Description of document: Commodity Futures Trading Commission (CFTC) Transition Briefing Document for the Biden Administration 2020

Requested date: 01-January-2021

Release date: 02-April-2021

Posted date: 11-October-2021

Source of document: Freedom of Information Act Request
FOIA Compliance Office
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581
CTFC FOIA Online Request Form
FOIA.gov

Preferred during COVID-19 pandemic:
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U.S. COMMODITY FUTURES TRADING COMMISSION
Three Lafayette Centre
1155 21st Street, NW, Washington, DC 20581
www.cftc.gov

FOIA Office

April 2, 2021

RE: 21-00044-FOIA

This is in response to your request dated January 1, 2021, under the Freedom of Information Act seeking access to: a digital/electronic copy of the transition briefing document(s) (late 2020) prepared by CFTC for the incoming Biden Administration.

In accordance with the FOIA and agency policy, we have searched our records, as of January 4, 2021, the date we received your request in our FOIA office.

We have located 627 pages of responsive records. I am granting partial access to, and am enclosing copies of, the accessible records. 273 pages are exempt in full, and portions of remaining pages, fall within the exemptions to the FOIA's disclosure requirements, as explained below.

Some responsive records contain staff analyses, opinions, and recommendations. Those portions are deliberative and pre-decisional and are an integral part of the agency's decision making process. They are exempt from the FOIA's disclosure requirements by FOIA Exemption 5. 5 U.S.C. § 552(b)(5); *See NLRB v. Sears, Roebuck & Co.*, 421 U.S. 132 (1975). Additionally, some of the materials are exempt from disclosure as attorney-client communications. *See Upjohn Co. v. United States,* 499 U.S. 383 (1981); *Mead Data Central, Inc. v. Department of the Air Force,* 566 F.2d 242 (D.C. Cir. 1977). Additionally, some of the materials are exempt from disclosure as attorney work-product. *See Coastal States Gas Corp. v. DOE,* 617 F.2d 854, 865 (D.C. Cir. 1980); *Hickman v. Taylor,* 329 U.S. 495, 509-10 (1947).

Some records contain personal information, which is exempt from release under FOIA Exemption 6 because individuals' right to privacy outweighs the general public's interest in seeing personal identifying information. 5 U.S.C. § 552(b)(6); *See also The Lakin Law Firm* v. *FTC,* 352 F.3d 1122 (7th Cir. 2003).

Some records contain information the disclosure of which could reasonably risk circumvention of the law. This information is exempt from disclosure by FOIA Exemption 7(E). 5 U.S.C. § 552(b)(7)(E).

If you have any questions about the way we handled your request, or about our FOIA regulations or procedures, please contact me at 202-418-7621, or Jonathan Van Doren, our FOIA Public Liaison, at 202-418-5505.

Additionally, you may contact the Office of Government Information Services (OGIS) at the National Archives and Records Administration to inquire about the FOIA mediation services they offer. The contact information for OGIS is as follows: Office of Government Information Services, National Archives and Records Administration, Room 2510, 8601 Adelphi Road, College Park, Maryland 20740-6001, email at ogis@nara.gov; telephone at 202-741-5770; toll free at 1-877-684-6448; or facsimile at 202-741-5769.

If you are not satisfied with this response to your request, you may appeal by writing to Freedom of Information Act Appeal, Office of the General Counsel, Commodity Futures Trading Commission, Three Lafayette Centre, 8th Floor, 1155 21st Street, N.W., Washington, D.C. 20581, within 90 days of the date of this letter. Please enclose a copy of your original request and a copy of this response.

Sincerely,

Joan Fina
Assistant General Counsel

COMMODITY FUTURES TRADING COMMISSION

Commodity Futures Trading Commission

Transition Briefing Book
November 2020

Commodity Futures Trading Commission
Transition Briefing Book
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Commodity Futures Trading Commission

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November 2020

Section 1 – CFTC Organization

The CFTC Organization

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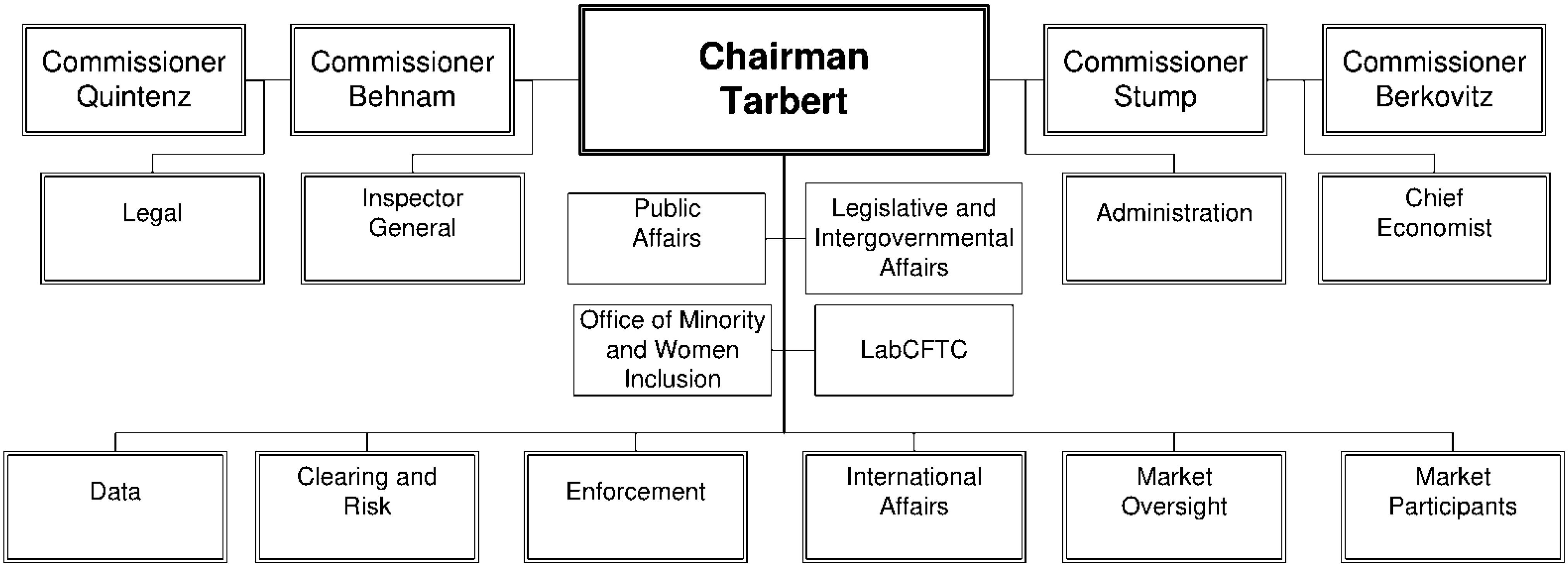
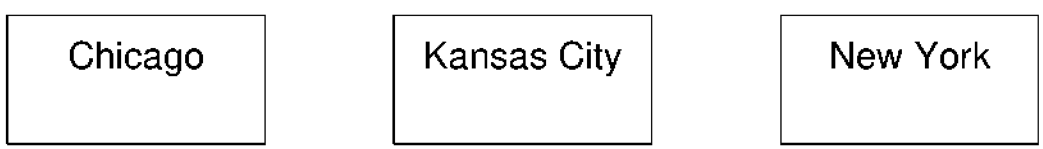
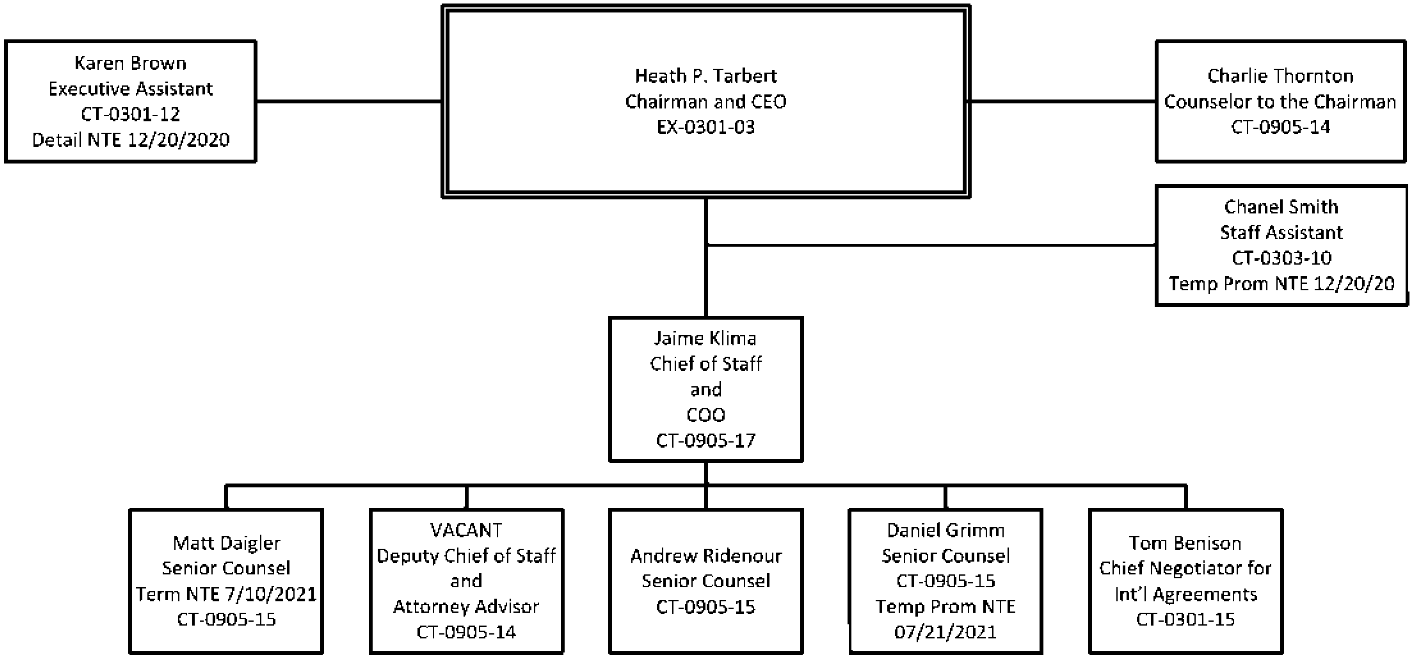


Regional Offices



Office of the Chairman



11/25/2020

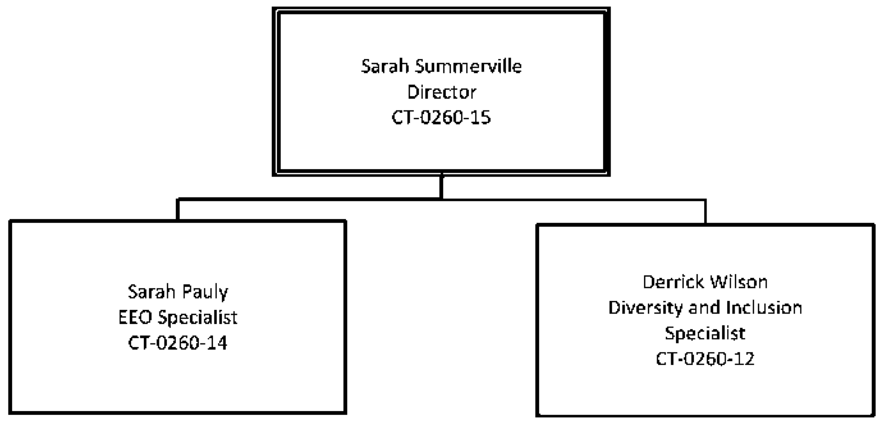
Office of Legislative and Intergovernmental Affairs

Summer Mersinger
Director
CT-0301-16

Ann Wright
Deputy Director
CT-0301-15

Darryl Blakey
Legislative Affairs Specialist
CT-0301-12

Office of Minority and Woman Inclusion



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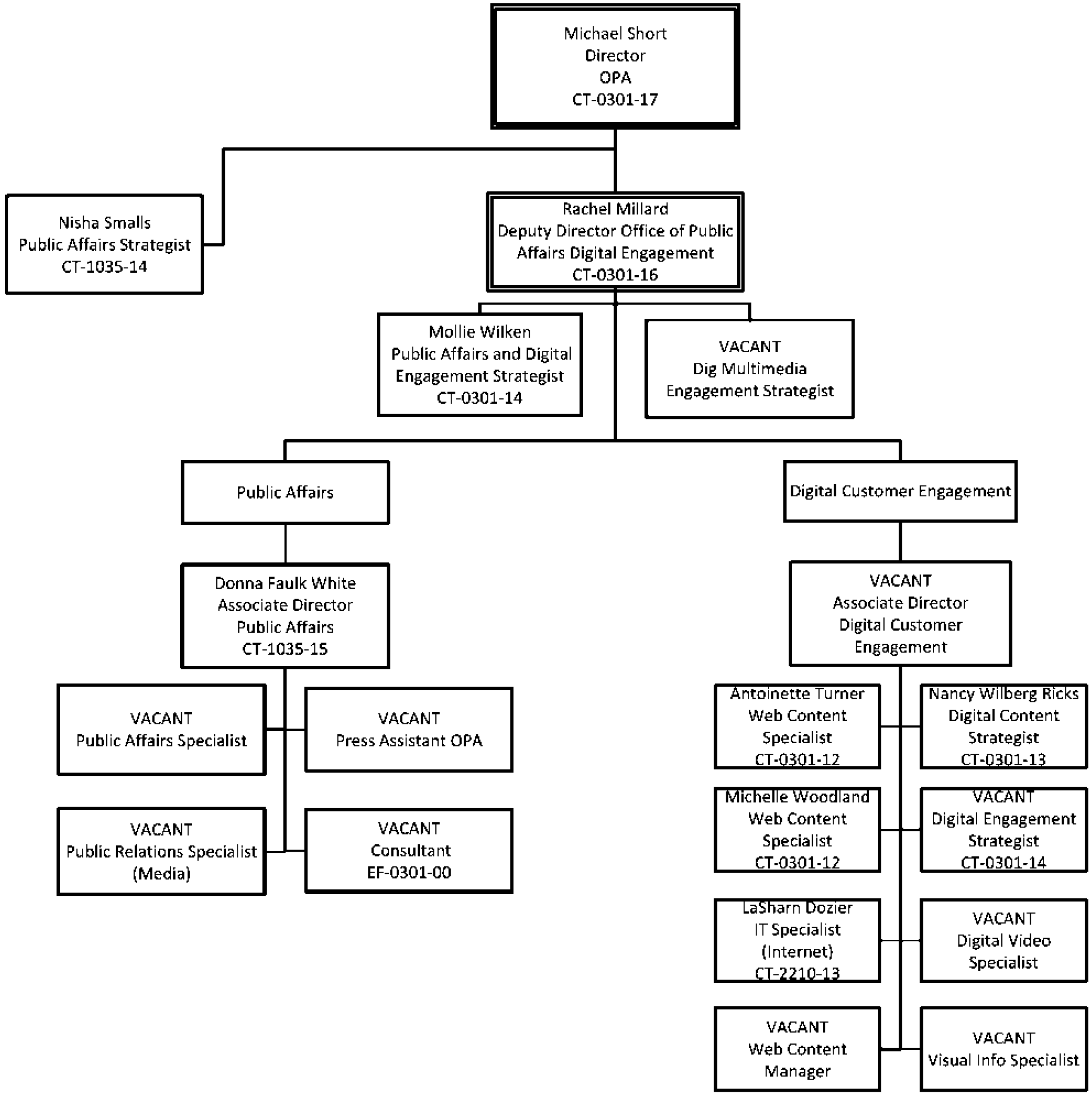
Office of Public Affairs



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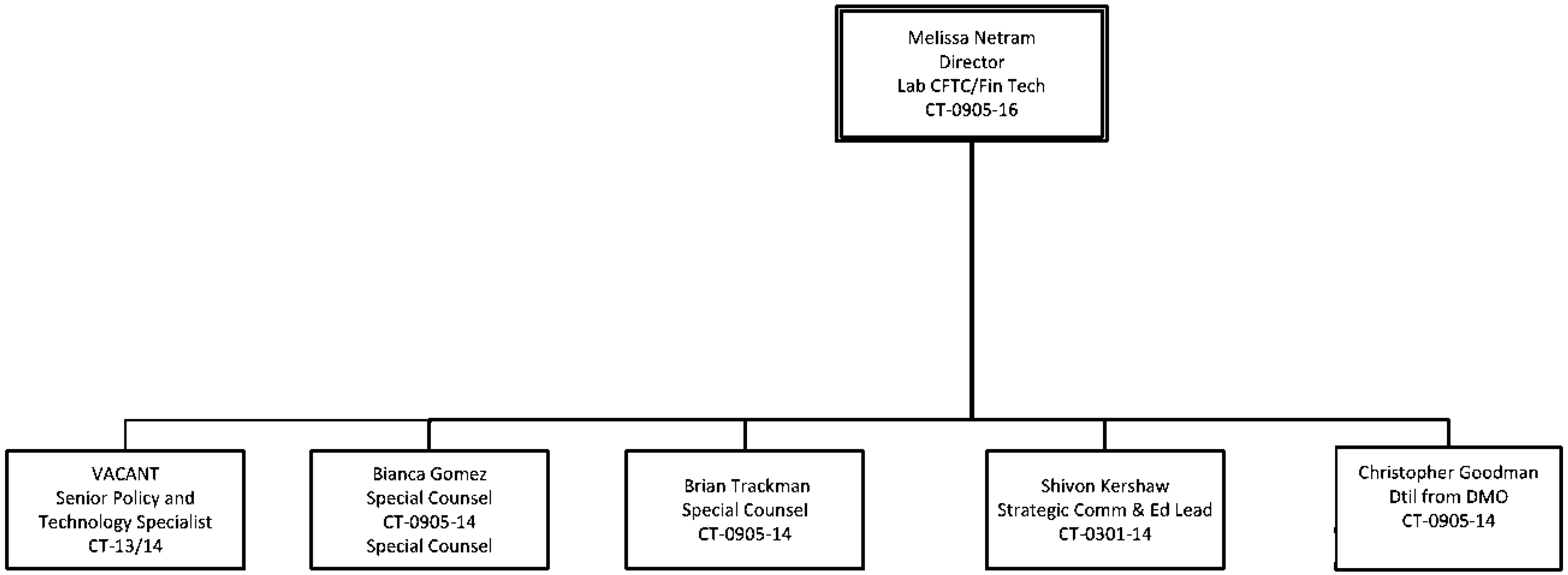
Lab CFTC



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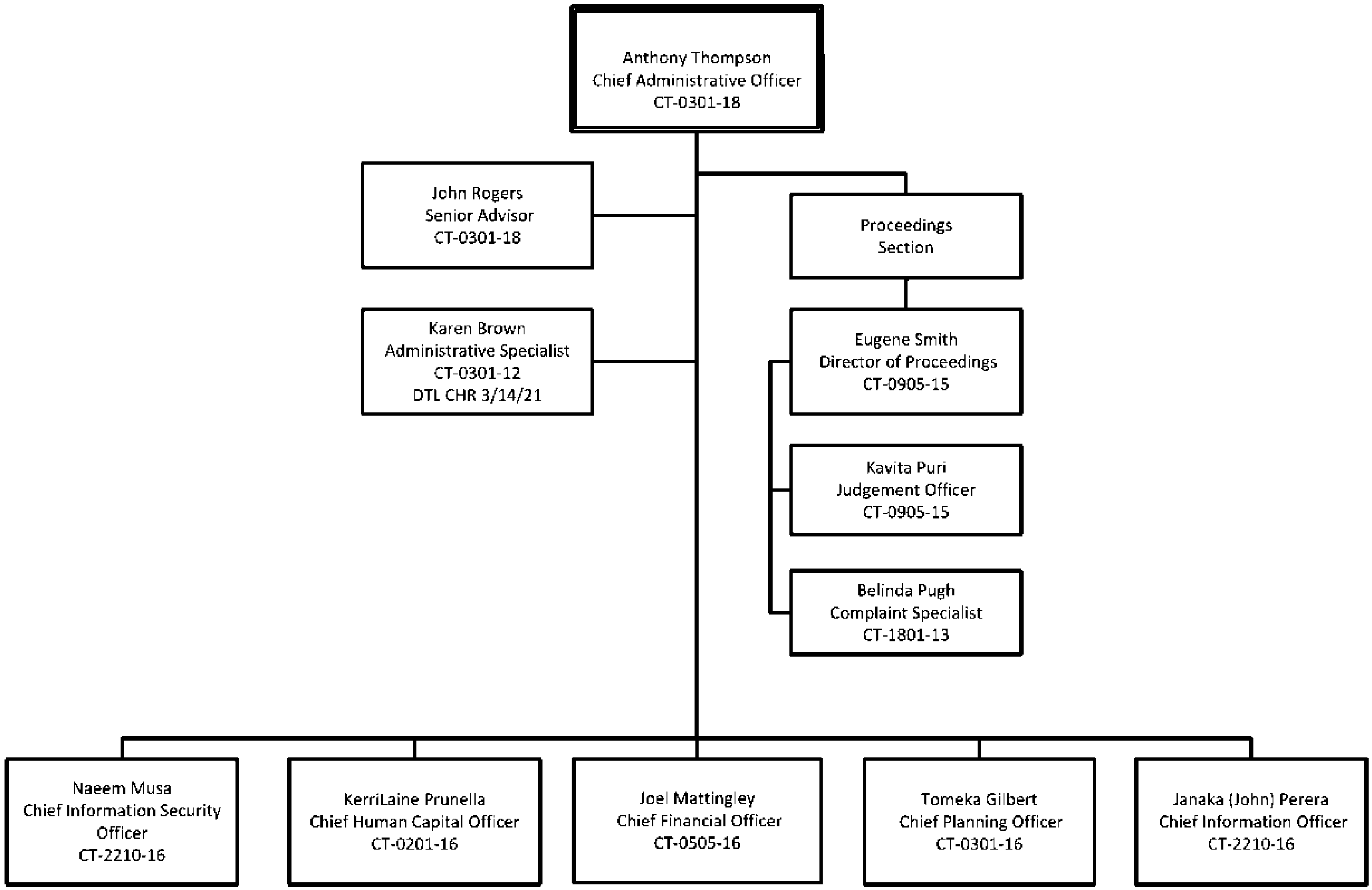
Commissioners

CFTC

- Dawn Stump, Commissioner, EX-0301-04
  - Dan Busca, Chief of Staff, CT-0301-16, DTL Ext Req
  - Elizabeth (Libby) Mastrogiacomo, Special Counsel, CT-0905-15
  - Terry Arbit, Special Counsel, CT-0905-15
  - Charles Ladd, Program Assistant, CT-0344-05
- Brian Quintenz, Commissioner, EX-0301-04
  - Kevin Webb, Special Counsel, CT-0905-15, Detailed to OIA 11/8/20
  - Margo Bailey, Special Counsel, CT-0905-15
  - Peter Kals, Special Counsel, CT-0905-15, Temp Prom
  - Deonion Green, Executive Assistant (Contractor)
- Russ Behnam, Commissioner, EX-0301-04
  - David Gillers, Special Counsel, CT-0905-15
  - Laura Gardy, Special Counsel, CT-0905-15
  - John Dunfee, Special Counsel, CT-0905-15
  - Kyndra Burke, Executive Assistant (Contractor)
- Dan Berkovitz, Commissioner, EX-0301-04
  - Erik Remmler, Special Counsel, CT-0905-15
  - Lucy Hynes, Special Counsel, CT-0905-15
  - Sebastian Pujol-Schott, Special Counsel, CT-0905-15
  - Erica Quinlan, Executive Assistant. (Contractor)
  - Latonia Williams, Executive Assistant. (Contractor)

11/25/2020

Division of Administration



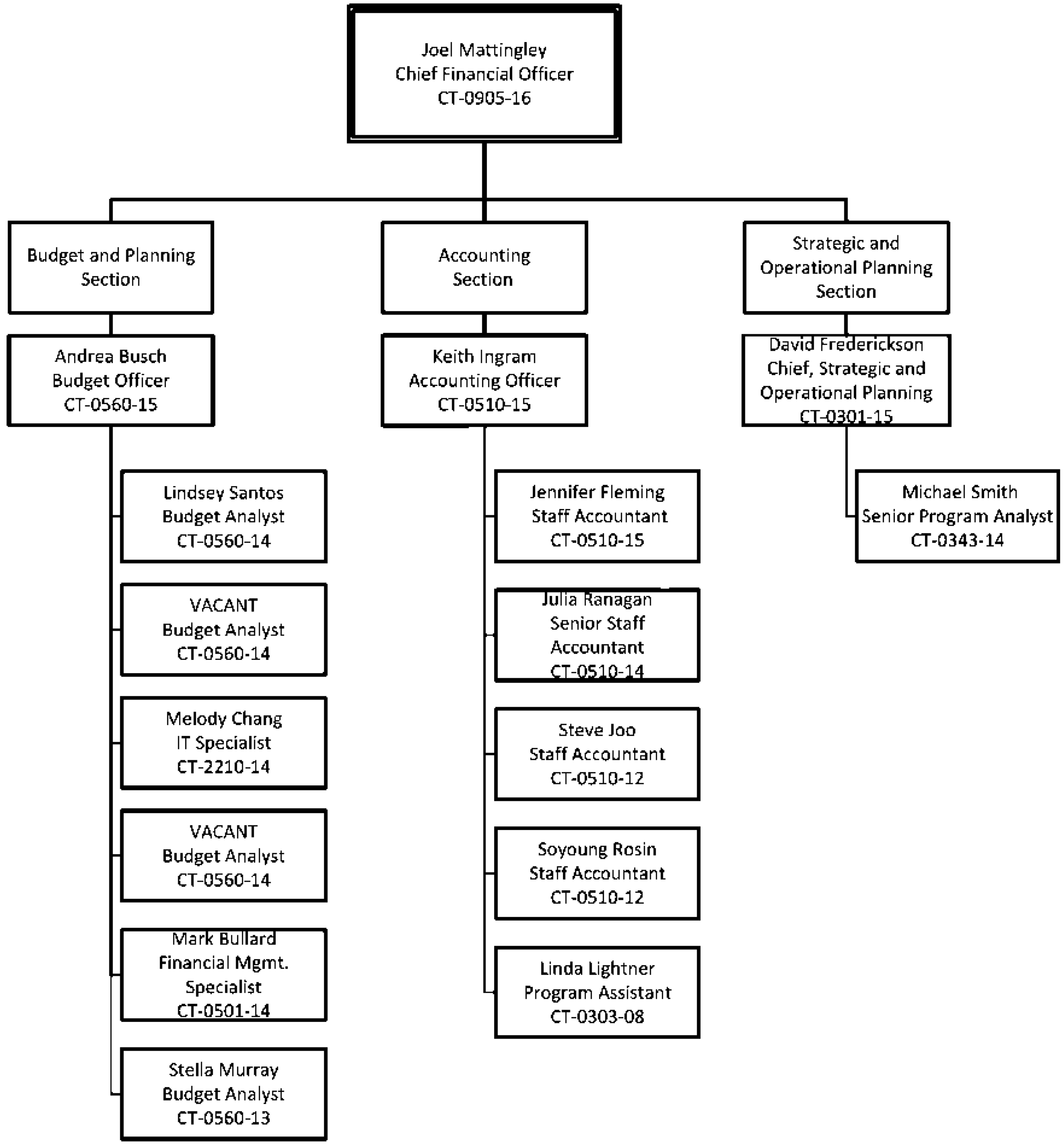
11/25/2020

Human Resources Branch

- KerriLaine Prunella, Chief Human Capital Officer, CT-0201-16
  - Talent Management Section
    - Tonia Patterson, Chief, Talent Management, CT-0201-15
      - Training & Development
        - Patrice Jones-Washington, Learning Officer, CT-0201-14
        - Michael Bartlett, Learning Management Systems Specialist, CT-0201-14
        - Andrietta Bryant-Minter, HR Specialist, CT-0201-11
      - Employment and Classification
        - Constance Adkins, HR Specialist, CT-0201-14
        - Heidi Challe, HR Specialist, CT-0201-14
        - Sarata Head, HR Specialist, CT-0201-14
        - Tiffany Williford, HR Specialist, CT-0201-14
      - Benefits
        - Bob Short, Benefits Manager, CT-0201-14
      - Selina Swales, HR Specialist (Exec Res), CT-0201-14
  - Alice Macklin, Human Capital Analyst, CT-0201-15
  - Dustin Hicks, Management Analyst, CT-0343-14
  - Workforce Relations Section
    - Lauren Colon, Chief, Workforce Relations, CT-0201-15
      - Labor and Employee Relation
        - Shannon Schmidt, HR Specialist (Chief Negotiator), CT-0201-15
        - Paul Ullman, HR Specialist (LER), CT-0201-14
        - Jennifer Plumlee, Specialist (LER), CT-0201-14
      - Performance and Compensation
        - Patricia (Patti) Smith, Performance Mgmt. Program Manager, CT-0201-14
        - Brinkley Hypes, HR Specialist (Comp), CT-0201-14

11/25/2020

Financial Management Branch



11/25/20

Business Operations Branch

- Tomeka Gilbert, Chief Planning Officer, CT-0301-16
  - Wesley French, Support Services Specialist, CT-0342-15, Temp. Prom. NTE 02/15/2025
  - **Facilities and Operational Services Unit**
    - Denise Hamm, Manager Administrative Services, CT-0342-14
      - Wesley French, Support Services Specialist, CT-0342-14, DTL to Bus Ops Branch
      - Cathy Wicykowski, Kansas City Support Services Specialist, CT-0342-12
      - Janis Kelly, Support Services Specialist, CT-0342-13
      - Sarah Jambrosek, Support Services Specialist, CT-0342-09
      - Randall Turner, Program Analyst, CT-0343-13
      - Henry Hansen, Support Services Specialist, CT-0342-12
      - Margaret Yates, Operations Specialist, CT-0301-13
      - Denise Thompson, Admin Assistant, CT-0303-07
      - Nyree Thomas, Support Services Specialist, CT-0342-9
      - Lee Smith, Support Services Assistant, CT-0303-7
  - **Procurement and Travel Management Section**
    - William Roberson, Contracting Officer, CT-1102-15
      - Karen Hampton, Travel Mgmt. Specialist, CT-0301-13
      - **Procurement**
        - Susan Hong, Contract Specialist, CT-1102-14
        - Kathryn Rison, Senior Contract Specialist, CT-1102--15
        - Christine Park, Contract Specialist, CT-1102-14
        - Benny Van Wormer, Contract Specialist, CT-1102-14
        - Jerald Neveleff, Contract Specialist, CT-1102-14
        - Gretchen Smith, Purchasing Agent, CT-1105-08
  - **Business Management Section**
    - LaKeesha Jones, Business Management Officer, CT-0301-15
      - **Mission BMU**
        - Hoa Kern, Sup Business Mgmt Spec., CT-0301-14
          - Margaret Littlejohn, Business Mgmt Sp, CT-0301-14
          - Hana Sarsour, Business Mgmt Sp, CT-0301-14
          - Yolanda Smith, Business Mgmt Sp, CT-0301-12
          - Venita Hill, Business Mgmt Sp, CT-0301-13
          - Steve Hendershot, Business Mgmt Sp, CT-0301-12
      - **Operational BMU**
        - VACANT, Sup Business Mgmt Spec., CT-0301-14
          - Stephanne Player, Business Mgmt Sp, CT-0301-14
          - Katrina Emerson, Financial Mgmt Sp, CT-0501-14
          - Veda Allen, Business Mgmt Sp, CT-0301-13
          - Kinnith Artemus, Business Mgmt Sp, CT-0301-13
          - Cynthia Watson, Business Mgmt Sp, CT-0301-13

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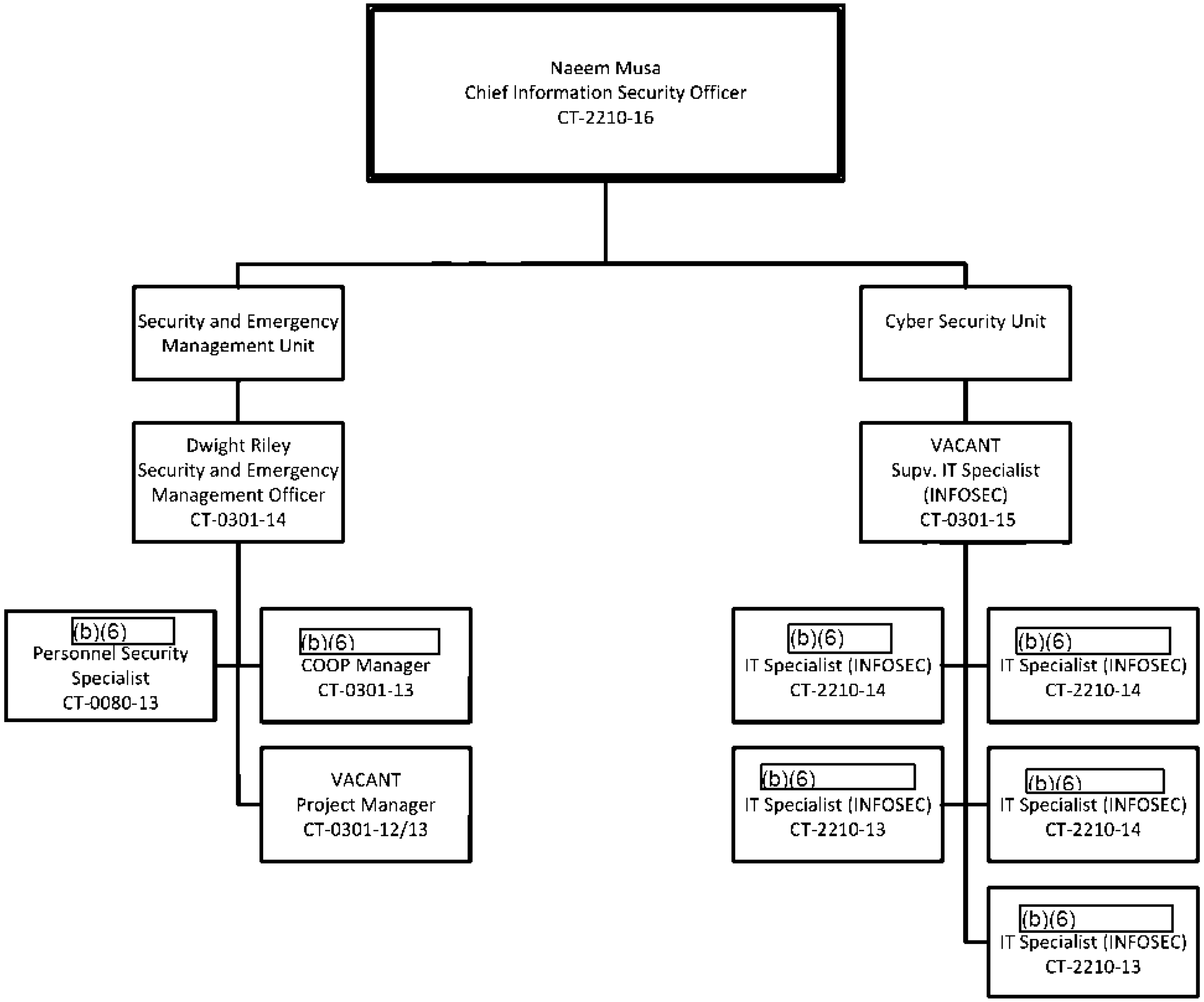
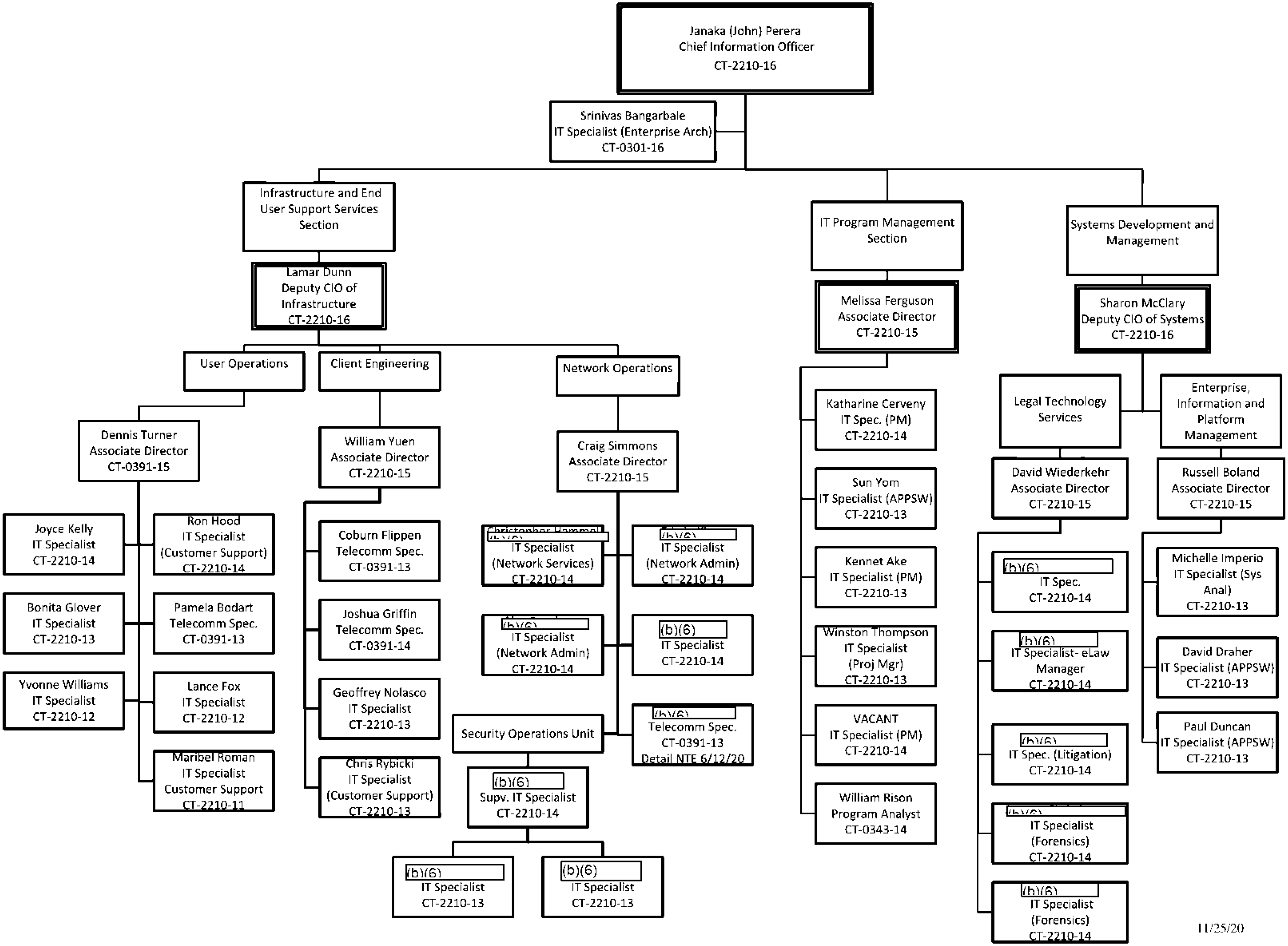
Cyber and Physical Security Branch



Information Technology Branch



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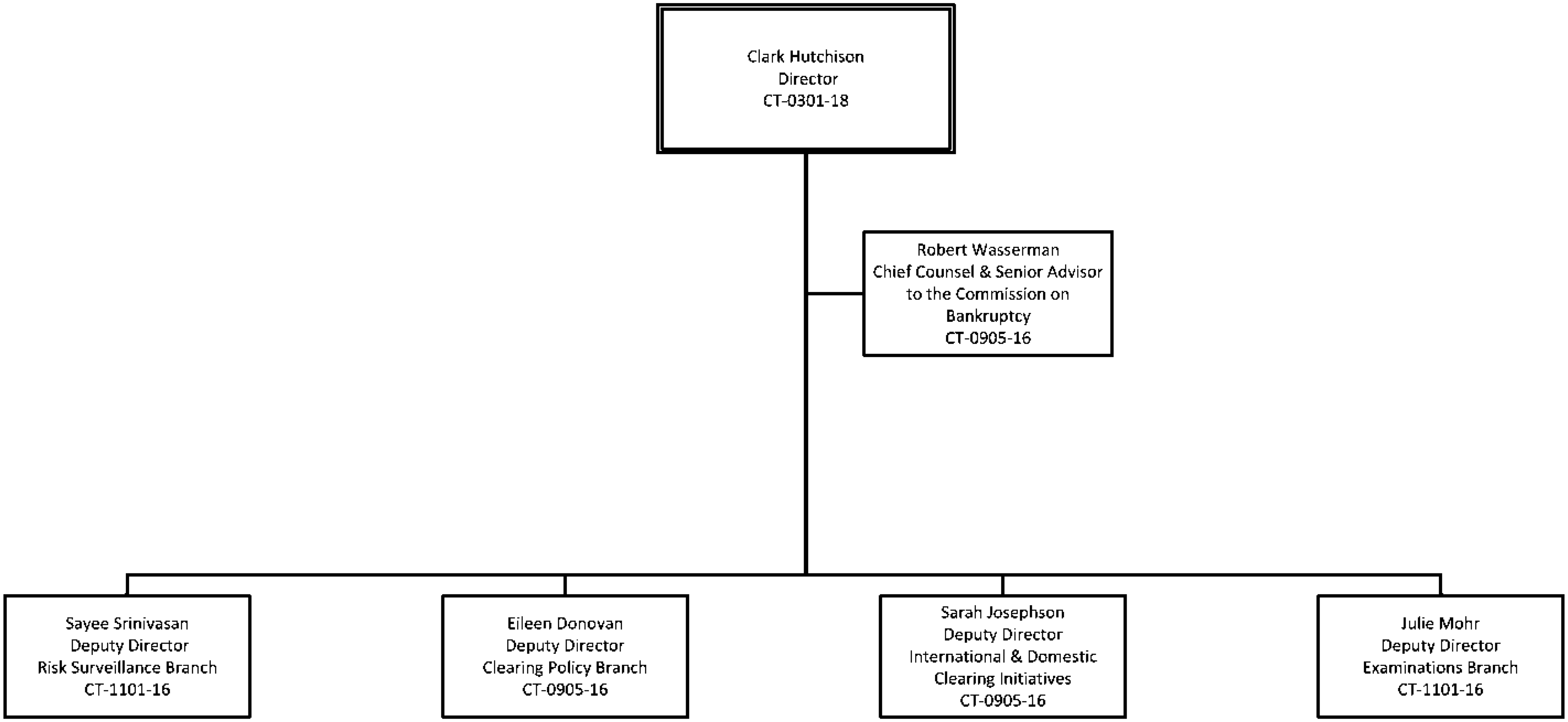
Division of Clearing and Risk



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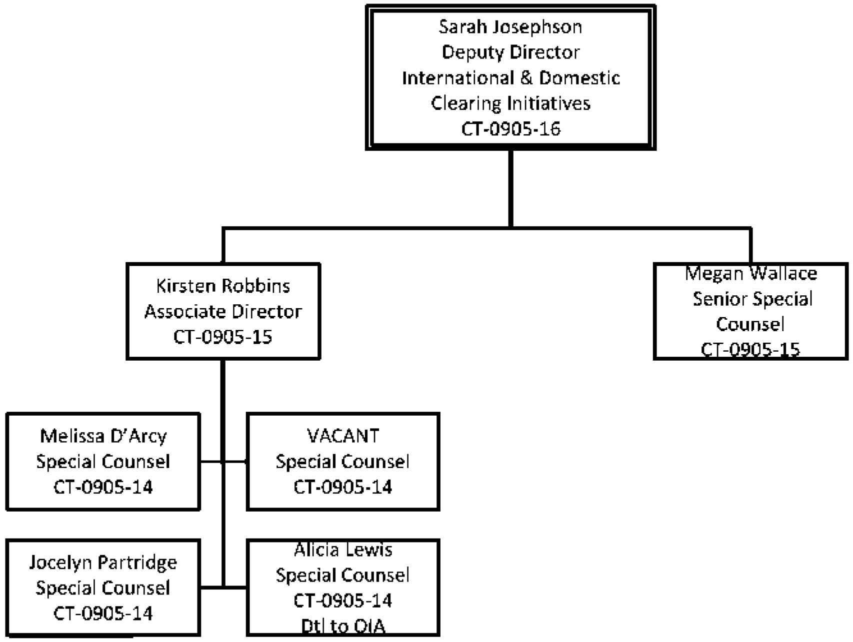
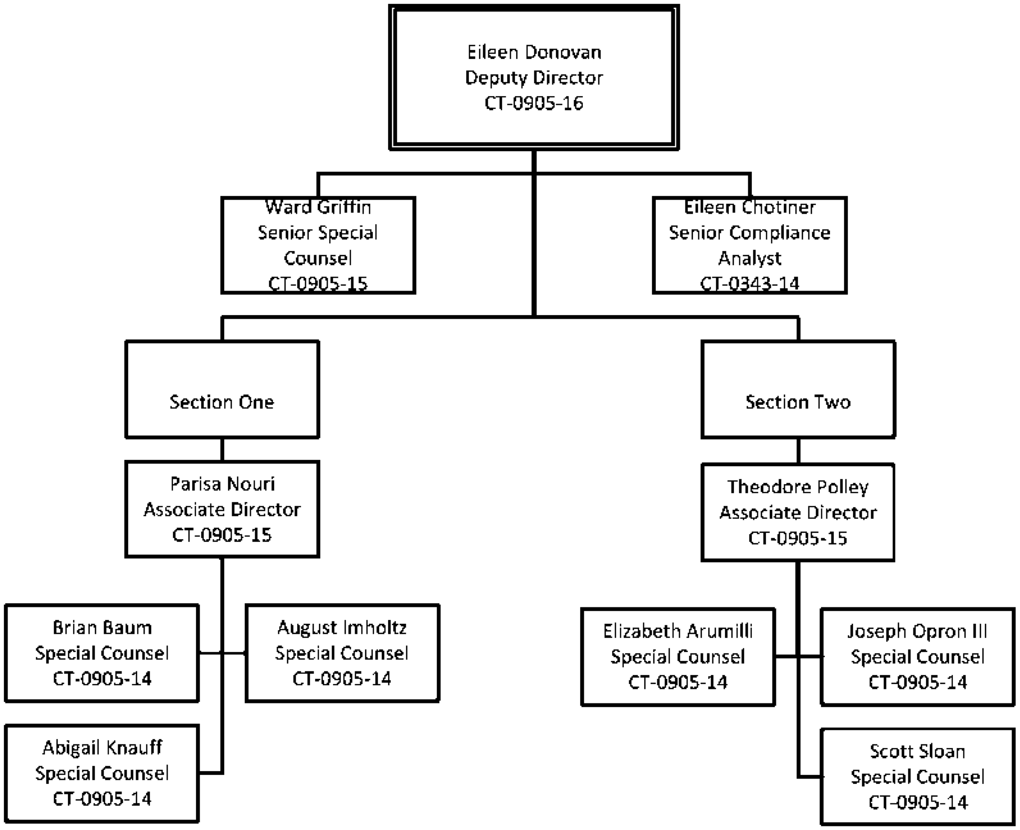
International & Domestic Clearing Initiatives Branch



Clearing Policy Branch



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Examinations Branch

- Julie Mohr, Deputy Director, CT-1101-16
  - Section One
    - Kenji Takaki, Associate Director, CT-1101-15
      - Keith Swiderski, Risk Analyst, CT-1101-14
      - Bradley Atkinson, Risk Analyst, CT-1101-14
      - Frank Sensenbrenner, Risk Analyst, CT-1101-14
      - James Marcello, Risk Analyst, CT-1101-14
      - Harry Lum, Risk Analyst, CT-1101-14
  - Section Two
    - Thomas Koprowski, Associate Director, CT-1101-15
      - John Kean, Risk Analyst, CT-1101-14
      - Susan Reyes, Risk Analyst, CT-1101-14
      - Iesha Thomas, Risk Analyst, CT-1101-14
      - Malcolm Alexander-Neal, Risk Analyst, CT-1101-14
      - Aimee Wilson, Risk Analyst, CT-1101-14
  - Section Three
    - Bernard Mattes, Associate Director, CT-1101-15
      - Drew Saunders, Risk Analyst, CT-1101-14
      - Luan Nguyen, Risk Analyst, CT-1101-14
      - Marcelo Shin, Risk Analyst, CT-1101-13
      - David Grzesiak, Risk Analyst, CT-1101-13
  - Section Four
    - James Ortlieb, Associate Director, CT-1101-15
      - **VACANT, Risk Analyst, CT-1101-14**
      - Deborah Gallizo, Risk Analyst, CT-1101-14
      - Terron Carter, Risk Analyst, CT-1101-14
      - **VACANT, Risk Analyst, CT-1101-13**
  - Section Five
    - Gerald Nudge-NY, Associate Director, CT-0511-15
      - Phyllis Chung, Audit Manager, CT-0511-14
        - Timothy Wigand, Auditor, CT-0511-14
        - Matthew Tierney, Auditor, CT-0511-14
        - Angel Perez, Auditor, CT-0511-14
      - Joe Principato, Audit Manager, CT-0511-14
        - Patrick Rafferty, Auditor, CT-0511-14
        - Mortimer Rollins, Auditor, CT-0511-14
        - Carmel Indelicato, Auditor, CT-0511-14
        - Michael Adler, Auditor, CT-0511-14

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Risk Surveillance Branch

- Sayee Srinivasan, Deputy Director, CT-1101-16
  - Shallom Moses, Associate Director, Margin Model, CT-1101-15
    - Steven Cho, Risk Analyst, CT-1101-14
    - Kyle Clelan, Risk Analyst, CT-1101-14
    - Moin El-Herraoui, Risk Analyst, CT-1101-14
    - John Paul Rothenberg, Risk Analyst, CT-1101-14
    - Lianyan Liu, Risk Analyst, CT-1101-14
    - He Zhang, Risk Analyst, CT-1101-13
  - Richard Haynes, Associate Director, Risk Analytics, CT-1101-15
    - Team 1
      - Brandon Webb, Assistant Director, CT-1101-15
        - Byung-IL Seo, Risk Analyst, CT-1101-14
        - Rick Torres, Risk Analyst, CT-1101-14
    - Team 2
      - Ning (Nancy) Dong, Risk Analyst, CT-1101-14
      - Xiaobin Zhou, Risk Analyst, CT-1101-14
  - Bill Heitner, Associate Director, Daily Risk Surveillance, CT-1101-15
    - Swaps & Buy-Side Team 1
      - Kevin Connerty, Risk Analyst, CT-1101-14
      - Tao Peng, Risk Analyst, CT-1101-14
      - Ryan Goodman, Risk Analyst, CT-1101-14
      - Jeff Hasterok, Risk Analyst, CT-1101-14(NY)
      - Alberto Torres (CH), Risk Analyst, CT-1101-14
    - Clearing Fims Team 2
      - Mary Kaminski, Risk Analyst, CT-1101-14
      - Glenn Schmeltz, Risk Analyst, CT-1101-14
    - Products & Clients Team 3
      - Joseph Miller, Assistant Director, CT-1101-15
        - Edmund Carpenter, Risk Analyst, CT-1101-14
        - Melissa Cavers, Risk Analyst, CT-1101-14
        - Edward Griffin, Risk Analyst, CT-1101-14
        - *Thomas Griffin, Risk Analyst, CT-1101-14, Detailed to MPD*
        - James Burns, Risk Analyst, CT-1101-14

Division of Market Oversight

Dorothy DeWitt
Director
CT-0905-18

Aaron Brodsky
Senior Special Counsel
CT-0905-15

Nicole McNair
Staff Assistant
CT-0303-10

Shirley Wilson
Administrative Assistant
CT-0303-8

Meghan Tente (acting)
Detail NTE 12/31/2020
Deputy Director
Product Review
CT-0905-16

Nancy Markowitz
Deputy Director
Market Review
CT-0905-16

Mel Gunewardena
Deputy Director
Market Intelligence
CT-1101-16

Rachel Berdansky
Deputy Director
Compliance
CT-0905-16

Rachel Reicher
Chief Counsel and
Deputy Director
CT-0905-16

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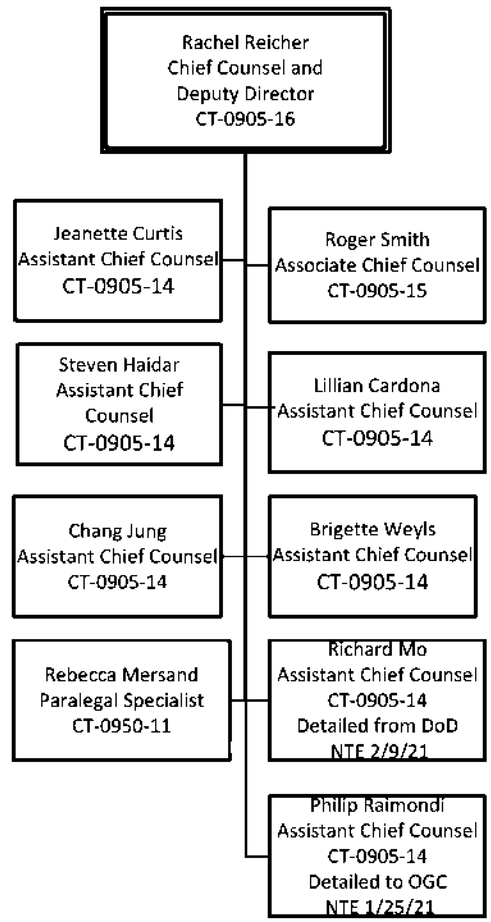
Chief Counsel



