



GOVERNMENT
ACCOUNTABILITY
PROJECT



THE FALSE CLAIMS ACT LEGAL CENTER

EMPOWER OVERSIGHT
Whistleblowers & Research



October 14, 2021

The Honorable Charles E. Grassley
United States Senate
135 Hart Senate Office Building
Washington, DC 20510

Dear Senator Grassley,

We National Whistleblower Center, Government Accountability Project, Taxpayers Against Fraud, and Empower Oversight, write to commend you on presenting Commodities Futures Trading Commission (“CFTC”) nominees with direct questions about whistleblower protections. We would like to thank you and the Senate Judiciary Committee for presenting these questions and expressing support for the CFTC whistleblower program. Your letters are highly encouraging to us as organizations deeply committed to whistleblower protection.

Your letter explains the value of the CFTC program, stating:

In 2010, Congress established the CFTC’s whistleblower program to collect fines and reward whistleblowers for their disclosures. The whistleblower fund is also used to finance operating expenses and educational initiatives associated with the whistleblower office. As of April 2021, the CFTC has granted whistleblower awards associated with enforcement actions that have resulted in monetary sanctions totaling more than \$1 billion. During FY 2020 alone, the CFTC ranted 16 applications for whistleblower awards, totaling approximately \$20million. The whistleblower program continues to serve as a vital part of the CFTC’s broader enforcement efforts.

Because of its great success, the whistleblower fund is at risk of being depleted. The increasing size and quantity of fines arising from successful whistleblower disclosures have led to larger reward disbursements. Current law requires that the whistleblower

fund be capped at \$100 million, and any fines collected past the cap are remitted to the Treasury's general fund. The disbursement of larger rewards from a capped fund poses an impending threat to the CFTC whistleblower program's ability to function.

Your letter also mentions the efforts you took last year to protect this highly successful program by introducing the *CFTC Fund Management Act* to resolve funding issues at the CFTC in 2020. With the support of the public and many of the organizations sending this letter, the CFTC Fund Management Act passed into law and the program was saved from disaster.

Today, we join you in calling for answers from CFTC nominees: Rostin Behnam, Kristin Johnson, and Christy Goldsmith Romero, to ensure that the whistleblower program will continue to be a major priority at the CFTC.

In March you sent a similar set of questions to current Securities and Exchange Commission ("SEC") Chair, Gary Gensler, when he was a nominee. Your questions then brought attention to the highly successful SEC whistleblower program and garnered meaningful commitments from the nominee about how the SEC whistleblower program would be fortified under his leadership. These answers were provided quickly and gave the whistleblower community confidence in Chairman Gensler's dedication to the whistleblower program's success. Since assuming the position of Chair, Gary Gensler spoke at National Whistleblower Appreciation Day, and took tangible action to improve the SEC whistleblower program by pausing and revisiting provisions of 2020 program amendments which have shown to require further clarity.

It is our hope that like Chair Gensler, the questions you posed to the CFTC nominees now will garner meaningful whistleblower supporting answers that will result in tangible post confirmation efforts to improve the already successful whistleblower program. We celebrate your leadership in Congress as a champion for whistleblower protections and will be looking out for answers from these nominees.

Sincerely,

National Whistleblower Center
Empower Oversight
Government Accountability Project
Taxpayers Against Fraud