

CFTC Whistleblower Fund Improvement Act

Background

Since 2010, the Commodities Futures Trading Commission (CFTC) operates a whistleblower program where whistleblowers report potential wrongdoing to the CFTC, which in turn pays out awards to whistleblowers based on fines collected from the information they provided. Congress created the Customer Protection Fund (Fund) within the CFTC to pay whistleblower awards and to pay for the whistleblower office's operation expenses and education initiatives. All fines issued by the CFTC first go toward paying restitution to investors, and any remaining balance is credited to the Fund. Congress capped the Fund at \$100 million so any fines collected above that amount are sent directly to the Treasury's general fund. Should the Fund carry too low of a balance, the whistleblower office would not have the resources to [pay whistleblowers or fund its operations](#).

In 2021, a [short-term fix](#), the CFTC Fund Management Act, was enacted into law which created a temporary separate account within the Fund to house the funds used to pay the operating and education expenses to help the whistleblower office maintain sufficient funds. However, the law is set to expire in October 2024, and the success of the program shows the need for a permanent solution.

Unfortunately, the CFTC whistleblower program has been a victim of its own success. Fines collected by the CFTC more than doubled from \$1 billion in [FY2021](#) to \$3 billion in [FY2022](#), and whistleblower awards increased from approximately \$123 million in [FY2021](#) to more than \$200 million in [FY2022](#). However, the size of the Fund has remained the same. In the near future, the Fund could run short of having the cash on hand it needs to pay whistleblower awards and to fund the whistleblower office should the short-term fix fail to be extended.

The Bill

- Makes the CFTC Fund Management Act permanent so there is certainty the CFTC whistleblower office can continue to operate should the Fund carry a low balance.
- Raises the Fund cap from \$100 million to \$300 million to have more funds on hand to pay whistleblower awards.
- Makes no new authorizations or expenditures of taxpayer dollars in expanding the size of the Fund since it is replenished through fines collected.