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Market Intelligence Branch

- Mel Gunewardena
  Deputy Director
  CT-1101-16
  - Finance, Commodities, and Policy Section
    - Rahul Varma
      Associate Director
      CT-1101-15
      - Commodities Unit
        - David Amato
          Sup Market Analyst
          CT-1101-14
          - Patricia Collins, Market Analyst, CT-1101-14
          - Twan Dixon, Market Analyst, CT-1101-14
          - David Fickert, Market Analyst, CT-1101-14
          - Richard Kunas, Market Analyst, CT-1101-14
          - Eugene Kunda, Market Analyst, CT-1101-14
          - Jennifer Newman, Market Analyst, Dtl NTE 2/21/21, CT-1101-14
          - Robert Penksa, Market Analyst, CT-1101-14
          - Jennifer Remedi, Market Analyst, CT-1101-14
          - Brian Rushton, Market Analyst, CT-1101-14
          - John Lavin, Market Analyst, CT-1101-14
      - Finance Unit
        - Geoffrey Price (acting)
          Sup Market Analyst
          - David Bice, Market Analyst, CT-1101-14
          - Wilburn Carlile, Market Analyst, CT-1101-14
          - Robert Fedinets, Market Analyst, CT-1101-14
          - Martin Gorski, Market Analyst, CT-1101-14
          - Lawrence Grannan, Market Analyst, CT-1101-14
          - Athanasia Papadopoulos, Market Analyst, CT-1101-14
      - Policy and Market Analytics
        - VACANT
          Sup Market Analyst
          CT-1101-14
          - Christopher Goodenow, Market Analyst, CT-1101-14
          - Mark Valavanis, Market Analyst, CT-1101-14
          - Elitza Voeva-Kolev, Market Analyst, CT-1101-14
  - Harold Hild
    Policy Advisor
    CT-1101-15
  - Data Analysis and Reports Section
    - Geoffrey Price
      Associate Director
      CT-1101-15
      - Jonathan Dye, Market Analyst, CT-1101-14
      - Jerome Huhman, Market Analyst, CT-1101-14
      - Barry Goldmeier, Market Analyst, CT-1101-12
      - Adam Charnisky, Market Analyst, CT-1101-14
      - Michael Nouri Mesbahi, Market Analyst, CT-1101-14
      - Evan Shinbaum, Market Analyst, CT-1101-14

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Compliance Branch

- Rachel Berdansky, Deputy Director, CT-0905-16
  - Section One
    - David Taylor, Associate Director, CT-0905-15
      - Kyle Miller, Systems Risk Analyst, CT-1101-13
      - Christopher Russell Wood, Systems Risk Analyst, CT-1101-14
      - Jacob Dull, Systems Risk Analyst, CT-1101-13
  - Section Three
    - David Steinberg, Associate Director, CT-0905-15
      - Marilee Dahlman, Special Counsel, CT-0905-14
      - Brian Robinson, Special Counsel, CT-0905-14
      - Joseph Otchin, Special Counsel, CT-0905-14
      - Swati Shah, Special Counsel, CT-0905-14
      - Jennifer Tveiten Rifman, Special Counsel, CT-0905-14
  - New York Section
    - Robin Hagedorn, Associate Director, CT-1101-15
      - Brian Conlon, Compliance Analyst, CT-1101-14
  - Chicago Section
    - Don O'Keefe, Compliance Analyst, CT-1101-14
    - Meghan Wise, Compliance Analyst, CT-1101-14
    - Paul Ziemianin, Compliance Analyst, CT-1101-14

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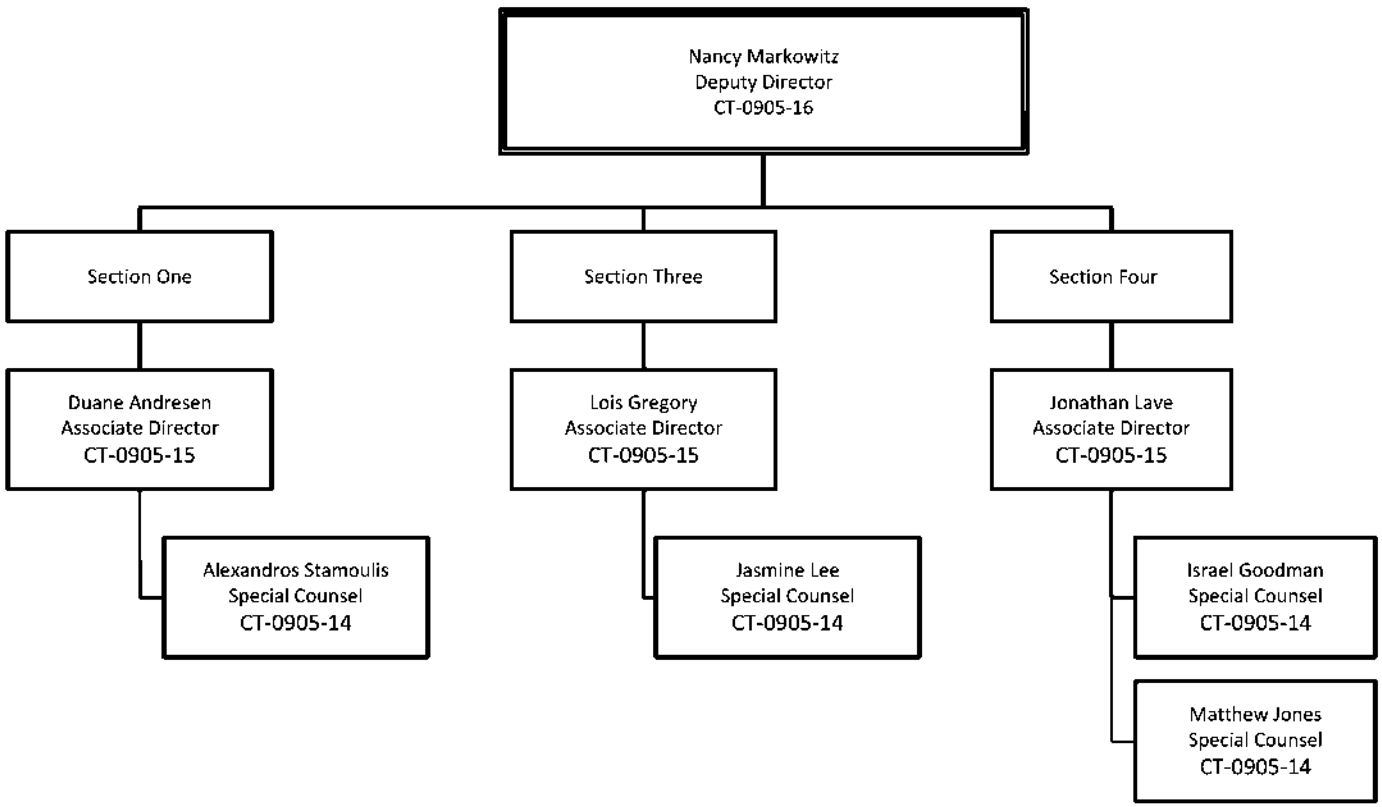
Market Review Branch



11/25/2020

Product Review Branch

- Meghan Tente (acting)
  Detail NTE 12/31/2020
  Deputy Director
  Product Review
  CT-0905-16
  - Thomas Leahy
    Associate Director
    CT-0110-15
    - Financials Unit
      - **VACANT**
        Supv Industry Economist
        - Christopher Goodman
          Industry Economist
          CT-0110-14
          Detailed to LabCFTC NTE 3/16/21
        - Rosaria Troia
          Industry Economist
          CT-0110-14
        - Christa Lachenmayr
          Industry Economist
          CT-0110-14
        - Philip Colling
          Industry Economist
          CT-0110-14
        - Sanam Gouloubandi
          Industry Economist
          CT-0110-14
    - Energy and Power Unit
      - John Forkkio
        Supv Industry Economist
        CT-0110-14
        - George Pullen
          Industry Economist
          CT-0110-14
        - Christopher Ruemke
          Industry Economist
          CT-0110-14
        - Steven Benton
          Industry Economist
          CT-0110-14
        - Thomas Hampton
          Industry Economist
          CT-0110-14

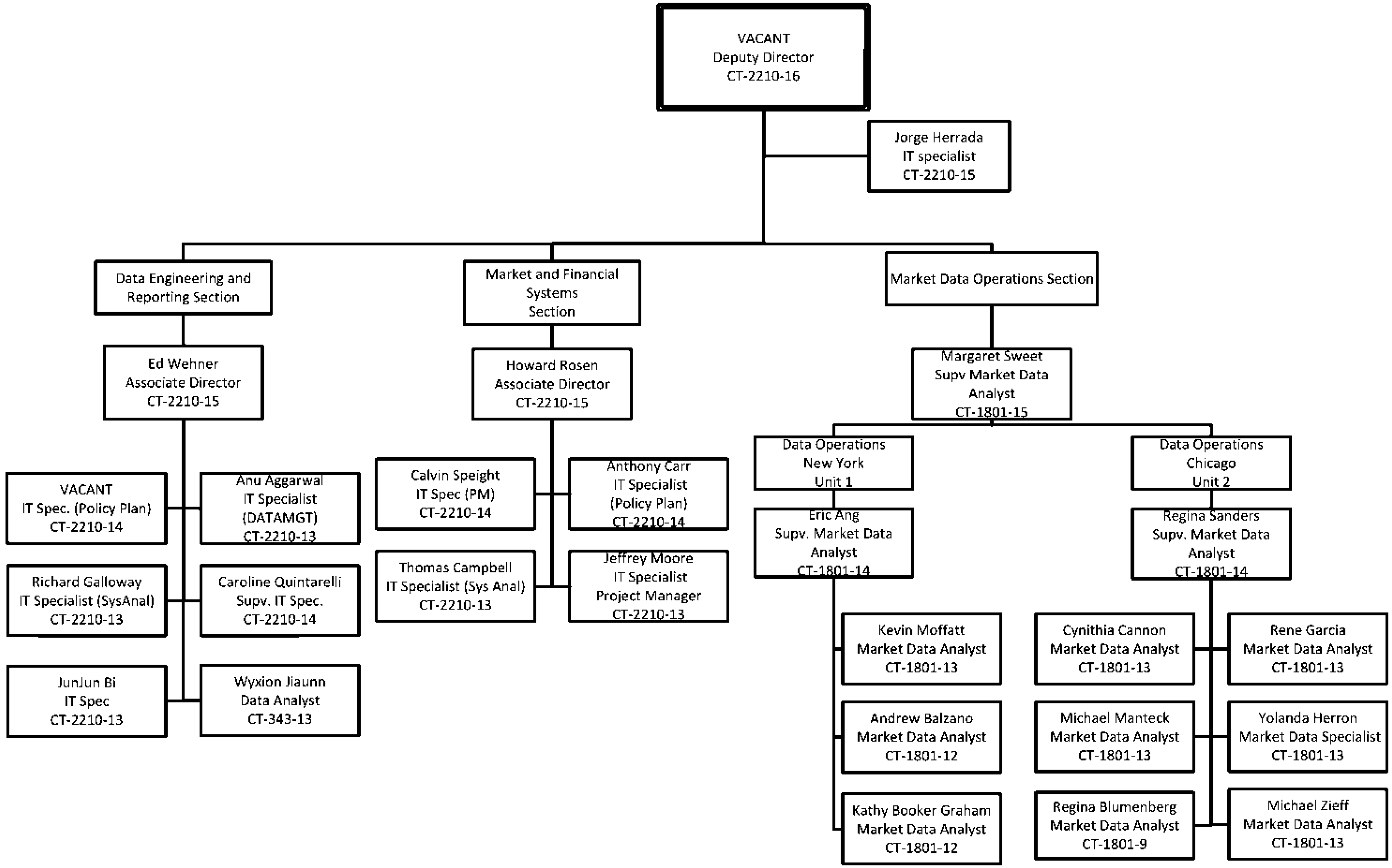
Division of Data

Tamara Roust
Chief Data Officer
CT-1101-18

- Daniel Bucsa
  Deputy Director
  CT-0301-16

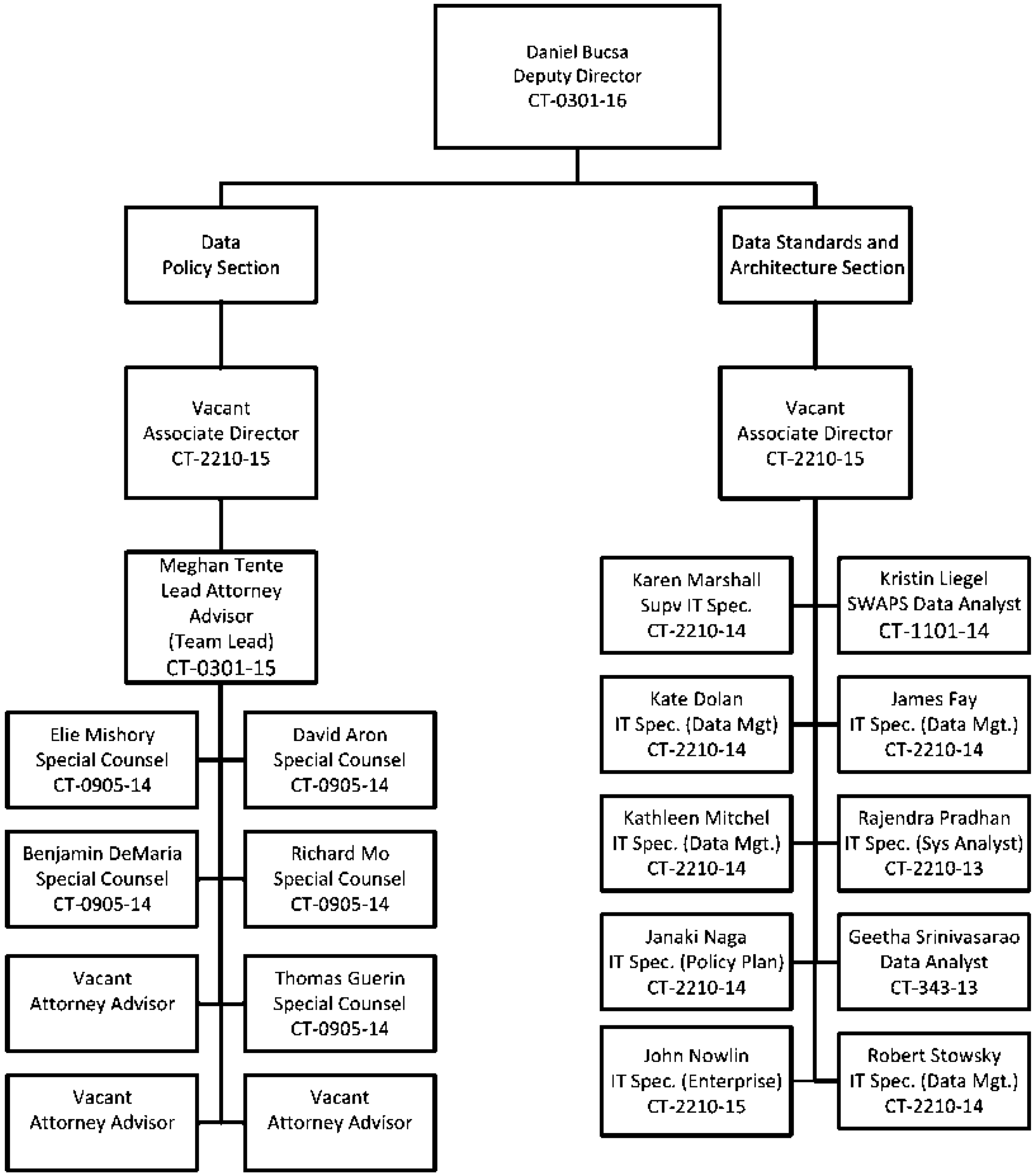
- VACANT
  Deputy Director
  CT-2210-16

Data Operations Branch



11/25/2020

Policy and Planning Branch



11/25/2020

Division of Enforcement

Vincent McGonagle
Principal Deputy Director
DTL Acting Dir DOE
CT-0905-16

India Luckett
Staff Assistant
CT-303-10

Jordon Grimm
Supv. Economist
Forensic Economist Unit
CT-0110-15

Vincent McGonagle
Principal Deputy Director
DTL Acting Dir DOE
CT-0905-16

Richard Foelber
Chief, Cooperative Enforcement
CT-0905-15

JonMarc Buffa
Trial Attorney
CT-0905-14

Neel Chopra
Senior Advisor
To the Director
CT-905-15

Joan Manley
Deputy Director
Litigation, Intake and Triage
CT-0905-16

Christopher Ehrman
Director
Whistleblower Office
CT-0905-16

Gretchen Lowe
Chief Counsel
Office of the Chief Counsel
CT-0905-16

Richard Glaser
Deputy Director
DCR1
CT-0905-16

Paul Hayeck
Deputy Director
DCR2
CT-0905-16

Charles Marvine
Deputy Director
SWRO
CT-0905-16

Robert Howell
Deputy Director
CRO
CT-0905-16

Manal Sultan
Deputy Director
ERO
CT-0905-16

Matthew Hunter
Deputy Director
CT-1101-16

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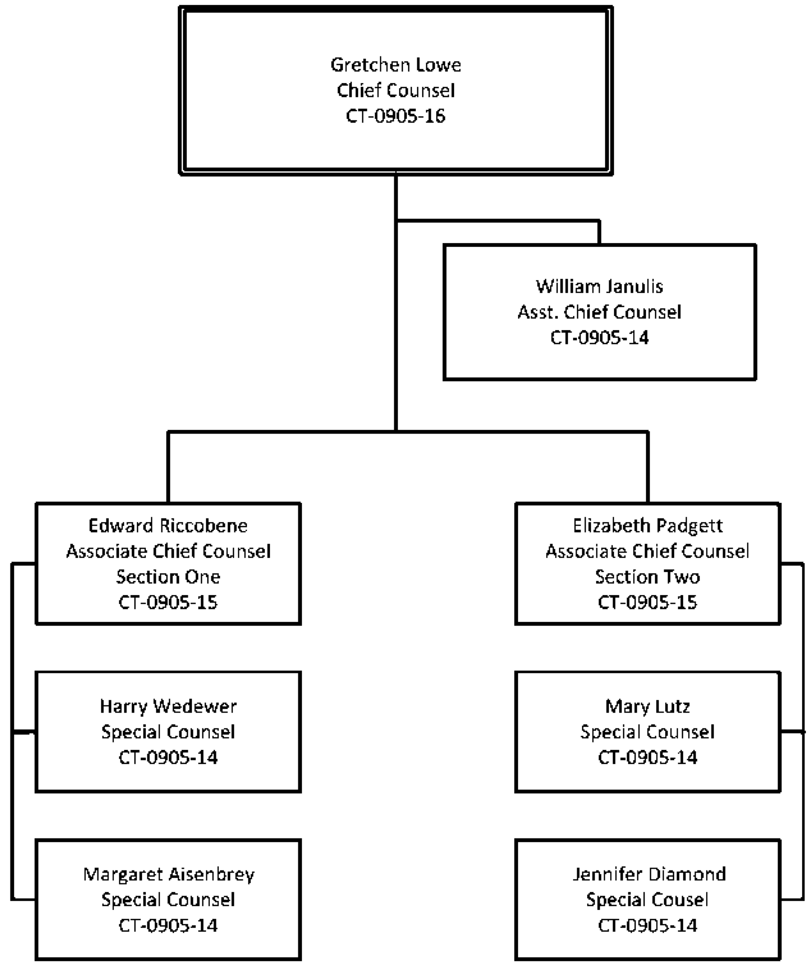
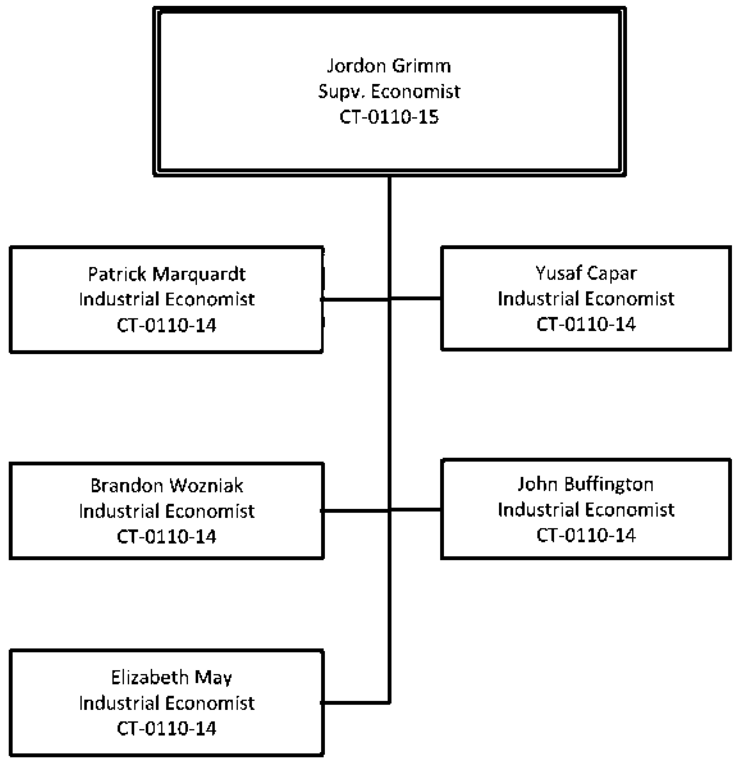
Chief Counsel



11/25/20

Forensic Economist Unit



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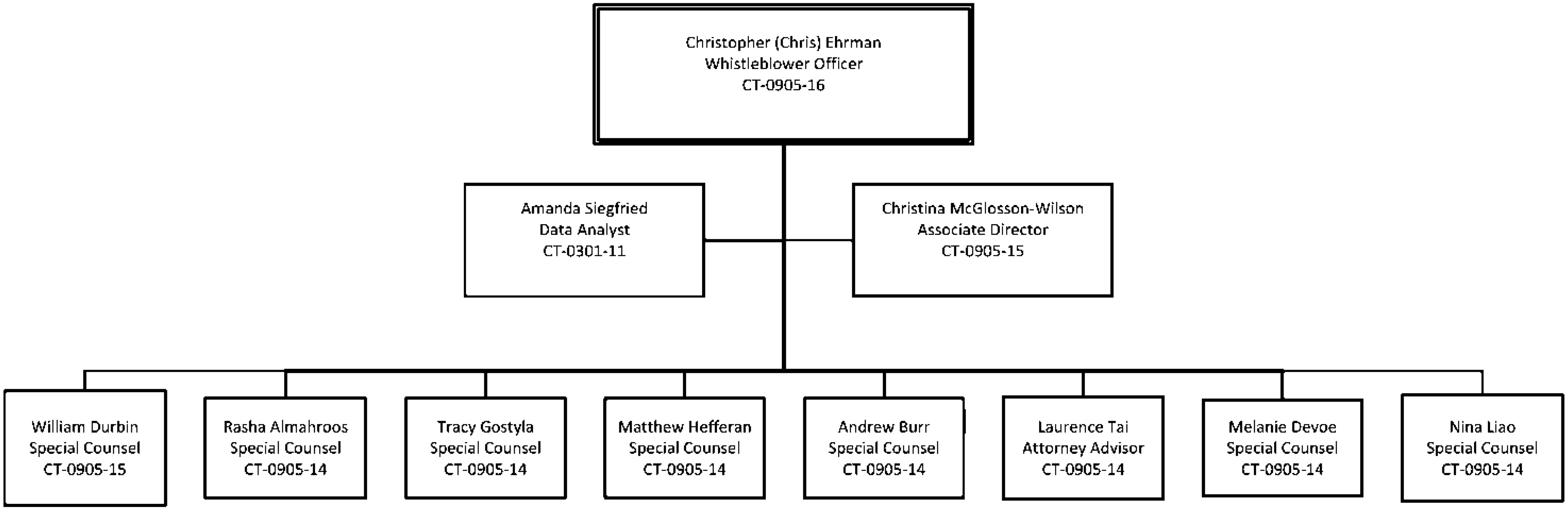
Litigation, Intake and Triage Unit

Joan Manley
Deputy Director
CT-0905-16

Charlie Ricci
Futures Trading Inv.
CT-1801-13

Whistleblower Office



11/25/20

Deputy Director One DCRO One

- Richard Glaser, Deputy Director, CT-0905-16
  - Erica Bodin, Paralegal Specialist, CT-0950-11
  - Alison Wilson, Chief Trial Attorney, CT-0905-15
    - Maura Viehmeyer (PT), Futures Trading Inv., CT-1801-14
    - Philip Tumminio, Trial Attorney, CT-0905-14
    - Brian Hunt, Trial Attorney, CT-0905-14
  - Kathleen Banar, Chief Trial Attorney, CT-0905-15
    - Kim Bruno, Trial Attorney, CT-0905-15
    - James Deacon, Trial Attorney, CT-0905-14
    - Kevin Samuel, Futures Trading Inv., CT-1801-13
    - Wallace D. Dennise, Trial Attorney, CT-0905-14
  - Daniel Jordan, Chief Trial Attorney, CT-0905-15
    - Ilana Waxman, Trial Attorney, CT-0905-14
    - Rishi Gupta, Trial Attorney, CT-0905-14
    - Michelle Bougas, Futures Trading Inv., CT-1801-14
  - James Holl, Chief Trial Attorney, CT-0905-15
    - Steven Kim, Trial Attorney, CT-0905-14
    - Amanda Burks, Trial Attorney, CT-0905-14
    - Kara Mucha, Futures Trading Inv., CT-1801-14
  - Michael Solinsky, Chief Trial Attorney, CT-0905-15
    - James Garcia, Trial Attorney, CT-0905-14
    - Alan Edelman, Trial Attorney, CT-0905-14
  - Aimee Latimer-Zayets, Chief Trial Attorney, CT-0905-15
    - Glenn Chernigoff, Trial Attorney, CT-0905-14
    - Michael Loconte, Futures Trading Inv., CT-1801-14
    - Eugenia Vroustouris, Trial Attorney, CT-0905-14

11/25/20

Deputy Director Two DCRO Two

- Paul Hayeck, Deputy Director, CT-0905-16
  - Hillary Van Tassel, Paralegal Specialist, CT-0950-11
  - Christine Ryall, Chief Trial Attorney, CT-0905-15
    - Danielle Karst, Trial Attorney, CT-0905-14
    - Saadeh Al-Jurf, Trial Attorney, CT-0905-14
    - Jennifer Blakey, Economist, CT-0110-14
  - Luke Marsh, Chief Trial Attorney, CT-0905-15
    - George Malas, Futures Trading Inv., CT-1801-14
    - Dmitriy Vilenskiy, Futures Trading Inv., CT-1801-14
    - Julia Colarusso, Trial Attorney, CT-0905-14
  - Peter Haas, Chief Trial Attorney, CT-0905-15
    - Kyong Koh, Futures Trading Inv., CT-1801-13
  - Timothy Mulreany, Chief Trial Attorney, CT-0905-15
    - Jason Gizzarelli, Trial Attorney, CT-0905-15
    - Tobias Fischer, Trial Attorney, CT-0905-14
    - Michael Amakor, Futures Trading Inv., CT-1801-13
  - Daniel Ullman, Chief Trial Attorney, CT-0905-15
    - Kassra Goudarzi, Trial Attorney, CT-0905-14
    - Jason Wright, Trial Attorney, CT-0905-14
    - Jonah McCarthy, Trial Attorney, CT-0905-14
  - Traci Rodriguez, Chief Trial Attorney, CT-0905-15
    - Patricia Gomersall, Futures Trading Inv., CT-1801-14

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Deputy Director Three SWRO

- Charles Marvine, Deputy Director, CT-0905-16
  - Christopher Reed, Deputy Regional Counsel, CT-0905-15
  - **VACANT, Paralegal Specialist**
  - Brett Shanks, Trial Attorney, CT-0905-14
  - Jeff LeRiche, Chief Trial Attorney, CT-0905-15
    - Jennifer Chapin, Trial Attorney, CT-0905-14
    - Alison Sizemore, Futures Trading Investigator, CT-1801-14
    - Rachel Hayes, Trial Attorney, CT-0905-14
    - Jane Auxter, Trial Attorney, CT-0905-14
    - Monique McElwee, Trial Attorney, CT-0905-14
  - **VACANT, Chief Trial Attorney, CT-0905-15**
    - **Vacant, Trial Attorney, CT-0905-14**
  - **VACANT, Chief Trial Attorney, CT-0905-15**
    - Stephen Turley, Futures Trading Investigator, CT-1801-14
    - Anthony Biagioli, Trial Attorney, CT-0905-14
    - **VACANT, Futures Trading Investigator, [redacted]**
  - Thomas Simek, Chief Trial Attorney, CT-0905-15
    - **Vacant, Trial Attorney, CT-0905-14**
    - Nicholas Sloey, Trial Attorney, CT-0905-14
    - Elsie Robinson, Futures Trading Investigator, CT-1801-13
    - Rebecca Jelinek, Trial Attorney, CT-0905-14
    - Ashley Clemon, Trial Attorney, CT-0905-14
    - Lauren Fulks, Futures Trading Investigator, CT-1801-13

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Deputy Director Four CRO

- Robert Howell, Deputy Director, CT-0905-16
  - Anne Smith, Secretary, CT-0318-07
  - Scott Williamson, Deputy Regional Counsel, CT-0905-15
  - Allison Passman, Chief Trial Attorney, CT-0905-15
    - Benjamin Sedrish, Trial Attorney, CT-0905-14
    - Jeffrey Gomberg, Futures Trading Investigator, CT-1801-14
    - Ansley Schrimpf, Trial Attorney, CT-0909-14
    - Ashley Burden, Trial Attorney, CT-0905-14
  - David Terrell, Chief Trial Attorney, CT-0905-15
    - Venice Bickham, Paralegal Specialist, CT-0950-11
    - Joseph Patrick, Futures Trading Investigator, CT-1801-14
    - Susan Padove, Trial Attorney, CT-0905-14
    - Candice Haan, Trial Attorney, CT-0905-14
  - Elizabeth Streit, Chief Trial Attorney, CT-0905-15
    - Bryan Hsueh, Futures Trading Investigator, CT-1801-13
    - Cristina Covarrubias, Trial Attorney, CT-0905-14
    - Carlin Metzger, Trial Attorney, CT-0905-14
    - Raymond Lavko, Paralegal Specialist, CT-0905-11
    - VACANT, Trial Attorney, CT-0905-14
  - Joseph Konizeski, Chief Trial Attorney, CT-0905-15
    - Joy McCormack, Futures Trading Investigator, CT-1801-14
    - Jon Kramer, Trial Attorney, CT-0905-14
    - Joseph Platt, Trial Attorney, CT-0905-14
    - **VACANT, Trial Attorney, CT-0905-14**
  - Elizabeth Pendleton, Chief Trial Attorney, CT-0905-15
    - Douglas Snodgrass, Trial Attorney, CT-0905-14
    - Heather Dasso, Futures Trading Investigator, CT-1801-14
  - **VACANT, Chief Trial Attorney, CT-0905-15**

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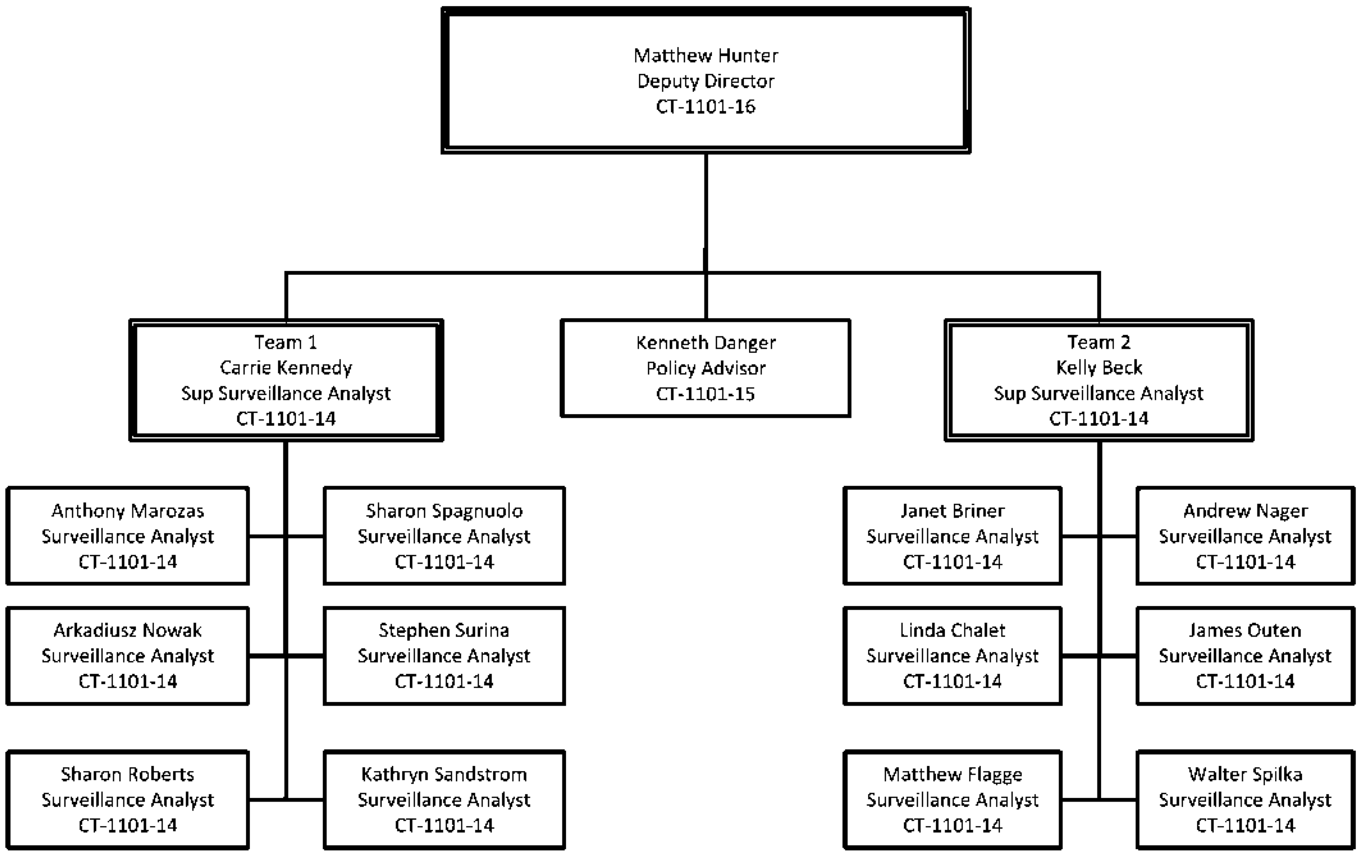
Deputy Director Five ERO

- Manal Sultan, Deputy Director, CT-0905-16
  - Lenel Hickson, Deputy Regional Counsel, CT-0905-15
  - Shantel Ogbuagu, Paralegal Specialist, CT-0905-11
  - David Acevedo, Chief Trial Attorney, CT-0905-15
    - Michael Berlowitz, Trial Attorney, CT-0905-14
    - W. Derek Shakabpa, Trial Attorney, CT-0905-14
    - James Wheaton, Trial Attorney, CT-0905-14
    - David Oakland, Trial Attorney, CT-0905-14
  - David W. MacGregor, Chief Trial Attorney, CT-0905-15
    - Linda Peng, Trial Attorney, CT-0905-14
    - Peter Janowski, Trial Attorney, CT-0905-14
  - Steven Ringer, Chief Trial Attorney, CT-0905-15
    - Xavier Romeu-Matta, Trial Attorney, CT-0905-14
    - Mark Picard, Trial Attorney, CT-0905-14
    - Katherine Rasor, Trial Attorney, CT-0905-14
    - Judith Slowly, Futures Trading Inv., CT-1801-13
  - K. Brent Tomer, Chief Trial Attorney, CT-0905-15
    - Gates Hurand, Trial Attorney, CT-0905-14
    - Michael Geiser, Trial Attorney, CT-0905-14
    - Gabriella Geanuleas, Trial Attorney, CT-0905-14
    - Trevor Kokal, Futures Trading Inv., CT-1801-14
  - Stephen Painter, Chief Trial Attorney, CT-0905-15
    - Karin Roth, Trial Attorney, CT-0905-14
    - Elizabeth Brennan, Trial Attorney, CT-0905-14
    - David Newman, Trial Attorney, CT-0905-14
    - Christopher Giglio, Futures Trading Inv., CT-1801-14
    - Devin Cain, Trial Attorney, CT-0905-14
  - Patryk Chudy, Chief Trial Attorney, CT-0905-15
    - Janine M. Gargiulo, Trial Attorney, CT-0905-14
    - Patrick Daly, Trial Attorney, CT-0905-14
    - Lara Turcik, Trial Attorney, CT-0905-14
    - **VACANT, Trial Attorney, CT-0905-14**
    - Alben Weinstein, Futures Trading Inv., CT-1801-13
  - Candice Aloisi, Chief Trial Attorney, CT-0905-15
    - Samuel Wasserman, Trial Attorney, CT-0905-14
    - Alejandra de Urioste, Trial Attorney, CT-0905-14
    - Jack Murphy, Trial Attorney, CT-0905-14
    - Michael Cazakoff, Futures Trading Inv., CT-1801-13

Market Surveillance



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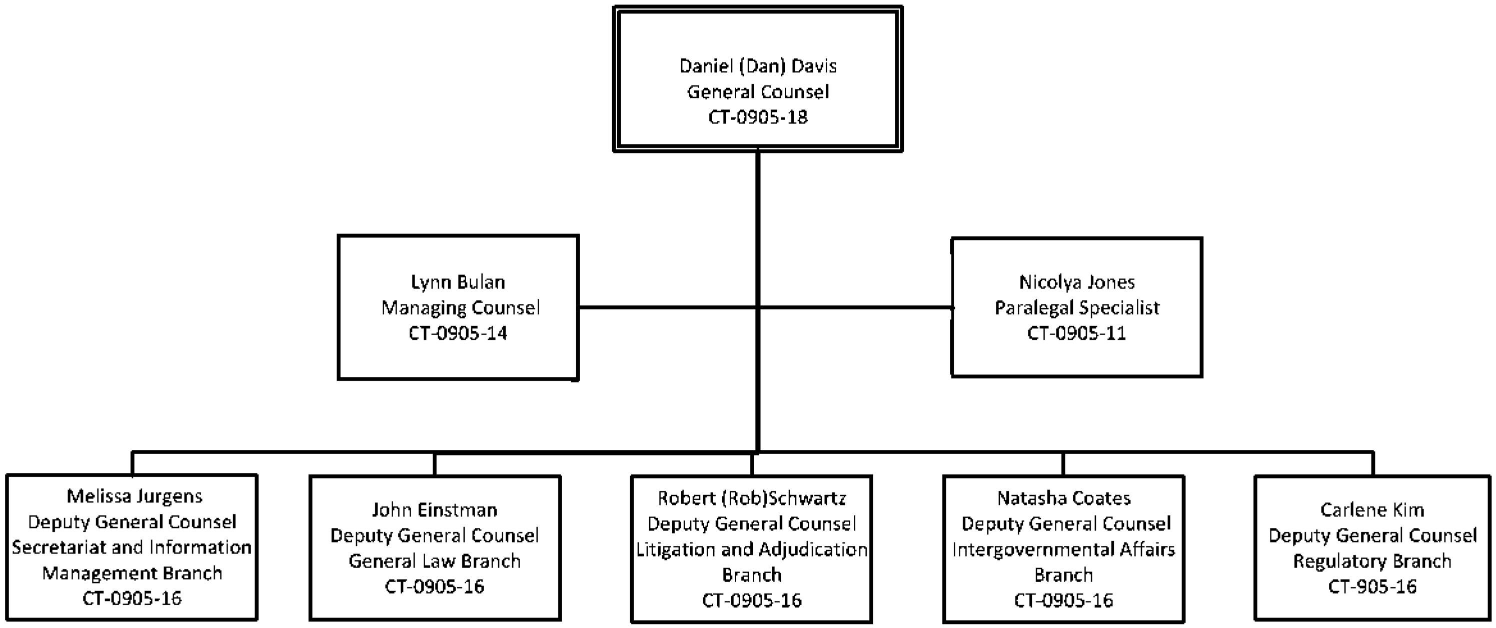
Legal Division



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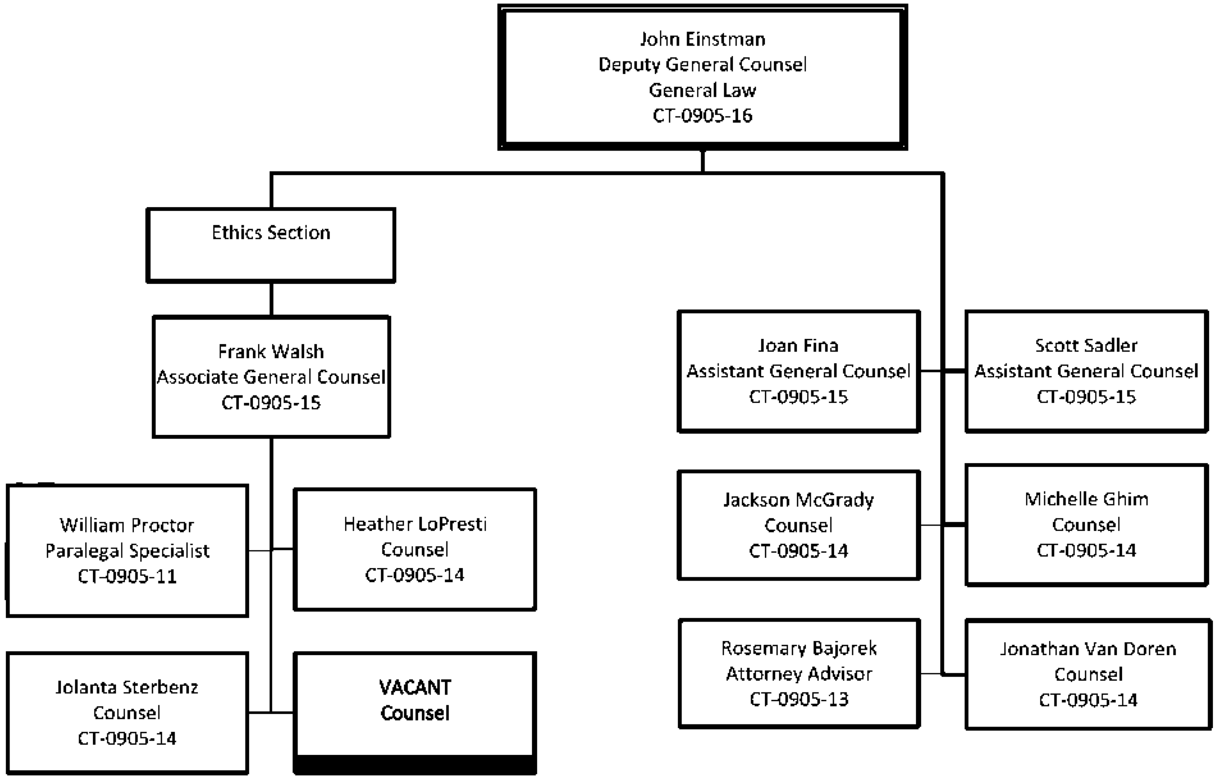
General Law Branch



Litigation and Adjudication Branch

Robert (Rob) Schwartz
Deputy Counsel
Litigation and Adjudication
CT-0905-16

Alex Case
Assistant General Counsel
(eDiscovery)
CT-0905-15

Clara Maria Godel
Assistant General CounselCT-0905-15

Leslie Randolph
Assistant General Counsel
CT-0905-15

Anne Stukes
Assistant General Counsel
CT-0905-15

Patricia Williams
Legal Assistant
CT-0986-10

Martin White
Assistant General Counsel
CT-0905-15

Melissa Chiang
Assistant General Counsel
CT-0905-15

Raagnee Beri
Assistant General Counsel
CT-0905-15

Kyle Druding
Counsel
CT-0905-14

Shannon Kelley
Specialist Assistant
CT-0950-11

Regulatory Branch

- Carlene Kim
  Deputy General Counsel
  Regulatory
  CT-0905-16
  - Hermino Castro
    Senior Special Counsel
    CT-0905-15
  - Section 1
    - Paul Schlichting
      Associate General Counsel
      CT-0905-15
      - Laura Badian
        Assistant General Counsel
        CT-0905-14
      - LeeAnn Duffy
        Assistant General Counsel
        CT-0905-15
      - Dhaval Patel
        Counsel
        CT-0905-14
      - Mark Fajfar
        Assistant General Counsel
        CT-0905-15
  - Section 2
    - VACANT
      Associate General Counsel
      CT-0905-15
      - Diana Dietrich
        Assistant General Counsel
        CT-0905-15
      - Thuy Dinh
        Counsel
        CT-0905-14
      - Jeffery Burns
        Assistant General Counsel
        CT-0905-15
      - Gail Scott
        Counsel
        CT-0905-14
      - Clark Oglivie
        Counsel
        CT-0905-14

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Intergovernmental Affairs Branch

Natasha Coates
Deputy General Counsel
Legislative and Intergovernmental Affairs
CT-0905-16

Nora Flood
Assistant General Counsel
CT-0905-15

Matt Rowland
Assistant General Counsel
CT-0905-15

Anthony Hays
Counsel
CT-0905-14

Mary Connelly
Assistant General Counsel
CT-0905-15

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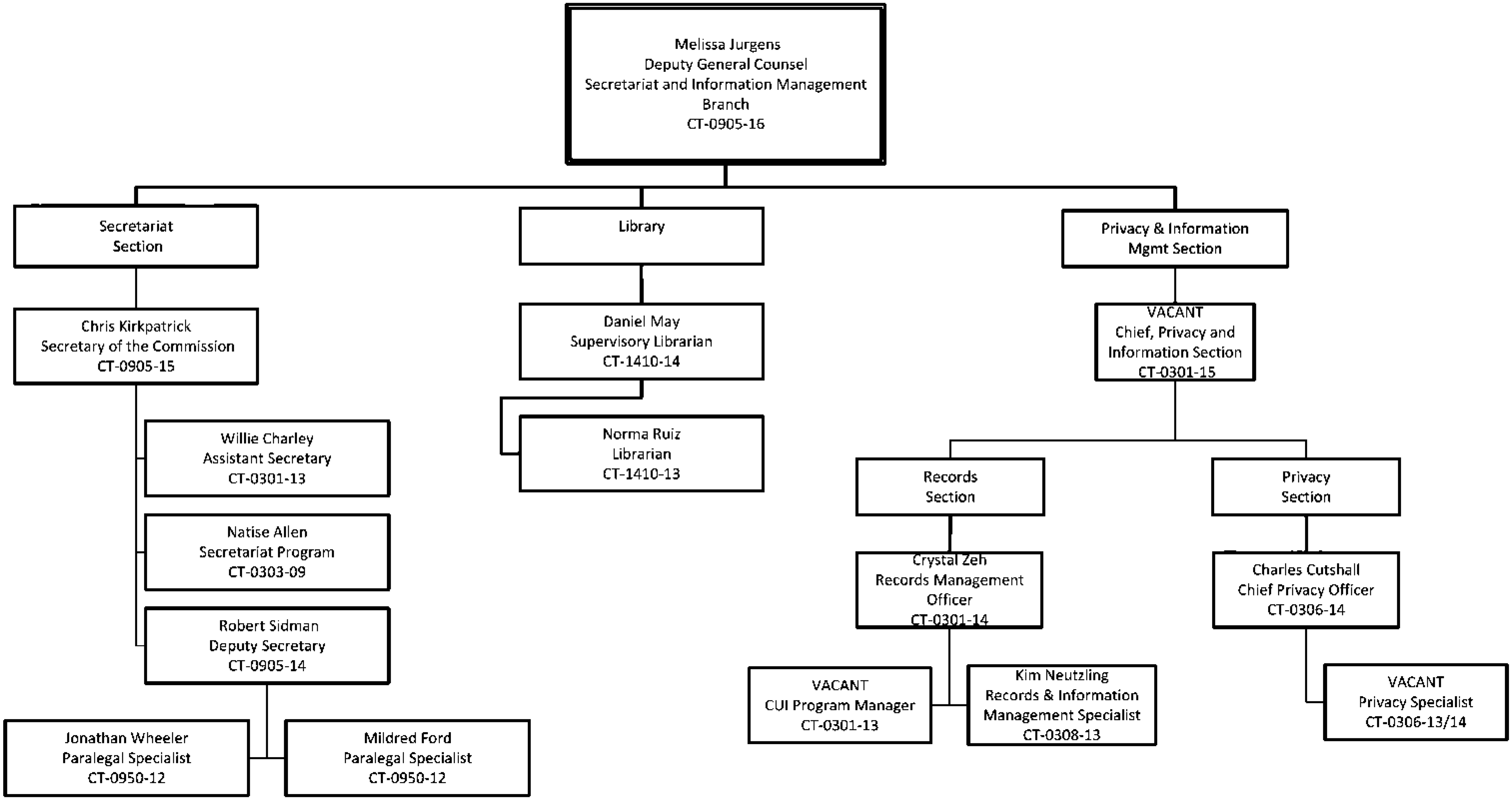
Secretariat and Information Management Branch



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Market Participants Division

- **Joshua Sterling**, Director, DSIO, CT-0905-18
  - Taloria Glaze, Management and Program Assitant, CT-0344-07
  - Frank Fisanich, Chief Counsel, CT-0905-16
  - Amanda Olear, Deputy Director, Registration & Compliance Branch, CT-0905-16
  - Thomas (Tom) Smith, Deputy Director, Managed Funds & Financial Requirements, CT-0905-16
  - Joseph (Joe) Sanguedolce, Examinations Branch, Deputy Director, CT-1101-16
  - VACANT, Deputy Director, Customer Education Outreach Branch

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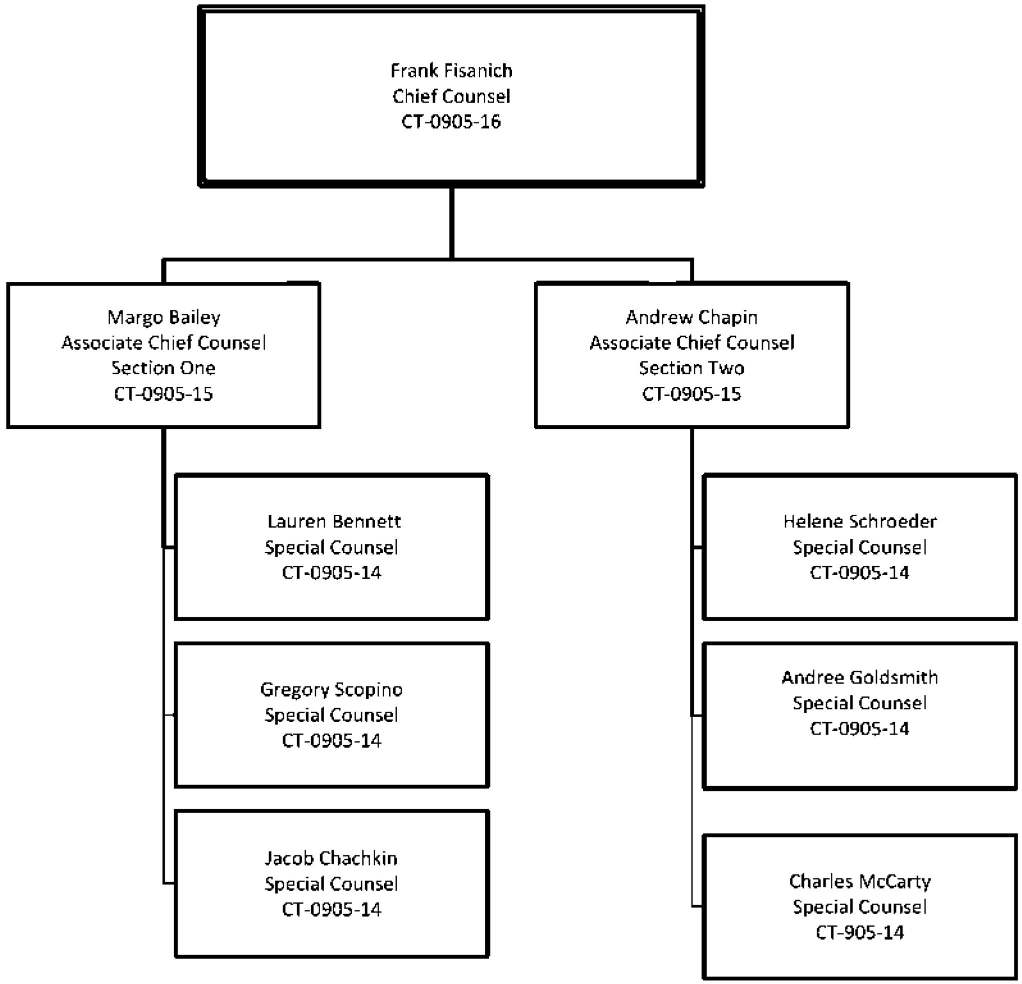
Chief Counsel



