 of a remarkable [\\$200 million](#) award to a single whistleblower - the largest award ever granted under the Dodd-Frank Act.

Additionally, the report notes a September 2023 announcement of a [\\$15 million](#) whistleblower award. The CFTC maintains that the whistleblower provided a "high degree" of support including interpreting key evidence, facilitating the appearance of another witness, and helping to conserve the CFTC's resources.

The awards issued during FY 2023 illustrate that whistleblowers who provide the CFTC with valuable information continue to be rewarded significantly. As a result, it would not be surprising to see a continued increase in the number of tips and award applications submitted to the WBO.

[View original.](#)

Related Professionals

- **Steven J. Pearlman**
Partner
- **Shanice Z. Smith-Banks**
Associate