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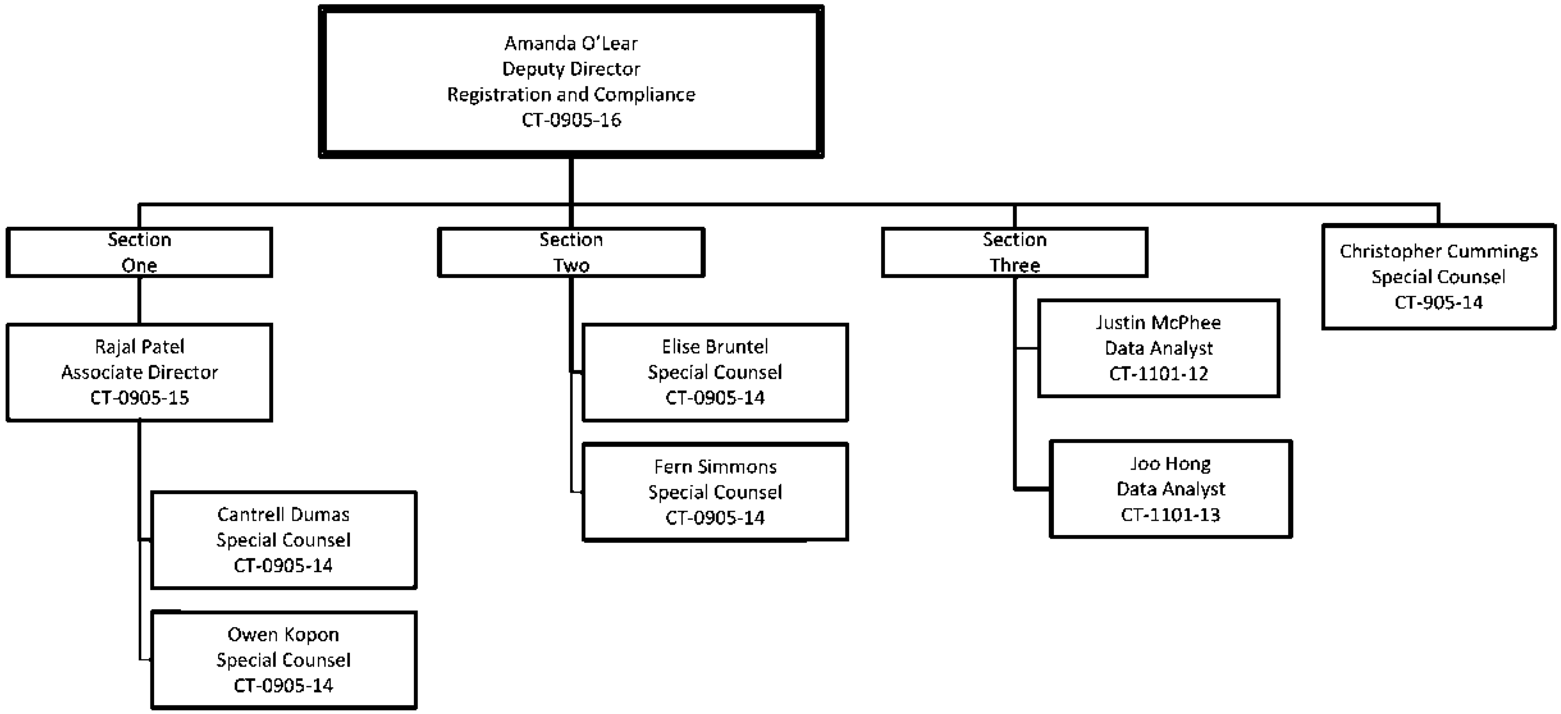
Registration and Compliance Branch



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Managed Funds & Financial Requirements Branch

- Thomas J. Smith, Deputy Director, CT-0905-16
  - Rafael Martinez, Sr. Financial Risk Analyst, CT-1101-15
  - **Section I**
    - Joshua Beale, Associate Director, CT-0905-15
      - Jennifer Bauer, Special Counsel, CT-0905-14
      - Mark Bretscher (CH), Special Counsel, CT-0905-14
      - Lawrence Eckert (NY), Special Counsel, CT-0905-14
  - **Section II**
    - Warren Gorlick, Associate Director, CT-0905-15
      - Carmen Moncada-Terry, Special Counsel, CT-0905-14
      - Liliya Bozhanova, Special Counsel, CT-0905-14
  - **Section III**
    - Pamela Geraghty, Associate Director, CT-0905-15
      - Michael Ehrstein, Special Counsel, CT-0905-14
      - Chang Jung, Special Counsel, CT-0905-14
      - Elizabeth Groover, Special Counsel, CT-0905-14
      - Peter Sanchez, Special Counsel, CT-0905-14

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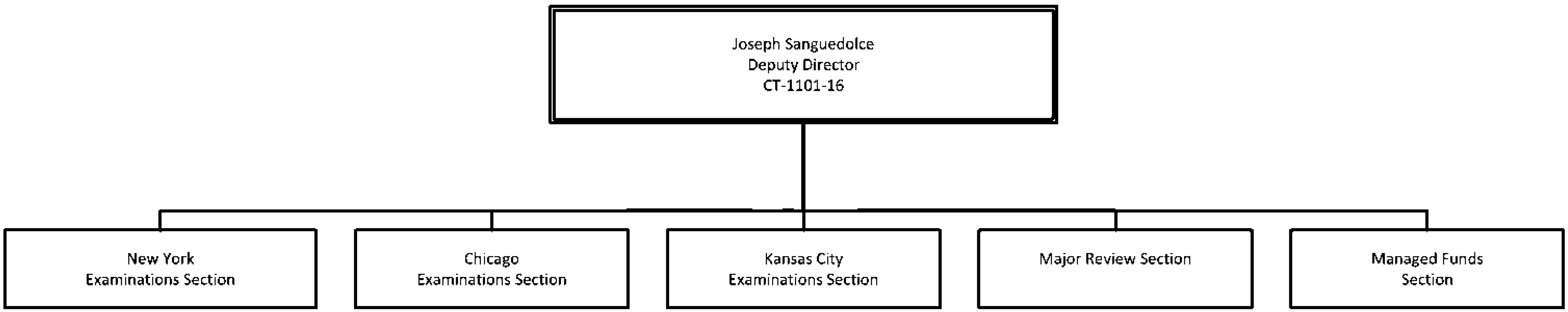
Examinations Branch



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Examinations Branch

- Joseph Sanguedolce, Deputy Director, CT-1101-16
  - **VACANT, Associate Director, CT-0511-15**
    - Annette Vitale, Audit Manager, Unit One, CT-0511-14
      - Nancy Cumberbatch, Auditor, CT-0511-14
      - **VACANT, Auditor, CT-0511-14**
      - Shoshana Feldman, Auditor, CT-0511-14
    - Robert Loeber, Audit Manager, Unit Two, CT-0511-14
      - Nicholas Chiacchere, Auditor, CT-0511-14
      - Ricardo Smalls, Auditor, CT-0511-14
      - Kelly Venezia, Auditor, CT-0511-14
  - Tom Bloom-KC, Associate Director, CT-0511-15
    - Kurt Harms, Audit Manager, Unit One, CT-0511-14
      - Marcus Shobe, Auditor, CT-0511-14
      - Jeff Hughes, Auditor, CT-0511-14
    - Justin Beebe, Audit Manager, Unit Two, CT-0511-14
      - Joseph Ott, Auditor, CT-0511-14
  - Carrie Coffin-CH, Associate Director, CT-0511-15
    - Ali Heiman, Audit Manager, Unit One, CT-0511-14
      - Leslie Garcia, Auditor, CT-0511-14
      - Eugene Teh, Auditor, CT-0511-14
    - Lisa Marlow, Audit Manager, Unit Two, CT-0511-14
      - Tamara Dervin, Auditor, CT-0511-14
      - Paula Ross, Auditor, CT-0511-14
    - Margaret Gal, Audit Manager, Unit Three, CT-0511-14
      - Eboni Steward, Auditor, CT-0511-14
      - James De Salvo, Auditor, CT-0511-14
    - Frances Gonzales, Audit Manager, Unit Four, CT-0511-14
      - Michael Guritz, Auditor, CT-0511-14
      - Jason Gonzalez, Auditor, CT-0511-14
      - **VACANT, Auditor, CT-0511-14**
  - Ralph White-KC, Associate Director, CT-0511-15
    - LuLu Quitasol-NY, Auditor, CT-0511-15
      - Bob Laverty- NY, Auditor, CT-0511-15
      - Walter Maksymec CH, Auditor, CT-0511-14

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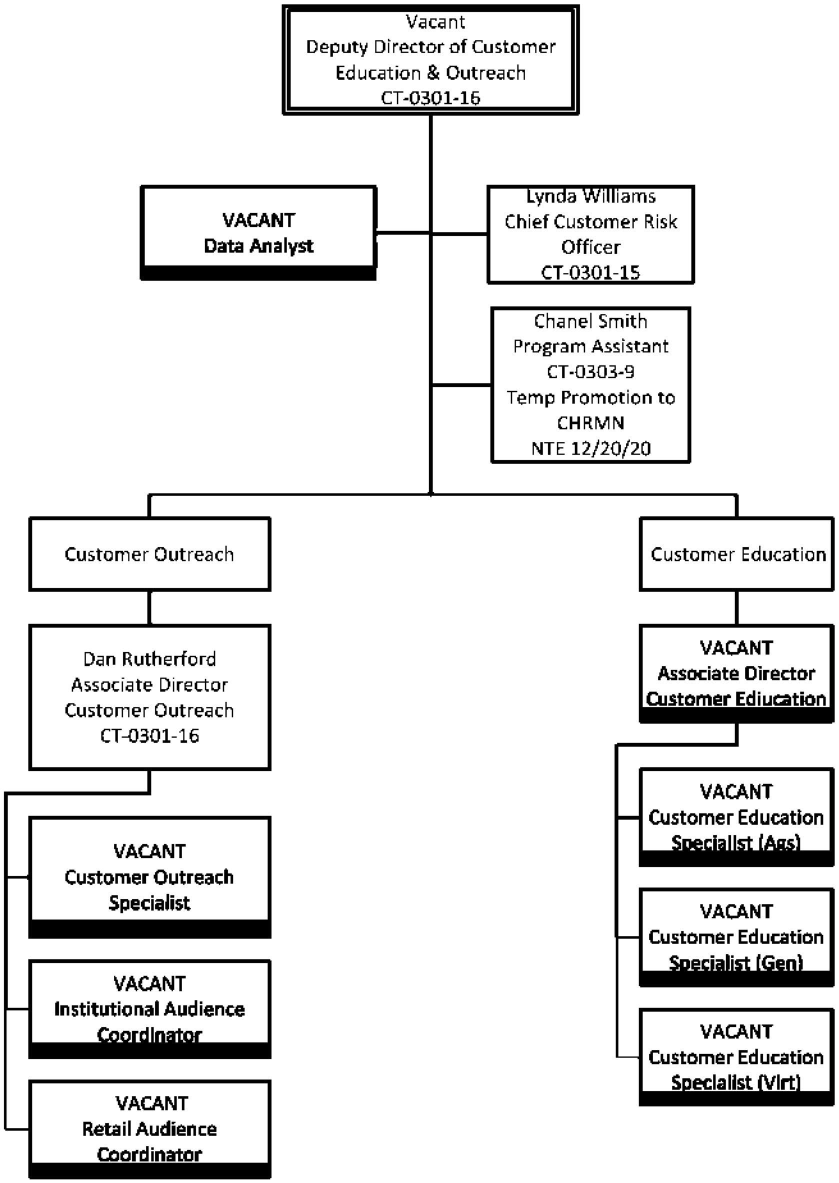
Customer Education and Outreach Branch



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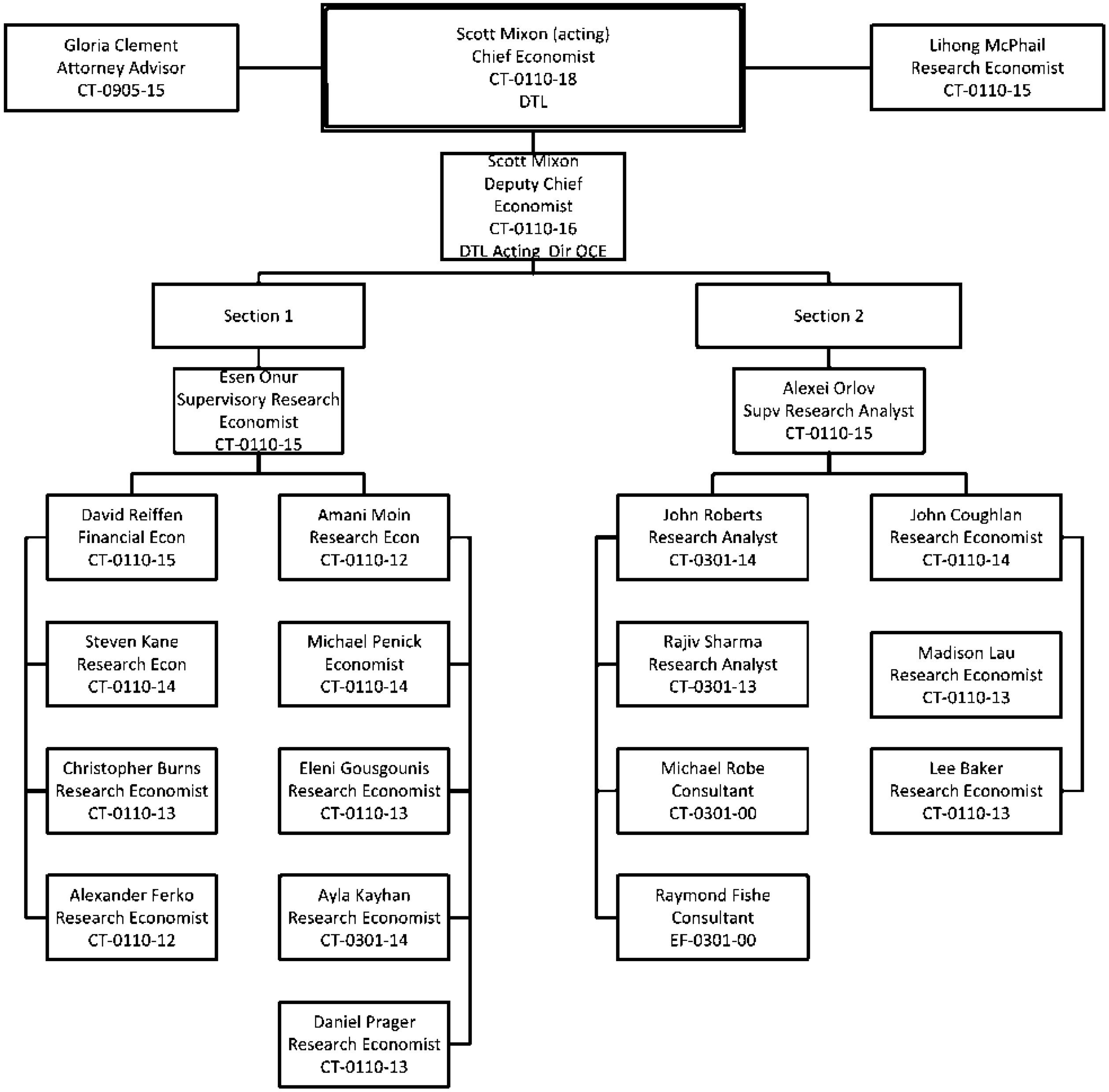
Office of the Chief Economist



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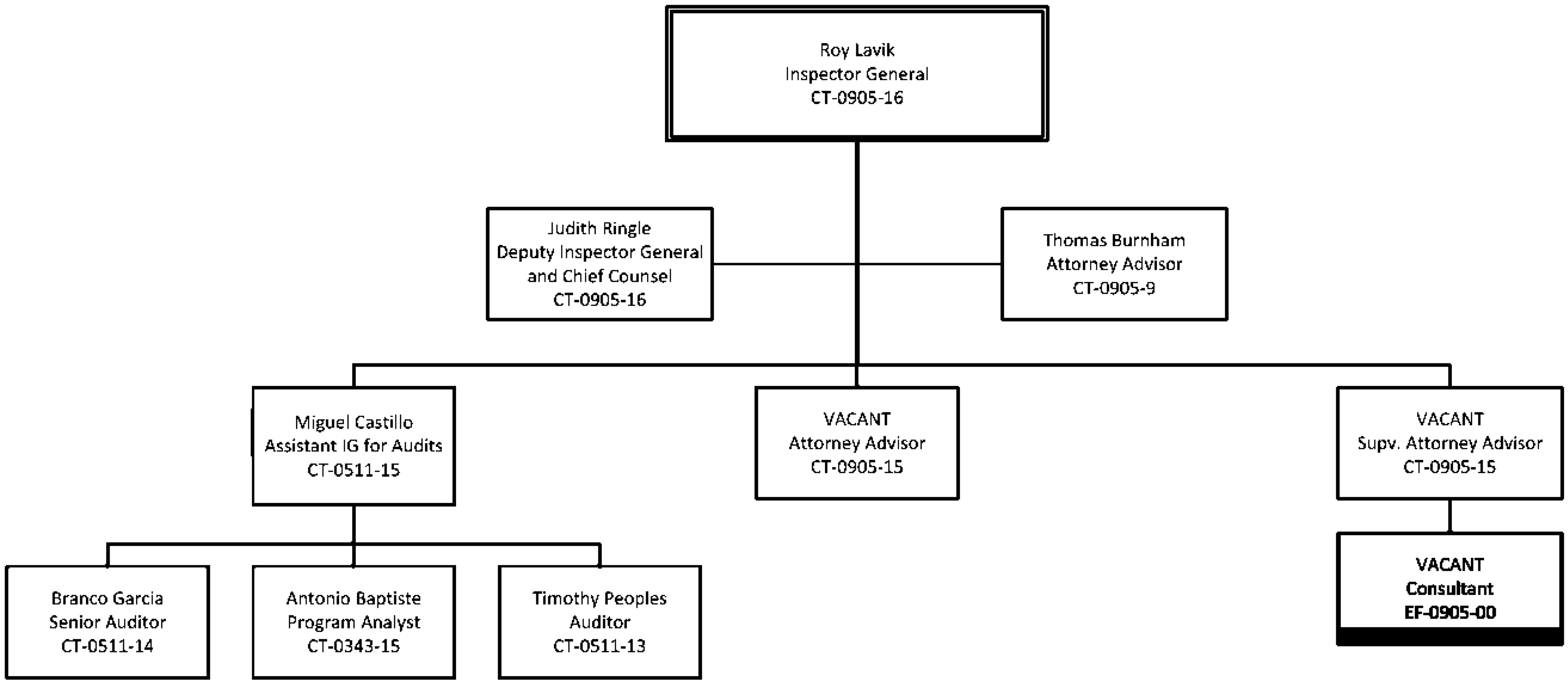
Office of International Affairs

- Suyash Paliwal, Director, CT-0905-17
  - Deborah Franklin, Staff Assistant, CT-0303-09
  - Section One
    - Tracy Wingate, Supervisory Attorney Advisor, CT-0905-15
      - Nancy Doyle, Special Counsel, CT-0905-15
      - Andrea Musalem, Special Counsel, CT-0905-14
      - Chava Schwebel, Special Counsel, CT-0905-14
      - Daniel Burstein, Special Counsel, CT-0905-14
  - Section Two
    - Mauricio Melara, Supervisory Attorney Advisor, CT-0905-15
      - Lily Chu, Special Counsel, CT-0905-14
      - Jason Mahoney, Special Counsel, CT-0905-14
      - Andrew Stein, Special Counsel, CT-0905-14
      - Camille Arnold, Special Counsel, CT-0905-14
      - Dana Brown, Attorney Advisor, CT-0905-12
  - Kevin Piccoli, Deputy Director, CT-1101-16
  - Natalie Radhakrishnan, Senior Special Counsel and Head of Supervisory Cooperation, CT-0905-15
  - Kevin Webb, Special Counsel, CT-0905-15, Detailed from Comm Quintenz

11/25/2020

Office of the Inspector General



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11/08/2020

COMMODITY FUTURES TRADING COMMISSION
KEY PERSONNEL

Chairman's Office	Title	Type of Appointment
Jaime Klima	Chief of Staff and COO, CT-17	Schedule A, Excepted Appointment NTE 07/15/2021
Norwood (Charlie) Thornton	Counselor to the Chairman, CT-14	Schedule A, Excepted Appointment NTE 07/15/2021
Thomas (Tom) Benison	Chief Negotiator for Int'l Agreements, CT-15	Schedule C
Matthew (Matt) Daigler	Attorney Advisor, CT-15	Schedule A, Excepted Appointment NTE 07/10/2021
Daniel Grimm	Attorney Advisor, CT-15	Schedule A, Temporary Promotion NTE 07/21/2021 Excepted Appointment Permanent at CT-14
Andrew Ridenour	Attorney Advisor, CT-15	Schedule A, Excepted Appointment NTE 07/21/2021
Karen Brown	Executive Assistant, CT-12	Detail NTE 3/17/2021, Competitive Appointment, Permanent
Chanel Smith	Staff Assistant, CT-10	Competitive Appointment, Temp Promotion NTE 12/30/2019 Competitive Appointment Permanent at CT-09

Office of Commissioner Quintenz		
Brian Quintenz	Commissioner, EX-4	Presidential Appointee NTE 1/22/2022
Kevin Webb	Attorney Advisor (Chief of Staff), CT-15	Schedule A, Excepted Appointment Permanent
Peter Kals	Attorney Advisor, CT-15	Schedule A, Temporary Promotion NTE 01/22/2022
Phyllis Campbell	Executive Assistant	Contractor

Office of Commissioner Behnam		
Rostin (Russ) Behnam	Commissioner, EX-4	Presidential Appointee NTE 6/19/2021
David Gillers	Attorney Advisor (Chief of Staff), CT-15	Schedule A, Excepted Appointment NTE 08/07/2021
Laura Gardy	Attorney Advisor, CT-15	Schedule A, Excepted Appointment Permanent
John Dunfee	Attorney Advisor, CT-15	Schedule A, Excepted Appointment Permanent
Kyndra Burke	Executive Assistant	Contractor

Office of Commissioner Stump		
Dawn Stump	Commissioner, EX-4	Presidential Appointee NTE 4/13/2022

Vacant	Advisor (Chief of Staff), CT-16	
Terry Arbit	Attorney Advisor, CT-15	Schedule A, Excepted Appointment NTE 4/13/2022
Elizabeth Mastrogiacomo	Attorney Advisor, CT-15	Schedule A, Excepted Appointment Permanent
Charles Ladd	Program Assistant	Schedule R, Excepted Appointment NTE 1/31/2021

<u>Office of Commissioner Berkovitz</u>

Dan Berkovitz	Commissioner, EX-4	Presidential Appointee NTE 4/13/2023
Erick Remmler	Attorney Advisor (Chief of Staff), CT-15	Schedule A, Excepted Appointment Permanent
Sebastian Pujol	Attorney Advisor, CT-15	Schedule A, Excepted Appointment Permanent
Lucy Hynes	Attorney Advisor, CT-15	Schedule A, Excepted Appointment Permanent
LaTonia Williams	Executive Assistant	Contractor

<u>LabCFTC</u>

Melissa Netram	Director, CT-16	Schedule A, Excepted Appointment 10/15/21

<u>Office of Legislative and Intergovernmental Affairs</u>

Summer Mersinger	Director, CT-16	Schedule C

<u>Office of Public Affairs</u>

Michael Short	Director, CT-17	Schedule C

<u>Office of Minority and Women Inclusion</u>

Sarah Summerville	Director, CT-15	Competitive Appointment Permanent

<u>Division of Clearing and Risk</u>

Clark Hutchinson	Director, CT-18	Schedule C

<u>Division of Data</u>	Director, CT-18	Competitive Appointment, Term NTE 11/25/2021
Tamara Roust		

<u>Division of Enforcement</u>

Vincent (Vince) McGonagle	Acting Director, CT-16	Schedule A, Permanent Appointment

<u>Division of Market Oversight</u>		
Dorothy DeWitt	Director, CT-18	Schedule A, Excepted Appointment NTE 9/29/2021
<u>Division of Market Participants</u>		
Joshua (Josh) Sterling	Director, CT-18	Schedule A, Excepted Appointment NTE 08/07/2021
<u>Office of General Counsel</u>		
Daniel (Dan) Davis	General Counsel and Director, CT-18	Schedule A, Excepted Appointment Permanent Reports to the Commission and serves as its legal advisor
<u>Division of Administration</u>		
Anthony (Tony) Thompson	Executive Director and Director, CT-18	Competitive Appointment Permanent Reports to the Commission and performs such functions and duties as the Commission may prescribe
<u>Office of the Chief Economist</u>		
Scott Mixon	Acting Chief Economist and Director, CT-18	Detail NTE 2/22/2021
<u>Office of International Affairs</u>		
Suyash Paliwal	Director, CT-17	Schedule A, Excepted Appointment NTE 08/18/2021
<u>Office of the Inspector General</u>		
Roy Lavik	Inspector General	Schedule A, Excepted Appointment Permanent

Appointment Definitions

Schedule C Appointment	Individuals appointed under a Schedule C appointment serve in confidential or policy roles immediately subordinate to other political appointees.

Schedule A Appointment	Individuals appointed non-competitively under a Schedule A appointment in the competitive service (e.g., individuals with disabilities).
Competitive Appointment	Individuals appointed based on selection from a competitive examination or under a direct hire authority.
Excepted Service Appointment	Individuals appointed to positions which are not in the competitive service or the Senior Executive service (e.g., individuals appointed to Schedule A attorney positions).
Term Appointment	A term appointment is a non-status appointment to a position in the competitive service, made for a specified period of time exceeding 1 year and lasting not more than 4 years. Term appointments are used to fill positions that are expected to last longer than 1 year, but which are clearly not continuing in nature and will terminate upon completion of the work.
Detail	A detail is the temporary assignment of an employee to a different position or set of duties for a specified period when the employee is expected to return to his/her regular duties at the end of the assignment. An employee who is on detail is considered for pay and FTE purposes to be permanently occupying his or her regular position. Therefore, there is no change to the employee's grade or salary while serving on the detail (even though the duties associated with the detail opportunity may be classified at a higher or lower grade level than the employee's current position).
Contractor	The individual works for a company with a formal contract with CFTC to perform specific work.

KEY STAFF BIOS

Chairman

Dr. Heath P. Tarbert is Chairman and Chief Executive of the Commodity Futures Trading Commission. He was nominated for a term expiring on April 13, 2024 and took office on July 15, 2019. The mission of the CFTC is to promote the integrity, resilience, and vibrancy of the U.S. derivatives markets through sound regulation. The agency's approximately 700 personnel based in Chicago, Kansas City, New York, and Washington, DC also work to ensure U.S. commodities and derivatives markets are free of fraud and manipulation. Chairman Tarbert also serves as a voting member of the Financial Stability Oversight Council (FSOC), as a Vice Chair of the International Organization of Securities Commissions (IOSCO) Board, and as a member of the President's Working Group on Financial Markets.

Chairman Tarbert has extensive experience in financial services law and has served in senior leadership roles in the public and private sector. Most recently, he served as Assistant Secretary for International Markets and subsequently as acting Under Secretary for International Affairs at the U.S. Department of the Treasury. In these roles, Chairman Tarbert served as the G-7/G-20 Deputy Finance Minister, a member of the Financial Stability Board, and the co-chair of both the US-EU Financial Regulatory Forum and the US-UK Financial Regulatory Working Group. Prior to his service at the Treasury Department, Chairman Tarbert was head of the bank regulatory practice of Allen & Overy LLP, a leading global law firm.

Other Public Service

- Policy Chair, U.S. Committee on Foreign Investment in the United States (CFIUS) (2017-2019)
- U.S. Executive Director, World Bank Group (2017-2018)
- Special Counsel, U.S. Senate Committee on Banking, Housing, and Urban Affairs (2009-2010)
- Associate Counsel to the President of the United States, The White House (2008-2009)
- Law Clerk, Chambers of Honorable Clarence Thomas, Associate Justice of the Supreme Court of the United States (2007-2008)
- Attorney-Advisor, Office of Legal Counsel, U.S. Department of Justice (2006-2007)

- Law Clerk, Chambers of Honorable Douglas H. Ginsburg, U.S. Court of Appeals for the District of Columbia Circuit (2005-2006)

Public Service Awards

- Alexander Hamilton Award, U.S. Department of the Treasury (2019)
- Outstanding Public Service Award, U.S. Department of Defense (2019)
- Select Professional Certifications
- Chartered Financial Analyst (CFA)
- Certified Public Accountant (CPA)
- Select Professional Affiliations
- Elected Member, American Law Institute (2017-Present)
- Life Fellow, American Bar Foundation (2016-Present)
- Board of Advisors, Review of Securities and Commodities Regulation (2015-2017)
- Legal Advisor, Systemic Risk Council (2015-2017)
- Chairman, Subcommittee on Systemically Important Financial Institutions, Banking Law Committee, American Bar Association (2014-2017)
- Senior Fellow, Harvard Law School Program on International Financial Systems (2013-2017)
- Board of Editors, Banking Law Journal (2011-2017)
- Life Member, National Eagle Scout Association (1991-Present)

Education

- DPhil, Comparative Law, Oxford University (2005)
- SJD, Financial Regulation, University of Pennsylvania (2002)
- JD, magna cum laude, University of Pennsylvania (2001)
- BS, summa cum laude, Mount St. Mary's University (1998)

Commissioners

Brian D. Quintenz was nominated by President Trump to serve as a Commissioner of the Commodity Futures Trading Commission on May, 12, 2017, was unanimously confirmed by the Senate on August 3, 2017, and was sworn into office on August 15, 2017 for the remainder of a five-year term expiring in April 2020.

Prior to his appointment to the CFTC, Mr. Quintenz founded and served as the Managing Principal and Chief Investment Officer of Saeculum Capital Management, a registered Commodity Pool Operator that specialized in risk management and technical analysis investment strategies.

Mr. Quintenz started his career in finance at Hill-Townsend Capital, a Registered Investment Advisor established to focus solely on U.S. bank and financial company investment opportunities. While there, Mr. Quintenz performed rigorous fundamental valuation analysis on regional and global banks, projected future earnings estimates, and implemented proprietary hedging strategies.

Prior to working in the financial markets, Mr. Quintenz worked for Congresswoman Deborah Pryce (OH-15) for several years ultimately becoming her senior policy advisor.
Mr. Quintenz graduated Magna Cum Laude from Duke University with a major in Public Policy Studies and received an MBA from Georgetown University McDonough School of Business, where he was inducted into the Phi Beta Gamma honors society.

Rostin Behnam was nominated by President Trump as a Commissioner of the Commodity Futures Trading Commission on July 13, 2017, was unanimously confirmed by the Unites States Senate on August 3, 2017, and was sworn in to serve as a Commissioner on September 6, 2017 for a term expiring in June 2021.

Commissioner Behnam arrived at the CFTC with extensive experience in financial and agricultural markets. After earning an A.B. in English literature and a minor in economics from Georgetown University, Commissioner Behnam worked as a proprietary equities trader in New York City, structuring and executing technical and fundamental trading strategies during a period of significant technological change. Seeking to improve and help shape the intersection between financial markets, public policy, and the law, Commissioner Behnam pursued a Juris Doctorate at Syracuse University. While a student, his experiences interning within the Division of Enforcement at the CFTC's New York Regional Office motivated Commissioner Behnam to direct his professional attention on protecting consumers and individual investors.

Upon graduation, he returned to his home state of New Jersey and joined the Bureau of Securities within the state's Office of the Attorney General. As an Investigator within the Bureau, Commissioner Behnam helped further the Bureau's mission of protecting investors from investment fraud and regulating the securities industry in New Jersey through various enforcement actions and regulatory and financial literacy efforts. Following his time with the Bureau of Securities, Commissioner Behnam practiced law in New York City, representing public and private companies on a range of corporate law and regulatory matters.

In 2011, Commissioner Behnam joined the staff of the U.S. Senate Committee of Agriculture, Nutrition, and Forestry, as senior counsel to Senator Debbie Stabenow of Michigan, the Committee's Ranking Member. As senior counsel to Senator Stabenow from 2011 through his 2017 appointment, Commissioner Behnam primarily focused on policy and legislation matters related to the CFTC and the United States Department of Agriculture, agencies within the direct jurisdictional purview of the Committee. Within that role, Commissioner Behnam was also responsible for reviewing and vetting all executive branch nominations reported out of the Agriculture Committee.
Commissioner Behnam's major responsibilities included advising Senator Stabenow on the implementation of the Dodd-Frank Wall Street Reform and Consumer Protection Act. In addition to the derivatives title, Commissioner Behnam also advised Senator Stabenow on all Dodd-Frank matters affecting the Treasury Department, the U.S. prudential regulators, and the

Securities and Exchange Commission. Commissioner Behnam served as lead advisor to Senator Stabenow during the investigation of MF Global, following its 2011 bankruptcy. Commissioner Behnam worked as legal counsel and led negotiations on the 2013 Pesticide Registration Improvement Act, several key provisions of the 2014 Farm Bill, the 2015 Cotton Futures Act, and the 2016 National Bioengineered Food Disclosure Standard.

Since joining the CFTC, Commissioner Behnam has advocated that the CFTC utilize its authority and expertise to ensure the derivatives markets innovate responsibly within an appropriate oversight framework and promote coordination and engagement among the financial regulators and innovators. As sponsor of the CFTC's Market Risk Advisory Committee, Commissioner Behnam convenes leading market experts and public consumer groups to engage in a public dialog on the timeliest issues relating to evolving market structures and movement of risk across clearinghouses, exchanges, intermediaries, market makers, and end-users.

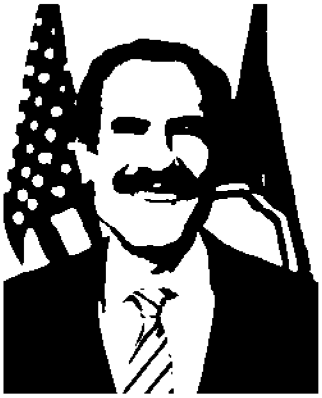
Commissioner Behnam lives in Baltimore with his wife and two daughters. He combines his love for travel with running, and enjoys discovering the places he visits with a pair of sneakers and a willingness to get a little lost if it means discovering a city by foot.

Dawn DeBerry Stump was nominated by President Trump to serve as a Commissioner of the Commodity Futures Trading Commission on June 12, 2017. She was unanimously confirmed by the Senate on August 28, 2018 and sworn into office on September 5, 2018 for the remainder of a five-year term expiring in April 2022.

Prior to her appointment, Mrs. Stump was President of Stump Strategic, a consulting firm she founded in 2016. Before starting her firm, Mrs. Stump was Executive Director and Senior Vice President of U.S. Policy for the Futures Industry Association (FIA) and Vice President at the New York Stock Exchange.

During much of her career she also served the public sector in staff positions in both the U.S. Senate and House of Representatives, including six years at the Senate Committee on Agriculture, Nutrition and Forestry where she focused on various farm policy, rural development, and renewable energy matters as well as oversight of the CFTC. While serving in both Congressional houses, she participated in negotiations of two farm bills, CFTC reauthorization, and the Dodd-Frank Act. Mrs. Stump is from Olton, Texas and grew up working in the agricultural sector.

She holds a Bachelor of Science in Agricultural and Applied Economics degree from Texas Tech University. She is married and has two children.



Dan M. Berkovitz was nominated by President Trump to serve as a Commissioner of the Commodity Futures Trading Commission on April 24, 2018. He was unanimously confirmed by the Senate on August 28, 2018 and sworn into office on September 7, 2018 for a five-year term expiring in April 2023.

Prior to his appointment, Mr. Berkovitz was a partner and co-chair of the futures and derivatives practice at the law firm of WilmerHale. He also was an Adjunct Professor at Georgetown University Law School, and vice-chair of the American Bar Association Committee on Futures and Derivatives.

Mr. Berkovitz served as General Counsel of the CFTC from 2009-2013. While serving in this role, he was the agency's Deputy Representative to the Financial Stability Oversight Council (FSOC). Before the CFTC, Mr. Berkovitz was a senior staff lawyer for the U.S. Senate Permanent Subcommittee on Investigations. He also served as Deputy Assistant Secretary in the Department of Energy's Office of Environmental Management.

Mr. Berkovitz obtained an A.B. in Physics from Princeton University and a J.D. from the University of California, Hastings College of the Law. He is married to Michelle and they have two children, Zoe and Eli.

Offices of the Chairman

Jaime L. Klima is Chief of Staff and Chief Operating Officer of the Commodity Futures Trading Commission. In her role, she serves as Chairman Heath Tarbert's lead advisor on legal, policy, and administrative matters. Ms. Klima is responsible for managing the daily operations of the agency, overseeing a staff of approximately 700 located in four offices across the country. She is also the Chairman's Deputy Representative to the Financial Stability Oversight Council.

Ms. Klima brings over 15 years of experience in financial services to her role. Prior to joining the CFTC, she spent seven years serving in a variety of senior legal and policy roles at the U.S. Securities and Exchange Commission, most recently as Chief Counsel to SEC Chairman Jay Clayton. In that capacity, she was responsible for managing and executing the policy agenda of the agency, including all Commission and interagency rulemakings. From 2004 to 2012, Ms. Klima practiced law at Wilmer Cutler Pickering Hale and Dorr LLP, advising major financial market participants on compliance with federal laws and regulations and the rules of self-regulatory organizations.

Other Public Service

- Counsel to Commissioner Michael S. Piwowar, U.S. Securities and Exchange Commission (2013-2017)
- Counsel to Commissioner Troy A. Paredes, U.S. Securities and Exchange Commission (2012-2013)
- Law Clerk, Chambers of Honorable Richard L. Nygaard, U.S. Court of Appeals for the Third Circuit (2003-2004)

Education

- JD, *cum laude*, Duke University (2003)
- MPP, Duke University (2003)
- BS, Systems Engineering, with distinction, University of Virginia (1999)

Summer K. Mersinger is the Director of the Office of Legislative and Intergovernmental Affairs at the Commodity Futures Trading Commission. In her role, she is the agency's lead liaison with Members of Congress and serves as a key advisor to Chairman Tarbert on legislative matters. She is also in routine contact with representatives from other federal agencies and the Administration on a variety of CFTC related matters.

Ms. Mersinger has 20 years of Capitol Hill and government relations experience. Prior to joining the CFTC, she was Senior Vice President at Smith-Free Group, a leading government affairs practice, where she worked on financial services and other issues.

From 2004 to 2016, Ms. Mersinger was a top aide to current Senate Majority Whip John Thune, who represents her home state of South Dakota. Most recently she served as his Chief of Staff, coordinating legislative activities for Sen. Thune's team and working regularly with Senate leadership and senior staff on both sides of the aisle. Ms. Mersinger was instrumental during policy debates involving banking, finance, telecommunications, surface transportation, agriculture, and trade issues. Ms. Mersinger was also directly involved in the communications efforts spearheaded by Sen. Thune through his leadership post on the Senate Republican Conference.

Prior to joining Sen. Thune's staff, Ms. Mersinger was a director of government relations at Arent Fox, and she also worked in Sen. Thune's office while he was a member of the U.S. House of Representatives from 1999 to 2002.

Education

- JD, The Catholic University of America, Columbus School of Law (2007)
- BA, Political Science, University of Minnesota (1999)

Michael C. Short has served as the Director of the Office of Public Affairs and Chief Communications Officer of the Commodity Futures Trading Commission since July 2019. In his role, Mr. Short is responsible for managing the agency's media relations, digital, and customer education teams as well as shaping the Commission's overall communications strategy. He also serves as the top communications strategist to the Chairman.

Mr. Short brings to the CFTC more than a decade of high-profile public relations experience in both the public and private sectors. Prior to joining the CFTC, he spent two years as head of media relations for the National Association of Manufacturers, the largest industrial trade association in the U.S. There, he led communications strategy on multi-million-dollar issue advocacy campaigns, advised Fortune 500 companies on public relations strategy, and served as the top spokesman for the group and its CEO. Mr. Short also established the NAM's first ever in-house media monitoring team to provide real-time alerts and updates for staff.

Mr. Short's prior government experience includes serving as press secretary to U.S. Rep. Adrian Smith and as a White House spokesman handling defense, foreign affairs, and homeland security matters. Mr. Short also spent four election cycles at the Republican National Committee serving in various communications positions including as a national spokesman and director of rapid response.

Education

- BA, Political Science and History, Texas Tech University (2008)

Sarah J. Summerville is the Director of the Office of Minority and Women Inclusion (OMWI) at the Commodity Futures Trading Commission. In her role, Ms. Summerville oversees the CFTC's civil rights, equal employment opportunity (EEO), diversity, and inclusion programs.

Ms. Summerville is an expert in U.S. employment and labor law, with more than two decades of experience. Prior to joining the CFTC in 2013, Ms. Summerville was a Labor Relations and Litigation Officer for the U.S. Department of Agriculture's Food and Nutrition Service. In this role, she was the agency's representative on all employee relations and labor relations third party litigation, handling cases before the Equal Employment Opportunity Commission, Merit Systems Protection Board, Federal Labor Relations Authority, and Federal Service Impasses Panel. She was also the agency's chief negotiator for collective bargaining agreements.

Prior to joining the Department of Agriculture, Ms. Summerville served as an EEO and Employment Law consultant to 13 federal agencies. In this role, she provided consulting services and training for federal supervisors and managers.

Other Public Service

- Acting Director, Office of Economic Impact and Diversity, U. S. Department of Energy (1998-2000)
- Director, Small and Disadvantaged Business Utilization, U. S. Department of Energy (1998-2000)
- Special Assistant, Office of Small & Disadvantaged Business Utilization, U.S. Department of Defense (1993-1998)

Education

- JD, Miles College School of Law (1981)
- BS, Mississippi Industrial College (1978)

Melissa Netram is the Director of LabCFTC and Chief Innovation Officer at the Commodity Futures Trading Commission. In her role, she is responsible for coordinating closely with international and U.S. regulators, Capitol Hill, and other external stakeholders to facilitate market-enhancing innovation, inform public policy, and ensure the CFTC has the understanding to keep pace with the ever-changing financial services industry.

Ms. Netram brings to her role more than 15 years of experience developing and executing policy strategy regarding technology and financial services issues. Prior to joining the CFTC, she was the Director of Global Public Policy and Regulatory Affairs for Silicon Valley-based Intuit, where she led the development of the company's government strategy and worked on the convergence of technology and global policy. As part of her role, Ms. Netram led efforts to position Intuit to successfully capitalize on fintech innovations, including serving as a founding member of the Financial Innovation Now Coalition, one of the first DC-area fintech groups.

Ms. Netram began her career in financial services at the U.S. Department of the Treasury, with a rotation through the Office of the Comptroller of the Currency. Following her government service, she joined The McGraw-Hill Companies and then the Financial Services Roundtable, where she worked extensively on the Dodd-Frank Act.

Education
- JD, The Catholic University of America, Columbus School of Law (2001)
- BA, *cum laude*, Villanova University (1998)

Divisions and Offices

Vince McGonagle is the Acting Director of the Division of Enforcement (DOE) at the Commodity Futures Trading Commission. In this role, he leads a team of attorneys, investigators, economists, surveillance analysts, and other professional staff who investigate and prosecute alleged violations of the Commodity Exchange Act and CFTC regulations that threaten market integrity, market participants, and the general public. Mr. McGonagle served as Principal Deputy Director in DOE from April 2017 to October 2020 with one exception noted below. As Principal Deputy, Mr. McGonagle has served as a primary advisor to the Director concerning the DOE's most significant matters and as to implementation of the DOE's mission to enforce the CEA and Regulations. Mr. McGonagle previously served as Acting Director for the DOE from February to April 2017 and from October to December 2010.

Mr. McGonagle served as the Director of the Division of Market Oversight (DMO) from October 2013 to January 2017 and, more recently, as the Acting Director and Chief Counsel of DMO from August to September 2019 as part of a detail in DMO from August 2019 to May 2020. During this more recent time, Mr. McGonagle oversaw, among other things, the proposed and final rule promoting swaps trading anonymity, proposed rule for trading on swaps execution facilities, and a proposed rule for position limits. Mr. McGonagle also provided guidance and direction to DMO branches in the handling of time sensitive and complex market issues, participated in Hill briefings, and participated in evaluation and response to pandemic related market events.

As Director of DMO between 2013 and 2017, Mr. McGonagle oversaw market surveillance, compliance examination, registration and rule review, and the contract market product review programs over trading facilities and swap data repositories. Mr. McGonagle oversaw several rulemakings (position limits, automated trading, systems safeguards, swaps reporting, among others) and the transition of swaps trading to a regulated market including the first ever permanent registration of SEFs. Mr. McGonagle testified twice before Senate panels, and led Commission staff roundtables and presentations before Commission Advisory Committees.

Between March 2002 and October 2013, Mr. McGonagle served as the Senior Deputy Director of DOE. Mr. McGonagle opened the first regulatory investigation into LIBOR and other global benchmark interest rates and thereafter supervised the Agency's landmark enforcement cases for manipulative conduct and false reporting concerning those benchmarks.

After leaving private practice in 1997, Mr. McGonagle joined DOE as a staff attorney eventually serving as Acting Associate Director and Counsel to the Director before serving as Senior Deputy.

Education

- JD, Pepperdine University School of Law
- BA, Economics, LaSalle University

Dorothy D. DeWitt is the Director of the Division of Market Oversight (DMO) at the Commodity Futures Trading Commission. In her role, she is responsible for the oversight of derivatives platforms and swap data repositories, and the CFTC's market intelligence initiatives. Ms. DeWitt joined the CFTC from Coinbase, a cryptocurrency company, where she served as Vice President and General Counsel for Business Lines and Markets. She previously served in senior legal and compliance roles for Citadel Securities, a broker-dealer and swaps dealer provisionally-registered with the CFTC, and S&P Global, and as an attorney at Davis Polk & Wardwell.

Ms. DeWitt spent nearly a decade in an investment capacity as a portfolio manager of alternative investment funds that relied heavily on derivatives and swaps. At Cadogan Management, Ms. DeWitt served as a partner and portfolio manager who co-led the investment group, before transitioning to become general counsel. Prior to that, she served at GAM in London, a global fund of hedge funds, as the portfolio manager for the GAM Multi-Arbitrage Fund, managing arbitrage, credit, event-driven, and fixed income investments. Before that, she served as a research analyst at a merger arbitrage and event-driven hedge fund at ING Furman Selz.

Other Public Service

- Law Clerk, Chambers of Honorable John E. Sprizzo, U.S. District Court for the Southern District of New York (1994-1995)

Education

- JD, *cum laude*, Harvard Law School (1994)
- BA, *summa cum laude*, The University of Texas at Austin (1991)

Joshua B. Sterling has served as the Director of the Division of Swap Dealer and Intermediary Oversight (DSIO) at the Commodity Futures Trading Commission since July 2019. In this role, he is in charge of overseeing the financial services firms that participate in our derivatives markets by applying DSIO's extensive resources in a smart, effective, and practical manner. He is responsible for the performance of DSIO's examination, reporting, guidance, referral, and rulemaking programs, which serve the goal of ensuring that those firms play by the CFTC's rules. Mr. Sterling is also responsible for coordinating the CFTC's relationship with the National Futures Association, with which DSIO shares frontline responsibility for regulating registered firms, and for liaising with the Chicago Mercantile Exchange in its oversight of clearing firms. He manages the daily operation of a 75-person staff that conducts these critical oversight activities from the CFTC's headquarters and regional offices.

Mr. Sterling brings to the CFTC nearly 20 years of experience practicing law in the financial services sector. Before joining the Commission, he was a partner at Morgan, Lewis & Bockius LLP where he represented large-scale asset managers around the world that participated extensively in the derivatives markets, including the sponsors of exchange-traded commodity pools, registered investment companies, and hedge funds. He also worked with clients to structure their derivatives activities in compliance with the Dodd-Frank Act and related SEC and CFTC requirements. In addition, Mr. Sterling helped lead his firm's representation of significant asset management clients during the 2008-2009 financial crisis and in their implementation of Dodd-Frank reforms.

Mr. Sterling began his legal career as an associate at Cleary Gottlieb Steen & Hamilton LLP. He is a member of the American Bar Association, Business Law Section; the District of Columbia Bar, Corporation, Finance and Securities Law Section; the Federal Bar Association; the Futures Industry Association, and the New York City Bar Association, Futures and Derivatives Committee.

Education

- JD, University of Pennsylvania Law School (2001)
- BA, Vanderbilt University (1998)

Clark Hutchison III has served as the Director of the Division of Clearing and Risk (DCR) at the Commodity Futures Trading Commission since July 2019. In his role, Mr. Hutchison manages a team of roughly 80 employees at the CFTC's Washington, D.C. and Chicago offices that are responsible for the agency's supervision of derivatives clearinghouses and their members, including oversight of clearing processes through risk assessment and surveillance.

Prior to joining the CFTC, Mr. Hutchison spent more than three decades in top positions in large global financial institutions, where he specialized in clearing and risk management. In addition to his private sector experience, Mr. Hutchison has served as a special advisor to the board of directors of the Futures Industry Association, as a member of the Chicago Mercantile Exchange's Risk Committee, and as a member of the board of directors of NASDAQ Futures, Inc.

Education

- BA, Haverford College (1980)

Suyash G. Paliwal is Director of the Office of International Affairs (OIA) at the Commodity Futures Trading Commission. In his role, Mr. Paliwal advises Chairman Tarbert on cross-border issues and leads the CFTC's international regulatory initiatives. OIA represents the Commission in international fora such as the International Organization of Securities Commissions (IOSCO), OTC Derivatives Working Group (ODWG), and OTC Derivatives Regulators Group (ODRG). Mr. Paliwal's office also coordinates the agency's efforts related to policies and initiatives of foreign jurisdictions and provides technical assistance to regulatory authorities globally.

Mr. Paliwal has spent the last decade handling international regulatory policy matters in both the public and private sectors. Prior to joining the CFTC, he served at the Federal Reserve Board, where he advised Vice Chair Randal Quarles on Financial Stability Board matters, represented the central bank in the International Association of Insurance Supervisors and bilateral forums, developed international and domestic policy for the supervision of systemically important financial institutions and certain financial conglomerates (insurance savings and loan holding companies), and oversaw the supervision of large financial institutions. He led a team of supervisors in Europe and Asia to develop international standards on governance and risk management, advised Federal Reserve Board leadership on strategic international engagement and market developments, and was lead author of a proposed capital rule.

Prior to his government service, Mr. Paliwal spent more than five years working in private practice at White & Case and Allen & Overy, where he advised clients on complex international legal issues and derivatives regulations. Before entering law school, he worked for more than four years in the financial services industry at Ernst & Young and Verisk Analytics, Inc.

Education

- JD, Columbia Law School (2010)
- MBA, University of Pennsylvania (2002)
- BS, University of Pennsylvania (2002)

Dr. Scott Mixon is the Acting Chief Economist and Acting Director of the Office of the Chief Economist (OCE) at the Commodity Futures Trading Commission. OCE conducts rigorous economic and econometric analysis of derivatives markets and partners with other CFTC divisions and offices to integrate economic reasoning and data analysis into Commission policy and cost-benefit considerations. In his role, Dr. Mixon supervises OCE's research activities and its economic analyses in connection with Commission rulemaking and policy. His personal research includes the integration of data on swaps and futures activity, with an emphasis on equity and commodity derivatives.

Prior to joining the Commission in 2012, Dr. Mixon spent more than 15 years in the private sector. He served as an alternative investments strategist and fund of hedge funds portfolio manager for Lyxor Asset Management, a subsidiary of Société Générale; as part of Bates White Economic Consulting's Antitrust practice, where his cases involved allegations of commodity price manipulation, allegations of anticompetitive behavior, and antitrust analysis for the CME/CBOT merger; and as a quantitative and derivatives strategist at UBS. His research has been published in leading academic journals such as *Journal of Financial Economics*, *Journal of Derivatives*, and *Journal of Futures Markets*.

Education

- PhD, Economics, Duke University (1997)
- BS, *summa cum laude*, The Florida State University (1992)

Dr. Tamara Roust has served as the Director of the Division of Data and Chief Data Officer since October 2020. In her role, she is responsible for overseeing the agency's enterprise data strategy and data governance approaches, including data collection and reporting obligations by registered entities and ensuring compliance with certain data and reporting requirements under the Commodity Exchange Act and CFTC regulations.

Prior to joining the CFTC, Ms. Roust served as Chief Data Officer for the State of Illinois where she developed the state's enterprise data strategy for statewide data practice and was a part of the state's COVID-19 taskforce. From 2011-2016, Ms. Roust served as a Risk Analyst in the CFTC's Division of Clearing and Risk (DCR), and from 2016-2019, as an Associate Director within DCR's Examinations Branch. She also has nearly a decade of experience in the financial services industry and worked as a senior engineer for NASA's Jet Propulsion Laboratory.

In addition to her extensive academic background, Ms. Roust holds various industry certifications, has been published in the International Journal of e-Finance, and has presented her publications at various Information Technology conferences.

Education

- PhD, Management Information Systems, Claremont Graduate University (2008)
- MS, Financial Engineering, Claremont Graduate University (2004)
- MS, Management Information Systems, Claremont Graduate University (2003)
- MBA, Finance, Claremont Graduate University (2002)
- BA, Mathematics and Computer Science, University of California, Los Angeles (1998)

Daniel J. Davis has been the General Counsel of the Commodity Futures Trading Commission since March 2017. In his role overseeing the Office of General Counsel (OGC), Mr. Davis is responsible for providing legal advice and support for CFTC programs; managing the CFTC's legal representation in appellate, bankruptcy, and other litigation; assisting in the performance of adjudicatory functions; advising on CFTC regulations; and advising on legislative, regulatory, and operational issues.

Prior to joining the CFTC, Mr. Davis did significant work in both the public and private sectors in which he worked extensively on administrative law, complex civil litigation, and labor and employment issues.

Other Public Service

- Counsel to the Assistant Attorney General, Civil Division, U.S. Department of Justice (2005-2007)
- Law Clerk, Chambers of Honorable Douglas H. Ginsburg, U.S. Court of Appeals for the District of Columbia Circuit (2002-2003)

Education

- JD, University of Chicago Law School (2002)
- BA, Brigham Young University (1998)

Anthony "Tony" C. Thompson is the Executive Director of the Commodity Futures Trading Commission, where he oversees the Office of the Executive Director (OED). In his role, Mr. Thompson manages the support functions of the agency, including directing the allocation of CFTC resources, developing and implementing management and administrative policy, and measuring and tracking program performance Commission-wide.

Before joining the CFTC in 2011, Mr. Thompson held senior positions at the U.S. Department of Agriculture where he was responsible for leading a workforce of more than 400 personnel and programs encompassing strategic planning, performance improvement, human capital, budget and financial management, civil rights, labor relations, procurement, and administrative services.

Before entering civilian government service, Mr. Thompson served in the United States Air Force for 32 years reaching the rank of Colonel. Over the course of his service in uniform, Mr. Thompson served in a variety of leadership roles at the Pentagon, as an officer at both the base and headquarters levels—including at a major command (MAJCOM) headquarters—and as a defense manager and strategic planner on the Joint Chiefs of Staff.

Other Public Service

- Chief Financial Officer, Food Safety and Inspection Service, U.S. Department of Agriculture (2007-2009)
- Director for Budget Programs (FMBP), U.S. Air Force (2005-2007)
- Chief, Financial Analysis Division, Directorate of Financial Management and Comptroller, Headquarters, USAFE, U.S. Air Force (2003-2005)
- Defense Resource Manager, Directorate for Force Structure, Resources, and Assessment, the Joint Staff, Pentagon (2000-2002)
- Chief Financial Officer and Comptroller Squadron Commander, Charleston AFB, South Carolina, U.S. Air Force (1998-2000)
- Chief Financial Officer, Combat Forces, USAF Headquarters, U.S. Air Force (1994-1998)
- Chief, Financial Management and Comptroller Division, Air Force Personnel Center, Randolph AFB, U.S. Air Force (1992-1994)

- Chief, Financial Management and Comptroller Officer Assignments, Directorate of Assignments, Air Force Personnel Center, Randolph AFB, U.S. Air Force (1991-1992)
- Chief, Headquarters Budget Branch and Command Budget Analyst, Directorate of Budget, Headquarters, USAFE, U.S. Air Force (1989-1991)
- Deputy Chief, Management Division, Directorate of Accounting and Finance, Headquarters, USAFE, U.S. Air Force (1987-1989)
- Chief, Accounting and Finance, Carswell AFB, U.S. Air Force (1985-1987)
- Chief, Accounting and Finance, Pease AFB, U.S. Air Force (1982-1985)
- Deputy Accounting and Finance Officer, Offutt AFB, U.S. Air Force (1981-1982)

Education

- MS, Air War College (2003)
- MBA, Golden Gate University (1988)
- BS, Regis University (1980)

Inspector General Key Staff

Inspector General, A. Roy Lavik

Deputy Inspector General and Chief Counsel, Judy Ringle

Assistant IG for Audits, Miguel Castillo

Section 1 Resumption of Operations

Date Updated: November 25, 2020

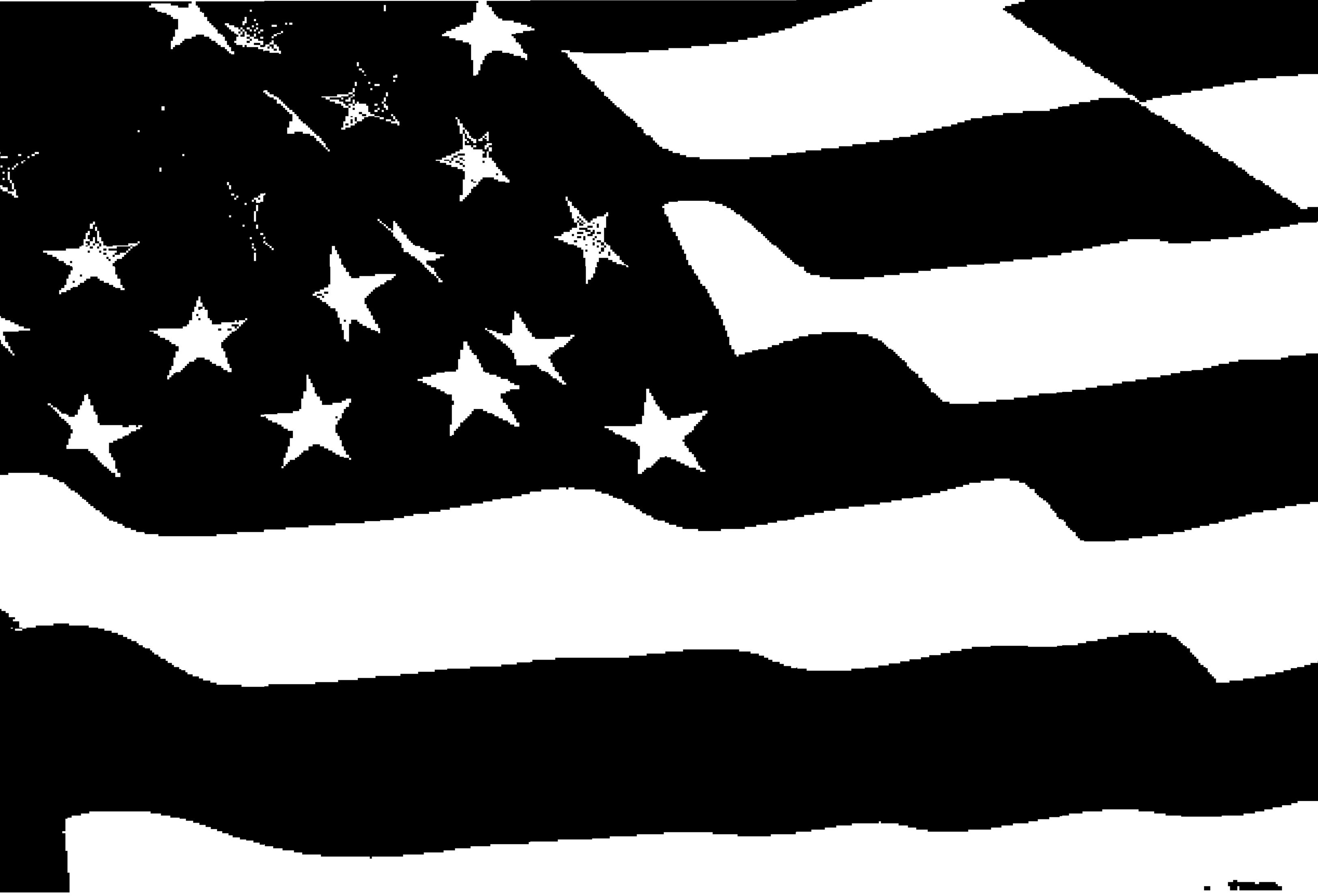
POCs: Tony Thompson, Tomeka Gilbert, Naeem Musa, Dwight Riley

Division of Administration

Since March 13, 2020, the Commission has been in a maximum telework posture due to the COVID-19 Pandemic. The Commission has pulled together a team that consists of security, IT, logistics and labor and employee relations professionals to create a Resumption of Operations Plan under the leadership of the Executive Operations Team (Chief of Staff, Chief Administrative Officer, General Counsel, Chief Planning Officer, Chief Human Capital Officer, and Chief of Information Security). The documents below outline the following:

1. Complete Phase 1 Reoccupying Plan

2. Phase 1 Highlights to be shared with staff communication



CFTC Reoccupying Plan
Phase One
COVID-19

For Official Use Only

August 2020

United States Commodity Futures Trading Commission

FINAL 8 19 2020

Commodity Futures Trading Commission

COVID-19 Response

Returning to the Office: Phase One

Gating Period

On March 16, 2020, the CFTC ("CFTC" or "agency") began encouraging all employees and contractors ("Staff") to telework to the maximum extent possible in all office locations. All of the buildings in each location have remained OPEN and mandatory telework was not activated during this time. Therefore, all offices of the CFTC have been in a "Gating Period" since March 16, 2020. Upon a determination by the Chairman that it is appropriate for an office location to exit the Gating Period such that a gradual, phased return to the office would begin, the agency would enter Phase I as detailed below. Senior leadership will determine when each CFTC location will transition to each Phase.

Phase I

Phase I is described in detail below. But, at a summary level, Phase I will involve a very limited number of Staff returning to in-office work, on a voluntary basis (with limited exceptions). Depending on local conditions, each CFTC office location could possibly enter Phase I at a different time.

Phase 1	
Geographically Based Decisions	
HQ NYRO CHRO KCRO	• Social Distancing • Protective Equipment • Self-Certification Questionnaire • Testing, Isolating and Contact Tracing • Sanitation • Disinfect common and high traffic areas

I. Telework

A. Employees are highly encouraged to telework whenever possible. The majority of employees will continue their current telework and work schedule arrangement. Temporary Change to the CFTC Work Schedule Policy, Applicable until Further Notice will still apply during this time.

B. Contractors are expected to continue teleworking consistent with the terms of their contracts, until otherwise notified by their company. CFTC's telework and work schedule policies do not apply to contractors.

II. Returning to the Office

A. With the exception of the KCRO, no more than 10% of all Staff per location (employees and contractors) will be allowed in each of the buildings (HQ, NYRO, CHRO) at the same time. Example: HQ currently has 759 Staff on board, therefore approximately 76 total Staff will be allowed in CFTC space per day. The KCRO will be allowed no more than 20% (6 Staff) at a time for Phase I.

B. In its discretion, the Agency may further limit Staff on site at a time to less than the 10%/20% caps. Considerations will include the Staff member's office location and the number of personnel located on each floor.
C. Staff may be prohibited from entry based on observation or self-certification that they have potential COVID 19 symptoms.
D. The Executive Director will determine who will enter the office if on-site work requests exceed the daily cap, if occupancy of a particular floor or area does not allow for social distancing, or if there are concerns related to potential COVID-19 symptoms based on observation or self-certification questionnaires.
E. The Executive Director, in his sole discretion, will make the final decision on all requests.
F. No interns or non-CFTC employee detailees will be allowed to return to the office during this time, unless directed for technology needs.

III. Procedure for Entering the Office

This procedure applies to all Staff (employees and contractors) who seek entry into any CFTC building location during Phase I.

A. Voluntary Return

Employees who would like to seek approval to return to the office **must**:

1. Submit a written request to the covid19@cftc.gov mailbox at least **two full business days in advance** of the employee's arrival into the building. For example, an employee voluntarily electing to work in the office on Monday must submit their request by no later than close of business on the preceding Wednesday. The request must include all information in **Appendix A**.
2. The employee must also submit responses to **the self-certification** questions in **Appendix B**, to covid19@cftc.gov. The self-certification must be received in the covid19@cftc.gov inbox **at least one full business day in advance** of the employee's arrival into the building. Employees approved for more than one day must complete the self-certification in **Appendix B** one business day in advance of their arrival to the building for **each day** they are approved to enter.
3. If the answers to the self-certification questions raise concerns, the Executive Director may deny approval to enter the building.
4. While not recommended, high risk employees who voluntarily seek to return to the office and are known to be high risk will be allowed to return to the office if they have been approved to do so through the above procedure. Employees are not required to provide any medical or other documentation to be classified as high risk. This classification is self-certifying.
5. Contractors may also seek approval to voluntarily return to the office. In those cases, they must work through the Project Manager (PM) of their employing firm, who will then submit the request to the Contracting Officer's Representative (COR). If approved, the COR **must** submit the request, on behalf of the contractor, as described in step (1) above. The remaining steps (2-4) will then be followed. Contractors approved for more than one day, must complete the self-certification in **Appendix B** one business day in advance of their arrival to the building for each day they are approved to enter and send to the covid19@cftc.gov inbox.

6. Staff who believe that they can no longer self-certify because of an on-set of symptoms or new information must withdraw their request by contacting covid19@cftc.gov and refrain from on-site work.
7. Staff voluntarily reporting to the office may withdraw their request at any time, to include after receiving approval to report for on-site work.

B. Management Directed Return to Office

In the event of a mission-critical need for a task/project to be performed on-site, management will, where possible, seek volunteers to perform the task. If no volunteers are identified, then management may direct an individual to perform the on-site work pursuant to the below process. In all situations in which on-site work must occur, the CFTC will take efforts to reasonably mitigate potential risks to Staff with safety precautions, as more fully described below in Section IV.

1. Employee Volunteers

a. When a supervisor requires a specific task to be performed on-site during Phase I for mission-critical purposes, the supervisor will first submit the request to their Division or Office Director (or the Director's designee) for approval. Once approved, the supervisor will seek to obtain volunteers from a pool of employees whom the supervisor believes are qualified to perform the work required. In order to provide reasonable notice, the supervisor must, absent exigent circumstances, contact potential volunteers **at least three full business days in advance** of the time they need them in the office. For example, a supervisor who is seeking volunteers to work in the office on Thursday must contact potential volunteers by no later than start of business on Monday.

b. The supervisor will work with the volunteer employee to find a mutually agreeable time and date, if possible, for the employee to go into the office and perform the work.

c. The supervisor will submit a written request to the covid19@cftc.gov mailbox and CC the employee, at least **two full business days in advance** of the employee's arrival into the building. For example, a supervisor who sends a volunteer employee to work in the office on Monday must submit their request by no later than close of business on the preceding Wednesday. The request must include all information in **Appendix A**.

d. The employee must also submit responses to **the self-certification** questions in **Appendix B**, to covid19@cftc.gov. The self-certification must be received in the covid19@cftc.gov inbox **at least one full business day in advance** of the employee's arrival into the building. Employees approved for more than one business day must complete the self-certification in **Appendix B** one business day in advance of their arrival to the building for each day they are approved to enter.

e. If the answers to the self-certification questions raise concerns, the Executive Director may deny entrance to the building.

f. Staff who believe that they can no longer self-certify because of an on-set of symptoms or new information must notify covid19@cftc.gov and refrain from on-site work.

2. No Volunteers or a Specific Employee is Needed

a. If no one volunteers to go into the office or if the manager needs a specific individual to go into the office for the performance of mission-critical work, the supervisor will designate someone to go into the office. Absent exigent circumstances, the supervisor must contact the employee **at least three (3) full business days in advance** of the time the supervisor needs the employee in the office.
b. If the employee is high risk, or provides dependent care for or resides with a high risk individual, then the employee will not be required to go into the office, so long as the employee can articulate the applicable high risk category. The employee must raise the high risk category issue to their supervisor at the time they are contacted to return to the office. Supervisors must treat such self-identifications with the utmost confidentiality. Safeguards for employee privacy are discussed further in section VII(C) below.
c. The supervisor will coordinate with the employee, based on their individual circumstances (dependent care, transportation, etc.) to identify an agreeable time for the employee to report to the office and perform the work, if possible. This may include evenings and Saturdays. Please note that the buildings may not have heat or air conditioning during these times after hours.
d. The supervisor will submit a written request to the covid19@cftc.gov mailbox and CC the employee, at least **two full business days in advance** of the employee's arrival into the building. For example, a supervisor who is sending an employee to work in the office on Monday must submit their request by no later than close of business on the preceding Wednesday.
e. The employee must also submit responses to **the self-certification** questions in **Appendix I**, to covid19@cftc.gov. The self-certification must be received in the covid19@cftc.gov inbox **at least one full business day in advance** of the employee's arrival into the building. Employees approved for more than one business day, must complete the self-certification in **Appendix B** one business day in advance of their arrival to the building for each day they are approved to enter.
f. If the answers to the self-certification questions raise concerns, the Executive Director may deny entrance to the building.
g. Anyone who believes that they can no longer self-certify because of an on-set of symptoms or new information must notify covid19@cftc.gov and refrain from on-site work.

3. New Staff (FTEs and Contractors)

a. During Phase I, all new Staff will be required to come in to their assigned duty station on their assigned start date, which is usually the first Monday of the pay period for employees, to receive a PIV card and laptop in order to begin teleworking.
b. DA will work with the new Staff to identify a mutually agreeable time, if possible, for them to report to the office.
c. The new Staff member must also submit responses to the self-certification in **Appendix B** to covid19@cftc.gov **one business day** prior to picking up his/her equipment at his/her assigned CFTC location.

d. If the answers to the self-certification questions raise concerns, the Executive Director may deny entrance to the building.
e. Staff who believe that they can no longer self-certify because of an on-set of symptoms or new information must notify covid19@cftc.gov and refrain from reporting to the office.
f. In order to telework, all new employees must submit a telework agreement and safety certification checklist, and review the telework policies and training as soon as possible but no later than one week after receiving their laptop. The same applies to contractors, except there is no requirement for a telework agreement and safety certification checklist. Contractor telework will be per the terms of their contract with CFTC.

4. Contractors

a. When a COR determines that personnel under a contract they administer must go into the office during Phase I, they must notify the Contracting Officer, who will then work with the company to identify the appropriate individual. (Note: Typically, specific contractor personnel will not be ordered back to work. If there is more than one contractor employee that performs the function then the contractor company will need to determine who returns.) The COR then must submit the request to the relevant Division or Office Director at least **two full business days in advance** of the contractor's arrival into the building. The request must include all information in **Appendix A**.
b. If approved, the Division or Office Director (or the Director's designee) will notify the COR and submit their approval and the request via e-mail to covid19@cftc.gov at least **one full business day in advance** of the contractor's arrival into the building.
c. The contractor must also submit responses to **the self-certification** questions in **Appendix B** to covid19@cftc.gov. The request and the self-certification must be received in the covid19@cftc.gov inbox at least **one full business day in advance** of the contractor's arrival into the building. Contractors approved for more than one business day, must complete the self-certification in **Appendix B** one business day in advance of their arrival to the building for each day they are approved to enter.
d. If the answers to the self-certification questions raise concerns, contractors may not receive approval to enter the building.
e. Anyone who believes that they can no longer self-certify because of an on-set of symptoms or new information must notify covid19@cftc.gov and refrain from on-site work.

IV. Required Safety Precautions while in the Office

A. Masks

1. Staff are required, when they arrive to the office, to be wearing a mask/face covering.
2. While supplies are available at each duty station, the agency will strive to provide each employee who reports to the office with at least five (5) cloth face coverings that employees will be required to maintain for cleanliness.
3. Employees may instead wear their own personal face mask/face covering.

4. Contractors will be expected to provide their own face mask/face covering. However, CFTC may still offer them cloth face masks if needed, and as supply levels allow.
5. Anyone, entering any of the CFTC locations who has not brought a mask/face covering with them will be provided a 3-ply disposable face covering.
6. Staff must wear masks/face coverings in all common areas such as:
    a. Entrance areas
    b. Elevators (which are limited to two people at a time in CFTC-controlled space)
    c. Stairwells
    d. Hallways
    e. Bathrooms
    f. Kitchens
    g. Lounges
7. Staff is not required to wear masks/face coverings in their offices if they keep their door closed when they are inside.
8. Staff members in cubicles must wear masks at all times.

B. Social Distancing

1. Limit socializing in common areas. Tables and chairs have been removed from employee lounges. Oversized furniture (loveseats, sofas and coffee tables, etc.) will remain in place but will be spaced apart to meet the social distancing requirement of six feet; those that cannot be separated will be placed in storage.
2. Social distancing is required for all Staff while in CFTC space (approximately 6 feet apart). This includes all areas listed in IV(A)(6)(a)-(g).above.
3. Elevators will be limited to two people at one time in CFTC controlled space. All other elevators will be subject to restrictions set by local property management. Social distancing is required while Staff is waiting for an elevator to arrive.
4. Pantries will remain open, but chairs will be limited. After using the refrigerator, microwave or sink, staff should wipe down the handle with wipes provided.
5. Only one Staff member will be allowed per office/cubicle, with no guests permitted unless one Staff member stands at doorway at least 6 feet away while both parties are wearing masks.
6. Stairwells in each location may be designated as "up" or "down". Please follow building guidance.
7. All conference rooms will remain open. However, no more than two Staff will be permitted per conference room. ODT service will not be provided and LO services will be limited to daily cleanings.

C. Gloves

The agency will provide gloves for Staff that require them for the performance of their duties. Examples include handling mail, handling IT equipment and fingerprinting.

D. Hand Sanitizer

1. The agency will provide hand sanitizer in common areas, including elevator banks, restrooms, conference rooms, pantries and lounges.
2. If hand sanitizer running low or has run out, Staff should notify the LO helpdesk that a refill is required.

E. Soap

1. The agency will provide soap in all restrooms, pantries and lounges.
2. If the soap is running low or has run out, Staff should notify the LO helpdesk that a refill is required.

F. Disinfectant Wipes

1. The agency will provide disinfectant wipes or the like in common areas where Staff handles equipment, e.g., conference rooms/copier/printer areas. Signs will be posted reminded staff to wipe down equipment they touch when completed.
2. If disinfectant wipes are running low or have run out, Staff should notify the LO helpdesk that a refill is required.

G. Building Cleaning

1. Each location will have janitorial services per contract agreements. If additional cleaning is required, Staff will need to contact the LO Help Desk (HQ, NYRO, CHRO, and KCRO) to schedule additional cleaning.
2. If COVID-19 cases are confirmed in any building, the agency will provide enhanced cleaning protocols in accordance with CDC Guidelines and building protocols, with possible supplemental cleaning of specific offices if necessary.

H. HVAC Systems

The CFTC does not control the HVAC systems in each of the buildings where it has Staff offices. Therefore, HVAC system maintenance will be subject to building specifications, and if possible will be enhanced as described to the agency by the respective building owners/operator as follows:

- **HQ:**
  - The HVAC system will be operated 24/7 during the week with additional fresh air brought into the building on a continuous basis. Building air filters will be replaced with new high efficiency filters and there will be an increase in the amount of external air supplied to all building spaces.
  - All cleaning solutions and disinfectants will be EPA approved.
- **CHRO:**
  - HVAC systems set to maximize outside air intake, as recommended by ASHRAE (The American Society of Heating, Refrigerating and Air-Conditioning Engineers).
  - Coils and air inlet chambers for all HVAC units cleaned and disinfected.
  - Air filters upgraded to the maximum allowable filtration specifications.
- **NYRO:**
  - Air Handler Fans have been running daily to flush the building with maximum fresh air. The Air Handling Units have been cleaned and disinfected by:
    - Installing a fresh set of air filters.
    - Pressure washing the cooling coils and fresh air dampers.
    - Apply a disinfecting virucide to all coils.
  - Domestic Water is flushed daily and a Water Management Program will be implemented to prevent stagnant water from collecting in the pipes.
- **KCRO:**

  Coils and air inlet chambers for all HVAC units cleaned and disinfected.

I. Visitors

No outside visitors (i.e., for employees or contractors of CFTC) will be allowed in any CFTC space, in any location, during Phase I.

J. Travel

No official travel, local or long distance, should be taken during Phase I unless it is requested and approved through the Chief of Staff.

K. Training

All training will be performed virtually during Phase I. There will be no classroom or in-person trainings allowed; this includes both on-site and off-site locations.

V. Mandatory Reporting of Possible Infection

A. Symptoms Experienced In Office

1. An employee who is experiencing symptoms in the office must inform their supervisor and CFTC's Coronavirus Contact Tracing (CVCT) Group at covid19@cftc.gov (using the process outlined below in VII) immediately. Similarly, a contractor employee must inform their corporate PM and covid19@cftc.gov.
2. Once the supervisor or PM is informed and CVCT group contacted, the staff member must leave the CFTC location.
3. Staff may return to their telework location, if able, or take leave.
4. If taken, an employee must notify the CVCT group at covid19@cftc.gov of the results of any COVID-19 testing within 24 hours of receiving notification. A contractor must inform covid19@cftc.gov, and should also notify their PM.
5. Medical documentation may be required if Staff member would like to return to the office.

B. Symptoms Experienced Outside of Office

1. If Staff begins to feel symptoms outside the office, but they have either visited or worked in CFTC space and/or have interacted in person with other Staff outside the work environment within 14 days of beginning to feel symptoms, Staff must contact the CVCT Group at covid19@cftc.gov using the process outlined below in VII).
2. If taken, the employee must inform the CVCT group at covid19@cftc.gov of the results of any COVID-19 testing within 24 hours of receiving notification. A contractor employee must inform the covid19@cftc.gov mailbox and should also notify their PM.
3. Medical documentation may be required if Staff would like to return to the office.

VII. Contact Tracing

The purpose of contact tracing at the CFTC during Phase I is solely to identify Staff who were potentially exposed to the COVID-19 virus in connection with either an in-person voluntary visit to the office or a visit with Staff outside of the office. Every attempt to protect staff privacy will be made. See also Section VII C, below.

A. Contact Tracing Scope/Purpose

1. Contact tracing activities will be performed by the Coronavirus Contact Tracing (CVCT) Group as an additional measure for maintaining a safe workspace and protecting Staff working on-site. The CVCT Group will be managed and operated by DA and consist of members from the Logistics Section and the Workforce Relations Section. The group will use the covid19@cftc.gov mailbox.
2. This program will serve as an important tool for quickly responding to Staff who meet the following criteria:
    a. experiencing onset of symptoms, tested positive for COVID-19 or exposed to someone who has tested positive for COVID-19; and have
        i. visited or worked on-site at a CFTC duty station within the past 14 days; and/or
        ii. interacted in person with other Staff outside CFTC workspace within the past 14 days.
3. All contact tracing for Staff meeting the criteria will be limited solely to identifying the other Staff who encountered the reporting Staff and alerting them, so affected Staff may take appropriate action to protect themselves and prevent potential spread to others. Information obtained will only be shared on a "need to know" basis.
4. The reporting process and contact tracing process will be announced via an initial CFTC Communication and recurring reminder notifications. It will also be incorporated onto the Pandemic Illnesses resource page on CFTC.net.
5. Contact tracing will not be conducted for Staff reporting COVID-19 issues who do not meet the above criteria because, based on currently available health information, we do not expect their condition to pose a threat to other Staff or to the safety of the CFTC work environment.

B. Process for Staff Contact Tracing

1. Employees who believe they meet the criteria for contact tracing are directed to send an email notification to their supervisor and to covid19@cftc.gov. If a supervisor is notified that one of their employees meet the criteria for contact tracing, they are directed to send an email notification to covid19@cftc.gov. Contractors who believe they meet the criteria for contact tracing are directed to send the email notification to their corporate PM and covid19@cftc.gov.
2. Since timeliness is vital to the contact tracing process, Staff who believe they meet the criteria for contact tracing is required to notify the CFTC as soon as possible (within 24 hours of the onset of symptoms, notification of COVID-19 exposure, or receipt of positive test results).
3. When contacting the CVCT Group at covid19@cftc.gov, all reporting Staff shouldinclude the following information:
    a. Your CFTC duty station
    b. Name of Supervisor (for employees) or Corporate PM and COR (for contractors)
    c. Office/Division
    d. COVID-19 status (i.e., Onset of Symptoms, Exposed to a COVID-19 Positive individual or Tested Positive)
    e. Last date(s) in the office (counting back 14 days from onset of symptoms or exposure)
    f. Date of positive test notification (if applicable)
    g. Best contact phone number to reach you

h. Confirm that eContact information including emergency contact is up-to-date or provide the name and best phone number for your designated Emergency Contact

4. Within 24 hours of reporting, a member of the CVCT Group will contact the reporting Staff by phone to review/confirm the initial email information that was submitted and to work with the staff member to build a contact trace list. The scope of the trace list will be limited exclusively to identifying CFTC Staff who were in physical proximity (for example, working or socializing within six feet of each other for more than five minutes; or employees whose offices or cubicles are next to each other) to the reporting individual (either on or off premises) and locations in the building Staff visited (to include both individual offices and common areas). A trace list must be developed by date, so multiple lists may be required to capture all contacts.
5. In the event that the reporting Staff does not respond within 24 hours of the CVCT Group's initial effort to make contact, the Emergency Contact will be called and asked to provide assistance. This assistance may include helping the CVCT Group reach the affected Staff for direct contact, understanding the Staff's health status (in the event that they have been incapacitated) and/or, where feasible, obtaining the Emergency Contact's personal aid in the CFTC's contact tracing process.
6. Once the initial trace list is completed, the CVCT Group will email a copy of the document to the reporting Staff member and/or the Emergency Contact (if the contact provided trace information on the employee's behalf) for review and confirmation. Although Staff or Emergency Contact may provide their feedback and/or approval by phone (for expediency), an email response is preferable, particularly if significant changes are necessary. The CVCT Group will document any confirmations received by phone with an email to the reporting Staff or the Emergency Contact, as appropriate.
7. In a similar timeframe, the reporting Staff's office and all immediate common areas will be closed off to Staff and thoroughly disinfected.
8. Within no more than 2 days of completion of the contact trace interviews, the CVCT Group will contact all identified Staff.
9. Identified Staff will be notified of their possible exposure and the date(s) it occurred and must refrain from entering the office. Employees who do not have telework agreements may request to take leave. If the notified Staff member develops symptoms, he/she will be required to report his/her status and medical documentation may be required to return to the office. If the Staff member remains symptom free for 14 days after the final day of contact exposure, he/she can request to be eligible for on-site work.

C. Process for Building-Wide Contact Tracing

If the CFTC learns from the owner, operator, or management company of any CFTC office that an individual working in such office has developed COVID-19 symptoms; tested positive for COVID-19; or been exposed to someone who has tested positive for COVID-19; and that such individual was in the building's shared spaces (such as lobbies, elevator banks, elevators, bathrooms or stairwells), then:

1. The CVCT will conduct contact tracing with building management, to the fullest extent practicable, in accordance with Sections VII(A)-(B) above.
2. In particular, the CVCT will conduct contact tracing to identify CFTC Staff who encountered the affected individual by the building owner, operator, or management company, and the CVCT will alert the identified CFTC Staff so they

may take appropriate action to protect themselves and prevent potential spread to others.

3. Identified Staff will be notified of their possible exposure and the date(s) it occurred and must refrain from entering the office. Employees who do not have telework agreements may request to take leave. If the notified Staff member develops symptoms, he/she will be required to report his/her status and medical documentation may be required to return to the office. If the Staff member remains symptom free for 14 days after the final day of contact exposure, he/she can request to be eligible for on-site work.

D. Privacy

1. The CFTC is committed to protecting the privacy of its staff while responding to the threat posed by COVID-19, and will work closely with the Commission's Chief Privacy Officer to ensure that the Commission's reopening complies with applicable privacy laws and policies, including the Privacy Act of 1974 and the privacy provisions of the E-Government Act of 2002.
2. The CFTC will provide adequate notice to Staff prior to collecting personally identifiable information (PII) that informs them of the authority under which the information is being collected, how it will be used and protected, whether the collection is required or voluntary, and the consequences (if any) of not providing the information.
3. The CFTC will apply administrative, technical, and physical safeguards to protect PII collected by the Commission, and will limit access to only those individuals who have a need to access the information in the performance of their official duties.
4. Consistent with OMB M-20-23, *Aligning Federal Agency Operations with the National Guidelines for Opening Up America Again*, the CFTC will take steps to protect the anonymity and privacy of Staff, to the extent possible, while disclosing only the information necessary for agencies to take appropriate actions of notifying potentially affected staff and cleaning the facility.
5. Staff interested in better understanding what steps the Commission is taking to protect their privacy are encourage to contact the privacy program by e-mail at privacy@cftc.gov. The Chief Privacy Officer remains available to meet with Staff and answer privacy-related questions throughout the reopening.

VIII. Confirmation of Exposure or Change in States Status

A. If there is a confirmation of exposure, the staff member's office or cubicle will be cleaned as stated in IV(G)(2) above.
B. The agency may revert back to the "gating period" with maximum telework and on-site work allowances below Phase One levels (defined in Section III) if there is a confirmed exposure in one of the offices or a change in status of one of the states or metropolitan areas listed below.
C. This means that the four CFTC offices may be in different phases at any given time.
D. The agency will monitor the following regions, cities and/or states. Note that the criteria for monitoring a state is that at least five (5) CFTC employees reside in that state.

HQ (Washington, DC):

- DC
- VA

- MD

CHRO (Illinois)
- City of Chicago
- IL
- IN

NYRO (New York)
- New York City
- NY
- NJ

KCRO (Missouri)
- Kansas City
- MO
- KS

Appendix A – Request to Enter Space

Employees and contractors must submit a written request to the covid19@cftc.gov mailbox at least **two full business days in advance** of the employee's arrival into the building. The request must include the following information:

a. The date(s) of requested entry (approval is only effective for one week)
b. Office or cubicle number
c. Expected arrival time
d. Expected duration spent in the office
e. A description of the work that they will be completing in the office.
e. Confirm that eContact information including emergency contact is up-to-date or provide the name/contact number/email address of the staff member's preferred emergency contact

Appendix B – Self Certification Questions

Employees and contractors must submit the following self-certification responses **at least one full business day in advance** of the employee's arrival into the building, to covid19@cftc.gov:

a. Have you tested positive for COVID-19? If so, when?
b. Have you been notified by medical personnel that you are being assessed or monitored for the virus?
c. Have you been tested for and are awaiting results for COVID-19?
d. Are you experiencing symptoms of the virus?
e. To your knowledge, have you been exposed to the virus? If so, when and where did this exposure occur?)
f. Have you been in contact with someone who has been infected by the virus? If so, when and where did this contact occur?
g. Have you traveled (officially or personally) outside of your state or country within the last 14 days? If so, please list where and provide travel dates.

Phase I Highlights - Limitations

Telework Status	Capacity Limits	Travel	Training	Visitors/Interns/ Detailees	Offices	Conference Rooms
All employees are encouraged to telework; may volunteer to go into office or maybe required to for work purposes	10 % of staff in each location (DC, Chicago, New York); 20% in Kansas City	No travel unless approved by Chief of Staff	Virtual Only	Not allowed in buildings	Door closed or open while wearing mask	Limit 2 people at a time; daily cleaning but no LO or ODT service will be provided

Masks	Social Distancing	Elevators	Pantries/ Lounges	Office Visitors	Self-Certification Questionnaire	Contact Tracing
Must be worn in all common areas; cubicles at all times	Required at all times	Limit 2 people at a time in CFTC space	Open for kitchen use, must wipe down after using, limiting or removing tables and chairs	Only 1 person allowed at door, while both wear masks	Required one business day in advance of arrival to building	Outlined in Plan

CFTC

Phase I Highlights – Agency Precautions

Masks	Gloves	Wipes
Five cloth reusable masks – washed up to 20 times each	Provided to staff that require them to perform the functions of their position (mail handling, fingerprinting)	Disinfectant/alcohol wipes in common areas to include areas where staff handles equipment (copiers/conference rooms)

Hand Sanitizer	Soap	Building Cleanings (suspected COVID Infection)
Placed in common areas, exit and entry ways, restrooms, pantries and lounges	Antibacterial soap in restrooms, pantries, and lounges	Enhanced cleaning protocols in each location; with possible supplemental cleaning of specific offices if necessary.

CFTC

CFTC Re-Opening Matrix

WORKING MATRIX FOR REOPENING (No earlier than April 5, 2021)	
	Phase 2 (TBD)
Schedule Guidelines from OPM	
All Staff	• Safety and health of the workforce remains our number one priority. • Phase 2 Activities will be continuously evaluated based on risk and demand. Adjustments will be made as necessary. • Maximum Telework Flexibilities. Encourage telework whenever possible. Needs to take into consideration employee needs such as dependent care and transportation.
Vulnerable Populations	• Telework
Other Considerations for All Staff (includes FTE and Contractors)	
Percentage of Staff Returning to the Office	30% of staff allowed into the office at one time (*voluntary*); Executives and supervisors return (20%) and Phase 1 (10%) for remaining staff; will have to revisit work schedules and telework to make sure one floor or office doesn't have too many staff coming in
Work schedules	• Self-selected dates, as long as social distancing possible on floor
Travel	• Essential Travel – CoS (approves/denies) with Directors recommendation or Executive Director
Training	• Virtual Training
Visitors	• No visitors

CFTC

CFTC Re-Opening Matrix

WORKING MATRIX FOR REOPENING (No earlier than April 5, 2021)	
	Phase 2 (TBD)
Supplies/PPE Required/Screening	
Masks	Highly encourage employees to come in with masks and CFTC provides masks for staff that come in without masks
Hand Sanitizer	Agency will provide hand sanitizer in common areas, restrooms and lounges
Gloves	Agency will provide gloves for staff that require them for functions such as (mail handling, fingerprinting)
Soap	Agency will provide soap in restrooms, pantries and lounges
Wipes	Agency will provide wipes in common areas to include areas with where staff deals with equipment (Conference rooms, near MFDs)
Building Cleaning	Cleaning protocols for each building will be enhanced; possible supplemental cleaning of offices; agency is looking into a film to put on all door handles called nanoseptic Landlords in each location are providing “enhanced” cleaning services that are essentially cleaning high touchpoint areas (i.e. door knobs, hand rails, etc..) on a more frequent basis along with normal services within our space as well as in common areas. The level of janitorial services vary at each location as per the lease. Any additional cleaning within CFTC space, including a deep or disinfecting cleaning would be at agency cost.
Medical Screening	Self-certification with temperature checks when arriving in building (need to figure out the administrative burden based on the number of people) Self-report if sick or has symptoms
COVID Contact Tracing	Utilize the Phase 1 plan contact tracing procedure

CFTC

CFTC Re-Opening Matrix

WORKING MATRIX FOR REOPENING (No earlier than April 5, 2021)	
	Phase 2 (TBD)
Building Protocols and Social Distancing Guidelines	
Pantry/Employee Lounge	Remain open for refrigerator and microwave/water use; remove chairs from pantries to discourage staff from sitting ; maintain social distancing standards of 6ft while using these rooms; vending machines remain open
Conference rooms	Limit meetings to no more than 4 staff (if staff doesn't feel comfortable they should join via conference call)
Elevators/Elevator Bay Distancing	Limit number of staff to no more than 2 in one elevator with masks
Stairwells	Encourage staff to wear a mask when using all common areas to include stairwells Make Lobby stairwell the up stairwell Make Alley stairwell the down stairwell
Private Office	Meetings in supervisory offices only with no more than 2 people No mask required as long as staff is alone
Hallways	Social distancing still required

CFTC

Reoccupying Phases

	Timeline	Attendance Requirements	Max Percentage of Employees in Office	Telework Parameters	Format/Days in Office
Phase 1 (union negotiations nearly complete)	Estimated April 2021	Entirely voluntary (i.e., with very limited exceptions, no one is required or even encouraged to report to the office)	10% (20% KC)	Maximum telework flexibilities	Self-selected dates, as long as social distancing possible on floor
Phase 2	Estimated Late Spring/ Summer 2021	Voluntary; execs/supervisors encouraged in person if able based on personal circumstances	30%	Maximum telework flexibilities	Self-selected dates, as long as social distancing possible on floor
Phase 3	TBD	Voluntary; all encouraged if able based on personal circumstances	75%	Maximum telework flexibilities	TBD
Phase 4	TBD	Mandatory for all but those who self-identify as high-risk	90%	Telework pursuant to CBA terms for all but self-identified high-risk employees	TBD
Normal Operations	TBD	Mandatory	100%	Telework pursuant to CBA terms only	All

Commodity Futures Trading Commission

Transition Briefing Book

November 2020

Section 2 – Division & Office Summaries

Office of Legislative and Intergovernmental Affairs

Overview of Operations and Mission

The Office of Legislative and Intergovernmental Affairs (OLIA) at the Commodity Futures Trading Commission (CFTC) is the chief advisor to the Chairman of the CFTC on matters before the United States Congress and serves as the Commission's official liaison with Members of Congress, federal agencies, and the Administration.

OLIA provides counsel and professional support to the Chairman and Commission with the goal of building and maintaining relationships with Members of Congress and their staffs and in doing so, furthering the goals and agenda of the Chairman and the Commission. OLIA develops and executes legislative strategy on behalf of the Chairman and Commission, manages congressional testimony, and works with the various divisions to provide technical assistance on legislation. In addition, OLIA represents the interests of the CFTC with other federal agencies and the Administration and also serves as a liaison to CFTC stakeholders on a variety of CFTC related matters.

Congressional hearings

- OLIA manages the hearing process for the Chairman and CFTC witnesses who are invited to testify before Congressional committees. Commissioners generally handle their own hearing preparation.

Congressional correspondence

- OLIA works with the Chairman's office and staff in the Divisions to draft appropriate responses to Congressional inquiries. This can include constituent requests.

CFTC Staff technical assistance for Congressional offices

- OLIA is the point of contact for Congressional offices seeking technical assistance related to:
  - Legislation.
    - OLIA works closely with the Office of the General Counsel to provide legislative technical assistance.
    - Practice of OLIA has been to provide technical assistance regardless of whether the legislative effort is supported by the Commission.
    - Priority is accorded to the Agriculture and Appropriations Committees, then to other Committees, then to individual Congressional offices.
  - Responses to non-routine information requests regarding the agency – often related to Commission-related budget actions.

Annual Appropriations Process:

- OLIA works closely with the Division of Administration's Budget Office on fiscal year budget matters throughout the year, including transmission of the budget to OMB and Congress and the congressional appropriations process.

OLIA oversight responsibilities:

- Commission nominations.
    - Practice has been for the White House to hand off nominees to OLIA for purposes of navigating the Senate full confirmation process.
- OLIA is lead on managing interagency matters as they pertain to Congress.
- OLIA Director has served as the Designated Federal Officer for the Agricultural Advisory Committee.
- OLIA serves as the point of contact (along with the Office of General Counsel) for the General Accounting Office.
- OLIA is the primary point of contact for the Congressional Budget Office.
- OLIA transmits Congressionally mandated annual reports to Congress.

Structure

- Summer Mersinger is the Director of OLIA. Ann Wright is Deputy Director of OLIA. Darryl Blakey is Associate Director of OLIA. Natasha Coates, Deputy General Counsel and her team in the Office of General Counsel provide technical and legal support to OLA. OLA reports directly to the "Office of the Chairman."

- Summer Mersinger and Darryl Blakey are both Schedule C appointments. Ann Wright is career staff.

Priorities

(b)(5)

Key Risks

(b)(5)

Emerging/Significant Issues

(b)(5)

<u>Congressional Actors of note (subject to change based on election)</u>

<u>Appropriations</u>[1]

Subcommittee on Agriculture, Rural Development, FDA and Related Agencies of the House Committee on Appropriations

<u>Chairman</u>: Sanford Bishop Jr. (D - Georgia, 2^{nd} Congressional District)
Key Staff: Martha Foley
<u>Ranking Republican</u>: Jeff Fortenberry (R -Nebraska, 1^{st} District)
Key Staff: Tom O'Brien

Subcommittee on Financial Services and General Government of the Senate Committee on Appropriations

<u>Chairman</u>: John Kennedy (R – Louisiana)
Key Staff: Andrew Newton
<u>Ranking Democrat</u>: Christopher Coons (D - Delaware)
Key Staff: Ellen Murray, Reeves Hart

<u>Authorizers - Agriculture Committees</u>

<u>House Committee on Agriculture</u>
<u>Chairman:</u> Rep. Collin C. Peterson (D - Minnesota, 7^{th} Congressional District)
Key Staff: Ashley Smith, Carlton Bridgeforth, Emily German
<u>Ranking Member:</u> Rep. Michael Conaway (R - Texas, 11^{th} Congressional District)
Key Staff: Paul Balzano
<u>Subcommittee on Commodity Exchanges, Energy and Credit</u>
<u>Chairman</u>: Rep. David Scott (D - Georgia, 13^{th} Congressional District)
Key Staff:Ashley Smith

[1] Among the things that make the CFTC unique is that it is the only agency in government that falls under one subcommittee's jurisdiction in House Appropriations (Agriculture) and a different subcommittee's jurisdiction in Senate Appropriations (Financial Services). Thus, it appears in the Financial Services and General Government Appropriations Bill in odd number years and in the Agriculture, Rural Development, Food and Drug Administration and Related Agencies Appropriations Bill in even number years. It is also the only federal financial regulator not self-funded or funded through fees.

Ranking: Rep. Austin Scott (R - Georgia 8th Congressional District)
Key Staff: Paul Balzano, Craig Anderson

Senate Committee on Agriculture, Nutrition and Forestry
Chairman: Senator Pat Roberts (R-Kansas) ***Retiring***
Key Staff: Darin Guries, Andrew Rezendes, General Counsel, James Glueck, COS
Ranking: Senator Debbie Stabenow (D-Michigan)
Key Staff: Joe Schultz, Staff Director; Mary Beth Schultz, General Counsel; Susan Keith, professional staff.

Other Congressional Committees and Staff

Though the Agriculture Committees have direct jurisdiction over the CFTC, the Commodity Exchange Act, and any related matter, the **House Financial Services and Senate Banking Committees** have become increasingly interested in CFTC policies over the years.

House Committee on Financial Services
Chairman: Rep. Maxine Waters (D - California, 43rd Congressional District)
Key Staff: Katlynn Bradley, Kristofor Erickson, Lisa Peto
Ranking: Rep. Patrick McHenry (R - North Carolina, 10th Congressional District)
Key Staff: Stephen Cote

Senate Committee on Banking, Housing and Urban Affairs
Chairman: Senator Michael Crapo (R-Idaho)
Ranking: Senator Sherrod Brown (D-Ohio)
Key Staff: Elisha Tuku

House Committee on Oversight and Reform
Chairman: Rep. Carolyn Maloney (D-NY 12th District)
Key Staff: Christina Aizcorbe
Ranking: Rep. James Comer (R-KY 1st District)

Senate Committee on Homeland Security and Governmental Affairs
Chairman: Sen. Ron Johnson (R-Wisconsin)
Key Staff: Michael Lueptow
Ranking: Sen. Gary Peters (D-Michigan)
Key Staff: David Weinberg, Alan Kahn

Frequent Congressional Correspondents:

Senate

Debbie Stabenow	(D-MI)	Pat Roberts	(R- KS)(retiring)
Sherrod Brown	(D-OH)	John Boozman	(R-AR)
Tina Smith	(D-MN)	Chuck Grassley	(R-IA)
Dick Durbin	(D-IL)	Richard Shelby	(R-AL)
Amy Klobuchar	(D-MN)	Jerry Moran	(R-KS)
Christopher Coons	(D-DE)	John Kennedy	(R-LA)
Elizabeth Warren	(D-MA)	Mike Crapo	(R-ID)
Ron Wyden	(D-OR)		
Jeff Merkley	(D-OR)		
Jack Reed	(D-RI)		
Sheldon Whitehouse	(D-RI)		

House

Collin Peterson	(D-MN)(lost seat)	Mike Conaway (R-TX) retiring
David Scott	(D-GA)	Austin Scott (R-GA)
Sanford Bishop	(D-GA)	
Daren Soto	(D-FL)	
Maxine Waters	(D-CA)	

Issues of Interest to Hill

- Funding
- RINS Markets/EPA MOU
- Aluminum
- Cybersecurity
- FinTech/LabCFTC/virtual currencies regulatory oversight
- Automated/High-Frequency/Electronic Trading
- Position Limits and Bona Fide Hedge Exemptions
- End-User related concerns
- International Engagements
- Impact of Brexit
- Enforcement Matters
    - "Bad Actor" Waivers
- Data and Transparency-related matters
- Harmonization – International and Domestic
- Cost-Benefit Analysis
- Whistleblower Office – general operations and use of resources
- Live Cattle Futures

<u>116th Congress Legislation: (Based on staff resource allocation)</u>

<u>H.R. 4895 and House Report 116-313</u>

Reported to House (11/26/2019)(unanimous support)(No action taken in the Senate)

CFTC Reauthorization Act of 2019

This bill reauthorizes through FY2025 the Commodity Futures Trading Commission (CFTC) and generally revises provisions related to the CFTC. Among other things, the bill

- exempts certain companies from the mandatory swaps clearing requirements if they have less than $10 million in assets,
- provides for the regulation of digital commodities,
- exempts certain charitable organizations from commodity trading advisor and commodity pool operator registration requirements,
- provides that the CFTC's authority to enforce prohibitions regarding fraud and other disruptive trading practices applies to foreign activities,
- eliminates the double-sided confirmation requirement for swap data repositories, and
- expands whistleblower protections.

H.J. Res. 31-152, Making consolidated appropriations for the fiscal year ending September 30, 2019. *Title V, Independent Agencies, Commodity Futures Trading Commission*: For necessary expenses to carry out the provisions of the Commodity Exchange Act (7 U.S.C. 1 et seq.), including the purchase and hire of passenger motor vehicles, and the rental of space (to include multiple year leases), in the District of Columbia and elsewhere, $268,000,000, including not to exceed $3,000 for official reception and representation expenses, and not to exceed $25,000 for the expenses for consultations and meetings hosted by the Commission with foreign governmental and other regulatory officials, of which not less than $50,000,000, to remain available until September 30, 2020, shall be for the purchase of information technology and of which not less than $3,000,000 shall be for expenses of the Office of the Inspector General.

H.R. 1406, *Aluminum Pricing Examination Act or APEX Act:* Introduced by Rep. Al Lawson (D-FL) and Rep. Buck (R-CO). A bill to extend the jurisdiction of the Commodity Futures Trading Commission to include the setting of reference prices for aluminum premiums, and for other purposes. Referred to the Ag Committee's, subcommittee on Commodity Exchanges, Energy and Credit.

H.R. 8373, *The Digital Commodity Exchange Act*: Introduced by Ranking Member of the Agriculture Committee, Michael Conaway. A bill to fill in the regulatory gaps that exist between the U.S. Commodity Futures Trading Commission (CFTC) and the U.S. Securities and Exchange Commission (SEC) in digital asset markets. It creates a framework to regulate trading venues which list emerging digital commodities, such as Bitcoin, Ether, their forks, and other similar digital assets, for public trading. Additionally, it provides a regulated process for presold digital commodities to become publicly available for trading, without enhancing protections for retail consumers of digital commodities. CFTC provided review and Technical Assistance on this bill.

Senate Agriculture Committee

Republicans	*Democrats*
1. Pat Roberts, KS(retiring)	1. Debbie Stabenow, MI *
2. Mitch McConnell, KY	2. Patrick Leahy, VT
3. John Boozman, AR *	3. Sherrod Brown, OH *
4. John Hoeven, ND	4. Amy Klobuchar, MN
5. Joni Ernst, IA	5. Michael Bennet, CO
6. Cindy Hyde-Smith, MS	6. Kirsten Gillibrand, NY
7. Mike Braun, IN	7. Robert P. Casey, Jr, PA
8. David Perdue, GA	8. Tina Smith, MN *
9. Charles Grassley, IA *	9. Richard Durbin, IL *
10. John Thune, SD *	
11. Deb Fischer, NB *	

*Most Active

Senate Appropriations Committee

Chair: Senator Richard Shelby, AL
Ranking Member: Senator Patrick Leahy

Financial Services and General Government Appropriations Subcommittee Appropriations Subcommittee

Republicans	*Democrats*
1. John Kennedy, LA	1. Christopher Coons, DE
2. Jerry Moran, KS	2. Richard Durbin, IL
3. John Boozman, AR	3. Joe Manchin, WV
4. Steve Daines, MT	4. Chris Van Hollen, MD
5. James Lankford, OK	

House Committee on Agriculture

Democrats

Collin C. Peterson, MN, *Chairman*
David Scott, GA
Jim Costa, CA
Marcia Fudge, OH
Jim McGovern, MA
Filemon Vela, TX
Stacey Plaskett, V.I.
Alma Adams, NC, *Vice Chair*
Abigail Spanberger, VA
Jahana Hayes, CN
Antonio Delgado, NY
TJ Cox, CA
Angie Craig, MN
Anthony Brindisi, NY
Josh Harder, CA
Kim Schrier, WA
Chellie Pingree, ME
Cheri Bustos, IL

Sean Patrick Maloney, NY
Salud Carbajal, CA
Al Lawson, FL
Tom O'Halleran, AZ
Jimmy Panetta, CA
Ann Kirkpatrick, AZ
Cindy Axne, IA
Rep. Xochitl Torres Small, NM

Republicans

K. Michael Conaway, TX, *Ranking Member*
Glenn 'GT' Thompson, PA,
Austin Scott, GA
Rick Crawford, AR
Scott DesJarlais, TN
Vicky Hartzler, MO
Doug LaMalfa, CA
Rodney Davis, IL
Ted Yoho, FL
Rick Allen, GA
Mike Bost, IL
David Rouzer, NC
Ralph Abraham, LA
Trent Kelly, MS
James Comer, KY
Roger Marshall, KS
Don Bacon, NB
Neal Dunn, FL
Dusty Johnson, SD
Jim Baird, IN
Jim Hagedorn, MN
Chris Jacobs, NY
Troy Balderson, OH

Subcommittee on Commodity Exchanges, Energy, and Credit

Democrats

Chairman David Scott, GA
Filemon Vela, TX
Stacey Plaskett, U.S. Virgin Islands
Abigail Spanberger, VA
Antonio Delgado, NY
Angie Craig, MN
Sean Patrick Maloney, NY
Ann Kirkpatrick, AZ
Cindy Axne, IA

Republicans

Ranking Member Austin Scott, GA
Rick Crawford, AR
Mike Bost, IL
David Rouzer, NC
Roger Marshall, KS
Neal Dunn, FL
Dusty Johnson, SD
Jim Baird, IN

House Committee on Appropriations

Chairwoman, Nita Lowey (D-NY)
Ranking Member, Kay Granger (R-TX)

Agriculture, Rural Development, Food and Drug Administration, and Related Agencies

Democrats

Sanford Bishop Jr., Chairman
Clerk: Martha Foley
Rosa DeLauro, CT
Chellie Pingree, ME
Mark Pocan, WI
Barbara Lee, TX
Betty McCollum, MN
Henry Cuellar, TX

Republicans

Jeff Fortenberry, Ranking Member, NE
Clerk: Tom O'Brien
Robert Aderholt, AL
Andy Harris, MD
John Moolenaar, MI

Committees at a Glance

House Committee on Agriculture


Collin C. Peterson
Chairman
D-MN-7


K. Michael Conaway
Ranking Member
R-TX-11

Majority Members


David Scott
GA-13


Jim Costa
CA-16


Marcia L. Fudge
OH-11


Jim McGovern
MA-2


Filemon Vela
TX-34


Stacey Plaskett
VI- At Large


Alma Adams
NC-12


Abigail Spanberger
VA-7


Jahana Hayes
CT-5


Antonio Delgado
NY-19


TJ Cox
CA- 21


Angie Craig
MN-2


Anthony Brindisi
NY-22


Jeff Van Drew
NJ-2


Josh Harder
CA-10


Kim Schrier
WA-8


Chellie Pingree
ME-1


Cheri Bustos
IL-17


Sean Patrick Maloney
NY-18


Salud Carbajal
CA-24


Al Lawson
FL-5


Tom O'Halleran
AZ-1


Jimmy Panetta
CA-20


Ann Kirkpatrick
AZ-2


Cindy Axne
IA-3

Minority Members


Glenn Thompson
PA-15


Austin Scott
GA-8


Rick Crawford
AK-1


Scott DesJarlais
TN-4


Vicky Hartzler
MO-4


Doug LaMalfa
CA-1


Rodney Davis
IL-13


Ted Yoho
FL-3


Rick W. Allen
GA-12


Mike Bost
IL-12


David Rouzer
NC-7


Ralph Abraham
LA-5


Trent Kelly
MS-1


James Comer
KY-1


Roger Marshall
KS-1


Don Bacon
NE-2


Neal Dunn
FL-2


Dusty Johnson
SD- At Large


Jim Baird
IN-4


Jim Hagedorn
MN-1

Senate Committee on Agriculture, Nutrition, & Forestry

Pat Roberts, R-KS
Chairman

Debbie Stabenow, D-MI
Ranking-Member

Majority

Mitch McConnell
R-KY

John Boozman
R-AR

John Hoeven
R-ND

Joni Ernst
R-IA

Cindy Hyde-Smith R-MS

Mike Braun
R-IN

David Perdue
R-GA

Charles Grassley
R-IA

John Thune
R-SD

Deb Fischer
R-NE

Minority

Patrick Leahy
D-VT

Sherrod Brown
D-OH

Amy Klobuchar
D-MN

Michael Bennet
D-CO

Kirsten Gillibrand
D-NY

Robert Casey, Jr.
D-PA

Tina Smith
D-MN

Richard Durbin
D-IL

Senate Appropriations - Financial Services and General Government Subcommittee

John Kennedy, R-LA
Chairman

Christopher Coons, D-DE
Ranking Member

Majority

Jerry Moran
R-KS

John Boozman
R-AR

Steve Daines
R-MT

James Lankford
R-OK

Minority

Richard Durbin
D-IL

Joe Manchin
D-WV

Chris Van Hollen
D-MD

House Appropriations - Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Subcommittee

Sanford Bishop, Jr.,D-GA
Chairman

Jeff Fortenberry, R-NE
Ranking Member

Majority

Rosa DeLauro
D-CT

Chellie Pingree
D-ME

Mark Pocan
D-WI

Barbara Lee
D-CA

Betty McCollum
D-MN

Henry Cuellar
D-TX

Minority

Robert Aderholt
R-AL

Andy Harris
R-MD

John Moolenaar
R-MI

OFFICE OF PUBLIC AFFAIRS

Mission and Operations

As the primary public-facing office of the CFTC, the Office of Public Affairs (OPA) provides honest, timely and useful information across all communication platforms in order to serve internal and external stakeholders in all sectors to accomplish and facilitate the Commission's mission. OPA proactively conducts outreach and creates messages designed to raise awareness of the CFTC brand in order to promote public trust and to support the agency's customer education mandate. OPA is a component office of the Office of the Chairman.

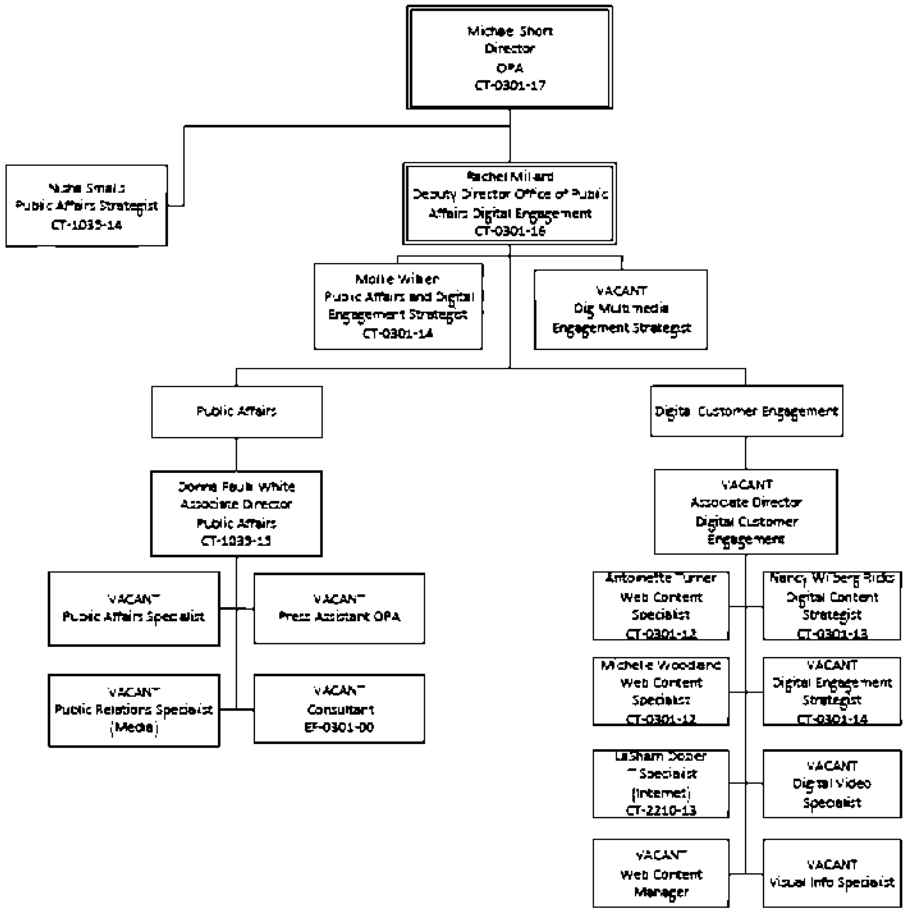
Structure

OPA consists of two branches, Public Affairs Branch and Digital Engagement Branch, which are both overseen by the Director and Deputy Director. The Deputy Director is primarily responsible for overseeing the day-to-day execution of the Office's responsibilities and serving as a senior spokesperson, while the Director serves as the agency's top communications and brand strategist as well as a counselor to the Chairman.

As a whole, OPA promotes public and media awareness of the CFTC and its principal activities as well as public and media awareness of CFTC's customer education and outreach initiatives. Public Affairs Branch is responsible for planning, coordinating, and directing media relations and programmatic strategies that promote the understanding of the mission and contributions of the CFTC. Digital Engagement Branch ensures the CFTC's digital presence continues to support the agency's mission, including support for the agency's customer education mandate.

The current OPA structure is outlined in the following chart, however, it is in the process of being further refined to provide a more optimal structure to support the Commission's mission.

Office of Public Affairs



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Public Affairs Branch

Public Affairs Branch consists of two public affairs specialists, a press assistant, and a fourth vacant position overseen by an incumbent Associate Director. Public Affairs Branch is primarily responsible for the agency's media relations functions, coordination with other internal and external stakeholders, as well as marketing and event planning/support.

Digital Engagement Branch

The digital engagement branch consists of two primary workstreams overseen by an Associate Director: 1) web content management; and 2) digital content development. Web content management is primarily responsible for the operational, organizational, and developer requirements of cftc.gov and the agency's other web properties (whistleblower.gov, and potentially a co-branded investor.gov partnership with the SEC). The digital content development branch is primarily responsible for the production of graphics, videos, and other digital content resources. It is the most under-resourced/staffed area of the organization.

Changes to Customer Education and Outreach

The Office of Customer Education and Outreach (OCEO) was relocated from OPA to MPD pursuant to the November 8, 2020 agency reorganization. Nevertheless, because customer education and outreach is inherently public-facing, OPA will necessarily remain involved in many of these activities. The primary focal point for coordination between OPA and MPD on customer education and outreach initiatives is through OPA's Public Affairs Strategist and Advisor to the Director.

Due to the overlap between OPA's responsibilities and the CFTC's customer education mandate, the agency is in the process of developing an interagency agreement (IA) to ensure the CPF covers expenses incurred by OPA staff in support of the mandate. This IA will cover three positions: 1) the aforementioned incumbent Public Affairs Strategist and Advisor to the Director; 2) a vacant public affairs specialist position with primary responsibilities for OCEO, Whistleblower Office (WBO), and enforcement matters; and 3) an incumbent digital consumer content specialist.

Priorities

(b)(5)

Emerging/Critical Issues

See key risks #2 below.

Key Risks

(b)(5)

OFFICE OF MINORITY AND WOMEN INCLUSION

Overview of Division Operations and Mission

The Office of Minority and Women Inclusion (OMWI) prevents unlawful employment discrimination, adjudicates complaints of discrimination fairly and efficiently, and advances diversity and inclusion efforts at the Commodities Futures Trading Commission (CFTC) workplace through the administration of three programs.

- The **Equal Employment Opportunity Program,** as defined in 29 C.F.R. § 1614, covers all CFTC employees and applicants for employment. Through this program, OMWI ensures the fair, efficient and accurate adjudication of EEO complaints, applies alternative dispute resolution (ADR) techniques to support resolution of issues at the earliest stage possible, and meets the EEO reporting requirements defined by the Equal Employment Opportunity Commission (EEOC) and the Notification and Federal Employee Antidiscrimination and Retaliation (No FEAR) Act.
- The **Diversity Program** analyzes workforce data to identify and eliminate any potential barriers to equal opportunity, provides civil rights training, and evaluates the CFTC EEO Program against the "Model EEO Program," which is defined in the EEOC's Management Directive 715 (MD-715).
- The **Special Emphasis Program** assists the CFTC in promoting and fostering a diverse and inclusive workplace that celebrates diversity. By chartering and engaging six Affinity Groups, OMWI helps to raise employee awareness of the importance of diversity and inclusion and demonstrate the agency's commitment to a model EEO workplace and supports the CFTC's mission to promote workplace diversity. The CFTC's affinity groups are:
    - The Association of African Americans
    - Latino/Hispanic Employee Association
    - Veterans Affinity Group
    - Women at Work
    - CFTC Pride
    - Association of Asian Americans and Pacific Islanders

OMWI advances the mission of the CFTC by:

- Sustaining confidence in EEO and diversity programs that are accessible to everyone;
- Being a proactive resource that is neutral and transparent; and
- Having a visible presence throughout the CFTC and the community.

Civil Rights Responsibility of the Agency Head. In compliance with 29 C.F.R. § 1614 and EEOC regulations, the CFTC Chair, as the Agency Head, has the following EEO responsibilities:

- Issue an EEO policy and anti-harassment statement within 6-months of appointment and annually thereafter.
- Appoint Resolving Officials to settle EEO matters, as needed.

- Sign, or appoint designee to sign, the annual EEOC MD-715 Report.

It is also recommended that the Agency Head visibly engage with promoting agency-wide diversity, equity, and inclusion initiatives as this issue is of importance to internal and external stakeholders. The Agency Head should make sure to attend observance events, provide introductory remarks for observance events whenever possible, and encourage other staff to attend them. The Agency Head should also make themselves available to listen to concerns raised by employees regarding the agency's approach to diversity, equity and inclusion, and to respond to those concerns with strategic, visible, high-level action and clear communications.

The Agency Head should also make sure to consider the diversity of their staff when making hiring decisions and appointments, particularly in regards to racial, ethnic, and gender diversity in the highest-graded, mission critical, visible leadership positions. This includes the diversity of the Agency's head's own staff and of the staff of other political appointees at the agency.

EEO Complaint Trends. OMWI receives 5-6 inquiries per month regarding EEO-related matters and potential workplace conflicts. OMWI meets with employees with EEO and workplace conflict concerns and engages the EEO complaint process when appropriate. In Fiscal Year 2020 (FY20), OMWI managed a total of 9 cases at various stages in the EEO complaint process.

Complaint Activity:

- *Issues.* The top issues raised in FY20 were performance evaluation appraisal (20%), non-sexual harassment (40%), promotion/non-selection (20%), and reassignment (20%).
- *Bases*. The top bases alleged (as measured by the percentage of complaints including the basis) were Reprisal (22.2%), Race (22.2%), Age (33.3%), and Sex (22.2%).
- *Complaint Processing*. OMWI continues to meet 100% of EEOC processing times established by 29 CFR 1614 for counseling, alternate dispute resolution, investigation and complaint closure.
- *Cost of Complaint Processing*. The average cost for counseling was $2,000, and the average cost for investigations was $3,500, for a total of $5,500 per case. Counseling, investigation and mediation services are provided on a contract basis as needed.

Diversity Trends. A review of the CFTC's FY19 employment data indicates that the CFTC's workforce reflects the diversity of the relevant civilian labor force (RCLF) in some respects. For example:

- 42.16% of the total CFTC workforce are female compared to 40.6% of the RCLF;
- 5.18% of the total CFTC workforce are Black males compared to 4.5% of the RCLF;
- 10.94% of the total CFTC workforce are Black females compared to 6.8% of the RCLF;
- 5.47% of the total CFTC workforce are Asian males compared to 4.8% of the RCLF;
- 4.89% of the total CFTC workforce are Asian females compared to 3.6% of the RCLF.

Nevertheless, analysis revealed three "triggers," which are defined as categories in which the workforce demographics do not meet what would be expected when compared to the RCLF:

Trigger 1 - Participation of Hispanic or Latino male and female employees. Hispanic or Latino males participate at 1.49% in the permanent workforce as compared to a RCLF of 3.4%. Hispanic or Latina females participate at 1.19% in the permanent workforce as compared to a RCLF of 3.1%.

Trigger 2 – Lower than expected representation of females overall as well as racial and ethnic minorities overall in senior-level permanent positions. The participation rate for females in CT16+ permanent positions is 35% which is below the RCLF of 41%. Furthermore, only 19% of individuals in CT16+ permanent positions are racial and ethnic minorities compared to their representation in the RCLF at 27%. In contrast, there is a higher than expected representation of White males in permanent senior level positions: 54% of individuals in 16+ positions are White males compared to their representation in the RCLF of 46%. The largest gap between representation in CT16+ permanent positions and the RCLF exists for Hispanic employees: 0% of CT16+ permanent positions are filled by Hispanic employees, despite their representation in the RCLF at 6.5%.

Trigger 3 – Participation Below Goal for People with Disabilities (PWD) and People with Targeted Disabilities (PWTD). In FY19, the 12% participation rate goal for PWD was not met for grades CT10 and below nor for grades CT11and above; instead, the participation rates were 5.26% and 4.76% respectively. The 2% participation rate goal for PWTD was not met for grades CT11 and above and was instead .46%. Positively, the 2% participation rate goal for PWTD was met for grades CT-10 and below and the participation rate of PWD increased in FY19 for both grade level clusters.

Inclusion Trends: Perception of Fairness Remains a Challenge. The New Inclusion Quotient is a factor analysis of 22 Employee Viewpoint Survey (EVS) questions grouped into five behaviors (fair, open, cooperative, supportive, and empowering environment) with a high degree of correlation with inclusion in the workplace. Consistent with the Federal Government, the CFTC scored lowest in the fairness category in FY14 (34%), FY15 (37%), FY16 (42%) FY17 (42%), FY18 (40%), and FY19 (40%). While these scores do not necessarily mean Federal or CFTC managers *are* unfair, the scores suggest employees *perceive* the organizational environment of some Federal agencies has an opportunity to improve in this category.

FY2019 New Inclusion Quotient (New IQ)

	New IQ	Fair	Open	Cooperative	Supportive	Empowering
CFTC	56	**40**	55	48	82	53
Small Agencies	63	**52**	61	57	82	61

Structure

OMWI has three full-time permanent positions. OMWI hopes to fill a Senior EEO specialist position in FY21.

- **Sarah Summerville**, OMWI Director (CT-0260/15), serves as the CFTC's Principal EEO Officer and leading authority on EEO matters. The duties of the EEO officer, the independent/neutral nature of the position, the authorities vested in the position, and the agency EEO program requirements are described in 29 C.F.R. § 1614.102. The OMWI Director reports directly to the CFTC Chair, as required by this provision.
- **Sarah Pauly**, EEO Specialist (Diversity Manager) (CT-0260/14), serves as the CFTC's diversity manager and EEO expert responsible for EEOC Management Directive 715 (MD-715). Responsibilities include annual analysis of the CFTC's workforce demographic data by age, race, sex, ethnicity, disability and other EEO protected bases for triggers, identification of potential barriers to equal employment opportunity at the CFTC, EEO compliance reviews, diversity and inclusion-related trainings, and general support on EEO/diversity matters.
- **Derrick Wilson**, Diversity and Inclusion Specialist (CT-0260/12), serves as special emphasis program manager and implements proactive diversity and inclusion programs.
- **Darlene Thompson**, EEO Complaints Manager (Contractor), serves as the EEO Program Manager for EEO requirements as described in 29 C.F.R. § 1614.102.

Priorities

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(b)(5)

Key Risks

(b)(5)

Emerging/Significant Issues

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Division of Clearing and Risk

Mission and Operations

DCR's mission is to enable the Commodity Futures Trading Commission (Commission or CFTC) to meet its statutory responsibility to ensure the financial integrity of all transactions subject to the Commodity Exchange Act (CEA) and the avoidance of systemic risk in the derivatives markets. To that end, DCR oversees (1) derivatives clearing organizations (DCOs), DCO clearing members, other market participants that may pose risk to the clearing process, and (2) the clearing of swaps, futures, and options on futures, in compliance with the CEA and Commission regulations.

DCR is responsible for the supervision and financial and risk surveillance of DCOs. DCR is also responsible for the risk surveillance of futures commission merchants (FCMs) that are clearing members, non-FCM clearing members, and other market participants that may pose risk to the clearing process including swap dealers and large traders. Finally, DCR is responsible for the oversight of positions in futures, options on futures, and swaps that are cleared by DCOs.

For recent budget cycles, DCR has been an area of focus for increasing resources. In addition, as a result of a recent agency reorganization, DCR is getting more headcount for its examination function.

Industry Background

The CEA requires a DCO to register with the Commission if it wants to clear futures or swaps. There are currently 16 registered DCOs. Of these, two have been designated as systemically important financial market utilities (DFMUs) by the Financial Stability Oversight Council (FSOC), pursuant to Title VIII of the Dodd-Frank Act. They are Chicago Mercantile Exchange Inc. (CME) and ICE Clear Credit LLC (ICE Clear Credit). Commission regulations define these entities as SIDCOs (Systemically Important Designated Clearing Organizations).

DCR staff also considers two U.K.-based registered DCOs to be systemically important even though they have not been designated as such by FSOC. They are LCH Ltd and ICE Clear Europe.

Structure

DCR is composed of four program branches—Clearing Policy, Examinations, Risk Surveillance, and International and Domestic Clearing Initiatives, along with a chief counsel. They are responsible for:

- Preparing regulations, orders, guidelines, and other regulatory work product on issues pertaining to DCOs, including the protection of customers in the bankruptcy or insolvency of an FCM or DCO;

- Reviewing DCO applications for registration, petitions for regulatory relief or exemption, and rule submissions, and making recommendations to the Commission regarding such matters;
- Reviewing DCO recovery plans and wind-down plans for consistency with Commission regulations and engaging with the FDIC and other financial regulators, both domestically and internationally, regarding planning for the potential resolution of a DCO;
- Conducting risk assessments on an annual basis to determine which DCOs to examine and the topics that should be included in the risk-based examination;
- Examination of DCOs for compliance with all relevant requirements of the CEA and Commission regulations, including examining each systemically important DCO (SIDCO) at least once a year;
- Coordination of meetings with DCOs to discuss changes in business lines, changes in technology, and other key performance metrics that feed into the risk assessment performed by the Examinations Branch. These meetings are often attended by other regulators such as the Board of Governors of the Federal Reserve (Federal Reserve) or the Securities and Exchange Commission (SEC);
- Reviewing DCO reporting to ensure compliance with CFTC regulations;
- Analyzing notifications regarding hardware or software malfunctions, cyber-security intrusions, or threats that have or may have a material impact on clearing;
- Reviewing market data and making recommendations to the Commission regarding which types of swaps might be considered for required clearing;
- Making recommendations to the Commission regarding the initial eligibility or continuing qualification of a DCO to clear swaps;
- Responding to requests from market participants for relief from the clearing requirement;
- Analyzing margin models of DCOs to assess any proposed changes as well as on an ongoing basis. In the case of SIDCOs, the Federal Reserve participates in the review of changes to margin models.
- Conducting daily risk surveillance by identifying, quantifying, and monitoring the risks posed by and to DCOs, clearing members, and their clients.
- Conducting supervisory stress tests of CCPs to assess their ability to absorb large shocks. In addition to CFTC-specific exercises, staff also collaborates with the Federal Reserve, SEC, and the Bank of England.

In addition, DCR staff participates in, and in some cases leads, several domestic and international regulatory initiatives to establish standards affecting clearinghouses and their participants and to coordinate and harmonize regulatory activities.

Key Risks Facing DCOs and Priorities for DCR

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Key Regulatory Rulemakings

The following rulemaking projects are in various stages of development. These rulemaking projects reflect coordination by and input from multiple branches within DCR.

- *Clearing Exemption for International Financial Institutions, Central Banks, Sovereign Entities, Small Bank Holding Companies, Small Savings and Loan Holding Companies, and Community Development Financial Institutions – Final Rule*

In May 2020, the Commission unanimously adopted a proposed rulemaking to codify existing Commission policy and staff no-action relief from compliance with the Commission's Part 50 clearing requirement for swaps entered into by certain entities. Under existing practice, these entities may elect not to clear swaps subject to the clearing requirement and this rulemaking would make the relief permanent. DCR staff is preparing an adopting release for consideration by the Commission.

- *Revisions to Part 190 of the Commission's Regulations – Proposed Rule*

The Commission proposed to revise Part 190, the Commission's bankruptcy regulations. The proposed revisions would update Part 190 in a comprehensive manner, in light of the dramatic market changes that have occurred since Part 190 was developed, and in light of lessons learned from FCM bankruptcies over the past 20+ years.

MARKET PARTICIPANTS DIVISION

Overview of Operations and Mission

Mission Statement

In the Market Participants Division, we conduct smart, effective, and practical oversight of CFTC registrants. We also educate the public about the derivatives markets that the CFTC regulates.

1. We oversee CFTC registrants that conduct dealing, trading, investment, and advisory businesses in our markets, and work closely with self-regulatory organizations in doing so.
2. We support the CFTC's mission through our world-class Examination, Reporting, Guidance, and Rulemaking Programs.
3. We deliver thoughtful, timely, and accessible educational materials about our markets to a worldwide audience through our world-class Education Program.
4. We are a strong partner with the Division of Enforcement in supporting each other's mission.
5. Above all else, we serve the American public by regulating the registrants in which clients, customers, counterparties, and investors place their trust and confidence.

By taking these steps, we help the CFTC promote the integrity, resilience and vibrancy of our markets, further the interests of all Americans, encourage innovation, enhance the regulatory experience for our registrants, and be tough on those who break the rules.

Our Values

Motivated. We always pursue our mission vigorously, with passion, focus and intensity. What we do is important, and we take it seriously.

Prepared. We always deliver, no matter what challenges face us. We hit our marks on time, and we always get it right.

Dependable. We are always faithful to our mission of overseeing market participants and educating the public through our world-class programs.

Our Motto

"Get Action."

- *Theodore Roosevelt*

MPD Overview

There are a significant number of registered intermediaries and swap dealers ("SDs") subject to CFTC Regulations. As of September 2020 there are 109 SDs, 63futures commission merchants ("FCMs"), 1,093introducing brokers ("IBs"), 1,308 commodity pool operators ("CPOs"), 1,834 commodity trading advisors ("CTAs"), and four retail foreign exchange dealers ("RFEDs"). Each of these registrants is subject to primary oversight by MPD, as well as the two designated self-regulatory organizations ("DSROs"), the National Futures Association and the Chicago Mercantile Exchange.

Structure

The Division has 69 FTEs in each of the Commission's four offices and is comprised of four branches: (i) Chief Counsel Branch, (ii) Registration and Compliance ("R&C") Branch, (iii) Managed Funds and Financial Requirements ("MFFR") Branch, and (iv) Examinations Branch.

The following pages describe the Division's organization, each Branch's responsibilities, recent achievements and future agenda as developed by senior Division leadership.

MPD Chief Counsel Branch

The Chief Counsel Branch provides legal counsel, performs legal research, and participates in legal policy development in connection with the regulatory oversight of swap and futures market intermediaries.

The Chief Counsel Branch staff develops regulations, orders, and interpretative statements; reviews requests for no-action; reviews the work product of other Commission Divisions and Offices that pertain to the oversight of swap and futures intermediaries; provides advice to other Divisions and Offices regarding issues involving swap and futures intermediaries; and participates in cross-divisional working groups to develop regulatory policy with respect to the derivatives markets.

The Chief Counsel Branch prepares draft legislation, regulations, policies, guidelines and other regulatory approaches for specific aspects of the Division's oversight programs in coordination with the Division senior staff. The Chief Counsel Branch also provides technical guidance regarding the regulatory programs of other domestic and foreign financial regulators, conducts comparability analysis of foreign regulatory regimes, and participates in the development of international standards for swap and futures intermediaries in conjunction with the Office of International Affairs.

Chief Counsel Branch's particular accomplishments over the last 12 months include:

i. Final rulemaking specifying the cross-border treatment of swap dealer registration thresholds and business conduct standards, codifying long-standing cross-border guidance.
ii. Issued 5 orders as part of its longstanding Part 30 exemptive program of international cooperation and regulatory deference to the Bombay Stock Exchange, the National Stock Exchange International Financial Service Centre Limited, the Montreal Exchange, NZX Limited, and UBS AG.
iii. Extension of Brexit-related no-action relief that permits UK swap dealers to continue to rely on previously issued staff no-action relief, Commission comparability determinations for the EU, and to transfer swaps entered prior to the compliance dates for the CFTC

uncleared margin rules and affected by the end of the Brexit transition period to margin affiliates without losing their legacy swap status.

MPD Registration and Compliance Branch

The Registration and Compliance Branch provides legal and technical counsel and guidance on registration and compliance requirements applicable to intermediaries with a particular focus on swap dealers, FCMs, introducing brokers, commodity pool operators, commodity trading advisors, associated persons, and the Volcker Rule. [2]

R&C provides both day-to-day guidance and strategic counsel in these areas to a variety of stakeholders including the Commission, the Division Director, other Commission Divisions and Offices, the NFA, registrants, other market participants, and other federal, state and foreign agencies. R&C responds to market participants with registration and compliance questions, drafts new regulations, assists the Examinations Branch with legal questions, leads the review of CCO annual reports filed by swap dealers and FCMs in coordination with the Examinations Branch, and participates in the Volcker Rule working group with the other four financial regulatory agencies.

R&C also works closely with the data analysis team in the Managed Funds and Financial Requirements Branch with respect to the integration of the various data streams received by the Commission, including Form CPO-PQR, as they relate to the operations of commodity pool operators and their operated commodity pools.

R&C Branch's particular accomplishments over the last 12 months include:

i. Proposal and adoption of the Final Rule addressing the cross-border application of swap dealer registration and compliance requirements
ii. Proposal and adoption of the Final Rule amending Form CPO-PQR
iii. Proposal and adoption of the Final Rule amending Regulation 3.10, which applies to certain foreign located persons participating in the U.S. commodity interest markets (with the Chief Counsel Branch)
iv. Adoption of the Final Rule amending Regulation 4.13 to include a prohibition on statutory disqualifications
    iv. Implementation of program for review of CCO annual reports for swap dealers and FCMs (with the Examinations Branch)
    v. Adoption of Final Rules amending Forms 7-R and 8-R
    vi. Proposal and adoption of Final Rules amending the Volcker Rule in coordination with the other Volcker agencies

R&C Branch's upcoming items for fiscal year 2021 include:

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[2] The staff working on commodity pool operator and commodity trading advisor issues currently reside in Managed Funds and Financial Requirements, but the day-to-day supervision of their work is conducted by R&C. Formal reorganization of these staff members is pending.

i. Amendments to Commission regulation 23.600, et seq.
ii. Amendments to Commission regulation 23.400, et seq. (with Chief Counsel staff)
iii. Amendments to the floor trader exemption under the swap dealer definition in Regulation 1.3
iv. Annual review of swap dealer and FCM CCO annual reports in coordination with the Examinations Branch
v. Amendments to Regulations 145.5 and 147.7 to reflect recent amendments to Form CPO-PQR
vi. Amendments to Regulation 4.5 to reflect recent Position Limits Final Rule

MPD Managed Funds and Financial Requirements Branch

The Managed Funds and Financial Requirements Branch provides legal counsel and policy development and implements the Division's legal interpretation of existing financial regulatory requirements in connection with registered intermediaries. These intermediaries have various and complex financial reporting and disclosure requirements (CPOs/CTAs) and various and complex financial reporting and capital adequacy requirements (FCMs, SDs, IBs, RFEDs, and MSPs). There are also highly technical and comprehensive customer funds segregation and protection regimes applicable to FCMs with regard to domestic and foreign futures and cleared swaps customer funds.

MPD staff in this branch fall under two groups, those primarily working with CPO/CTA issues ("Managed Funds staff"), or those primarily working with SD, FCM, IB, and RFED capital margin and segregation issues ("CMS staff"). Managed Funds staff and CMS staff are both responsible for developing the regulations, orders, and interpretative statements on the financial reporting, capital adequacy, customer protection, and participant disclosure requirements applicable to these various entities.

Managed Funds Staff[3]

Since the passage of Dodd-Frank, a large number of pool operators and advisors that were previously outside of the regulatory reach of the CFTC came within the registration requirements. As a result, there has been a significant increase in the number and variety of novel, unique, and complex issues related to CPOs and CTAs. The Managed Funds staff regularly provides informal and formal advice to other Commission divisions and offices, other federal regulatory agencies, such as the Securities and Exchange Commission, and the National Futures Association regarding the statutory definition of CPO, CTA, and commodity pool, and the applicability of various exemptions and exclusions available to CPOs and CTAs under the Commission's regulations and staff letters.

[3] As noted above, a pending reorganization would reassign the Managed Funds staff to the R&C Branch.

CMS Staff

CMS staff is responsible for the completion and overseeing the implementation of the Dodd-Frank provisions directing the Commission to adopt rules imposing margin for uncleared swap transactions and capital requirements for SDs and MSPs that are not subject to regulation by a U.S. prudential regulator. CMS staff coordinates the development of its regulations with various other national and international financial regulators to develop consistent margin and capital requirements where appropriate. CMS staff is also primarily responsible for interpretation of the applicable FCM, RFED, and IB capital adequacy, customer funds segregation, and financial reporting regulations. CMS staff is also responsible for assessing the margin requirements for retail off-exchange forex transactions engaged in by RFEDs and retail market participants, and the general capital requirements for RFEDs. CMS staff also review contract market applications for compliance with core principles concerning the oversight of customer funds and capital adequacy.

MFFR Branch's particular accomplishments over the last 12 months include:

i. Adoption of final capital and financial reporting rules for SDs and MSPs that are not subject to a U.S. prudential regulator
ii. Adoption of joint CFTC-SEC Request for Comment on the portfolio margining by FCMs, BDs, SDs, and security-based swap dealers of customer securities, futures, swap, and security-based swap positions
iii. Continued coordination efforts with the U.S. banking regulators and foreign regulatory authorities regarding implementation of margin requirements for uncleared swap transactions. CMS staff has represented the Commission during conference calls and meetings of the BCBS/IOSCO Working Group on Margin Requirements ("WGMR") and in meetings with the U.S. prudential regulators.
iv. Proposal and adoption of rules extending the phase-in schedule for margin for uncleared swap transactions for phase 5 and phase 6 firms to September 1, 2021 and September 1, 2022, respectively. These amendments maintain consistency of the CFTC's requirements with the WGMR international framework
v. Proposal and adoption of rule amendments to permit SDs and MSPs to forego exchanging margin with the European Stability Mechanism for uncleared swap transactions
vi. Proposal of amendments to revise the calculation method for determining whether an entity comes within the scope of the uncleared margin rules, and to permit SDs to use the initial margin calculation of a SD counterparty for determining the amount of initial margin to exchange and for purposes of determining of the initial margin threshold has been exceeded
vii. Proposal of amendments to the uncleared swaps margin rules to revise the initial margin and variation margin minimum transfer amount calculations for separately managed accounts.
viii. Issuance of a staff advisory on the capital and segregation requirements for FCMs holding digital assets as margin for customers trading on contract markets
ix. Issuance of no-action letters to FCMs and IBs to provide relief as a result of the Covid-19 pandemic, including permitting FCMs and IBs in computing their regulatory capital to offset any Payroll Protection Loan obligations by qualifying forgivable expenses, and providing additional time to file financial reports

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MPD Examinations Branch

The Examinations Branch provides the necessary oversight of swap and futures market intermediaries to help ensure customer funds are protected and that these firms remain in compliance with CFTC Regulations. The Examinations Branch focuses on monitoring the risks and controls at the intermediaries, principally focusing on FCMs that hold customer funds. Through its Major Review Unit, the Branch also oversees the financial surveillance and examination functions at the DSROs - NFA and CME.

As of September 30,2020, the Examinations Branch had oversight responsibility for 63 FCMs; of which 55 carry customer funds. These firms had aggregate capital of $173 billion and aggregate obligations to customers of $439 billion (includes four firms with retail forex obligations).

The primary activities of the Examinations Branch include:

i. Monitoring FCMs to identify "red flags" that could jeopardize customer funds;
ii. Reviewing high risk notices and forward looking filings with the Commission;
iii. Reviewing key firm reports - Chief Compliance Officer Annual Report, Annual Risk Management and Quarterly Risk Exposure reports, public filings (l0-Ks, 10-Qs, 8-Ks, etc.), daily segregation computations, and monthly financial reports;
iv. Performing focused examinations;
v. Performing oversight reviews of the DSROs regarding their delegated duties.

Examinations Branch's particular accomplishments over the last 12 months include:

i. 898 monthly and annual FCM financial statements processed
ii. 14,457 daily FCM Segregated, Secured and Cleared Swap computations processed
iii. 10 Risk Management Reports reviewed
iv. 814 Risk Exposure Reports reviewed
v. 211 Chief Compliance Officer Reports reviewed
vi. 130 Risk Assessment Reports reviewed
vii. Horizontal Review Completed: Regulation 1.22/1.23 – 10 firms
viii. In connection with the COVID-19 outbreak and related market volatility, the Examinations Team contacted all active Futures Commission Merchants and all bank affiliated and energy focused Swap Dealers on a routine basis to obtain information concerning the implementation of firms' business continuity programs and impacts sustained from significant market volatility (debit/deficits, margin deficiencies, segregation and capital).
ix. Annual Review of NFA's Financial Surveillance Program (2019)
x. Interim Review of NFA's Registration Program
xi. Interim Review of NFA's OTC Derivatives Department (Swaps)
xii. Annual Review of CME's Financial Surveillance Program
xiii. Annual Review of NFA's Financial Surveillance Program (2020 – In progress)

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<u>Newest Branch: Office of Customer Education and Outreach</u>

The Office of Customer Education and Outreach (OCEO) develops and executes education initiatives as authorized by Section 23 of the CEA. This section was added to the CEA by Section 748 of the Dodd-Frank Act. Among other things, Section 23 established the CFTC Customer Protection Fund (CPF) for the payment of awards to whistleblowers, through the Whistleblower Program, and the funding of customer education initiatives designed to help customers protect themselves against fraud or other violations of the CEA or the rules or regulations thereunder. OCEO staff and activities are primarily funded by this separate revolving appropriation. The office was launched in 2012, and has since undergone two reorganizations, merging with the Office of Public Affairs in FY 2018[4] before moving to the Market Participants Division in November 2021. The functions of the office are divided into two sections:

<u>Customer Outreach Section</u>

4 The CPF continues to partially fund staff members in the Office of Public Affairs who support OCEO's digital presence, earned- and paid-media efforts, and the production of educational materials.

The Customer Outreach Section works to build recognition of the CFTC as a trusted resource for customers on how to protect themselves from fraud and other violations of the CEA or its implementing regulations. This section will use evidence-based approaches to develop strategies and messaging designed to reach customers through all available channels. This section will organize public events and communicate directly with customers at those events. The Customer Outreach Section will also coordinate with the CFTC Office of Public Affairs and Digital Engagement to leverage media exposure to achieve its CPF goals. It will also develop strategic networks to introduce CFTC developed research and content to a variety of audiences. Separate functions have been created within the office to focus on the two distinct audiences that comprise the agency's "customers": retail-market participants and institutional market participants.

Customer Education Section

The Customer Education Section will produce content for customer education initiatives in conjunction with the Outreach Section that will help customers protect themselves against fraud or violations of the CEA. The section will develop information that customers can use to help them spot fraud or other violations of rules and regulations. Staff in this section may also speak publicly, including at events organized by the Outreach Section, as subject-matter experts on ways in which customers can educate and protect themselves against fraud.

OCEO's particular accomplishments over the last 12 months include:

i. CFTC's customer education response to the coronavirus pandemic, including publishing four customer advisories and three articles on *cftc.gov* that focused on coronavirus-related fraud. These warnings and messages were further amplified through press releases, media stories including the *Wall Street Journal*, and social media posts.
ii. Retiring the *SmartCheck.gov* website and migrating relevant content to a newly redesigned the *Learn & Protect* section of *cftc.gov*. The SmartCheck campaign was discontinued as part of OCEO's FY 2018 reorganization. The fraud protection website contained a number of articles and tools that were updated and moved to *cftc.gov*. The redesign of the *Learn and Protect* section was necessary to accommodate the additional content, which included a page encouraging checking registration of market intermediaries, the Registration Deficient (RED) List, an *Advisories and Articles* page, as well as pages for educational videos and publications.
iii. OCEO also serves as the CFTC's representative on national and international financial education bodies, including the Financial Literacy Education Commission and the International Organization of Securities Commissions' Committee on Retail Investors (C8).

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MPD Priorities

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[redacted]

MPD Key Risks

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MPD Emerging/Significant Issues

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<u>DIVISION OF MARKET OVERSIGHT</u>

Overview of Division Operations and Mission

The <u>Division of Market Oversight</u> ("DMO") is responsible for regulating and overseeing the marketplaces for commodity futures, options on futures, and swaps ("Derivatives Products"). DMO's mission is to foster open, transparent, fair, competitive, and secure markets through clear rules and effective oversight of derivatives markets and market participants. DMO's remit includes:

- **<u>Oversee the Markets Regulated by the CFTC; Oversee and Examine the Exchanges and Platforms on which Derivatives Products Trade; Recommend and Implement Commission and Staff Policy Relating to the Above through Rulemaking and Other Actions</u>.** The **Office of the Director** of DMO includes the Division Director and staff. The Division Director directs and delivers DMO's remit and the Chairperson's priorities through rulemaking, reporting, making recommendations for Commission action or decision, among other things. The Division Director regularly briefs the Commission as a whole and Commissioners individually. In addition, Division Director makes determinations or important ad hoc issues, including referrals to the Division of Enforcement, strategy and tactics for matters addressed by the Commission; briefing with regularity the Administration, Congress, foreign, state and federal agencies and regulators, and the press on market oversight and structure and policy issues.

- **<u>Policy-Making through Rulemaking, Interpretations, Guidance, No-Action Letters and Legal Advice</u>**. The **DMO Office of the Chief Counsel** advises the DMO Director, senior management, and staff on all legal and policy issues affecting DMO. In addition, the OCC supports all DMO rulemaking and staff action documents. [5] OCC develops and drafts complex, innovative rulemakings and staff actions on a wide range of topics affecting DMO. OCC analyzes the development of prospective products, market structures and market rules for safety, soundness and potential CFTC jurisdictional impacts; works closely with the SEC to address products that may implicate both CFTC and SEC jurisdiction; serves as the DMO point of contact on numerous international initiatives, supporting the Office of International Affairs and other divisions, considers and signs off on legal documents originating in other divisions.

- **<u>Regulate Derivatives Products</u>**: DMO's **Product Review Division** regulates new and existing Derivatives Products. This includes initial certification or approval, and review of Derivative Products over time. Some products or the structure of the markets in which they are traded change or evolve over time, and the team addresses those. Three areas of focus have occupied much of this team's time include:

[5] The Division Director recommends policy to the Chairperson, and implements the Chairperson's priorities, a major element of which is rulemaking. OCC is involved in every rule, and leads many. However, the Division Director assigns all divisions except the Market Intelligence Branch, to lead various rulemaking efforts.

a. Sampling several thousand extant futures and options contracts for formal review (based on open interest, volume traded, and other factors);

b. Monitoring futures and options contracts in the event of changes in contract terms or market structure. Examples are futures and options on "broad-based" foreign securities indices. If the structure of the indices evolves, for example, to become more concentrated, the index may become a "narrow-based" foreign securities index. If so, the oversight jurisdiction of these derivatives morphs from exclusive CFTC oversight to joint CFTC-SEC oversight the governing status and implementing rules. There are between 50 and 100 of these broad-based foreign securities indices for which futures or option contracts have been listed, and the Product Review has spent considerable time working with the SEC as about four morphed from broad-based to narrow-based during the past year.

c. Cryptocurrency, event contracts, binary options. The team spends considerable time, working with the DMO Division Director and DMO Office of the Chief Counsel ("**OCC**") on these three types of contracts. In March 2020, the Commission approved DMO's proposed interpretive guidance on margined retail crypto products (see below). During the past several years, Product Review has approved approximately a dozen crypto futures and options. These reference Bitcoin, and more recently Ether. Open interest and trading volume in these crypto derivatives low. Much of the crypto industry with currently-offered retail margined crypto lending products (exchanges lend to customers to buy/sell) has recently been in active discussions with the Product Review and CCU team, plus the DMO Division Director who has significant expertise in crypto. This intra-divisional team has also focused on Libra's emerging product and other stable-coins, working with Treasury Department, the Federal Reserve, the Securities and Exchange Commission ("**SEC**"), and Office of the Comptroller of the Currency. Separately, the Product Review team frequently reviews event contracts binary options (for example, will or won't rainfall be greater than X). Much of this work is in coordination with the SEC.

- **Derivatives Exchanges and Platforms**: DMO's **Market Review Branch** reviews registration (aka designation") applications and new and revised trading rules of (i) exchanges and other platforms on which CFTC-regulated products are traded; and (ii) the repositories to which swap data is reported. Exchanges and other platforms include:

  a. Designated Contract Markets ("**DCMs**"), exchanges on which futures, options and some swaps trade;

  b. Swap Execution Facilities ("**SEFs**"), exchanges on which swaps trade;[6]

  c. Foreign Boards of Trade ("**FBOTs**");

[6] DCMs have operated for decades. Examples are CBOE and CME. By contrast, SEFs and swap data repositories, derive from the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 ("**Dodd-Frank**"), and emerged beginning in or about 2012 as that statute was implemented by CFTC regulations.

d. Swap Data Repositories ("**SDRs**"), to which market participants and SEFs report certain swap data. SDRs report certain data to the CFTC. [*Note:* many of the responsibilities regarding SDRs are now housed in the Division of Data pursuant to the reorganization effective November 8, 2020.]

- **Compliance and Examinations of Trading Platforms**: DMO's **Compliance Branch** examines CFTC-registered DCMs, SEFs, and (Market Review examines FBOTs) to ensure compliance with the applicable core principles and other regulatory requirements, including system safeguards (cybersecurity safeguards).

- **Market Oversight** – DMO's **Market Intelligence Branch** monitors, analyzes, tracks current and emerging derivatives and spot market dynamics and risks. The Market Intelligence Branch monitors developments and trends, and highlights potential systemic or specific market structure risks, reporting to the DMO Division and other Directors and the Commission to assist the Commission in developing sound policy. The team of economists and trading and markets specialists utilizes its deep understanding of the markets and products to support DMO in developing rules and policies to promote fair, efficient, and vibrant markets and a sound market structure. During the Covid-19 pandemic, the team worked round the clock for months to provide the Commission daily briefings in light of markets stresses observed.

<u>Structure</u>

DMO maintains a staff of 80 full-time equivalent employees ("FTEs") in Washington, D.C., New York, Chicago, and Kansas City.

1. **Office of the Director** - Dorothy D. DeWitt,[7] Division Director

[7] Dorothy joined the CFTC from Coinbase, a cryptocurrency company, where she served as General Counsel. She previously served in senior legal and compliance roles for Citadel Securities, JP Morgan, and S&P Global, and as General Counsel at Cadogan Management. Dorothy spent nearly a decade serving as a portfolio manager and analyst in the hedge fund and fund of funds industry, at GAM in London and Cadogan Management and ING Furman Selz in New York, responsible for investing several billion in assets under management through strategies relying heavily on derivatives. Dorothy also advised investment and corporate clients at Davis Polk, where she was a litigation and a corporate associate in the New York office after clerking for the Honorable John. E. Sprizzo in the Southern District of New York. Dorothy has a rich agriculture and energy background, having grown up in Texas and Georgia working on family farms that produced corn, maize, and beef cattle, serving as president of her local 4-H club, and working for a family petrochemical business in her youth, before working in the poultry processing industry in college. Dorothy graduated *summa cum laude, phi beta kappa* from the University of Texas at Austin (Plan II) and *cum laude* from Harvard Law School.

2. <u>Office of the Chief Counsel -</u> Chief Counsel: Rachel Kaplan Reicher

3. Market Review Branch – Nancy Markowitz, Deputy Director
4. Product Review Branch – Meghan Tente, Deputy Director
5. Compliance Branch – Rachel Berdansky, Deputy Director
6. Market Intelligence Branch – Mel Gunewardena, Chief Market Intelligence Office

<u>Priorities/ Emerging/Significant Issues</u>

1. **Recently Completed**
   a. Position Limits Rule
   b. Swap Data Rules (Parts 43, 45, 49)
   c. "Actual Delivery" Final Interpretation for crypto retail margined products
   d. Post-Trade Name Give-Up Rule
   e. Market Oversight During Covid-19 Pandemic and Briefing to Commission, Administration, Agencies
   f. FSOC, FBIIC contributions relating market oversight
   g. Interim Staff Report: Trading in NYMEX WTI Crude Oil Futures Contract Leading up to, on, and around April 20, 2020.

2. **Upcoming**

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Division of Enforcement

i. Mission and Overview of Division of Enforcement Operations

The Commission, through its DOE of Enforcement ("DOE"), is responsible for protecting market participants and other members of the public from fraud, manipulation and other abusive practices primarily in the futures, options, and swaps markets. The DOE conducts surveillance, initiates investigations and, upon Commission authorization, litigates enforcement matters broadly categorized into **four areas**: (1) manipulation; (2) trade practice; (3) fraud; and (4) supervision and control. The enforcement function is a critical component of the Commission's mandate to protect both customers and the integrity of the markets.

The primary pillars of a robust enforcement program are the ability to identify and rigorously and thoroughly investigate potential violations of the Commodity Exchange Act and Commission regulations and the effective prosecution of such alleged violations, including obtaining the imposition of remedial sanctions for the greatest deterrent effect including monetary relief to redress wrongs to victims. The Commission, through the DOE, utilizes its authority to, among other things: 1) shut down fraudulent schemes and seek to immediately preserve customer assets through asset freezes and receivership orders; 2) uncover and stop manipulative and disruptive trading; 3) ensure that Commission registrants, markets, firms, and participants subject to the Commission's oversight meet their obligations, including their financial integrity and reporting obligations, as applicable; 4) ban certain defendants from trading in its markets and bar them from being registered; and 5) obtain orders requiring defendants to pay restitution, disgorgement, civil monetary penalties, and where appropriate to undertake remediation to ensure the unlawful conduct does not reoccur.

Overall, the DOE has approximately 575 open matters including preliminary inquiries, investigations, and litigations. Over the past several years, the DOE has continued to pursue a number of market based investigations, such as manipulation and spoofing, and other matters that involve increasingly complex subject matters.

The enforcement program focuses on the following areas:

- Addressing fraud and manipulative conduct, false reporting of market information, and disruptive trading practices, including spoofing, trade practice violations and other misconduct on registered entities;
- Protecting retail customers who are victims of fraud and illegal off-exchange transactions, such as fraud by intermediaries (e.g., pool fraud), and fraud and illegal transactions relating to foreign currency (forex), precious metals and digital assets;
- Effectively enforcing regulatory requirements to ensure that registrants maintain diligent supervision of their operations, adhere to their regulatory obligations, and maintain their financial integrity by meeting standards for capitalization, segregation and handling of funds;
- Effectively protecting data integrity of information by enforcing requirements for recordkeeping and reporting;
- Addressing and keeping pace with the rapid growth and increasing sophistication of financial markets, instruments, means of trading, such as algorithmic and high- frequency trading, and

evolving markets and commodities, such as the development of digital assets and block-chain technology;

- Increasing effectiveness and efficiency of enforcement through cooperative enforcement with Self-Regulatory Organizations (SROs), state, Federal, and international authorities, including achieving efficiencies through referrals; and
- Encouraging, through recognition and credit, self-reporting and extraordinary cooperation to increase accountability of market participants and effectiveness and efficiencies of investigations and prosecutions.

The DOE also holds responsibility for the Commission's surveillance function, which is housed in the Market Surveillance Unit ("Surveillance"). With approximately sixteen staff, Surveillance monitors trading and positions of market participants on a daily and ongoing basis. Through analysis, aggregation and monitoring of diverse market data sources, Surveillance evaluates whether markets are operating in an orderly manner and whether market participants' activities within the Commission's jurisdictional markets appropriately inform the price discovery process and comply with trading and other legal requirements. If Surveillance identifies conduct that may reflect market trading abuses and non-compliance with Commission rules and regulations, such identified conduct is subject to further inquiry and investigation by DOE.

The DOE litigates enforcement actions primarily in federal court, although it has authority to litigate administrative actions before the Commission. Since approximately 2002, the DOE has almost exclusively used the administrative process for enforcement actions that are filed and simultaneously settled. In those instances, the Commission issues an order typically setting out findings, conclusions of law, and imposing sanctions. The DOE also brings administratively statutory disqualification actions at times when the Commission seeks to revoke, restrict or condition an existing registration for certain statutory reasons. Such authority only resides with the Commission and thus those actions must be brought administratively.[8]

[8] The Commission no longer employs its own Administrative Law Judges (ALJs) and the Commission has to "borrow" an ALJ, through the Office of Personnel Management, each time it needs one.

ii. Structure

Vincent (Vince) McGonagle leads the operation and management of the DOE as Acting Director. As of September 30, 2020, DOE has 166 staff, not counting contractors, comprised of attorneys, investigators, forensic economists, paralegals, and administrative and support staff. DOE has staff located in Headquarters and each of the regional offices of the Commission. DOE also has oversight of the Whistleblower Office, which has its own budget and eleven staff.

The Office of the Director includes the following substantive positions/functions:

- ***Principal Deputy Director***. The Principal Deputy Director (Vincent (Vince) McGonagle) is a primary advisor to the Director concerning the DOE's most significant matters and as to implementation of the DOE's mission to enforce the CEA and Regulations. The Principal Deputy is consulted on DOE cases from lead generation through investigation, on charging and settlement decisions, and on all phases of litigation. The Principal Deputy also directly supervises key DOE operations and functions. The Principal Deputy is a primary DOE point of contact with the Commission and its staff, other CFTC Divisions, federal, state and foreign authorities, task forces and other organizations, DSROs, and the public.

- ***Office of Chief Counsel***. The Office of Chief Counsel (OCC) is led by the Chief Counsel (Gretchen Lowe). The Chief Counsel acts as a primary advisor to the Director on legal and policy issues affecting the enforcement program and significant enforcement matters. OCC provides several distinct functions: 1) Legal and Policy Review (OCC reviews complaints, orders, recommendation memoranda and substantive briefs for legal sufficiency and evaluation of litigation risks, and liaises with the Office of General Counsel (OGC) in the CFTC's enforcement-related appellate work); 2) Procedures (OCC develops and maintains DOE staff investigation and litigation guidance and procedures); 3) Regulatory and Legislative Review (OCC works with OGC on enforcement-related regulatory and statutory proposals; OCC also works with the other Divisions to assess the enforcement-related aspects of their work); and 4) International Cooperation (OCC's International Operations Unit obtains cooperative assistance from foreign authorities, and also negotiates international enforcement memoranda of understanding).

- ***Special Counsel to the Director***. The Special Counsel to the Director (Neel Chopra) works on a variety of matters, as may be assigned by the Director. Such matters may include working with litigation teams on specific enforcement matters, liaising with other CFTC operating DOEs and other agencies on particular matters, and other special projects.

- ***Deputy Directors (Investigation and Litigation).*** The vast majority of the DOE's resources are dedicated to investigation and litigation functions. The DOE has five Deputy Directors—two located in D.C. (Richard (Rick) Glaser and Paul Hayeck), and one each in the regional offices, Chicago (Robert (Rob) Howell), Kansas City (Charles (Chuck) Marvine), and New York (Manal Sultan). The Deputy Directors directly supervise teams consisting of attorneys, investigators and paralegals who conduct the investigations and litigations of possible violations of the CEA and Regulations. Within each Deputy Director group, Chief Trial Attorneys lead the particular investigations and litigations.

- ***Litigation, Intake, and Triage***. The DOE's Litigation, Intake, and Triage Unit is led by a Deputy Director (Joan Manley) and performs an initial review of the thousands of tips, complaints, and leads received by the DOE, to identify those with potential merit, which it then forwards on to the investigative teams for preliminary investigation. This unit also keeps apprised of recent legal and industry developments to develop potential new leads.

- ***Market Surveillance Unit.*** The DOE's Market Surveillance Unit is led by a Deputy Director (Matthew Hunter) and develops and utilizes sophisticated systems to analyze trade data, responds to outlying events, and helps identify trading or positions that warrant further enforcement inquiry. In general, the market surveillance program:

a. Conducts surveillance in all traded commodity classes on a prioritized basis, and performs discrete forensic analysis involving data reported to the Commission to confirm orderly operation of the markets and to identify conduct that may give rise to a potential violation of the CEA and Regulations;

b. Evaluates compliance with Federally-imposed position limits, and conducts a forensic review of market activity to identify potential market and trading abuses;

c. Coordinates with other Federal regulators, such as U.S. Department of Agriculture, U.S. Department of Energy, FERC, SEC and the U.S. Environmental Protection Agency, on market events involving their respective jurisdictions; and

d. Communicates with market participants and the exchanges, about market participant trading activities based upon aggregate data across markets.

- ***Whistleblower Office.*** The Whistleblower Office (WBO) is led by its Director (Christopher (Chris) Ehrman). The essential functions of the WBO include:

a. Processing Whistleblower Submissions. WBO receives, tracks, and handles whistleblower submissions and inquiries, often communicating with whistleblowers or their counsel to address questions or concerns.

b. Coordination with Commission DOEs and Outside Agencies. WBO answers questions from Commission staff and others regarding the Whistleblower Program, and guides the handling of whistleblower matters as needed during examination, investigation and litigation. WBO also advises on productions of whistleblower-identifying information to outside agencies and on grants of access to whistleblower-identifying information by outside agencies.

c. Administration of Claims Process. WBO receives and tracks whistleblower award claims, gathers and prepares the adjudicatory records for the Whistleblower Claims Review Staff (CRS), advises the CRS as needed on the whistleblower provisions and rules, and memorializes the CRS's decisions. Those determinations lead to Final Orders of the Commission through a review process that WBO also coordinates. Under the Whistleblower Rules, all award claims must be processed, but the WBO addresses any award claims that do not meet minimum requirements through a summary process.

- ***Forensic Economists Unit.*** The DOE's Forensic Economist Unit is led by the Principal Forensic Economist (Jordon Grimm). The DOE's forensic economists and analysts perform complex data analysis to develop evidence for investigations into potential market manipulation, disruptive trading practices (including spoofing), and other unlawful trade-based conduct. This analytical evidence is used to determine the nature and scope of the trading or activity at issue and informs the DOE's determination of whether to recommend an enforcement action.

- ***Office of Cooperative Enforcement.*** The Office of Cooperative Enforcement is led by its Chief (Richard Foelber) and works routinely with other civil and criminal authorities at both the state and federal levels to enhance its effectiveness in pursuing violations of the CEA and Regulations. This cooperation takes many forms, including information sharing, referrals, and providing subject matter expertise.

iii. **Priorities**

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(b)(5)

iv. Key Risks

(b)(5)

v. Emerging/Significant Issues

(b)(5)

Attachment A: Number of Enforcement Actions Filed and Penalties Imposed By Fiscal Year
Attachment B: Overview of Enforcement Cases Filed During Fiscal Year 2020 and Whistleblower Awards

Attachment A

__**Number of Enforcement Actions Files and Penalties Imposed by Fiscal Year**__

This total covers all monetary relief ordered in CFTC actions, including in the form of civil monetary penalties, disgorgement, and restitution.

Monetary Relief Ordered in CFTC Enforcement Actions	
Fiscal Year	**Total Monetary Relief Ordered**[9]
FY09	$275,674,718
FY10	$201,563,915
FY11	$498,527,486
FY12	$931,942,825
FY13	$1,772,109,976
FY14	$3,272,978,947
FY15	$3,202,940,849
FY16	$1,292,310,528
FY17	$412,816,307
FY18	$947,278,038
FY19	$1,321,046,710
FY20	$1,327,869,760

[9] Consistent with the Commission's historical practice, this calculation includes only monetary relief in court or Commission orders issued during the relevant fiscal year, regardless of when the money was collected or disbursed to victims, or the particular case was filed.

Attachment B

Overview of Enforcement Cases Filed During Fiscal Year 2020 and Whistleblower Awards

Enforcement Actions Filed. During FY 2020, the CFTC filed 113 enforcement actions.[10] The actions filed break down into the following categories:

CFTC Enforcement Actions Filed - FY 2020	
Case Category	**Number**
Manipulative Conduct, Spoofing	16
Retail Fraud	56[11]
Misappropriation of Confidential Information, Trade Allocation Schemes, Mismarking	1
Protection of Customer Funds, Supervision, and Financial Integrity	24[12]
Illegal Off-Exchange Contracts, Failure To Register	9
Other Trade Practice, Including Wash Trades, Fictitious Trades, Position Limits	2
Recordkeeping, Other Reporting	3
False Information to CFTC or SRO, Violation of Prior Orders	1
Statutory Disqualification	1
Total	**113**

[10] The Commission's previous high (102) was achieved in FY 2012. *See* https://www.cftc.gov/PressRoom/PressReleases/6378-12. Appendix B includes a full list of the FY 2020 cases, categorized by the primary violation charged.

[11] This included a fourteen-case sweep against entities who falsely claimed CFTC Registration or NFA Membership. *In re Bitfx24option.com*, CFTC Docket No. 20-30 (Sept. 1, 2020); *In re Fidelityfxtrade.com*, CFTC Docket No. 20-31 (Sept. 1, 2020); *In re Granttradefx.com*, CFTC Docket No. 20-32 (Sept. 1, 2020); *In re iMarketsserviceFX.com*, CFTC Docket No. 20-33 (Sept. 1, 2020); *In re Westtechtrade.com*, CFTC Docket No. 20-35 (Sept. 1, 2020); *In re Westintrade.com*, CFTC Docket No. 20-36 (Sept. 1, 2020); *In re Zenithoptionstrade.net*, CFTC Docket No. 20-38 (Sept. 1, 2020); *In re Zenithtradermarkets.com*, CFTC Docket No. 20-39 (Sept. 1, 2020); *In re Goldman Global Investment Funds Ltd.*, CFTC Docket No. 20-41 (Sept. 1, 2020); *In re Merryl Morgan*, CFTC Docket No. 20-42 (Sept. 1, 2020); *In re Ultracapitals*, CFTC Docket No. 20-44 (Sept. 1, 2020); *In re Vertex Holdings Limited*, CFTC Docket No. 20-45 (Sept. 1, 2020); *In re DST Clouds International Limited*, CFTC Docket No. 20-47 (Sept. 1, 2020); *In re Bullet Capital & Contract Occurrence Management Merchants*, CFTC Docket No. 20-48 (Sept. 1, 2020); https://www.cftc.gov/PressRoom/PressReleases/8229-20.

[12] This included a ten-case sweep charging Commodity Trading Advisors with either failing to maintain membership with the National Futures Association ("NFA") or assert a valid exemption from NFA membership. See *In re Adale LLC*, CFTC Docket No. 20-50 (Sept. 3, 2020); *In re Amgad Gayed Attia*, CFTC Docket No. 20-51 (Sept. 3, 2020); *In re Obie Lee Cole*, CFTC Docket No. 20-52 (Sept. 3, 2020); *In re CWE USA LLC*, CFTC Docket No. 20-53 (Sept. 3, 2020); *In re Suanne Fay Goldman*, CFTC Docket No. 20-54 (Sept. 3, 2020); *In re Griggs Research & Consulting Inc.*, CFTC Docket No. 20-55 (Sept. 3, 2020); *In re JPR Inc.*, CFTC Docket No. 20-56 (Sept. 3, 2020); *In re Lewis Futures Management LLC*, CFTC Docket No. 20-57 (Sept. 3, 2020); *In re McClelland Capital Management Inc.*, CFTC Docket No. 20-58 (Sept. 3, 2020); *In re Weiliang Shao*, CFTC Docket No. 20-59 (Sept. 3, 2020); https://www.cftc.gov/PressRoom/PressReleases/8232-20.

This breakdown of cases shows that the enforcement program has targeted some of the most pernicious forms of market misconduct—i.e., manipulative conduct, commodity fraud, and fraudulent misappropriation of confidential information. In fact, approximately 65% of the matters filed in FY 2020 involved commodity fraud, manipulative conduct, false reporting, or spoofing.[13]

Whistleblower Program. The Division's whistleblower program continued to experience significant advancement and growth during FY 2020.[14]
During FY 2020, the Commission granted 16 applications for whistleblower awards, totaling approximately $20 million, to be paid to individuals who voluntarily provided original information or analyses that led to successful enforcement actions. The 11 Final Orders granting those awards include three orders involving multiple whistleblower awardees, two orders granting awards to whistleblowers located outside the United States, and one award based in part on related actions brought by another regulator.

[13] This percentage includes cases involving manipulative conduct and spoofing (the first row in the chart above) as well as commodity fraud (the second row) and fraud perpetrated through misappropriation of confidential information, trade allocation schemes, and mismarking (the third row).

[14] The CFTC's Whistleblower Program was established in 2011 under the Dodd Frank Act. *See Dodd-Frank Wall Street Reform & Consumer Protection Act*, Pub L. No. 111-203, tit. VII, § 748, 124 Stat. 1376, 1739 (July 21, 2010) (codified at 7 U.S.C. § 26); Whistleblower Awards Process, 82 Fed. Reg. 24,487 (May 30, 2017); Whistleblower Incentives & Protection, 76 Fed. Reg. 53,171 (Aug. 25, 2011). *See also* Fiscal year 2020 report to Congress on the Commission's whistleblower program and customer education initiatives, https://whistleblower.gov/sites/whistleblower/files/2020-11/FY20%20Report%20to%20Congress.pdf.

Office of International Affairs

Overview of Division Operations and Mission

The OIA advises the Commission regarding international regulatory initiatives and policies; provides guidance regarding international issues raised in Commission matters; represents the Commission in bilateral negotiations and engagements with foreign regulatory authorities; represents the Commission in international fora, such as the International Organization of Securities Commission (IOSCO) and Financial Stability Board (FSB); coordinates Commission policy as it relates to policies and initiatives of major foreign jurisdictions and the G20; coordinates with the U.S. Department of the Treasury (Treasury) and U.S. financial regulatory authorities on international matters; negotiates supervisory cooperation arrangements and responds to inquiries related to supervisory cooperation or information sharing; and provides technical assistance to foreign market authorities, including advice and organization of international training programs and regulatory symposia.

Structure

The Office of International Affairs (OIA) currently consists of 14 full-time staff. Suyash Paliwal has served as its Director since August 2019. Prior to that time, Mr. Paliwal advised Federal Reserve Board leadership on financial stability and international standard setting and oversaw supervision of banking/insurance financial conglomerates. OIA senior staff includes Mauricio Melara and Tracey Wingate (Associate Directors, Regulatory Policy), Kevin Piccoli (Deputy Director, Technical Assistance), and Natalie Markman-Radhakrishnan (Senior Special Counsel and Head of Supervisory Cooperation). In addition, OIA has nine attorney-advisors (Camille Arnold, Dana Brown, Daniel Burstein, Lily Chu, Nancy Doyle, Jason Mahoney, Andrea Musalem, Chava Schwebel, and Andrew Stein), one staff assistant (Debbie Franklin), and two detailees (Alicia Lewis, detailed from the Division of Clearing and Risk, and Kevin Webb, detailed from Commissioner Quintenz's office after have been in the Division of Enforcement).[15] Several OIA staff previously worked in CFTC divisions or offices and/or served as advisors to CFTC Commissioners.

Priorities

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[redacted]

[15] One full-time staff position is in the process of being filled, with anticipated completion by January 14, 2021.

(b)(5)

Key Risks

(b)(5)

Emerging/Significant Issues

(b)(5)

OFFICE OF THE CHIEF ECONOMIST

Mission Statement

The mission of the Office of the Chief Economist (OCE) of the Commodity Futures Trading Commission (CFTC) is to conduct rigorous economic and econometric analysis of derivatives markets; to foster market transparency by disseminating its research to market participants and the general public; and to partner with other CFTC divisions and offices to integrate economic reasoning and data analysis into Commission policy and cost-benefit considerations.

Structure: Staff and Organization

OCE currently has 19 full-time professionals (20 FTE allocated in FY21 President's Budget). All staff have post-graduate degrees: 12 Ph.D.'s in Economics or Finance; 1 Ph.D. in Mathematics; 5 Master's degrees in Economics or Finance; and one J.D. OCE staff includes a Deputy Chief Economist, two supervisory economists, a Head of Academic Outreach, and a Senior Special Counsel.

OCE has 1 administrative assistant, 1 full-time contract programmer, and 2 paid, part-time academic consultants. In addition, OCE has partnered with 2 staffers on a part-time detail from the Federal Reserve Board, in order to collaborate effectively on research projects of mutual interest. OCE also engages approximately a dozen unpaid consultants (university professors who collaborate with staff on projects of interest to the Commission).

Biographical information on the staff and paid consultants can be found here:
https://www.cftc.gov/About/EconomicAnalysis/CFTCEconomists/index.htm

Academic Outreach

In addition to research conducted solely by CFTC staff, OCE leverages the common interests of the Commission and various researchers who study financial markets by partnering with a small number of academics on well-defined projects of interest to the Commission. These long-term projects are designed to result in one or more publications in a peer-reviewed academic journal.

Benefits of the program include increased credibility of the Commission as a rigorous thought leader, enhanced vetting and comment on staff analytical work, and improved analysis due to the engagement of recognized experts in various fields of economic research. Projects and partnerships are anticipated to last 3-5 years from project inception to final publication.

Partnerships with academics are structured such that staff engagement is integral to the execution and outcome. Projects generally require a commitment of time and effort by both the academic and OCE staff in order to maximize value to the Commission. Execution of the program is led by the Head of Academic Outreach (Lihong McPhail).

Following identification of potential research partners and collaborating OCE staff, the following must occur: the consultant undergoes a background check managed by OED; the consultant is cleared of ethical conflicts by OGC; OCE Senior Special Counsel (Gloria Clement) trains the consultant on OCE protocols, including the handling of confidential data and the paper review process; the Head of Academic Outreach works to set up a computing/data environment appropriate for that consultant's work.

Priorities

- ## Research

Working papers produced by OCE staff memorialize long term research projects conducted by OCE staff. The projects reflect extensive analytical work and often incorporate state of the art econometric techniques to produce rigorous, defensible analyses of derivatives markets. The research provides a rigorous framework for OCE staff in providing advice to other staff and in the consideration of costs and benefits of rulemaking by the Commission. Projects potentially cover all aspects of derivatives markets of interest to the Commission and typically culminate in publications in a peer-reviewed academic journal. The publications therefore provide highly credible, publicly available research informing the public about derivatives markets.

OCE's Senior Special Counsel has established a paper review process and is responsible for its implementation. Before a paper is cleared for public dissemination, the following must occur: the author(s) must present the paper to OCE staff in a seminar; the paper must be reviewed by an independent committee of OCE staffers to ensure that no confidential data is inadvertently revealed; and the paper must be officially cleared by Ms. Clement.

OCE research papers, each summarized with brief highlights, can be found here: https://www.cftc.gov/About/EconomicAnalysis/ResearchPapers/index.htm

Recent Examples

1. "Systemic Risk and Firm Size: Is Notional Amount a Good Metric?" D. Reiffen and B. Tuckman, forthcoming, *Journal of Financial Economic Policy*(Sep. 2020)

   Contemplates Entity-Netted Notionals (ENNs), a risk-based metric of size, in the context of literature modeling a firm's contribution to systemic risk.

2. "Swap Trading After Dodd-Frank: Evidence From Index CDS," L. Riggs, E. Onur, D. Reiffen, and Haoxiang Zhu (Massachusetts Institute of Technology), *Journal of Financial Economics* (June 2020)

   Relates customer choice of trading mechanism and dealer responses to requests for quotes to various characteristics of the customer's trade, including size, how many other dealers are asked for a quote, and past trading relationships.

3. "The Liquidity Hierarchy in the U.S. Treasury Market: Summary Statistics from CBOT Futures and TRACE Bond Data," L. Baker, L. McPhail, and B. Tuckman, *Journal of Fixed Income* (Summer 2020)

   Combines newly available transaction data on cash market transactions on Treasury securities with futures transactions data to present an overview of liquidity in the broader Treasury complex.

4. "The End of an Era: Who Pays the Price When the Livestock Futures Pits Close?", E. Gousgounis and E. Onur

   Examines changes in execution costs for customers who previously transacted using pit traders, comparing execution costs to those of non-pit user customers.

5. "Risk Appetite and Intermediation by Swap Dealers," E. Onur and S. Mixon (April 2020)

   Combines futures and swap position data for dealers to examine dealer hedging activity and swap positions in WTI crude oil, with emphasis on dealer willingness to hold basis risk at a portfolio level.

6. "Price Pressure and Price Discovery in the Term Structure of Interest Rates," S. Mixon and T. Tuzun (Board of Governors of the Federal Reserve) (March 2019)

   Evaluates Primary Dealer positions in Treasury cash and futures markets, relating dealer inventory levels and order flow to movements across the term structure of Treasury yields.

- **<u>Data-Oriented Reporting</u>**

Reports produced by OCE generally rely on tabulation of multiple, large datasets (e.g., regulatory swap data and regulatory futures data, often combined with publicly available data from commercial vendors). Report production relies heavily on both data infrastructure (i.e., Commission-level hardware and databases) and OCE-specific analytical expertise (i.e., extensive coding and data tabulation combined with market expertise). In many cases, the report memorializes analytical infrastructure developed by OCE that is later used to support ongoing quantification in Commission rulemaking. Many OCE reports can be viewed as intermediate, data-oriented introductions to a long-term (3-5 year) research project culminating in a publication in a peer-reviewed academic journal.

<u>Recent Examples:</u>

1. "Weekly Swaps Report"

   This report provides the public with a summary of swap market activity across swap data repositories (SDRs). Data are presented in multiple break-outs, including asset class, counterparty type, and tenor. The processed, cleaned, and enriched data is stored for use in OCE research projects and for use by other Commission staff. (Periodical)

2. "Risk Transfer with Interest Rate Swaps," L. Baker, R. Haynes, J. Roberts, R. Sharma, B. Tuckman

   Quantifies the size of interest rate swap positions held by various market participants, when measured on a risk-adjusted basis (i.e., in 5-year swap equivalents), netted at the individual entity level. The processed, cleaned, and enriched data is stored for use in OCE research projects and for use by other Commission staff. (Periodical)

3. "Legacy Swaps under the CFTC's Uncleared Margin and Clearing Rules," J. Coughlan, R. Haynes, M. Lau, and B. Tuckman (Nov. 2019)

   Quantifies a small but non-negligible amount of legacy swaps under the uncleared margin rule, with a large percentage projected to fall into Phase V of the rule implementation. In contrast, legacy swaps under the clearing requirement is estimated to be minimal. (One-off report)

4. "Recent Trends in CDS Markets," J. Coughlan, R. Haynes, M. Lau, and B. Tuckman (Nov. 2019)

   Five year retrospective of index and single name credit default swap activity, including breakdowns by counterparty and product type. (One-off report)

Key Risks/Emerging/Significant Issues

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LEGAL DIVISION

Mission and Overview of Operations

By statute, 7 U.S.C. § 2(a)(4), the Legal Division (LD) (formerly known as the Office of General Counsel) is the Commission's legal advisor.[17] The head of the LD is the General Counsel, "who shall be appointed by the Commission and serve at the pleasure of the Commission." *Id.* The Commission appointed Dan Davis as General Counsel in March 2017. Under the General Counsel, LD attorneys, among other important responsibilities, "represent the Commission in courts of law." *Id.* Given this statutory provision and 7 U.S.C. § 13a-1, which authorizes the Commission to initiate enforcement actions in federal court, the Commission has independent litigation authority and thus may generally represent itself in federal court litigation.

LD attorneys also "perform such other legal duties and functions as the Commission may direct." 7 U.S.C. § 2(a)(4). Another principal function of the LD attorneys is to support the operating divisions in writing rules, and the LD must review rules before they are circulated for Commission consideration.

In 2017, the LD developed the following Mission Statement:

> The Legal Division at the Commodity Futures Trading Commission (CFTC) serves as the chief legal advisor to the Commission. The Legal Division provides comprehensive, high quality legal services and resources to the Commission and its staff to enable the CFTC to fulfill its mission. In doing so, the Legal Division works collaboratively both internally and externally to create synergies that facilitate sound and effective policymaking, while promoting the highest professional and ethical standards.

Structure

To most efficiently and effectively carry out the Mission Statement, the LD is comprised of five groups: Litigation, Enforcement & Adjudication; Regulatory; General Law; Legislation and Intergovernmental Affairs; and Secretariat and Information Management. Their functions are described below.

[17] The Office of General Counsel became the Legal Division on November 8, 2020 as a result of a Commission-wide reorganization.

Litigation, Enforcement & Adjudication (Robert Schwartz, Deputy)

The Litigation, Enforcement & Adjudication Group represents the Commission in a range of matters before federal courts and administrative bodies. These include challenges to regulations, derivatives-industry bankruptcies, labor and employment suits, appeals in enforcement actions and from CFTC adjudications, and as amicus curiae on issues of interest to the Commission. This group also advises the Commission and drafts opinions in adjudications, which primarily involve appeals arising from the reparations program and from certain decisions by self-regulatory organizations. LD litigators also respond to third-party subpoenas, advise the Division of Enforcement (DoE) in their law-enforcement activities, and advise the Commission and operating divisions on legal risks of proposed actions.

Regulatory Group (Carlene Kim, Deputy)

The Regulatory Group advises the Commission and the Division of Market Oversight (DMO), the Division of Clearing and Risk (DCR) and the Division of Swap Dealer and Intermediary Oversight (DSIO) in connection with the drafting of rules and orders. The Group works closely with Division and Commission staff, providing direction and counsel in analyzing legal, policy and procedural issues in connection with developing rulemakings and orders applicable to the entities regulated by the Commission. The Group offers guidance to the Commission and Divisions in assessing compliance by these entities with applicable statutory and regulatory provisions and advises as to the legal sufficiency, substantive accuracy and completeness of Division-generated rulemakings, and no-action and interpretive letters.

General Law (John Einstman, Deputy)

The General Law (GL) Group helps to ensure Commission compliance with such statutes and regulations as the Government in the Sunshine Act, the Freedom of Information Act (FOIA), the Civil Service Reform Act, the Ethics in Government Act, the Federal Advisory Committee Act, and the Commission's supplemental rules and regulations.

The GL Group advises the Commission, individual Commissioners, and Commission Offices and Divisions on legal, programmatic, and policy issues related to Commission funding and use of appropriated funds, procurement, labor relations, equal employment opportunity law, employment, information governance, facilities, intellectual property, physical and data security, advisory councils and groups, interagency agreements, memoranda of understanding, and all other areas of general and administrative law. The GL Group also oversees the Commission's ethics and FOIA programs and provides guidance regarding information governance initiatives.

Legislative and Intergovernmental Affairs (Natasha Coates, Deputy)

The Legislative and Intergovernmental Affairs Group serves as the principal advisor for monitoring, reviewing, and evaluating proposed legislation, particularly with regard to the agency's reauthorization, but also for all other legislative issues involving the CEA and financial regulation. The Group works with the CFTC's Office of Legislative Affairs to respond to Congressional inquiries, brief Congressional representatives, and provide technical assistance to Congress, the Chairman, and Commissioners with regard to proposed legislation.

The Group coordinates program initiatives involving other domestic governmental agencies, including the Board of Governors of the Federal Reserve System, the Department of the Treasury, the Securities and Exchange Commission, the Financial Stability Oversight Council, the Financial Crimes Enforcement Network, the General Accounting Office, and the Congressional Budget Office.

The Group advises the Commission's Office of International Affairs regarding the Commission's international activities, including cooperative efforts with foreign regulatory and enforcement authorities through Memoranda of Understanding.

The Group provides advice to the Whistleblower Office on the Commission's whistleblower program. The Group also handles administrative appeals of FOIA decisions.

Secretariat and Information Management (Melissa Jurgens, Deputy)

The Secretariat and Information Management Group contains the Commission's Secretariat, the Privacy and Records programs, and the Commission's library.

The Secretariat is responsible for the orderly and expeditious flow of staff recommendations to the Commission for official action and for the creation and maintenance of the records of Commission business. Commission action may occur in a variety of ways, including at public or non-public meetings or through the Commission's seriatim or absent objection processes. The Secretariat is responsible for ensuring that Commission deliberations and actions and any resulting official documents comply with applicable laws and regulations, including the Government in the Sunshine Act, Freedom of Information Act, Privacy Act, the Records Act, and the Administrative Procedure Act.

The Privacy Office is responsible within the agency for ensuring the consideration and protection of privacy in the collection, maintenance, use, sharing, and disposal of personal information about individuals across all programs and activities. The Privacy Office has the dual role of ensuring agency compliance with privacy-related laws and also advising other agency Offices and Divisions on privacy-related matters that impact the Commission's mission activities and the industry the agency regulates.

The Records Program is responsible for planning, developing, implementing, and managing the Commission's records management program for both core mission and administrative records, regardless of medium or format.

Priorities/Key Risks/Emerging/Significant Issues

(b)(5)

DIVISION OF ADMINISTRATION

Mission and Overview of Operations

The Division of Administration (DA) leads the innovative and strategic management of employees, financial, and operational resources in support of the CFTC mission.

DA supports and promotes the Commission's continued success, continuity of operations, and adaptation to the ever-changing markets it is charged with regulating by serving as catalyst for major initiatives. The DA also serves as a "force multiplier" to the Chairman, Commissioners and staff by administering the agency's strategic planning process; leading, developing and managing key workforce initiatives; leading and managing the budget process and other financial services; procuring goods and services for the Commission, administering the Commission's internal operations and decision processes; managing the Commission's information technology environment, administering all physical security and cybersecurity controls; and providing logistical support for the Commission operations. The Division is responsible for developing and implementing management and administrative policy, and ensuring program performance is measured and tracked Commission-wide, focusing on ensuring CFTC operational effectiveness

Structure

Anthony (Tony) Thompson is the Chief Administrative Officer (CAO) and Executive Director (ED) and leads and oversees the programs within DA. The ED is a statutory position,[18] with duties and responsibilities as defined by the Commission. A copy of the ED position description is provided as an attachment to this document. By statute, the ED reports to the Commission and advises the Chairman and Executive Leadership on agency management, planning, operations, and support. DA is comprised of the following branches:

Business Operations. Responsible for lease and GSA space assignment administration, facilities management, transit subsidy administration, the acquisition of goods and services, travel operations, and operational support for CFTC headquarters and the three regional offices. This Branch also provides business management support for all CFTC divisions and offices, develops and distributes agency-wide internal communications and maintains CFTCnet, CFTC's internal website. **Tomeka Gilbert** currently serves as the Chief Planning Officer.

***Financial Management*:** Responsible for the conduct of all financial management activities of the Commission, including formulation of the President's Budget, execution of the enacted budget, financial accounting operations, strategic and operational planning, and

[18] 7 U.S.§ 2(a)(5) establishes the position of Executive Director for the Commission.
The Commission shall have an Executive Director, who shall be appointed by the Commission and serve at the pleasure of the Commission. The Executive Director shall report directly to the Commission and shall perform such functions and duties as the Commission may prescribe.

enterprise risk management. This Branch oversees development of the commission's Strategic Plan and Annual Performance Report. This Branch also annually develops the Agency Financial Report and Customer Protection Fund Report to Congress. **Joel Mattingley** currently serves as the Chief Financial Officer.

Human Resources: Provides effective human resource management services to CFTC and facilitates the attainment of the CFTC's strategic goals and program objectives. This is achieved by ensuring the agency attracts, retains, and continuously develops an exceptionally qualified, diverse, dedicated, capable, and productive staff. This Branch is responsible for labor relations, performance management and compensation, and health and wellness programs. This Branch also manages the agency's talent management operations and learning management system. **KerriLaine Prunella** currently serves as the Chief Human Capital Officer.

Administrative Proceedings: Adjudicates customer complaints against persons or firms registered under the CEA and administering enforcement actions. This Office also manages the CFTC's reparations program. **Gene Smith** currently serves as Director of the Office of Proceedings.

Information Technology: Provides implementation and oversight of the information technology program for the Commission, including managing the desktop operations, software deployment, cloud computing, and infrastructure management. This Branch also provides network operations, telecommunications services, systems implementation, project management, and end user support services. **Janaka Perera** currently serves as the Chief Information Officer.

Security Operations: Provides implementation and oversight of the Commission's physical security and cybersecurity programs. This Branch performs security monitoring, incident response, data loss prevention, digital rights management policy, procedure and standards development, and guidance necessary to enhance protection of CFTC's data and networks. This Branch also support physical access management, physical security, and oversight of the Insider Threat and Continuity of Operations programs. **Naeem Musa** currently serves as the Chief Information Security Officer.

Priorities

(b)(5)

(b)(5)

Key Risks

(b)(5)

(b)(5)

Emerging Issues

(b)(5)

Attachment

Executive Director and Chief Administrative Officer Position Description

Commodity Futures Trading Commission
Division of Administration
Executive Director and Chief Administrative Officer
CT-0301-18

INTRODUCTION

As an executive at the Commodity Futures Trading Commission (CFTC or Commission), the incumbent serves as a key member of the agency's leadership team. In this role, the executive is responsible for directing one or more key programs, advising the agency on policy-making, and collaborating across organizational lines on agency-wide issues.

The Executive Director and Chief Administrative Officer of the Commission provides key managerial direction to an agency responsible for the economic utility, consumer protection, and integrity of financial markets with a national and international impact. Under the general direction of the Chairman, the Executive Director and Chief Administrative Officer has broad discretion and authority to develop and execute the agency's management policies for all divisions and offices. The Executive Director and Chief Administrative Officer leads the administrative functions of the CFTC to achieve maximum efficiency and effectiveness in its programs and operations. As a key member of the Chairman's leadership team, he/she plays a critical role in ensuring proper organizational design, developing strategic and operating plans, ensuring the effective management of CFTC resources, and directing the mission support program that delivers services to varied programs. The Executive Director and Chief Administrative Officer works with all CFTC Divisions and Offices and through the planning and budget formulation process, integrates the sum of these parts into a logical, coordinated and synergistic whole.

MAJOR DUTIES AND RESPONSIBILITIES

The Executive Director and Chief Administrative Officer has overall Commission-wide responsibility for implementing, through its operating organizations, the management and administrative policies and decisions of the Chairman and Commissioners. The incumbent further ensures that CFTC administrative activities comply with governing statutes and regulations and supports the effective and efficient accomplishment of CFTC's mission.

The Executive Director and Chief Administrative Officer, as a key management advisor to the Chairman and the Commissioners, is responsible for the periodic assessment of the administrative efficiency and managerial effectiveness of the CFTC through program reviews, reviews of programmatic goals and outcomes, and resource utilization in achieving results. The Executive Director and Chief Administrative Officer consults with and advises Divisions and Offices on general management and operating practices affecting their substantive program areas. He/she works with managers to develop solutions to potential and existing barriers that may limit or impede goal achievement.

The incumbent has frequent contact with key officials throughout the CFTC, and high level contacts with officials of other government agencies, members of the Congress, and external organizations. These contacts often involve controversial and complex questions of agency direction and resources, as well as matters of policy, and require an extraordinary degree of tact and persuasiveness.

MANAGERIAL RESPONSIBILITIES

- Supervises and manages major CFTC programs; the work is accomplished through subordinate managers and supervisors. These programs include the Human Resources Branch, the Financial Management Branch, the Business Management and Planning Branch, the Information Security Branch and the Information Technology Branch.

- Establishes and evaluates the goals of the office, and the progress made toward achieving them, and institutes policies and procedures directed toward improving the efficiency and effectiveness of the organization.

- Determines the amount of resources to devote to particular projects, and the timing of initiating or concluding such projects.

- Evaluates the need for changes in organizational structure, and institutes changes as necessary to improve operations.

- Builds coalitions with other CFTC Division/Office Directors and maintains effective relationships with regulated industry market participants other agencies, members of Congress and other interested parties.

- Develops performance standards and prepares performance ratings for subordinate supervisors, managers and employees under his/her direct supervision and communicates them to employees in a timely manner. Assures that subordinate supervisors prepare and communicate standards to their employees. Serves as reviewing official for position under the immediate supervision of subordinate supervisors.

- Hears grievances and serious employee complaints not resolved at lower levels and makes decisions on these matters.

SUPERVISION AND GUIDANCE RECEIVED

The incumbent serves under the general direction of the Chairman and functions with broad latitude in the direction, coordination and evaluation of the Office of the Executive Director and Chief Administrative Officer. The incumbent must apply a broad knowledge of business management and operational principles, as well as knowledge of CFTC's policies and the role of regulatory agencies in government. Work is reviewed in terms of accomplishment of overall program objectives and goals.

Qualification Standard for
Chief Administrative Officer, CT-0301-18

QUALIFICATION REQUIREMENTS: As a basic requirement, applicants must demonstrate competence in terms of the mandatory Professional and Technical Qualifications listed below, and executive leadership capabilities in terms of the Executive Core Qualifications (ECQs) of the Senior Executive Service. Typically, the applicant will have gained experiences of this nature at or above the CT (GS)-15 grade level or its equivalent in federal service or with state or local government, private industry, or nongovernmental organizations.

Mandatory Competencies:

Professional/Technical Qualifications

1. Extensive management experience in planning, leading, and directing a broad range of operational programs and functions.
2. Senior level management experience and skill in enabling the effective delivery of an organization's mission while adhering to the laws and regulations governing administrative programs, internal operations, and services. This experience must reflect a record of successful customer communication, outreach and collaboration, accountability and continuous program improvement of internal business processes and systems.
3. Expert level experience in overseeing operational budgets and financial management functions for a complex organization including management controls related to financial stewardship responsibilities.

Executive Core Qualifications (ECQs)

ECQ 1: Leading Change
This involves the ability to bring about strategic change, both within and outside the organization, to meet organizational goals. Inherent to this ECQ is the ability to establish an organizational vision and to implement it in a continuously changing environment. (Creativity and Innovation, External Awareness, Flexibility, Resilience, Strategic Thinking, and Vision)

ECQ 2: Leading People
This involves the ability to lead people toward meeting the organization's vision, mission, and goals. Inherent to this ECQ is the ability to provide an inclusive workplace that fosters the development of others, facilitates cooperation and teamwork, and supports constructive resolution of conflicts. (Conflict Management, Leveraging Diversity, Developing Others, and Team Building)

ECQ 3: Results Driven
This core qualification involves the ability to meet organizational goals and customer expectations. Inherent to this ECQ is the ability to make decisions that produce high-quality results by applying technical knowledge, analyzing problems, and calculating risks. (Accountability, Customer Service, Decisiveness, Entrepreneurship, Problem Solving, and Technical Credibility)

ECQ 4: Business Acumen
This involves the ability to manage human, financial, and information resources strategically. (Financial Management, Human Capital Management, and Technology Management)

ECQ 5: Building Coalitions
This core qualification involves the ability to build coalitions internally and with other Federal agencies, State and local governments, nonprofit and private sector organizations, foreign governments, or international organizations to achieve common goals. (Partnering, Political Savvy, and Influencing/Negotiating)

DIVISION OF DATA (DOD)

Overview of Division of Data

The Division of Data (DOD) was formed in October 2020 as part of an agency reorganization, incorporating data reporting and analysis functions previously housed in the Department of Market Oversight (DMO) and the former Office of Data and Technology (ODT). The reorganization was in recognition of a fundamental truism -- data only has value if it is readily available, easily found, easily re-usable for new applications and enables insight.

And the amount of data being created continues to expand at an increasing rate. By 2020, each person on earth will generate an average of about 1.7 MB of data per second. At the current rate, by 2022, that figure will be 17MB per second. Simply put, automating analytics and expanding data storage beyond on-premises solutions into cloud services is the only way to cope with this level of expansion. DOD is at the forefront of efforts to migrate on-premise data sets into a Cloud environment. This will enable CFTC staff to improve their work products by allowing them to more seamlessly analyze data across multiple independent data sets.

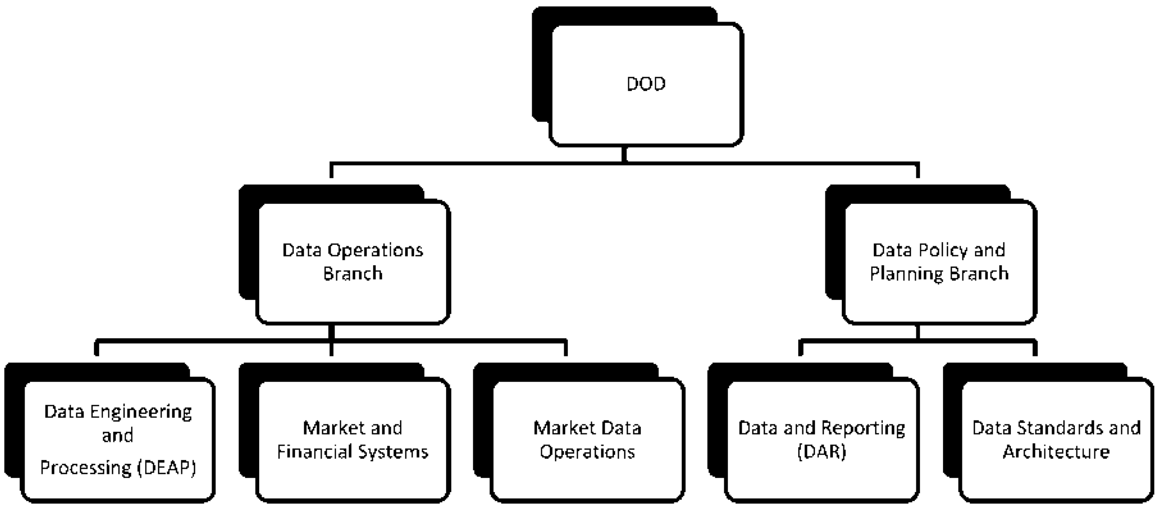
Specifically, the Commission began receiving and analyzing multiple petabytes (PB) of data this year via cloud services. Previously, the total amount of data the Commission analyzed in on-premises storage was around 1 PB for the futures and derivative markets it regulates. Expanding the Commission's ability to store, analyze, and report on data in these markets to enable policy makers to make data-driven decisions is DOD's mission.

In accordance with this mission, the responsibilities of DOD include developing rules for data reporting, establishing the Commission's data strategy and data governance approach, the building of data infrastructure to support the Commission's mission, and expansion of centers of excellence to build a data culture within the Commission. DOD collaborates with the policymaking divisions to improve data quality, analytics and automation to enable the subject matter experts in these divisions the tools they need to inform policy.

DOD is also involved in rulemaking for data and reporting, so there is an end-to-end relationship between the legal rules that require data to be reported by our market participants, and the group defining the data structures, standards and architecture to hold that data.

Structure

With an authorized total staffing level of 44 positions and a dedicated FY20 IT budget of $14.4M, DOD is led by Dr. Tamara Roust, the Chief Data Officer (CDO) and is organized along two branches and 5 groups:



Data Policy and Planning Branch: is responsible for legal rulemaking for data across all the policymaking divisions (e.g., swaps data reporting, data harmonization, cryptocurrency reporting). Data Policy and Planning is also responsible for data standards and architecture development, which includes the data strategy for the Commission, data governance activities and data classification (privacy considerations for data), as well as inventory of datasets across the Commission. Data standards and architecture activities include defining and maintaining standards for data submissions for futures and swaps under multiple Parts of the CFR (e.g., Parts 16, 17, 20, 39, 45, 75), ongoing data harmonization efforts with a focus on both domestic reporters and international work with IOSCO, CPMI and the FSB, and development of plans for effective organization, access and management of data Commission-wide. Data analysis efforts include providing technical expertise to the policy divisions on complex analyses of data for compliance, risk assessment and enforcement, including development of advanced analysis techniques using Machine Learning (ML).

Data Operations Branch: ingests data to cloud or on premises databases, builds and/or implements systems that analyze that data, and provides close analytical data support to all Divisions or Offices at the Commission. The systems supported by Data Operations load billions of message records, trade records, position records, and other data received daily by the

Commission. The branch provides platforms for Commission users to collaborate, automate business processes, and analyze/visualize the data ingested. In addition to the data and tools Data Operations supports and provides, team members provide deep technical expertise on the use of that data to the Mission divisions. This includes complex analyses of data for compliance, risk assessment and enforcement use cases, and includes the development of advanced analysis techniques using Machine Learning (ML).

Additionally, the branch is responsible for the production of public facing data from the Commission. It provides all Commission public reporting, and data that is provided to other Federal Government agencies including the US Treasury, Federal Reserve Board, Department of Justice, and others. Data Operations is responsible for analytics platforms, visualization and reporting.

Priorities

(b)(5)

Key Risks

(b)(5)

Emerging/Significant Efforts

(b)(5)

Commodity Futures Trading Commission

Transition Briefing Book
November 2020

Section 3 – Budget & Staffing

President's Budget

U.S. Commodity Futures Trading Commission
Three Lafayette Centre, 1155 21st Street, NW, Washington, DC 20581
www.cftc.gov

Heath P. Tarbert
Chairman

(202)418-5030
Chairman@cftc.gov

Chairman's Transmittal Letter

February 10, 2020

The Honorable Richard Shelby
Chairman
Committee on Appropriations
U.S. Senate
Washington, D. C. 20510

The Honorable Nita M. Lowey
Chairwoman
Committee on Appropriations
U.S. House of Representatives
Washington, D. C. 20515

The Honorable Patrick Leahy
Vice Chairman
Committee on Appropriations
U.S. Senate
Washington, D. C. 20510

The Honorable Kay Granger
Ranking Member
Committee on Appropriations
U.S. House of Representatives
Washington, D. C. 20515

Dear Chairman Shelby, Vice Chairman Leahy, Chairwoman Lowey, and Ranking Member Granger:

On behalf of the Commodity Futures Trading Commission (Commission or CFTC), I am pleased to transmit the Commission's budget estimate for fiscal year (FY) 2021. The CFTC is requesting a budget of $304 million and 717 full-time equivalents (FTE) to operate the Commission effectively and advance priority initiatives in FY 2021. This request is an increase of $20 million, or seven percent, above the 2020 President's Budget and includes an additional 10 FTE, or 1.4%, above the 2020 President's Budget.

This proposed budget reflects the level of resources needed for the CFTC to maintain and enhance its role as the primary regulator of the U.S. futures, swaps, and options markets. In FY 2021, I anticipate the Commission will pursue five strategic objectives. First, we will seek to strengthen the resilience and integrity of our derivatives markets while fostering their vibrancy. Second, we will aim to regulate our derivatives markets to promote the interests of all Americans. Third, we will encourage innovation and enhance the regulatory experience for market participants at home and abroad. Fourth, we will be tough on those who break the rules. And finally, we will focus on our unique mission and improve our operational effectiveness. All of these goals advance the American free-enterprise system. The proposed budget would fund our commitment to these efforts.

It may be helpful for me to provide a few concrete examples of the goals and objectives funded through the proposed budget. With these funds, the agency will enhance its oversight of markets by increasing the number and frequency of reviews and examinations of key market utilities and participants, such as clearinghouses, swap execution facilities, market intermediaries, and commodity pool operators. The proposed budget will also facilitate monitoring of the new and mostly unregulated virtual currency market, so the Commission can identify risks and, as appropriate, investigate and prosecute fraud and manipulation in that market. And with respect to technology, the agency is seeking to implement a cloud strategy, strengthen IT security, and leverage other technologies to generate efficiencies and improve mission performance.

In conclusion, the proposed budget would help the CFTC build capacity to fulfill its mission as the derivatives markets evolve. Thank you for your consideration.

Sincerely,

Heath P. Tarbert

cc:

The Honorable John Kennedy
Chairman
Subcommittee on Financial Services
and General Government
Committee on Appropriations
U.S. Senate
Washington, D. C. 20510

The Honorable Sanford D. Bishop, Jr.
Chairman
Subcommittee on Agriculture, Rural
Development, Food and Drug
Administration, and Related Agencies
Committee on Appropriations
U.S. House of Representatives
Washington, D. C. 20515

The Honorable Christopher Coons
Ranking Member
Subcommittee on Financial Services
and General Government
Committee on Appropriations
U.S. Senate
Washington, D. C. 20510

The Honorable Jeffrey Fortenberry
Ranking Member
Subcommittee on Agriculture, Rural
Development, Food and Drug
Administration, and Related Agencies
Committee on Appropriations
U.S. House of Representatives
Washington, D. C. 20515

The FY 2021 Budget Request

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The FY 2021 Budget Request

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Executive Summary

The Commission is requesting a total of $304.0 million and 717 FTE for FY 2021. The CFTC's request is a seven percent increase above the FY 2020 President's Budget Request and allows the Commission to maintain and enhance its role as the primary regulator of the U.S. futures, swaps, and options markets.

The summaries below provide information on some, but not all, organizations of the Commission and are intended to be for informational purposes only. The Commission considers the Salary and Expenses and the Office of the Inspector General programs to be its sole programs, projects, and activities (PPAs). All other budget displays contained in the justification material serve to provide clarification and are for informational purposes only.

Highlights of the 2021 Budget

Division of Enforcement

The Commission requests $60.0 million and 170 FTE for its enforcement program which seeks to ensure U.S. derivatives markets operate free from fraud, manipulation, and other trading abuses. The Commission has brought new impactful enforcement cases, and successfully resolved other important enforcement cases. In addition, the Commission maintains a robust program that develops and utilizes sophisticated systems to analyze trade data, respond to outlying events, and help identify trading or positions that warrant further enforcement inquiry.

A strong enforcement program is vital to maintaining public confidence in the financial markets. The Commission uses its authority to deter fraudulent and manipulative conduct and pursue cases if markets, firms, and others subject to the Commission's oversight do not meet their obligations. This is critical to market participants, including retail customers, who depend on the futures and swaps marketplace.

The advent of virtual currency futures contracts has presented several new challenges for the Commission in its efforts to carry out its mission. The virtual currency cash market is largely unregulated and the Commission has only limited authority over the cash market. In addition, substantial activity in these virtual currency markets take place outside the United States and any fraudulent or manipulative conduct is likely to take place across markets on multiple exchanges, including largely unregulated cash exchanges. Additional resources are required to address the potential for fraud and manipulation in these cash and futures markets posed by the nascent and relatively unregulated virtual currency markets.

The Commission also engages in cooperative enforcement work with domestic, state and Federal, and international regulatory and criminal authorities. When required, the Commission supports criminal prosecution of provable, willful violations of the Commodity Exchange Act (CEA). Based on the continued growth of innovative products and practices within the industry, the Commission anticipates more time-intensive and inherently complex investigations due to algorithmic, high-speed trading. As products innovate, the Commission must be ready with capable staff and supporting technology solutions to ensure it is maintaining parity with those that seek to exploit the systems and the markets the CFTC defends.

The Commission also maintains an active whistleblower program within the Division of Enforcement. The program receives tips, complaints and referrals of potential violations, and guides the handling of whistleblower matters as needed during investigation, litigation, and award claim processes.

Division of Market Oversight

The Commission requests $30.6 million and 93 FTE to continue its commitment to maintaining the integrity of the markets.

The Commission will conduct more examinations of derivatives platforms' self-regulatory programs to ensure that they are complying with the CEA and Commission regulations. Specifically, beginning in late 2019, the Commission expanded its Rule Enforcement Reviews (RER), in which exchange registrants' compliance with their rules is reviewed, beyond designated contract markets (DCM) to include swap execution facilities (SEF) registrants, doubling the number and scope of entities examined without an increase in examination staff. During FY 2021, CFTC will move from establishing a baseline examination program for registered SEFs to conducting risk based examinations tailored to the entities. This effort will require additional resources to ensure appropriate execution of the examination program across dozens of DCMs, SEFs and swaps data repositories (SDRs). In addition, the Commission's cybersecurity and system safeguards examinations, an essential component of the examination program, will remain crucial to the stability of the economy. Effective cybersecurity protection of regulated entities requires increased vigilance for the scope of examinations conducted each year.

The Commission will continue to regulate derivatives markets to promote the interests of all Americans in FY 2021 through, among other things, finalizing regulations for position limits on exchanges. End users depend on the derivatives markets to manage risk for their businesses that form the cornerstone of the U.S. agricultural economy. Implementing position limits regulations will help ensure that bona fide hedging is not restricted and that end users are able to manage their risk.

The Commission produces staff analytical reports for agency, inter-agency, and public use on sharp price movements in the markets, agricultural block trades, and other valuable policy and regulatory issues. The Commission has developed sophisticated analytics to identify trends and outlying events that warrant further study. The Commission will continue to leverage this work to ensure that the Commission stays ahead of market trends and that its regulations encourage innovation. In addition, the Commission will continue to connect with a broad range of market participants by communicating its insight on these developments through podcasts and reports.

The Commission will be establishing regulations to improve the utility of the real-time public swap pricing data feeds. SDRs provide real-time swap transaction data to the public to improve price transparency. Many entities use this data to provide insight on events that impact derivatives markets. The Commission is committed to improving the data feeds for these entities by establishing rules to standardize the data so it can be aggregated and compared easily across SDRs, and updating the block and cap sizes to ensure the right swap trades appear on the public tape without undue impact on liquidity.

In addition, the Commission will be finalizing rules to restrict or eliminate post-trade identity disclosure (termed "name give-up) on SEFs to put an end to an unfair practice and help ensure U.S. derivatives markets remain liquid, vibrant, and resilient.

Division of Clearing and Risk

The Commission requests $28.1 million and 80 FTE, reflecting the Commission's plans to expand its examination activities directed toward derivatives clearing organizations (DCOs) to reduce market risk and support the safety and soundness of clearing organizations. Regular examinations, in concert with the Commission's surveillance and other functions, are a highly effective method to maintain market integrity so that American businesses can rely on these markets. The Commission leverages resources by conducting joint examinations across Commission divisions, and coordinated examinations of DCOs with the U.S. Federal Reserve and the U.S. Securities Exchange Commission (SEC), where possible. This effort allows the Commission to be more efficient with its limited resources and at the same time reduce burdens for dual registrants.

Currently the Commission has 10 registered DCOs that are located in the U.S. including two DCOs that have been designated as systemically important by the Financial Stability Oversight Council. Examinations of DCOs help the Commission identify issues that may affect a DCO's ability to manage, control, and monitor its risks. DCOs have become critical single points of risk in the global financial system where the failure or disruption to the functioning of these DCOs could create or increase the risk of liquidity or credit problems spreading among other financial institutions. Furthermore, the number of DCOs, the scope and complexity of the examination issues, and the importance of these examinations to overall financial stability are all increasing.

In addition, the Commission regulates six registered DCOs located overseas, including some that are extremely important to the markets given the volume of swaps and futures cleared for U. S. entities. The Commission anticipates new applications for DCO registration resulting from the explosion of interest in digital assets, an area in which there is significant risk to mitigate.

There are other foreign clearinghouses that are not registered but are permitted to engage in certain types of activity for U.S. entities. Although the Commission relies principally on foreign authorities for oversight, it does engage in limited monitoring and surveillance of such clearinghouses.

The Commission has an active, data-driven daily risk surveillance function, and expects to continue investing additional resources in human capital, data, and technology to improve its current analytical capabilities to keep up with growth in both the scale and complexity of risk transmission in the derivatives markets, both cleared and uncleared. Given the emphasis on central clearing as a critical tool to help mitigate systemic risk in the global financial markets, the Commission expects to grow its stress testing program to help ensure that the clearing system continues to be resilient to absorb both market and systemic shocks.

Division of Swap Dealer and Intermediary Oversight

The Commission requests $26.5 million and 80 FTE to maintain oversight of intermediaries and swap dealers' activities in CFTC-regulated markets. These resources will allow the Commission to provide effective oversight using current delegated authorities and improve cooperative oversight policies. The Commission oversees the registration and compliance of swap and futures market intermediaries and swap and futures industry self-regulatory organizations (SROs), including the Chicago Mercantile Exchange (CME) and the National Futures Association (NFA). With almost $334 billion in customer funds held by futures commission merchants (FCMs) and thousands of registered introducing brokers (IBs), swap dealers and other types of registrants, market intermediaries serve as a cornerstone of the Commission's regulatory framework. As such, the Commission directs its registration and compliance resources to provide critical policy and regulatory guidance to market participants, both directly and in coordination with the SROs. In addition, these resources are also used to oversee NFA in its role of implementing delegated authority to register and oversee compliance by intermediaries. The Commission will also use these resources to ensure that registration rules, standards and reporting requirements keep pace with the needs of the evolving marketplace. The Commission is the primary financial regulator of 107 registered swap dealers, who collectively transact hundreds of trillions in notional value swap contracts annually, serving a vital source of liquidity for commercial end users seeking to hedge their risk.

The Commission is working to finalize several important rulemaking efforts. Notably, the Commission reopened the comment period on its proposed capital requirements for registered swap dealers not subject to prudential regulatory oversight and proposed rules related to the cross-border application of certain of its requirements for swap dealers. The Commission intends to finalize both rulemakings in 2020. The resulting regulatory framework will better align to the swaps market, reduce duplicative requirements for market participants, and help stimulate broad-based economic growth and stability.

The Commission will also continue its oversight of FCMs to ensure the protection of customer funds. In connection with this function, the Commission has launched supervisory activities related to the trading of Bitcoin futures contracts and continues to conduct oversight of the aforementioned FCMs, and to review the activities of related SROs, on a regular basis. Upcoming examination priorities include accepted forms of non-cash margin, compliance with customer segregation requirements, and SD/major swap participant (MSP) relationships with third-party vendors.

Office of the Chief Economist

The Commission requests $6.5 million and 20 FTE to continue its core economic expertise in order to conduct in-depth analytical and empirical studies of issues affecting all areas of Commission and regulatory interest. The FY 2021 budget request will allow the Commission to continue to address the large volumes of data collected as a result of the Dodd-Frank Act. The resulting work will further enhance the Commission's understanding of derivatives market participants, including end-users, intermediaries, trading and clearing entities; market structure; execution methods; liquidity; price discovery; hedging; market risk; counterparty risk; systemic risk; and connections between futures, cleared swaps, and uncleared swaps. Improved economic and econometric analysis will improve the analytical and empirical foundations of the Commission's policies and rules and better inform its cost-benefit considerations. Furthermore, this request will enable the Commission to provide more of its analysis to the public in the form of white papers on topics of current interest; recurring reports on aggregate market trends, trading activity, and positions; and high-quality research papers on fundamental properties of relevant markets and sectors of market participants.

Office of International Affairs

The Commission requests $5.0 million and 13 FTE in the Office of International Affairs (OIA) to enable the Commission to advance its objectives in international policy development through bilateral and multilateral fora. Derivatives markets are global and the Commission's policies relating to the U.S. derivatives markets exists in an interdependent web of foreign markets, requiring constant coordination with international counterparts. OIA engages in critical work with foreign jurisdictions and through regulatory and standard-setting bodies to ensure that the policies, including rules and regulations, developed by key foreign jurisdictions and international standard setters are appropriate for the U.S. derivatives markets and consistent with the Commission's policies. Through this office, the Commission is able to lead and participate in globally recognized international standard setting and coordination bodies, such as the International Organization of Securities Commissions (IOSCO) and its committees and working groups of the Financial Stability Board (FSB). Moreover, as CFTC regulatory counterparts continue to implement requirements regarding derivatives in their markets, it is essential that Commission staff work to ensure that such requirements are appropriate for U.S. market participants operating in the U.S. and abroad and do not duplicate, unduly overlap with, or conflict with Commission requirements. OIA's work also mitigates the fragmentation of the global derivatives marketplace while developing apparatus to understand foreign regulatory developments and carry out successful outcomes-based regulatory coordination. OIA will continue to coordinate Commission efforts for supervisory cooperation and information-sharing arrangements with counterparts all over the world. OIA will continue to pursue new arrangements to encourage cross-border cooperation regarding FinTech and digital asset developments. To further the Commission's engagement and interaction with foreign counterparts, OIA will continue to host symposia and training involving counterparts across jurisdictions and undertake technical assistance in emerging markets.

Office of Data and Technology

The Commission seeks $89.1 million and 83 FTE to support the continued operation, maintenance and expansion of CFTC's data and technology infrastructure. The markets the Commission supports are increasingly digitized and the need to integrate these new technologies into the CFTC mission and business operations will continue to grow. Through this request, the Commission plans to achieve the following key objectives:

- Maintain and strengthen cybersecurity and network defenses in ways that safeguard agency data and progress the Commission towards greater compliance with Federal Information Security Management Act (FISMA) and other core mandates.

- Maintain and expand the new cloud-based Order Book on Demand database, which provides the Commission with access to daily CME order book data, and incorporate similar market transaction data from Intercontinental Exchange (ICE) and other exchanges.
- Initiate the transition away from CFTC's legacy, on-premises IT infrastructure and associated data, computing, storage and other services, to a third party, cloud-based design.
- Improve data management and analytics capabilities by strengthening data governance/quality and leveraging new technologies such as machine learning to aid the Commission's enforcement, regulatory and policy-making functions.

Overview of the FY 2021 Budget

FY 2021 Budget Request by Program[1] [2] [3] [4]

Table 1: Summary of FY 2019 to 2021 by Program

	FY 2019 Actual $ (000)	FY 2020 Spend Plan $ (000)	FY 2021 Request $ (000)	Change $ (000)
Salaries and Expenses	$214,016	$280,800	$300,432	$19,632
Office of the Inspector General	$2,947	$3,200	$3,568	$368
Information Technology	$51,685	$0	$0	$0
Total Annual Request	**$268,648**	**$284,000**	**$304,000**	**$20,000**
Facilities Relocation and Replication[5]		$31,000		($31,000)
Grand Total Request	$268,648	$315,000	$304,000	($11,000)

Columns may not add due to rounding

[1] FY 2020 amounts provided in the Further Consolidated Appropriations Act, 2020, Public Law 116-94, Division B.

[2] The Salaries and Expenses program provides funding for all CEA-related activities. This includes funding for Federal staff salaries and benefits, leasing of facilities, information technology, travel, training, and general operations of the Commission.

[3] The Office of the Inspector General program provides audits, investigations, reviews, inspections, and other activities to evaluate the operations and programs of the Commission.

[4] The Commission considers the Salary and Expenses and Office of the Inspector General programs to be its sole PPAs. All other budget displays by division or any other depictions are for informational purposes only.

[5] Facilities Relocation and Replication resources are a separate no-year account from the Commission's other PPAs included in the FY 2020 appropriation.

FY 2021 Budget Request by Division[6] [7]

Table 2: Summary of FY 2019 to 2021 by Division

	FY 2019 Actual		FY 2020 Spend Plan		FY 2021 Request		Change	
	FTE	$ (000)	FTE	$ (000)	FTE	$ (000)	FTE	$ (000)
Enforcement	160	$53,642	169	$58,189	170	$59,977	1	$1,788
Market Oversight	85	$26,909	88	$28,317	93	$30,631	5	$2,314
Clearing and Risk	66	$21,440	71	$23,006	80	$28,095	9	$5,089
Swap Dealer and Intermediary Oversight	73	$22,921	76	$24,650	80	$26,532	4	$1,883
Chief Economist	17	$5,050	21	$6,734	20	$6,530	(1)	($204)
General Counsel	44	$14,916	43	$14,860	44	$15,344	1	$485
Office of International Affairs	11	$4,305	14	$4,963	13	$4,976	(1)	$13
Data and Technology	81	$81,319	82	$79,044	83	$89,140	1	$10,096
Office of the Executive Director	80	$23,600	87	$26,124	86	$25,897	(1)	($227)
Office of the Chairman & Commissioners	32	$11,600	42	$14,758	39	$13,309	(3)	($1,448)
Inspector General	7	$2,947	9	$3,356	9	$3,568	0	$212
Total	**657**	**$268,648**	**702**	**$284,000**	**717**	**$304,000**	**15**	**$20,000**

Columns may not add due to rounding

[6] The Commission considers the Salary and Expenses and Office of the Inspector General programs to be its sole annual PPAs. All other budget displays by division or any other depictions are for informational purposes only.

[7] FY 2020 amounts provided in the Further Consolidated Appropriations Act, 2020, Public Law 116-94, Division B.

FY 2021 Budget Request by Object Class

Table 3: Summary of FY 2019 to 2021 by Object Class

Annual Baseline Request	FY 2019 Actual $ (000)	FY 2020 Spend Plan $ (000)	FY 2021 Request $ (000)	Change $ (000)
11.0 Personnel Compensation	$122,269	$137,711	$142,946	$5,235
12.0 Personnel Benefits	$39,655	$47,350	$47,224	($125)
13.0 Former Personnel Benefits	$303	$0	$0	$0
21.0 Travel and Transportation of Persons	$1,679	$1,687	$2,057	$370
22.0 Transportation of Things	$28	$49	$50	$1
23.1 Rental Payments to GSA	$0	$0	$227	$227
23.2 Rental Payments to Others	$25,758	$24,845	$27,389	$2,544
23.3 Communication, Utilities, & Misc.	$2,119	$2,620	$2,661	$41
24.0 Printing and Reproduction	$698	$619	$631	$12
25.0 Other Services	$68,403	$60,273	$73,585	$13,312
26.0 Supplies and Materials	$2,919	$2,582	$2,421	($161)
31.0 Equipment	$4,817	$6,249	$4,792	($1,457)
32.0 Building and Fixed Equipment	$0	$15	$15	$0
Total	**$268,648**	**$284,000**	**$304,000**	**$20,000**
Facilities Relocation and Replication Request[8]				
21.0 Travel and Transportation of Persons		$100		($100)
22.0 Transportation of Things		$681		($681)
23.2 Rental Payments to GSA		$20,086		($20,086)
25.0 Other Services		$240		($240)
25.7 Operation & Maintenance - Equipment		$225		($225)
26.0 Supplies and Materials		$8		($8)
31.0 Equipment Purchase		$9,660		($9,660)
Total	**$0**	**$31,000**	**$0**	**($31,000)**
Grand Total	**$268,648**	**$315,000**	**$304,000**	**($11,000)**

Columns may not add due to rounding

[8] Facilities Relocation and Replication resources are a separate no-year account from the Commission's other PPAs included in the FY 2020 appropriation.

Crosswalk from FY 2020 to FY 2021

Table 4: Crosswalk from FY 2020 to FY 2021

	FY 2020 Spend Plan[9]	FY 2021 Request	Change
Base Budget Authority ($000)	**$284,000**	**$304,000**	**$20,000**
Facilities Relocation and Replication Request[10]	$31,000		(-$31,000)
Net Budget Authority ($000)	$315,000	$304,000	(-$11,000)
Full-Time Equivalents (FTEs)	**702**	**717**	**+15**

Explanation of Change	FTE	Dollars ($000)
Current Services Increases: (Adjustments to FY 2020 Base)		
To provide for changes in personnel compensation & benefits:		$1,132
To provide for the following changes in non-personnel costs:		$2,812
--Space Rental/Communications/Utilities ($2,812)		
Program Increase: (Adjustments to FY 2021 Current Services)	+15	$16,055
--Addition of 15 FTE ($3,978)		
--Travel/Transportation ($371)		
--Other Services ($11,706)		
Program Decrease: (Relocation and Replication)		(-$31,000)
--Equipment and furniture for new facilities ($9,660)		
--Payments to GSA for renovation of new facilities ($20,086)		
--Relocation of existing equipment to new facilities ($681)		
--Services and support to relocate to new facilities ($573)		
Total Change	**+15**	**(-$11,000)**

Columns may not add due to rounding

[9] FY 2020 amounts provided in the Further Consolidated Appropriations Act, 2020, Public Law 116-94, Division B.
[10] Facilities Relocation and Replication resources are a separate no-year account from the Commission's other PPAs included in the FY 2020 appropriation.

Justification of the FY 2021 Budget by Division

Division of Enforcement

Resource Overview

Table 5: Enforcement Request

	FY 2019 Actual	FY 2020 Spend Plan	FY 2021 Request	Change
BUDGET	$53,642,463	$58,188,904	$59,977,022	+$1,788,118
FTE	160	169	170	+1

Columns may not add due to rounding

Organization Description

The Division of Enforcement (DOE) investigates and prosecutes alleged violations of the CEA and Commission regulations. The Commission's enforcement efforts are necessary to protect the public and preserve market integrity by detecting, investigating, and prosecuting violations of the CEA and the Commission's regulations (Regulations). Strong enforcement is essential to realizing the CFTC's mission. Well-functioning commodities and derivatives markets should work for all Americans. These markets ensure the stability in prices that customers have come to expect, and the economic growth Americans enjoy. For the economy to grow, businesses and individuals need to have confidence they are competing on a level playing field. Unlawful activity puts honest businesses at a disadvantage. It impedes free and fair competition. It dampens economic growth. It undermines our democratic values, public accountability, and the rule of law. The Commission is committed to ensuring that all companies and individuals in our markets play by the rules, and to being tough on those who do not.

DOE utilizes its authority to, among other activities: 1) shut down fraudulent schemes and seek to immediately preserve customer assets through asset freezes and receivership orders; 2) uncover and stop manipulative and disruptive trading; 3) ensure that markets, firms, and participants subject to the Commission's oversight meet their obligations, including their financial integrity and reporting obligations, as applicable; 4) ban certain defendants from trading in its markets and bar them from being registered; and 5) obtain orders requiring defendants to pay restitution, disgorgement, and civil monetary penalties. Potential violations include, fraud, false statements to the Commission, misappropriation, price manipulation, use of a manipulative or deceptive device, disruptive trading practices, and other abuses concerning commodity derivatives and swaps that threaten market integrity, market participants and the general public.

DOE also engages in cooperative enforcement work with domestic (state and Federal) and international regulatory and criminal authorities.

The Whistleblower Office within DOE receives tips, complaints and referrals of potential violations, which allows the staff to bring cases more quickly and with fewer CFTC resources, and guides the handling of whistleblower matters as needed during investigation, litigation, and award claim processes.

The Commission also augments its enforcement program through both a robust market surveillance program, which, among other things, develops and utilizes sophisticated systems to analyze trade data, respond to outlying events, and identify trading or positions that warrant further enforcement inquiry; and forensic economic analysis, which includes extensive data analysis to develop evidence for investigations into potential market manipulation, disruptive trading practices (including spoofing), and other unlawful trade-based conduct.

Justification of CFTC Request

DOE addresses the Commission's mandate to protect both customers and the integrity of the markets. The primary pillars of a robust enforcement function are the ability to rigorously and thoroughly investigate potential violations of the CEA and Commission regulations, and effectively prosecute such alleged violations, including the corresponding imposition of sanctions for the greatest deterrent effect. The additional resources will help the Commission meet the growing need for enforcement resources as reflected by the enforcement program's priorities, which, during FY 2021, are anticipated to include the following, among others.

Spoofing and Manipulative Conduct. The Commission has experienced a continuing upward trend in filings involving manipulative or disruptive trading, evidenced by the fact that approximately 65 percent of the matters filed in FY 2019 involved commodities fraud, manipulative conduct, false reporting, or spoofing. The Commission anticipates this upward trend will continue in FY 2021, which will require the enforcement program to commit additional resources to prosecute these cases targeting some of the most pernicious forms of misconduct in our markets—i.e., manipulative conduct, commodities fraud, and fraudulent misappropriation of confidential information.

Digital Assets. The Commission aggressively prosecutes misconduct involving digital assets that fit within the Act's definition of commodities. Among other cases filed in FY 2019, the Commission prosecuted for fraud in separate actions: the principal of a digital assets escrow fund; a Bitcoin trading firm and its principal; and a virtual currency trader. At the same time, CFTC successfully litigated cases involving digital assets it had previously charged, obtaining, among other things, rulings affirming the Commission's authority to prosecute fraud and manipulation involving digital assets. Chairman Tarbet has stressed the importance for U.S. leadership of blockchain and digital assets, and expressed his view that "CFTC's role is to ensure that there's integrity in the markets and we want these markets to develop in way that has integrity." The Commission's Digital Assets Task Force will fulfill that mandate, which, given the explosive growth of this technology, will requre additional resources in FY 2021 to aggressively prosecute these cases.

Cooperative Enforcement. The Commission's enforcement program focuses on collaborative relationships with SROs, state, Federal, and international authorities, including achieving efficiencies through referrals, to meet its enforcement objectives. The parallel enforcement program starts with the premise that CFTC can most effectively protect markets when working together with colleagues in the enforcement and regulatory community. In particular, the CFTC believes a robust combination of criminal prosecution and regulatory enforcement is critical to deterring violators, punishing misconduct, preserving market integrity, and protecting market participants. During FY 2019, the Commission filed more cases in parallel with criminal authorities (sixteen) than any prior year. The Commission established a Foreign Corrupt Practices Task Force to work in collaboration, and in parallel with its enforcement partners to pursue this type of misconduct. This collective effort has already borne fruit and, and by making cooperative enforcement a priority, the Commission's work in this area can be expected to grow in FY 2021.

Forensic Capabilities and Data Analytics. The Commission utilizes forensic economists to perform complex data analysis to develop evidence for investigations into potential market manipulation, disruptive trading practices (including spoofing), and other unlawful trade-based conduct. This analytical evidence is used to determine the nature and scope of the trading or activity at issue and informs the Commission's determination of whether to recommend an enforcement action. The enforcement program is engaging in a multi-year project to enhance our ability to detect misconduct with data analytics. As part of this effort, the Commission has developed an ability to identify, in the trading data, forms of misconduct that we might otherwise have been unable to detect. The significant increase in the number of cases involving manipulative conduct, and the significant increase in the percentage of the overall docket involving charges of manipulative conduct and commodities fraud, is directly tied to these data analytical efforts. The Commission anticipates that this demand for data analytics will further increase in FY 2021.

Surveillance. The Commission will maintain a robust market surveillance program that develops and utilizes sophisticated systems to help identify trading or positions that warrant further enforcement inquiry. During FY 2021, the Commission will:

- Conduct surveillance in all traded commodity classes on a prioritized basis, and perform discrete forensic analysis involving data reported to the Commission to confirm orderly operation of the markets and to identify conduct that may give rise to a potential violation of the CEA and Commission regulations;
- Evaluate compliance with federally-imposed position limits, conduct a forensic review of market activity to identify potential market and trading abuses;
- Coordinate with other federal regulators such as U.S. Department of Agriculture, U.S. Department of Energy, Federal Energy Regulatory Commission, and U.S. Environmental Protection Agency on market events involving their respective jurisdictions; and
- Communicate with market participants and the exchanges about market participant trading activities based upon aggregate data across markets.

Risk Management and Adequate Compliance Programs. The Commission's enforcement program seeks to ensure that registrants adopt and implement proper risk management processes and maintain an adequate compliance program. During FY 2019, the Commission brought a number of actions in this space, including the first of its kind actions against the following: a registered DCO charging violations of Core Principles involving financial risk management, operational requirements, and information-systems security; an exempt DCO for making a false statement to the Commission in connection with the DCO's risk management program; and a swap dealer for violating rules that require financial institutions to establish a governing body and internal policies to oversee data reporting for swap dealers. During FY 2019, the Commission also brought cases charging the following: a Chief Compliance Officer with engaging in fraud and making misleading statements; failures in the compliance function that either directly resulted in the underlying substantive misconduct, or led to failure to supervise charges; and a swap reporting for making misleading statements and material omissions to the Commission regarding the compliance inadequacies. In FY 2021, the Commission can only expect its efforts in this area to increase with the enforcement program's new bank secrecy act task force's focus on Commission registrants' compliance with their obligations under the Bank Secrecy Act and anti-money laundering rules, which significantly contribute to the Commission's ability to detect and prosecute the sort of misconduct that may flow through intermediaries like FCMs or IBs.

Insider Trading and Protection of Confidential Information. Illegal use of confidential information can significantly undermine market integrity and harm customers in our markets. This type of misconduct could include misappropriating confidential information, improperly disclosing a client's trading information, front running, or using confidential information to unlawfully prearrange trades. Recognizing the harm imposed by this type of misconduct, in FY 2019, the Commission charged an energy broker and its owner with misappropriating confidential customer information, which the owner used to take the other side of the customer's trades in his own proprietary trading account, benefiting the owner by hundreds of thousands of dollars. During FY 2021, the Commission will work to ensure our market participants are not unlawfully misappropriating confidential information for their own gain.

Individual Accountability. The Commission's enforcement program endeavors to hold individuals accountable for wrongdoing. In FY 2019, approximately 58 percent of the Commission's actions involved charges against one or more individuals. The Commission charged individuals at financial institutions, proprietary trading firms, and managed funds as primary wrongdoers, and those who facilitated the conduct as aiders and abettors. The Commission did not stop with low-level employees; we charged supervisors, desk heads, chief compliance officers, and chief executives. With increasing enforcement actions against primary wrongdoers, the enforcement program anticipates an increase in actions charging individuals during FY 2021.

Division of Market Oversight

Resource Overview

Table 6: Market Oversight Request

	FY 2019 Actual	FY 2020 Spend Plan	FY 2021 Request	Change
BUDGET	$26,908,529	$28,317,013	$30,630,682	+$2,313,669
FTE	85	88	93	+5

Columns may not add due to rounding

Organization Description

The Division of Market Oversight (DMO) is responsible for the regulation and oversight of the commodity futures, options on futures, and swaps marketplaces. Commodity futures, options on futures, and swaps markets are highly innovative and global in scope. The mission of the DMO is to foster open, transparent, fair, competitive, and secure markets through clear rules and effective oversight of derivatives markets and market participants. The DMO seeks to be the world's foremost authority on the rapidly evolving derivative markets. The DMO's principal functions are: 1) registering new exchanges, foreign boards of trade (FBOTs) and SDRs; 2) conducting examinations of exchange compliance programs, including system safeguards; 3) reviewing new and existing products listed by exchanges and rules and rule amendments submitted by exchanges; 4) overseeing SDRs and related data policy and practice; 5) analyzing current and emerging derivatives market dynamics, developments, and trends to assist the Commission in developing sound policy; and 6) developing rules, guidance, interpretations, and policies to promote fair, efficient, and vibrant markets and a sound market structure.

Justification of CFTC Request

Enhancing Commission Rules

In FY 2021, the Commission will use resources to develop and implement regulations to promote fair, efficient, vibrant markets, and a sound market structure. These policy improvements will encourage innovation, streamline regulations, improve market structure, increase trading liquidity, and remove barriers for new entrants and unburden the U.S. economy. These changes will ensure that the Commission's rules keep pace with the rapidly-changing digital transformation of markets. Specifically, the Commission anticipates implementing rules on swaps trading and position limits, among others. As part of this effort, the Commission will be implementing regulations that codify and eliminate current no-action letters and guidance.

The Commission seeks to finalize the implementation of its Swaps Data Roadmap by improving and streamlining several swaps data reporting rules, including creating more consistency with international harmonization standards and the Commission expects to propose rules clarifying block trading requirements. Finally, the Commission anticipates continuing to make progress on cross-border harmonization for trading platforms.

Market Intelligence

The CFTC will continue to analyze and communicate current and emerging derivatives market dynamics, developments, and trends to assist the Commission in developing sound policy, together with assisting other Federal agencies, Congress, the Administration, and the public in making informed decisions. This initiative includes conducting high value-added analysis using both proprietary internal data and outside data to promote efficient and sound markets. Such market data is critical for proper market analysis, and its effective use is dependent on the ability to acquire large volumes of data and to utilize it through the development of sophisticated analytics to identify trends and/or outlying events that warrant further study. The CFTC will continue to work with internal and external stakeholders to ensure the Commission has complete, accurate, and high-quality futures and swaps data in order to fulfill its statutory responsibilities to safeguard the markets. The Commission will continue to publish information and reports to the public regarding several market structure issues, such as market liquidity, trading technologies, and convergence.

Compliance Examinations and Cybersecurity

The Commission will remain focused on fostering market integrity and security through robust oversight and reviews of DCMs, SEFs and SDRs. To do so, DMO will continue to conduct RERs of DCMs' self-regulatory programs to ensure compliance with the Commission's core principles and other regulations. In addition, the Commission anticipates fully implementing its SEF RER program, which was recently significantly expanded to include SEFs. The SEF RER initiative requires resources beyond those currently allocated to perform RER activities.

In the face of extensive change and cyber-attacks on the markets, the Commission's resources for system safeguard oversight are increasingly crucial to the stability of the economy and are a critical element of these examinations. Effective cybersecurity protection of regulated entities requires increased vigilance for the scope of examinations conducted each year. Additionally, swaps and futures data maintained by entities and available to regulators provides for systemic risk mitigation, transparency, and market supervision. The CFTC must dedicate resources to these responsibilities to ensure the accuracy and reliability of such data in order to carry out its mission and must invest in automating procedures and data to ingest and integrate it into its various functions.

Virtual Currency, Swaps and other Product Reviews

The Commission will continue to be involved in virtual currency derivatives issues, including reviewing new virtual currency derivatives listed for trading on DCMs and SEFs. There is a need for additional resources to meet the challenges related to virtual currency derivatives and ensure that these contracts are not readily susceptible to manipulation. The CFTC reviews these and other futures, options, and swaps contract filings by DCMs and SEFs primarily to verify that the contracts are not readily susceptible to manipulation and other price distortions, and that they are subject to appropriate position limits or position accountability standards as required by the CEA and Commission regulations. Virtual currency derivatives and the underlying cash markets present many unique risks and challenges, such as price volatility, market dislocations due to flash rallies, crashes, and other technology issues. Moreover, the swaps market has expanded exponentially in recent years, and CFTC seeks to augment its team of swaps experts to support product and rule review efforts, MIB's market analysis, and rulemaking.

Registration and Compliance

The Commission anticipates that it will continue to receive, analyze, designate, and register new DCM, SEF and FBOT applications. The CFTC anticipates that additional entities focused on virtual currency derivatives will seek registration as DCMs and SEFs, which may raise unique issues and challenges requiring further resources. At the same time, other entities, such as decentralized or peer-to-peer networks may seek to trade virtual currency derivatives and avoid registration, which would also raise novel issues. As described above, the examination program is being significantly expanded to cover SEFs, requiring additional resources. Lastly, once the enhancement of the Commission's swap data reporting rules are completed, CFTC will review the three provisionally registered SDRs for permanent registration status during FY 2020 and FY 2021.

Appendix 5 contains reference information such as trade volume data and the number of DCMs, SEFs, and SDRs.

Division of Clearing and Risk

Resource Overview

Table 7: Clearing and Risk Request

	FY 2019 Actual	FY 2020 Spend Plan	FY 2021 Request	Change
BUDGET	$21,439,951	$23,006,073	$28,095,421	+$5,089,348
FTE	66	71	80	+9

Columns may not add due to rounding

Organization Description

The Division of Clearing and Risk (DCR) oversees DCOs and other participants in the clearing process and oversees the clearing of futures, options on futures, and swaps by DCOs. The DCR staff: 1) prepare proposed regulations, orders, guidance, and other regulatory work products on issues pertaining to DCOs; 2) review applications for DCO registration and exemption from DCO registration and DCO rule submissions, and make recommendations to the Commission; 3) recommend which swaps should be required to be cleared; 4) evaluate the eligibility of a DCO seeking to clear swaps that it has not previously cleared; 5) assess compliance by DCOs with the CEA and Commission regulations, through the examination process, including examining systemically important derivatives clearing organizations (SIDCOs) at least once a year; 6) review and assess compliance of DCO monthly and quarterly financial resource reporting and ad-hoc notifications regarding hardware or software malfunctions, cyber-security incidents, or other incidents that impact the DCOs liquidity or financial; and 7) conduct risk assessment and financial surveillance through the use of risk assessment tools, including automated systems to gather and analyze financial information, and to identify, quantify, and monitor the risks posed by DCOs, clearing members, and market participants and their financial impact.

Justification of CFTC Request

This budget request supports the Commission's efforts to examine the different approaches to protecting digital assets used by DCOs. In addition, there is a need to supply technical training to our systems risk analysts so they are better equipped with the knowledge needed to identify these novel and unique risks.

The use of cloud service providers for the storage of data and the operation of clearing applications is a new technology development. As DCOs begin using this technology more broadly, this budget request will provide systems risk analysts with the appropriate knowledge to identify areas of concern regarding the security of cloud providers, and the DCOs' implementation of such technology. Of concern is the security that surrounds the clearing applications and data that are in the cloud, and the lack of information from the cloud providers.

From a risk assessment perspective, the expectation is that DCOs clearing digital asset products will need to be examined more frequently due to the unique challenges associated with operating in this space. The DCOs that are clearing these products may also be registered as DCMs or SEFs. To efficiently direct limited Commission resources and reduce burdens on dual registrants, CFTC staff discusses the scope of the examination and plans to address all requirements in the most efficient manner possible. To that end, CFTC has created common documents for use during the examination process making it easier for the DCO, DCM, or SEF to produce the documentation requested. In addition, CFTC staff coordinates fieldwork and harmonize their conclusions prior to the issuance of any examination report. This reduces burdens for dual registrants and streamlines the process. It will also maximize the limited number of risk analysts available for this type of examination.

As the number of DCOs has increased, so have the number of DCO filings and the potential number of required examinations under the CFTC's oversight responsibilities. The complexity of the counterparty risk management oversight programs and liquidity risk management procedures of the DCOs continues to grow. The Commission has an interagency project underway with the Board of Governors of the Federal Reserve in which the teams are collaborating to identify best practices in the areas of default management, liquidity risk management, and the performance of margin models. Teams are sharing analysis, information, and supervisory experiences in an attempt to define policies and to agree upon examination programs for SIDCOs regarding the various topics. Another goal of this effort is to identify areas where additional transparency surrounding our regulations may be of significant benefit to the DCO community.

The Commission's DCO examination function will continue to review DCOs' compliance with emerging risks in information security and the ability of the DCOs to identify, protect, detect, respond, and recover in the event of an intrusion. Notifications regarding hardware or software malfunctions and cyber intrusions will be monitored, and included as appropriate in the risk assessment when determining the scope of future systems examinations. Examinations of DCOs' compliance with the CEA and implementing regulations will necessitate use of new automated tools. Information technology tools will be especially important in evaluating compliance in the areas of liquidity, back testing, and stress testing. These new systems will aid examiners in identifying potential areas of concern regarding compliance and should significantly improve the effectiveness of the examination process.

Many DCOs are expanding their business to other jurisdictions around the world. Those jurisdictions look to the Commission to provide insight regarding the effectiveness of the programs implemented by the DCOs. The Commission supports information sharing and compliance discussions in the areas of cybersecurity, liquidity risk management, default management, and other significant risk management issues. The Commission will continue to share examination reports and discuss risk management and systems concerns with those jurisdictions in which the DCOs operate.

Swap Clearing Requirement Product Reviews

All registered and exempt DCOs are required to submit all swaps offered for clearing to the Commission. The Commission considers whether these swaps should be subject to a swap clearing requirement.

The CFTC promulgated the first rules associated with the required clearing of swaps in December 2012, and it expanded the interest rate swap clearing requirement in September 2016. This budget request will continue to support ongoing product reviews as new swaps and other contracts are offered for clearing in response to changing market needs.

Relying on new data from DCOs, SDRs, SEFs, and other market infrastructure and participants, the Commission will continue to analyze, by asset class, the percentage and volume of cleared and uncleared swaps, the level of risk transfer among market participants, the market dynamics with respect to new products, and the implied overall credit and market risk, in FY 2021. This will help ensure that the Commission has an appropriate understanding of risk within the swaps markets. The Commission also will review data to monitor market participants, including swap dealers, for compliance with the swap clearing requirement and its exceptions and exemptions.

Registration and Compliance for DCOs

The FY 2021 budget request continues to support the Commission's registration and compliance activities for DCOs. The Commission will devote effort to reviewing any new applications for DCO registration, as well as petitions for exemption from DCO registration for the clearing of swaps. These activities, in addition to oversight of registered DCOs, will continue to require regulatory coordination on both a domestic and cross-border basis. As additional DCOs are registered or exempted, these coordinated efforts will necessarily increase concurrently.

This request provides resources for the Commission's periodic reviews of registered DCOs to ensure compliance with the CEA's statutory requirements and CFTC regulations. In addition, the request will support the Commission's oversight of DCOs on a day-to-day basis, which includes review of their rules, operations, and procedures. The CFTC also reviews daily, quarterly, annual, and event-specific reports to ensure compliance with its regulations, including financial and risk management regulations. Many of the new DCOs have limited capital to meet the DCO financial resource requirements and they do not have options to quickly raise additional capital resources if needed. As a result, these DCOs have been placed on monthly financial resource reporting which increases CFTC's regulatory workload. The safety and security of the investing public is a top concern and our goal is to identify potential capital issues as soon as possible to determine if a mitigation strategy can be implemented before the DCO can no longer operate. Thus, the Commission is dedicating more resources to the review of monthly financial resource filings in order to achieve the above objective.

DCO Risk Surveillance

Risk surveillance is a technology-intensive function, and in FY 2021, both the quantity and types of position data requiring review will continue to increase. The CFTC currently collects granular or entity-level position and exposure data, and anticipates investing additional resources into collecting and maintaining comprehensive, current financial information on DCOs, FCMs, and their clients. To enable development of risk metrics, the Commission requires real-time and historic information on prices of derivatives and related underlying markets, as well as risk factor information. Internally developed applications and commercially available software are used to perform these functions. The ability to function effectively and advance this program is dependent upon the ability to process this data.

Enhancing financial analysis tools is critical, as the CFTC is the only financial regulator, regardless of jurisdiction, that is able to aggregate and evaluate risk across all DCOs. Each DCO's view of risk is limited to market participants clearing at that particular organization. Many market participants will have positions at multiple clearinghouses in more than one asset class. Risk surveillance activities have been adjusted to include the ability to stress test positions in swaps for market participants and DCOs. This additional stress testing is currently only for cleared positions.

In order to incorporate uncleared positions into the current risk surveillance program, the Commission will need to develop new stress testing applications for these positions. Resources are needed to review new DCO margin models and changes to existing margin models. Many DCOs clear the same asset class, but each uses its own margin model to calculate margin requirements. In some instances, the requirements for the same positions will not be the same at multiple DCOs. The Commission must compare and contrast these models in order to analyze differences and to ensure appropriate coverage.

The CFTC is expanding the capability to conduct quantitative risk analysis on uncleared swaps exposures and integrating these exposures with cleared futures and cleared swaps exposures. This requires a substantial investment of resources, staff, and advanced analytics to improve data quality, tools, and analytical approaches.

The Commission has been a thought leader in the area of supervisory stress tests of DCOs. However, the ability to grow this program has been severely constrained by our analytical tools. For example, staff has been relying on specific risk metrics provided by DCOs that limit the types of stress scenarios that can be used. Additional investment to develop valuation tools will enable the CFTC to explore more realistic risk factors potentially influencing the clearing eco-system.

International Policy Support

This budget request will fund continued participation in key international bodies setting standards for clearinghouses, with the aim of promoting appropriately rigorous standards. The Commission participates in, or leads, international groups such as the Committee on Payments and Market Infrastructures - IOSCO Steering Group, Policy Standing Group, Implementation Monitoring

Standing Group, Working Group on Cyber-Resilience, the FSB's Resolution Steering Group and Financial Market Infrastructure Cross-Border Crisis Management Group.

These groups set international standards for clearing and clearinghouse regulations, and have a direct impact on U.S. DCOs, in particular those that operate internationally. Commission staff also participates in groups focused on individual clearinghouses, such as the Crisis Management Groups for LCH Ltd, LCH SA, and ICE Clear Europe.

Appendix 5 contains reference information such as trade volume and margin requirement data and the number of DCOs, SIDCOs, and exempt DCOs.

Division of Swap Dealer and Intermediary Oversight

Resource Overview

Table 8: Swap Dealer and Intermediary Oversight Request

	FY 2019 Actual	FY 2020 Spend Plan	FY 2021 Request	Change
BUDGET	$22,920,858	$24,649,585	$26,532,261	+$1,882,676
FTE	73	76	80	+4

Columns may not add due to rounding

Organization Description

The Division of Swap Dealer and Intermediary Oversight (DSIO) oversees the registration and compliance activities of swap dealers, MSPs, FCMs, introducing brokers, commodity pool operators (CPOs), commodity trading advisors (CTAs), retail foreign exchange dealers (RFEDs), and other swap and futures market intermediaries. DSIO's oversight program is designed to ensure that these intermediaries are financially sound, and meet standards for fitness and conduct as set forth in the CEA and the Commission's regulations. DSIO assesses and monitors swap dealers, FCMs, and other intermediaries' compliance with capital, margin, customer asset segregation, and customer protection requirements; internal and external business conduct standards; and reporting, disclosure, and record keeping requirements. DSIO staff develop regulations, orders, and interpretive statements on issues relating to swap dealers, FCMs, and other intermediaries; review registration applications; review financial and other business data of registrants; design audit modules and conduct examinations of registrants for compliance with the CEA and Commission regulations; provide advice to other CFTC divisions and offices regarding issues involving swap dealers, FCMs, and other intermediaries; and assess the risk posed by swap dealers, FCMs and other intermediaries to the derivatives markets. DSIO also oversees and examines the National Futures Association (NFA) and other SROs delegated by the Commission.

Justification of CFTC Request

Registration and Compliance

The CFTC's thousands of registered intermediaries play a vital role in the Nation's financial system by connecting customers to the global market. With $334 billion in estimated customer funds, the registrants serve as a cornerstone of the Commission's regulatory framework. As such, the Commission directs its registration and compliance resources to provide critical policy and regulatory guidance to market participants, both directly and in coordination with the NFA. The Commission also uses these resources to ensure that registration rules, standards and reporting requirements keep pace with the needs of the evolving marketplace.

Core activities funded through this function include:

- Drafting new rules and rule amendments to strengthen its registration and compliance regime and, following Commission approval, overseeing effective rule implementation. Throughout this process, registrants engage CFTC staff to obtain interpretive guidance, seek no action relief for registration purposes, and/or discuss compliance matters requiring Commission guidance.

- Furnishing responses to other Federal and state agencies, CFTC registrants, and to the public with respect to intermediary issues. These answers involve an array of activities, from responding to inquiries from market participants and registrants to briefing policy makers on major registration and compliance issues.

- Providing direct support to the international regulatory community with established agreements on substituted compliance matters. This support is central to overseeing the global activities of the derivatives industry, and the implementation of key aspects of legislative mandates, and other high priority initiatives.

- Preparing and delivering critical guidance to the SROs, which support the execution of the Commission's regulatory framework and delegated regulatory activities.

Economic and Legal Support

In FY 2020 and continuing into FY 2021, the Commission is focusing on improving the regulatory experience for market participants by pursuing a data driven, policy agenda. The policy-making agenda will include finalizing cross-border rules and capital requirements for swap dealers and an extension of the compliance deadline for uncleared margin, as well as working with other federal financial regulators on amendments to the Volcker Rule. The CFTC will continue implementing refinements to its rules in a manner consistent with the Commission's mission and values.

The Commission provides legal analysis and regulatory support for swap dealer and intermediary oversight activities such as:

- Providing draft rulemakings, interpretations, and opinions on questions of statutory and regulatory authority relevant to market intermediaries and legal advice for substantive Commission actions relevant to intermediaries, including registration and futures association rule submission reviews, regulations, and exemptions;

- Drafting and administering the applicable capital, margin, segregation and financial reporting requirements for market intermediaries, swap dealers, and MSPs, to include drafting related rulemakings, no-action letters, interpretations, and exemptions;

- Responding to informal requests for guidance from market participants, non-U.S. regulators, and the public;

- Coordinating capital, margin, and financial reporting requirements with the SEC and Prudential Regulators regarding swap dealers and MSPs; and

- Working closely with foreign regulators to reduce cross-border regulatory burdens by implementing agreements that will allow swap dealers and MSPs to be deemed in compliance with the CFTC's margin rules, while remaining subject to the CFTC's examination and enforcement authority.

Appendix 5 contains reference information such as trade volume data and the numbers of registered entities.

Office of the Chief Economist

Resource Overview

Table 9: Chief Economist Request

	FY 2019 Actual	FY 2020 Spend Plan	FY 2021 Request	Change
BUDGET	$5,049,806	$6,734,076	$6,530,100	-$203,976
FTE	17	21	20	-1

Columns may not add due to rounding

Organization Description

The Office of the Chief Economist (OCE) conducts rigorous economic and econometric analysis of derivatives markets. The extensive research and analytical backgrounds of staff ensure that analyses reflect the forefront of economic knowledge and econometric techniques. The OCE collaborates with other CFTC divisions to integrate economic reasoning and data analysis into Commission policy and cost-benefit considerations. The dissemination of OCE research to market participants and the general public plays a key role in transparency initiatives of the Commission.

Justification of CFTC Request

The Commission is responsible for careful, systematic, and sustained research into the derivatives markets under the agency's jurisdiction. This research ensures that CFTC policy-making is informed by the latest thinking and empirical observations about markets and market participants. The results of the Commission's research also educates lawmakers, other regulators, both domestic and international, and the general public about the markets in which the CFTC has particular data and expertise.

An important challenge facing this office is determining the best methods to process and analyze the enormous quantity of data available to the Commission. Determinations are required on data issues such as: understanding data imperfections and ambiguities; merging data sets with different structures to study particular markets or market participants holistically; and having sufficient, highly skilled staff to work through these issues. The Commission requires staff that possess the ability to analyze data sets with at least one million rows of data. These and other highly technical skills are in high demand across the financial and technology industries, as well as academia.

In addition to data, useful and top-quality research requires a deep understanding of market participants and the markets themselves. Rigorous analysis of how market participants use derivatives and the risks they face requires knowledge of their business models. Studies of this sort encompass end users that range from farmers to life insurance companies; intermediaries that range from commodity brokers to swap dealers in bank holding companies; and, of course, clearinghouses. Rigorous analysis of the markets themselves requires knowledge of the workings of trading platforms, from those on futures exchanges to those on swap execution facilities, and from voice markets to electronic venues.

To leverage its limited resources relative to its research objectives, the Commission has and continues to expand its program of partnerships with academics in relevant fields. Subject to the strictest procedures and controls to ensure data confidentiality, these partnerships facilitate the flow of ideas between the Commission and universities and encourage academics to work on areas of interest to the Commission.

The FY 2021 budget request will enable the Commission to make continued progress in fulfilling its mission. With respect to research, this request will allow the CFTC to begin to better understand the data available; understand how and why market participants use derivatives; study the risk profiles of market participants; assess the efficiency of trading platforms; evaluate how well derivatives products and markets serve end users; and appraise the extent to which systemic risk might be generated by or might be transmitted through derivatives markets. The CFTC will also work to integrate research into Commission policies and actions. Recent research conducted at the CFTC allowed for the introduction of ENNs (Entity-Netted Notionals) as an alternative to notional value for the markets. The initial January 2018 white paper, *"Introducing ENNs: A Measure of the Size of Interest Rate Swap Markets"*[11] outlined the calculation of ENNs as well as their distribution across participant types and products. The paper also discussed why other common market size measures, like notional value, do not accurately measure the amount of market risk transfer through swap markets. This measure estimates the size of risk transfer in the swaps market and provides a more direct comparison between swaps and other rates markets, like U.S. Treasuries. The Commission is using interest rate swaps (IRS) ENNs to improve the understanding of how various business sectors use derivatives markets and how regulations affect that usage. Since the initial publishing of the ENNs concept, the Commission has published a second white paper, *"ENNs for Corporate and Sovereign CDS and FX Swaps"* in February 2019[12]. Additional information is provided in Appendix 5.

The FY 2021 budget request enables the Commission to improve the analytical and empirical foundations of its policy and rules, as well as the cost-benefit considerations of its policy and rulemaking. This will be achieved partly through a deeper understanding of the functioning of markets and the behavior of market participants, as described previously, and through supplementing that understanding with data-driven studies of the costs and impacts of past rules and the potential costs and impacts of the Commission's contemplated policy changes.

[11] Baker, L., Haynes, R., Lau, M., Roberts, J., Sharma, R., Tuckman, B., and Warren, N. (2018), "ENNs Update as of September, 2018," February. Accessible from the page https://www.cftc.gov/About/EconomicAnalysis/ResearchPapers/index.htm
[12] Baker,L., Haynes R.,, Lau, M., Roberts, J., Sharma, R., and Tuckman, R. (2019), "ENNs for Corporate and Sovereign CDS and FX Swaps". Accessible from the page https://www.cftc.gov/About/EconomicAnalysis/ResearchPapers/index.htm

Office of General Counsel

Resource Overview

Table 10: General Counsel Request

	FY 2019 Actual	FY 2020 Spend Plan	FY 2021 Request	Change
BUDGET	$14,915,597	$14,859,860	$15,344,385	+$484,524
FTE	44	43	44	+1

Columns may not add due to rounding

Organization Description

By statute, the Office of General Counsel (OGC) provides legal services and support to the Commission and all of its programs. These services include: 1) engaging in defensive, appellate, and amicus curiae litigation; 2) assisting the Commission in the performance of its adjudicatory functions; 3) providing legal advice and support for Commission programs; 4) assisting other program areas in preparing and drafting Commission regulations; 5) interpreting the CEA; 6) overseeing the Commission's ethics program and compliance with laws of general applicability; and 7) providing advice on legislative, regulatory issues and FinTech innovation. The CFTC's Freedom of Information Act (FOIA) office and E-Discovery Coordinator are also part of OGC.

Justification of CFTC Request

The Commission ensures consistency in the interpretation and application of the CEA. The CFTC conducts reviews of proposed and final rules, enforcement and regulatory actions, and various forms of staff action within this area for legal sufficiency and administrative regularity. The Commission interprets and applies the requirements of a variety of government-wide statutes, including, but not limited to, the Federal Advisory Committee Act, FISMA, FOIA, and the Administrative Procedure Act. As a Federal entity, the Commission must assure the legal sufficiency of Commission actions concerning personnel laws, procurement laws and regulations, Federal records requirements, and other applicable laws as applied.

The Commission also ensures it has proper representation when required to appear in the U.S. Courts of Appeals, U.S. District Courts and other administrative proceedings in appeals stemming from enforcement actions and other matters including regulatory challenges, bankruptcy, personnel litigation, labor disputes, and FOIA.

Office of International Affairs

Resource Overview

Table 11: International Affairs Request

	FY 2019 Actual	FY 2020 Spend Plan	FY 2021 Request	Change
BUDGET	$4,305,106	$4,963,250	$4,976,224	+$12,974
FTE	11	14	13	-1

Columns may not add due to rounding

Organization Description

The Office of International Affairs (OIA) advocates for Commission objectives in international policy development through multilateral and bilateral fora; advises the Commission regarding international regulatory initiatives and policies; provides guidance regarding international issues raised in Commission matters; represents the Commission in international fora, such as IOSCO and FSB; coordinates Commission policy as it relates to priorities, policies, and initiatives of key foreign jurisdictions and the G20; coordinates with the U.S. Department of the Treasury and U.S. financial regulatory authorities on international matters; negotiates cooperative arrangements and responds to inquiries related to supervisory cooperation or information sharing; and provides technical assistance to foreign authorities, by providing guidance regarding regulatory and supervisory matters and organizing international training programs and regulatory symposia.

Justification of CFTC Request

The global nature of the futures and swaps markets makes it imperative that the Commission engage foreign regulators and participate in international policy development to enhance international cooperation and to support the adoption, implementation, and enforcement of high-quality derivatives regulation. This request will allow the CFTC to: 1) advance the interests of the CFTC in bilateral and multilateral discussions with foreign counterparts and in international standard-setting and coordination fora; 2) facilitate information-sharing, cooperation and cross-border assistance; and 3) ensure international initiatives are consistent with the rules and policies of the CFTC.

The CFTC will increase its efforts to respond to attempts by European authorities, particularly the European Securities and Markets Authority, to expand their supervision of U.S. firms or apply their rules and requirements to U.S. firms and markets. In addition, the CFTC will oversee the implementation of relevant European Union (EU) equivalence, recognition, and comparability determinations regarding central clearinghouses, trading platforms, and intermediary firms. Furthermore, the exit of the United Kingdom (UK) from the EU requires the Commission to increase engagement with UK and EU counterparts and stakeholders in concluding and implementing agreements and regulatory arrangements to respond to changing regulatory requirements that can affect U.S. markets and existing agreements and regulatory arrangements with the Commission.

The Commission will continue to engage with other regulators regarding consistent regulatory requirements imposed on derivatives clearing organizations. The importance of central clearing to the derivatives markets makes it critical that the Commission ensures the strength and resiliency of clearinghouses.

The Commission anticipates continuing engagement with the FSB and its working groups and committees that affect U.S. derivatives markets. The CFTC will continue its long-standing active engagement as a member of the Board of the IOSCO and assume or seek out leadership roles within important policy committees, task forces, working groups, and networks that develop standards and policy guidance for the U.S. derivatives markets. The Commission intends to chair an IOSCO committee to coordinate IOSCO work on financial stability matters and engagement with the FSB. In addition, the Commission will continue to participate in official sector regulatory dialogues with the EU, the UK, and India. Given developments with other jurisdictions relating to international trade, the Commission also expects to engage in official sector regulatory dialogues with Canada, China, Japan, and Mexico.

The Commission anticipates the conclusion of additional supervisory cooperation, and information-sharing arrangements with counterparts all over the world. The Commission also anticipates the conclusion of additional arrangements to encourage cross-border cooperation on FinTech and digital asset developments.

The Commission expects enhanced engagement with foreign stakeholders as a result of additional requests for technical assistance from regulatory and supervisory entities. Commission staff satisfies such requests by organizing and executing jurisdiction-specific training programs and multilateral symposia.

Office of Data and Technology

Resource Overview

Table 12: Data and Technology Request

	FY 2019 Actual	FY 2020 Spend Plan	FY 2021 Request	Change
BUDGET	$81,318,703	$79,044,085	$89,139,668	+$10,095,583
FTE	81	82	83	+1

Columns may not add due to rounding

Organization Description

The Office of Data and Technology (ODT) works cooperatively, both internally and with other divisions, to develop and deliver the technology, applications and technical services, collectively referred to as the Information Technology (IT) Portfolio, necessary to meet the Commission's existing and emerging mission objectives. ODT delivers services to the Commission through four components: (1) Systems and Services; (2) Data Management; (3) Infrastructure and Operations, and; (4) Policy and Planning. Systems and Services provide access to data and information, platforms for data analysis, and enterprise-focused automation services. Data Management provides services that support data standards, data collection, analysis, management, reuse, transparency reporting, and data operations support. Infrastructure and Operations organizes delivery of services around network infrastructure and operations, telecommunications, and desktop and customer services; these delivered services are highly available, flexible, reliable, and scalable, supporting the systems and platforms that empower staff to fulfill the CFTC mission. Policy and Planning focuses on IT security, strategic and planning, IT policy and procedure development, configuration management, and enterprise architecture. The four service delivery components are unified by an enterprise-wide approach driven by the Commission's strategic goals and objectives.

IT Portfolio

Although the CFTC IT Portfolio supports all aspects of the Commission's operations, its mission importance continues to grow as the agency strives to meet the oversight demands of today's increasingly sophisticated financial markets. Investing, leveraging, and integrating technology at all levels of the organization is core to the CFTC's ability to develop new capabilities, and provide cost effective performance required to protect market users and reduce systemic risk. Using the technology business management (TBM) resource allocation structure, the portfolio is organized into five investment areas as follows:

Industry Oversight and Financial Integrity Services includes the IT services, systems, software, and, applications that directly support core mission activities, with a distinct focus on industry data acquisition, management, quality and analysis. Examples include:

Surveillance & Analysis - Resources support both CFTC's regulatory oversight functions, which focus on monitoring/evaluating market and trade practice data, financial and risk analysis, and investigative and enforcement work, which uses acquired industry data and reporting to surveil, triage, investigate, and prosecute violations of the CEA. Mission performance in these areas is highly dependent on technology and services that ensure the timely acquisition and analysis of large volumes of market and industry data.

Examinations - Resources are used to develop and deploy specialized auditing and analytical tools to support monitoring and examining market infrastructure (e.g., exchanges, clearinghouses, etc.), key market users (e.g., FCMs), and to oversee the important compliance support work performed by the CFTC's SROs.

Other CFTC Regulatory and Policy Missions - Resources are used to provide tools and services that are vital to a variety of other CFTC functions that include the Office of the Chief Economist, FinTech initiatives, firm and entity registration and reporting, and international policy efforts.

Enforcement Support leverages technology resources to perform and support a wide variety of mission critical enforcement and investigative support functions. Specifically, IT service contracts and business applications are used to: 1) support enforcement case management and development; 2) send, receive, manage and control case documents, evidence and data and, 3) serve as tools and platforms for developing new analytical capabilities and improving timeliness and efficiency. In addition, this portfolio investment includes the Commission's computer forensics program, which uses specialized tools and software to access, analyze, and evaluate data and evidence from a wide range of sources in direct support of agency enforcement actions.

Internal Agency Services include the IT systems, services and applications to deliver mission critical tools and capabilities, many of which are provided by federal shared service providers, and operate as an independent agency. Examples include CFTC's financial and procurement systems, payroll and automated human resource services, logistics, physical security and asset management systems, and secretariat/records management support.

Security and Compliance reflects resources devoted to the agency's cyber security program and business continuity IT capabilities. Key security objectives include:

- Protect all data and technology within the Commission with continuous assurance of confidentiality, integrity and availability;
- Strengthen staff vigilance across the agency by ensuring that authorized users understand, accept, and follow security and privacy responsibilities using a cloud based approach that incorporates recurring security training, compliance testing and reporting;
- Combat cyber threats through incident detection, response, and mitigation capabilities;
- Assess and synthesize threat intelligence, vulnerabilities, potential business impacts, and the likelihood to impact operational risk decisions and;
- Continue to invest in IT security to maintain and achieve compliance with cybersecurity objectives, such as the FISMA, and related Office of Management and Budget (OMB) and National Institute of Standards and Technology (NIST) mandates.

IT Management, Infrastructure and Operations This investment area provides the critical technology and services necessary to operate and sustain CFTC's core IT infrastructure, provide end user and enterprise-wide platform services, and perform critical IT management and planning functions. A breakdown description of these activities is provided below.

End User Services - provides the primary mechanisms for CFTC users to personally connect and access the Commission's computer network and to use the associated applications, platforms and communication capabilities to perform their daily duties. Core components include end user software and personal IT equipment (e.g., workstations, network printers, employer-issued mobile devices, etc.); IT help desk services; fixed and mobile communications, and conference and audio-visual technology used to connect the Commission to its regional offices.

Infrastructure Services - supports CFTC's core IT architecture such as continuous computing power, data center services, network and connectivity, and secure data storage. In order to operate effectively, the Commission must maintain and upgrade an array of specialized equipment (e.g., hardware components, servers, routers, etc.), telecommunications gear and related hardware and software, and sustain service support contracts that enable CFTC's mission.

Enterprise-wide Platform Services - includes major platforms used across the agency in support of variety of both operational and support missions. Examples include the Commission's official CFTC.gov website, organizational file management and sharing platforms, etc.

IT Management and Planning - covers the resources directed towards the management, administration and planning of IT for the enterprise and it includes vital functions such as data architecture and strategic planning, IT training, operational travel, and related activities.

Justification of CFTC Request

In FY 2021, the Commission requests a total of $89.1 million and 83 FTE to sustain base operations and address current and emerging mission challenges. Technology resources and expertise continue to be of utmost importance to the CFTC mission – not only to support day-to-day operations, but also to develop the new capabilities necessary to oversee the 21st century markets. The Commission plans to direct the requested resources along the following priority business lines:

IT Modernization Continued investment in the CFTC's cloud strategy allows the Commission to leverage proven technology that offers important benefits (e.g., flexible "pay-as-you-go" costing, multi-device user access, acquisition cost avoidance, etc.) in ways that fully align with its innovation and efficiency objectives. Using a combination of base resources and the modest increase contained in the FY 2021 request, the Commission plans to the transfer its primary systems and applications from their current on-premises location to a third party, off premises, managed services cloud environment using a proven approach known as "lift and shift". The lift and shift process is accomplished by planning, mapping and then migrating all selected systems, applications and data to the cloud, which can be completed with little to no impact on CFTC users or IT operations. Phase One implementation will require CFTC to incur temporary cost increases to operate large portions of the IT network as a hybrid environment; meaning that CFTC will run the existing, on-premises network and the new cloud environment in parallel to ensure reliable user access and system continuity throughout the migration process.

Once Phase One of the cloud migration is completed with the planning, mapping and transfer of CFTC systems, applications and data, Phase Two will commence. This phase will terminate use of most legacy on-premises equipment and begin the system re-architecture process that when completed will allow CFTC to optimally manage and access the new cloud environment. Given the size and complexity of the services/data moved, Phase Two will require 18 to 24 months (post lift and shift) to complete. The anticipated benefits of this initiative include the following:

- Avoid/mitigate the cost of replacing key portions of CFTC's aging, on premises IT equipment (e.g., servers, storage area network (SAN), etc.) and other related hardware, software, operating and maintenance costs.
- Reduce, over time, the Commission's office space footprint both at CFTC office location(s) and the leased data center facility; utility cost efficiencies will be realized as well.
- Optimally position CFTC to shift other key functions such as cybersecurity, massive parallel processing (MPP) capabilities and other key functions to cloud in the future.

Data Management and Analytics The Commission will continue to leverage cloud and other new technology to enhance and transform its ability to collect, analyze and draw informed conclusions from market/industry data to conduct effective enforcement actions, oversee rapidly evolving markets and formulate sound regulatory policy. Some key examples of these efforts are provided below:

Futures and Options Order Book Data Beginning in FY 2020, the CFTC began implementation of the Order Book on Demand initiative, which uses cloud technology to acquire access to the CME's order book data that, once fully implemented will realize the following benefits:

- enhance analytical capabilities, through advanced, cloud-based tools, to more rapidly detect, identify market risks, trends, etc. and better target suspicious activity and behavior;
- reduce administrative burden on both the CME and CFTC;
- achieve greater investigative and regulatory oversight efficiencies and effectiveness;
- develop greater insight and understanding of market patterns and associated evolutions in risk management, and apply this knowledge to CFTC policies and regulations; and
- strengthen agency data governance capabilities

In FY 2021, the Commission plans to incorporate ICE order book data to further strengthen the agency's vision and situational awareness within the market/trading space. Ultimately, these data initiatives will result in roughly one peta byte (nearly 1,000,000,000,000,000 bytes of data), becoming available to CFTC regulatory and enforcement staff.

Market Surveillance Data The Commission also plans to upgrade its aging Integrated Surveillance Systems (ISS) with modern, cloud-based technology to meet the expanding needs of the agency's market surveillance operations. CFTC's surveillance activities, which monitor the daily activities of large traders, key price relationships, and relevant supply and demand factors in a continuous review for potential market problems, are core to the mission and rely almost entirely on the ability to rapidly receive and review Large Trader and related data from market participants. Since the existing ISS, while functional, operates using legacy technology, transitioning to a new cloud solution will enhance CFTC surveillance capabilities, increase the speed/efficiency for how data is received, managed, analyzed, and strengthen data security.

Advanced Analytics The CFTC will continue its work to further refine and optimize the application and integration of not only cloud based analytical tools, but also to explore the utility of other cutting edge technology like machine learning to its mission. For example, the agency is currently working to leverage machine learning as a means for detecting classic spoofing patterns in order book data.

Additional Budgetary Data on Information Technology Resources

The tables below represent the budget request for IT by budget program and IT Portfolio Cost Type. Through the end of FY 2019, IT expenses were funded from two of the Commission's primary PPAs, Salaries and Expenses (S&E) and IT, and an Indirect Overhead allocation, which is a proportional share of estimated agency-wide operating costs such as lease of space, utilities, supplies, equipment and other services used by or available to all CFTC organizations. CFTC allocates indirect overhead to all divisions and offices in this budget presentation based on a per FTE distribution.

The FY 2020 appropriations eliminated the IT program from the Commission's PPAs and the tables below have been amended to reflect this change. Resources from the IT program have been consolidated with the S&E program for FY 2020 and FY 2021.

Table 13: Summary of IT Budget by Program and Cost Type

IT Budget by Program	FY 2019 Actual	FY 2020 Spend Plan	FY 2021 Request
Information Technology Services	51,684,608	-	-
S&E Personnel	18,967,475	20,603,648	21,197,536
S&E Operating	5,587,169	53,897,644	62,944,120
S&E Indirect Overhead	5,079,451	4,542,793	4,998,012
Total IT Portfolio	**$81,318,703**	**$79,044,085**	**$89,139,668**

IT Portfolio by Cost Type	FY 2019 Actual	FY 2020 Spend Plan	FY 2021 Request
Development, Modernization, and Enhancement (DME)	11,625,451	7,505,476	15,494,638
Operations and Maintenance (O&M)	62,859,885	65,198,172	66,702,898
S&E (Non-DME/O&M)	1,753,916	1,797,644	1,944,120
Indirect Overhead	5,079,451	4,542,793	4,998,012
Total IT Portfolio	**$81,318,703**	**$79,044,085**	**$89,139,668**

Columns may not add due to rounding

DEFINITION OF TERMS

DME: Costs related to the development, modernization, and enhancement of technology, including personnel.

O&M: Costs related to the operations and maintenance of technology, including personnel.

S&E: Costs related to the Salaries and Expenses Program.

Personnel: Costs of government personnel/FTE for salary and benefits only.

Operating: Costs related to the purchase of hardware, software, and data and technology services.

Indirect Overhead: Overhead related to leases and other centrally funded costs.

Office of the Executive Director

Resource Overview

Table 14: Executive Director Request

	FY 2019 Actual	FY 2020 Spend Plan	FY 2021 Request	Change
BUDGET	$23,600,209	$26,123,656	$25,897,095	-$226,561
FTE	80	87	86	-1

Columns may not add due to rounding

Organization Description

The Office of the Executive Director (OED) directs the internal management of the Commission, ensuring the Commission's continued success, continuity of operations, and adaptation to the ever-changing markets it is charged with regulating; directing the effective and efficient allocation of CFTC resources; developing and implementing management and administrative policy; and ensuring program performance is measured and tracked Commission-wide. The OED includes the following branch offices: Business Operations Branch (including logistics operations, strategic and operational planning, security and emergency management, travel, and business operations), Executive Secretariat (including library operations, Secretariat, records management, privacy, and Office of Proceedings), Financial Management (including budget, procurement, accounting, and risk management), and Human Resources (including talent management, workforce relations, performance management and compensation, and health and wellness programs). The Office of Proceedings has a dual function to provide a cost-effective, impartial, and expeditious forum for handling customer complaints against persons or firms registered under the CEA, and to administer enforcement actions, including administrative settlements, statutory disqualifications, and wage garnishment cases.

Justification of CFTC Request

The Commission continues to promote excellence through executive direction and leadership, organizational and individual performance management, and effective management of resources. Efforts to achieve these objectives will result in better-informed decision making regarding the management and investment of the Commission's resources. The FY 2021 budget request focuses on strengthening the Commission's fiduciary posture by executing and evaluating the remaining agency corporate reform efforts. The FY 2021 budget request recognizes the need to keep overhead costs as low as possible, while making careful investments to continue efficiency, innovation, and effectiveness in its operations and management. To that end, the Commission will continue to provide essential day-to-day financial management, human resources, building management, and secretariat functions as well as maintain the centralized services model that supports the various CFTC divisions and offices in compliance with Federal administrative mandates.

This budget request also includes resources to provide for a strong risk management structure by building out an enterprise risk management (ERM) framework, as required by OMB Circular A-123. ERM provides an enterprise-wide, strategically-aligned portfolio view of organizational challenges that provides improved insight about how to more effectively prioritize and manage risks to mission delivery. Effective ERM facilitates improved decision-making through a structured understanding of opportunities and threats. Effective ERM also helps agencies implement strategies to ensure effective use of resources, enables an optimized approach to the identification and remediation of compliance issues, and promotes reliable reporting and monitoring across business units. ERM efforts will continue with implementation in FY 2021.

The Commission has the responsibility to comply with Federal standards, and the agency requires resources to address the requirements contained in the OMB/National Archives and Records Administration (NARA) Memoranda M-19-21, *Transition to Electronic Records* and NARA's 2018-2022 strategic plan for agencies to manage all records electronically. The Commission will continue to transition to electronic business processes and systems for managing those records, and where not feasible, to transition legacy permanent, paper records to electronic form, and send those records to NARA. In FY 2021, the Commission will continue to implement the Controlled Unclassified Information program by assessing the Commission's statutory and regulatory authorities for information protection and sharing, and by developing and piloting training.

The CFTC has taken an aggressive approach to streamlining operations and will continue to realize efficiencies from actions taken in FY 2020. This approach will better align organizational structures, update the agency's performance management policies, and streamline operations where feasible. The FY 2021 budget request supports these initiatives, allowing the Commission to provide capable administrative support, meet regulatory obligations, and continue with process improvements to promote efficiencies. Collectively, these activities will continue to support CFTC's fiduciary responsibility of taxpayer funds while supporting the Commission so that it may advance its mission to foster open, transparent, competitive, and financially sound markets.

Office of the Chairman and Commissioners

Resource Overview

Table 15: Chairman and Commissioners Request

	FY 2019 Actual	FY 2020 Spend Plan	FY 2021 Request	Change
BUDGET	$11,599,659	$14,757,917	$13,309,480	-$1,448,437
FTE	32	42	39	-3

Columns may not add due to rounding

Organization Description

The Offices of the Chairman and the Commissioners provide executive direction and leadership to the Commission—specifically, as it develops and adopts Commission policy that implements and enforces the CEA and other statutes, rules and regulations. Commission policy is designed to foster the financial integrity and economic utility of derivatives markets for hedging and price discovery, to conduct market and financial surveillance, and to protect the public and market participants against manipulation, fraud, and other abuses. The Office of the Chairman includes the Offices of Public Affairs, Legislative and Intergovernmental Affairs, Minority and Women Inclusion, and LabCFTC.

The Commissioners

The CFTC consists of five Commissioners. The President appoints and the Senate confirms the CFTC Commissioners to serve staggered five-year terms. No more than three sitting Commissioners may be from the same political party. With the advice and consent of the Senate, the President designates one of the Commissioners to serve as Chairman. The following represent the current CFTC Commissioners:

Heath P. Tarbert, Chairman

Heath P. Tarbert was nominated by President Trump as Chairman of the CFTC on December 11, 2018, was unanimously confirmed by the Senate on June 5, 2019, and was sworn into office on July 15, 2019 for a five year term expiring April 2024.

Brian D. Quintenz, Commissioner

Brian D. Quintenz was nominated by President Trump as a Commissioner of the CFTC on May 12, 2017, was unanimously confirmed by the Senate on August 3, 2017, and was sworn into office on August 15, 2017 for the remainder of a five-year term expiring in April 2020.

Rostin Behnam, Commissioner

Rostin Behnam was nominated by President Trump as a Commissioner of the CFTC on July 13, 2017, was unanimously confirmed by the Senate on August 3, 2017, and was sworn in to serve as a Commissioner on September 6, 2017 for the remainder of a five-year term expiring in June 2021.

Dawn DeBerry Stump, Commissioner

Dawn DeBerry Stump was nominated by President Trump as a Commissioner of the CFTC on June 12, 2017, was unanimously confirmed by the Senate on August 28, 2018, and was sworn in to serve as a Commissioner on September 5, 2018 for the remainder of a five-year term expiring in April 2022.

Daniel M. Berkovitz, Commissioner

Daniel M. Berkovitz was nominated by President Trump as a Commissioner of the CFTC on April 24, 2018, was unanimously confirmed by the Senate on August 28, 2018, and was sworn in to serve as a Commissioner on September 7, 2018 for a five-year term expiring in April 2023.

Justification of CFTC Request

The FY 2021 budget request supports the Commission's leadership function, which includes the Offices of the Chairman and the full complement of Commissioners and support staff, as well as the Offices of Public Affairs, Legislative and Intergovernmental Affairs, Minority and Women Inclusion and LabCFTC. This budget request assumes a full complement of Commissioners in FY 2021 and expects the Administration will nominate a replacement for any position that expires. The request also includes professional and administrative staff to support the four Commissioners and to assist each member with analysis of the increasing number of complex issues presented to the Commission for review and action. The budget provides resources to continue efforts to evaluate mandated reforms and focus on transparency and market integrity.

In addition, this request includes funding for official reception and representation and for the Commission's Advisory Committees.

Office of the Inspector General

Organization Description

The Office of the Inspector General (OIG) is an independent organizational unit of the CFTC. In accordance with the Inspector General Act of 1978, as amended, the mission of the OIG is to detect waste, fraud, and abuse and to promote integrity, economy, efficiency, and effectiveness in the CFTC's programs and operations through audits, investigations, and other activities. As such, the OIG has the authority to review all of the Commission's programs, activities, and records. The OIG issues reports to the Commission, Congress, and the public detailing its activities, findings, and recommendations.

Budget Request

The total FY 2021 budget request as described below includes the OIG request of $3,025,708 for estimated direct salary and benefit costs of nine FTE, along with travel, training, and contracted audits (including the annual financial statement audit), including an estimated contribution of $7,846 to support the Council of the Inspectors General on Integrity and Efficiency (CIGIE). The request also includes overhead of approximately $541,953. Overhead is estimated by the Commission and is added to the OIG direct budget request. Overhead represents a proportional share of estimated operating costs, such as lease of space, utilities, printing, supplies, equipment and other services used by or available to all divisions and offices, including the OIG. CFTC allocates overhead to all divisions and offices in this budget presentation based on a per FTE distribution.

Table 16: Inspector General's Budget Request

Budget Year	Total Budget	OIG Requested Budget	Estimated Overhead	Training Budget Estimate	CIGIE	FTE
FY 2021	$3,567,661	$3,025,708	$541,953	25,000	7,846	9

Inspector General's FY 2021 Budget Request

Office Of The Inspector General
OIG
Commodity Futures Trading Commission

U.S. COMMODITY FUTURES TRADING COMMISSION
OFFICE OF INSPECTOR GENERAL
Three Lafayette Centre
1155 21st Street, NW, Washington, DC 20581
Telephone: (202) 418-5110
Facsimile: (202) 418-5522

February 3, 2020

TO: Chairman Heath P. Tarbert
Commissioner Brian D. Quintenz
Commissioner Rostin Behnam
Commissioner Dawn Stump
Commissioner Dan Berkovitz

FROM: A. Roy Lavik
Inspector General

SUBJECT: FY 2021 OIG Budget

In accordance with the Inspector General Act of 1978, as amended, I am proposing the Fiscal Year (FY) 2021 budget to operate my office. Through audits, investigations, reviews, inspections, and other projects, OIG assists in improving the economy, efficiency, and effectiveness of operations, as well as in detecting and preventing fraud, waste, and mismanagement. For FY 2021 we are requesting $3,025,708, which increases our FY 2020 request ($2,856,000) by 5.93%. The bulk of this increase will support anticipated grade promotions, cost of living adjustments, and merit based increases for current staff, with some shifting of costs. Of this amount, $25,000 is budgeted for training purposes and will satisfy all training requirements.

In addition to funding salaries and benefits, training, travel, contracted audits and services, and other OIG activities, the request also includes the Inspector General's contribution to the Council of the Inspectors General on Integrity and Efficiency (CIGIE) as required by the IG Act.

This budget request does <u>not</u> include funds for Agency-wide overhead. At this time, OIG has not been notified of CFTC's expected overhead charge to OIG for Fiscal Year 2021. Our intent is to submit an OIG budget request that is for funds generally under the control of, and to be spent directly by, the Office of the Inspector General. We believe this avoids confusion and reserves to the Agency maximum flexibility to manage Agency-wide overhead, while ensuring compliance with the Inspector General Act. We respectfully request that Appropriations language or commentary limits **CFTC overhead to the amount determined by Congress, and increases the OIG FY 2021 total budget in that amount** (and is not subtracted from it).

Attachment

Attachment for CFTC Inspector General's Budget Request

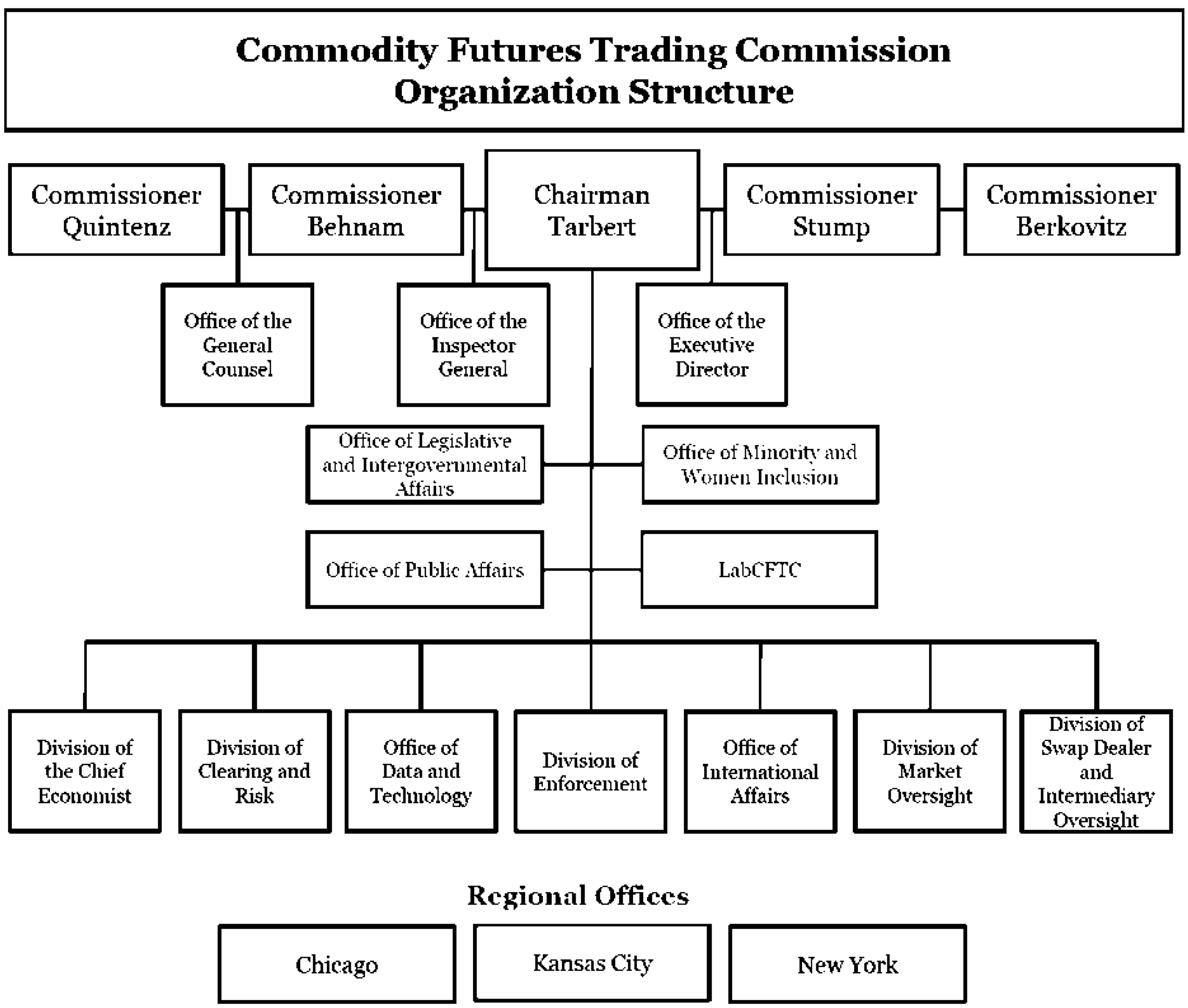
Direct Costs ($)	OIG Request
Salaries and Benefits	2,587,222
Travel	54,000
Training	25,000
Contract Audits	215,840
Contract Services	135,800
Subtotal Direct Costs	**$ 3,017,862**
CIGIE Contribution (estimate of .26% of total)	$7,846
Total Direct OIG Costs	**$ 3,025,708**
FTE	9
Positions	9.5

APPENDIX 1

Organizational Divisions and Offices

The Office of the Chairman oversees the Commission's principal divisions and offices that administer and enforce the CEA and the regulations, policies, and guidance thereunder. The four programmatic divisions—the Division of Clearing and Risk, Division of Enforcement, Division of Market Oversight, and the Division of Swap Dealer and Intermediary Oversight—are supported by, a number of offices, including the Office of the Chief Economist, Office of Data and Technology, Office of the Executive Director, Office of the General Counsel, and the Office of International Affairs. The Office of the Inspector General is an independent office of the Commission. The CFTC's headquarters is located in Washington D.C. and the regional offices are located in Chicago, Kansas City and New York.

Figure 1: Organization Structure



APPENDIX 2

CFTC Facility Leasing

CFTC maintains a facility lease portfolio that includes four locations: the Washington DC Headquarters office, and three regional offices in Kansas City, Chicago, and New York. The Commission also maintains a sublease for its alternate computing facility site with the Federal Reserve, which supports the Continuity of Operations redundant computer infrastructure capability. The chart below depicts CFTC's estimated leasing costs and associated lease expiration dates.

Leasing Expirations and Estimated Leasing Costs [13] by Location

Table 17: Leasing Expirations and Estimated Leasing Costs by Location

	Lease Expiration	FY 2019 Actual ($000)	FY 2020 Estimate ($000)	FY 2021 Estimate ($000)
Washington, DC	FY 2025	$18,261	$19,070	$19,833
Chicago	FY 2022	2,594	2,658	2,695
New York	FY 2022	2,629	2,739	2,778
Kansas City	FY 2021	430	443	489
COOP Site		166	113	170
Total		$24,913	$25,023	$25,965

Columns may not add due to rounding

The Commission maintains a relationship with the U.S. General Services Administration (GSA) for collaborating on the development of a comprehensive real estate portfolio strategy that addresses CFTC's current leasehold interests and its future leasing needs. CFTC will relinquish its management of facility leasing as new leases are arranged through GSA. During FY 2021, the Commission will incur a limited amount of duplicate lease costs for the Kansas City regional location as the Commission begins to transition to a new facility.

[13] The actual and estimate columns of the leasing portfolio exclude the overhead distribution that is reflected in other charts in this budget presentation.

APPENDIX 3

Administration's Proposal on User Fees

Table 18: FY 2021 Budgetary Resources and Offsetting Collections

	FY 2021 Request $ (000)
Salaries and Expenses	$300,432
Office of the Inspector General	$3,568
Total Appropriation	**$304,000**
Offsetting Collections	($77,500)
Net Appropriation	**$226,500**

Proposal and Impact

This budget reflects the Administration's intention to propose authorizing legislation to collect user fees of $77.5 million to fund a portion of the Commission's activities. Fees and charges assessed by the Commission would be credited to an offsetting collections account, which would be available until expended for necessary expenses of the CFTC. The total amount appropriated from the general fund for FY 2021 would be offset by the collections, resulting in a net FY 2021 appropriation from the general fund of approximately $226.5 million. CFTC fees would be designed in a way that supports market access, liquidity, and the efficiency of the Nation's derivatives markets. The Commission oversees the most complex markets of any U.S. regulator, and supports whatever funding mechanism Congress deems appropriate that secures the CFTC the resources it needs.

Background

CFTC ensures the integrity and effectiveness of the U.S. futures, options, and swaps markets through administration of the CEA, as amended. CFTC is the only Federal financial regulator that does not derive its funding from the specialized entities it regulates, and since the CFTC's programs provide clear benefits to market participants, it may be appropriate for those participants to at least partially offset or contribute toward the cost of providing those programs. The Administration has historically proposed a user fee for the CFTC.

CFTC seeks to promote responsible innovation and development that is consistent with its statutory mission to enhance derivative trading markets and to prohibit fraud and manipulation in connection with commodities in interstate commerce. The resources would allow the CFTC to build upon its knowledge of the increasingly complex futures markets.

APPENDIX 4

Statement of Availability on Basis of Obligations

Table 19: FY 2019 to 2021 Statement of Availability on Basis of Obligations

	FY 2019 Actual $ (000)	FY 2020 Estimate[14] $ (000)	FY 2021 Estimate $ (000)
New Appropriations	$268,000	$315,000	$304,000
Carryover from Prior Year	335	239	4,729
Recoveries of Prior Year Obligations	1,609	2,297	2,000
Total Available	269,943	317,536	310,729
Obligations	245,725	289,531	282,563
Lease-Related Amount Transferred to No-Year Account (amount reduces negative lease obligation) [15]	22,676	22,676	23,556
Balance Available	1,542	5,329	600
Lapsing Appropriations	(1,303)	(600)	
Total Available or Estimate	$239	$4,729	

Columns may not add due to rounding

[14] FY 2020 amounts provided in the Further Consolidated Appropriations Act, 2020, Public Law 116-94, Division B.

[15] The estimated lease obligations exclude the proportionate share of building operating costs overages (taxes, utilities, and maintenance passed onto CFTC) that are not included in the lease-related no-year account.

APPENDIX 5

The Commission and the Industry It Regulates

The mission of the CFTC is to promote the integrity, resilience, and vibrancy of the U.S. derivatives markets through sounds regulation. The CFTC is focused on resolving unfinished business and preparing for the future. The Commission works to support five strategic goals: 1) strengthen the resilience and integrity of our derivatives markets while fostering vibrancy, 2) regulate our derivatives markets to promote the interests of all Americans, 3) encourage innovation and enhance the regulatory experience for market participants at home and abroad, 4) be tough on those who break the law, and 5) focus on our unique mission and improve our operational effectiveness. As a key mechanism for performing its responsibilities, the Commission delegates certain authorities to registered entities such as SROs, clearing entities and data depositories and then oversees and supports these organizations by reviewing their operations and procedures and by providing guidance, policy and direction in accordance with Commission regulations.

With respect to its oversight of swap dealers and intermediaries, the CFTC oversight occurs in coordination with the SRO system. While the designated SROs are obligated to conduct surveillance, compliance oversight and enforcement activities for entities under their purview, the Commission conducts surveillance, compliance oversight and enforcement activities across all market participants while concurrently providing the rules, legal interpretations and policy oversight necessary to guide designated SRO activities. Revisions to the Commission's regulatory requirements have required additional focus on the oversight of designated SROs in their implementation of requirements for market participants. As the CFTC seeks to strengthen and refine its regulatory framework, the Commission will continue to work closely with the SROs to emphasize priority areas such as risk management, internal controls, legal compliance and FCM and swap dealer examinations.

CFTC Regulatory Landscape Matrix

The matrix, as detailed in Table 20, reflects how the Commission administers its oversight authorities for each regulated entity by CFTC function. In summary, regulatory oversight is managed as follows:

- *CFTC Core*. All activities under this category are reflected as "CFTC" in Table 19. Activities under this category apply to core functions central to the Commission's mission. Examples include major enforcement actions, rulemaking, policy, legal interpretations, no action determinations, etc.
- *CFTC Delegated*. All activities under this category are reflected in Table 19 as "NFA/CFTC" or "designated self-regulatory organizations (DSRO)/CFTC", or "SRO/CFTC", as appropriate. This category captures mission activities that involve the delegation of certain regulatory functions to the NFA or other SROs. Examples include cyclical intermediary examinations, certain enforcement actions, reporting requirements, etc. However, in all cases of delegation, the CFTC is responsible for the review and oversight of the SRO processes, products, procedures, etc. to ensure and validate compliance with all applicable regulations. This work includes quarterly reviews of SRO examinations activities, review/approval of proposed SRO rules and policies, guidance and legal interpretations, etc.
- *CFTC Shared*. All activities under this category are reflected in Table 19 as "CFTC/DCO Regulator" or "CFTC/Federal Reserve." For SIDCOs, the CFTC shares regulatory authority with the Federal Reserve. For exempt DCOs, the CFTC shares regulatory authority with the DCO's home regulatory authority with respect to oversight of swaps clearing by U.S. persons. For registered FBOTs, the CFTC shares regulatory authority with the FBOT's home regulatory authority with respect to oversight over direct access trading from the U.S. and review of products to be offered for trading by direct access. The FBOT's home regulatory authority has responsibility for the remaining mission functions. For intermediaries, the CFTC retains certain direct responsibilities and those that have been delegated to SROs, CFTC remains responsible for oversight of such responsibilities and/or delegates regulatory authority to SROs by CFTC mission function.

Table 20: U.S. Regulated Entities and Registrants by CFTC Function

Entity	Acronym	CFTC Function					
		Registration & Compliance	Product Reviews	Surveillance	Examinations	Enforcement	Economic & Legal Analysis
Trading Entities							
Designated Contract Market	**DCM**	CFTC	CFTC	CFTC	CFTC	CFTC	CFTC
Swap Execution Facility	**SEF**	CFTC	CFTC	CFTC	CFTC	CFTC	CFTC
Foreign Board of Trade	**FBOT**	CFTC/FBOT Regulator	CFTC/FBOT Regulator	FBOT Regulator	FBOT Regulator	FBOT Regulator	FBOT Regulator
Clearing Entities							
Derivatives Clearing Organization	**DCO**	CFTC	CFTC	CFTC	CFTC	CFTC	CFTC
Exempt Derivatives Clearing Organizations	**Exempt DCO**	CFTC/DCO Regulator	CFTC/DCO Regulator	CFTC/DCO Regulator	CFTC/DCO Regulator	CFTC/DCO Regulator	CFTC/DCO Regulator
Systemically Important Derivatives Clearing Organization	**SIDCO**	CFTC	CFTC	CFTC	CFTC/ Federal Reserve	CFTC	CFTC
Data Repositories							
Swap Data Repository	**SDR**	CFTC	N/A	N/A	CFTC	CFTC	CFTC
Registered Futures Association							
National Futures Association	**NFA**	CFTC	N/A	N/A	CFTC	CFTC	CFTC
Intermediaries							
Futures Commission Merchant	**FCM**	NFA/CFTC	N/A	DSRO/CFTC	DSRO/CFTC	DSRO/CFTC	CFTC
Swap Dealer	**SD**	NFA/CFTC	CFTC	NFA/CFTC	NFA/CFTC	NFA/CFTC	CFTC
Major Swap Participant	**MSP**	NFA/CFTC	CFTC	NFA/CFTC	NFA/CFTC	NFA/CFTC	CFTC
Retail Foreign Exchange Dealer	**RFED**	NFA	N/A	NFA/CFTC	NFA/CFTC	NFA/CFTC	CFTC
Managed Funds							
Commodity Trading Advisor	**CTA**	NFA/CFTC	N/A	NFA/CFTC	NFA	NFA/CFTC	CFTC
Commodity Pool Operator	**CPO**	NFA/CFTC	N/A	NFA/CFTC	NFA	NFA/CFTC	CFTC
Other Registrants							
Introducing Broker	**IB**	NFA	N/A	NFA/CFTC	NFA	NFA/CFTC	CFTC
Floor Broker	**FB**	NFA	N/A	CFTC	N/A	SRO/CFTC	CFTC
Floor Trader	**FT**	NFA	N/A	CFTC	N/A	SRO/CFTC	CFTC
Associated Person (Sales)	**AP**	NFA	N/A	CFTC	N/A	SRO/CFTC	CFTC

Number of Regulated Entities and Registrants

The Commission's regulatory framework continues to evolve in response to market forces, technology impacts, legislative mandates, and other factors. The number of registrants operating within this framework is similarly impacted by these drivers and as such, their number will fluctuate over time. The numbers as of FY 2019 are provided below.

Table 21: Number of Regulated Entities/Registrants

Entity	Acronym	As of FY 2019
Trading Entities		
Designated Contract Market	**DCM**	15
Foreign Board of Trade[16]	**FBOT**	21
Swap Execution Facility	**SEF**	19
Clearing Entities		
Derivatives Clearing Organization[17]	**DCO**	16
Exempt Derivatives Clearing Organization	**Exempt DCO**	4
Systemically Important DCO	**SIDCO**	2
Data Repositories		
Swap Data Repository[18]	**SDR**	3
Registrants -Intermediaries[19]		
Futures Commission Merchant[20]	**FCM**	64
Major Swap Participant	**MSP**	0
Retail Foreign Exchange Dealer	**RFED**	2
Swap Dealer	**SD**	107
Registrants—Managed Funds		
Commodity Pool Operator	**CPO**	1,475
Commodity Trading Advisor	**CTA**	1,996
Other Registrants		
Associated Person	**AP**	47,842
Introducing Broker	**IB**	1,129
Floor Broker	**FB**	2,724
Floor Trader	**FT**	485

[16] FBOTs are registered with the Commission, which allows the FBOT to permit its members and other participants in the United States to enter orders directly into the FBOT's trade-matching system.

[17] The number of DCOs includes the two SIDCOs.

[18] The three SDRs are provisionally registered with the CFTC.

[19] Registrants include companies and individuals, who handle customer funds, solicit or accept orders, or give training advice for profit or compensation. The CFTC registration process is handled through the NFA, an SRO with delegated oversight authority from the Commission.

[20] Excludes FCMs that are also registered as RFEDs.

Industry Growth in Volume, Globalization and Complexity

In a marketplace driven by change, it may be helpful to look back at industry and CFTC trends over the past few years. The charts that follow reflect many of those changes in the markets affecting the Commission.

Data and Trend Charts:

- Volume of futures and option contracts traded;
- Volume of swaps traded on SEFs;
- Swap volume reported to SDRs, cleared vs. uncleared;
- Actively traded futures and option contracts;
- Notional value of futures and swaps contracts;
- Customer funds held at FCMs;
- Margin requirements; and
- CFTC-supported data streams received from the industry.

Trading Entities:

- SEFs registered with the CFTC; and
- DCMs designated by the CFTC.

Clearing Entities:

- DCOs registered with the CFTC;
- Systemically important DCOs; and
- Exempt DCOs.

Intermediaries:

- FCMs and RFEDs registered with the CFTC; and
- Swap dealers provisionally registered with the CFTC.

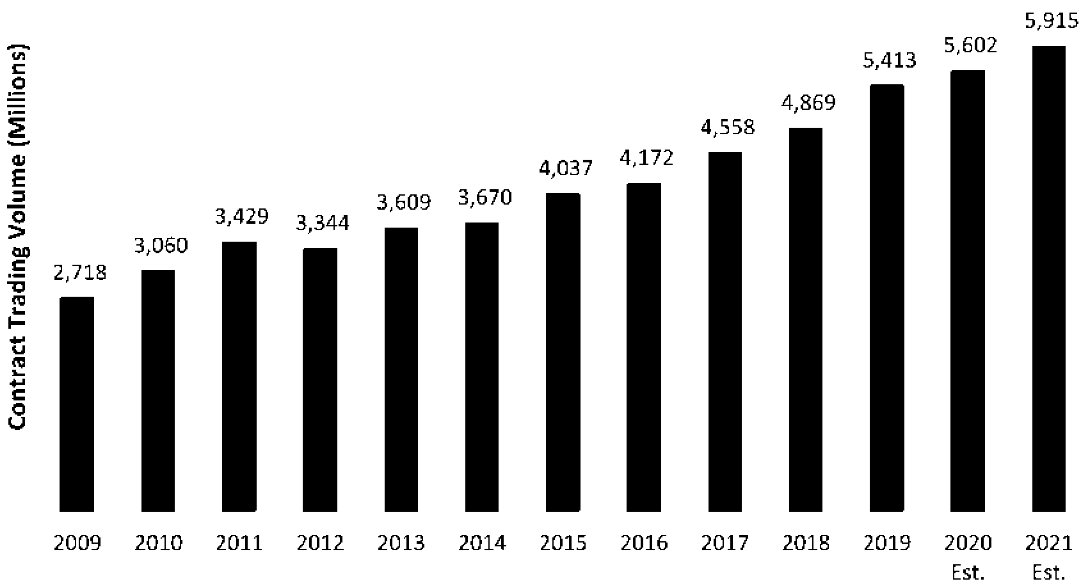
Data Repositories:

- SDRs provisionally registered with the CFTC.

Volume of Futures and Option Contracts Traded[21]

Trading volume for CFTC-regulated contracts maintained a general upward trend for the past decade. As the volume of futures and option contracts increases, CFTC resource requirements also increase since the Commission must conduct trade practice and market surveillance for a larger number of transactions.

Figure 2: Growth of Volume of Contracts Traded

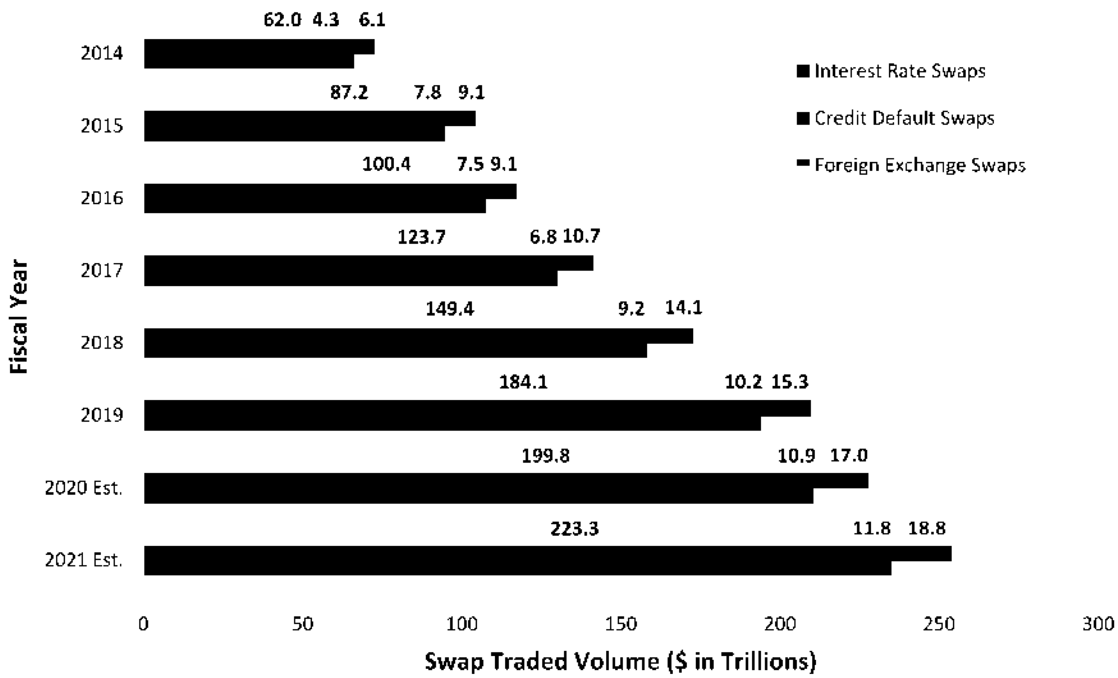


[21] Data Source: Futures Industry Association. CFTC estimates.

Volume of Swaps Traded on Swap Execution Facilities[22]

SEFs, a type of CFTC-regulated platform for trading swaps, began operating on October 2, 2013 (FY 2014). The Futures Industry Association publishes data on volume and market share trends for interest rate, credit default, and foreign exchange products traded on SEFs. As the volume of swaps traded on SEFs increases, CFTC workload increases as well, largely due to growth in data ingest and processing trade practice and market surveillance activities, and the resulting increase in requirements.

Figure 3: Volume of Swaps Traded on Swap Execution Facilities



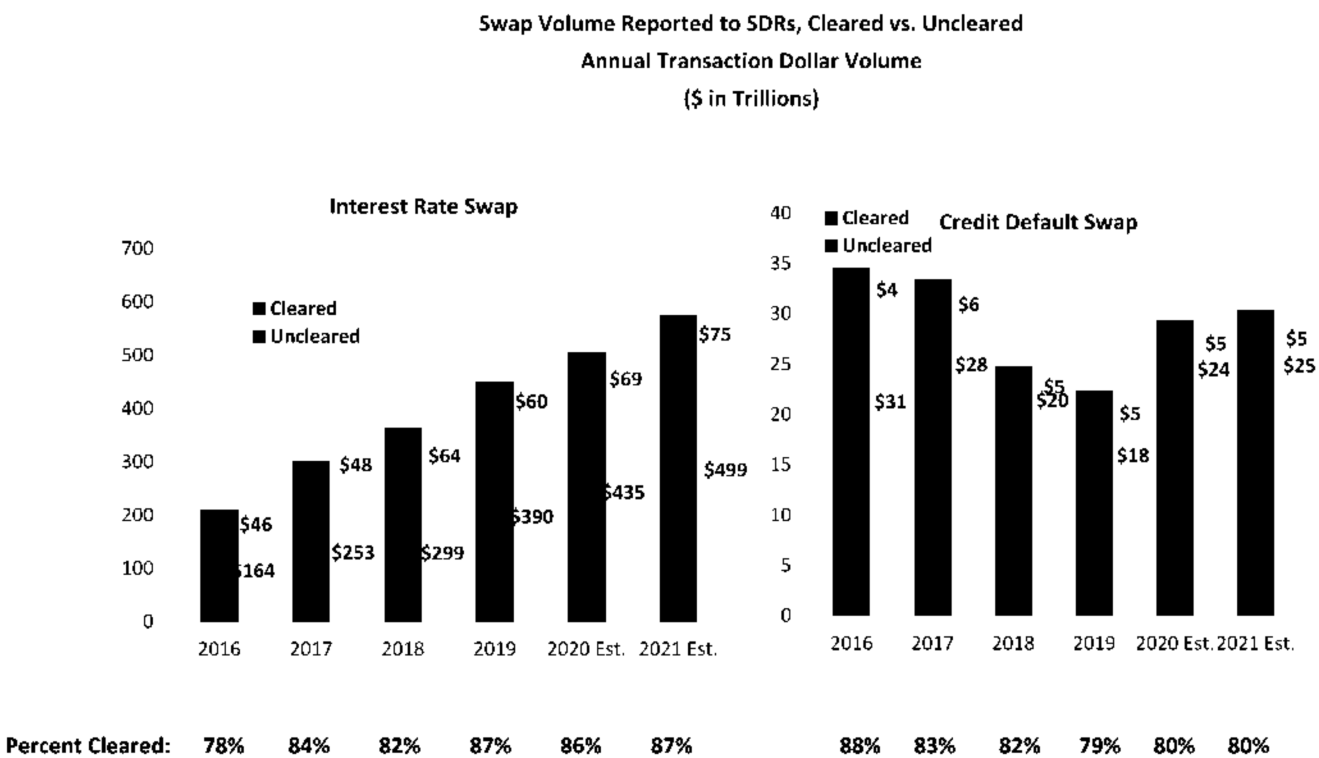
[22] Data Source: Futures Industry Association, CFTC estimates.

Swap Volume Reported to Swap Data Repositories, Cleared versus Uncleared[23]

Based on data reported to SDRs, as shown in the chart below, 87 percent of total interest rate swap transactions in FY 2019 were cleared. This is compared to estimates by the International Swaps and Derivatives Association that only 16 percent by notional value of outstanding interest rate swaps were cleared in December 2007. With regard to index credit default swaps, 79 percent of transactions were cleared in FY 2019. During 2019, the methodology to calculate the percent cleared was refined. This resulted in a decrease in clearing rate reported for credit default swaps.

Cleared and uncleared swaps exhibit different types of risks, the proper mix of Commission resources depends on the absolute and relative sizes of these two types of transactions. Uncleared swaps are bilateral trades between two entities, such as a transaction between a dealer and customer. Cleared swaps act to reduce counterparty risk by replacing a swap between, for example, a dealer and a customer with one swap between the dealer and the central counterparty, and an offsetting swap between the customer and the central counterparty.

Figure 4: Swaps Volume, Cleared vs. Uncleared

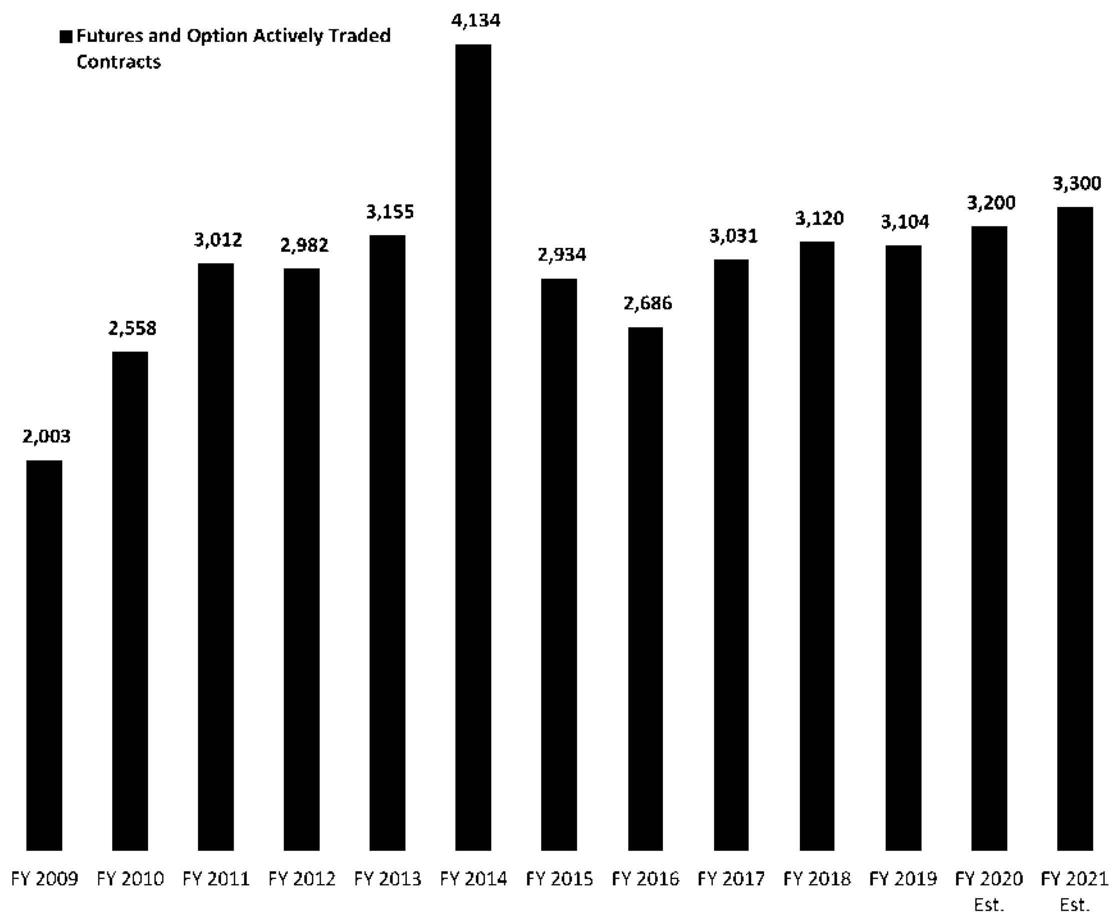


[23] Data Source: CFTC Weekly Swaps Report located at http://www.cftc.gov/MarketReports/SwapsReports/index.htm.

Actively Traded Futures and Option Contracts[24]

The number of actively traded contracts on U.S. exchanges (contracts that trade at least 10 contracts on at least one day in the year) has increased by more than 50 percent since 2009. As the number of actively traded contracts increases, CFTC workload also increases since the CFTC has to conduct market surveillance for a larger number of products.

Figure 5: Number of Actively Traded Futures and Option Contracts



[24] Data Source: CFTC Integrated Surveillance System, CFTC Estimates

Notional Value of Futures and Swaps Contracts[25]

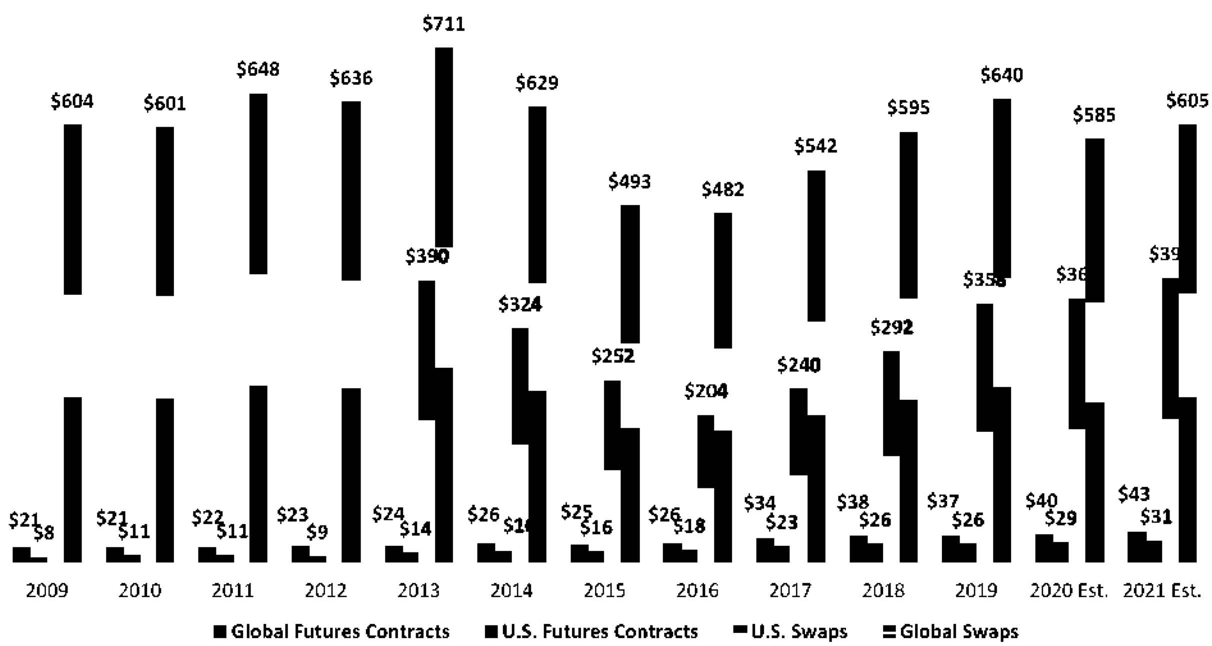
The notional value of the U.S. swaps markets, as reported in the CFTC weekly swaps report, is a significant portion of the global over-the-counter (OTC) market. U.S. swaps market data currently include data from three SDRs and reflects data relating to interest rates and credit default swaps and foreign exchange swaps. The foreign exchange (FX) asset class was added to the CFTC's Weekly Swaps report in 2018. Notional values do not solely reflect risk. The aggregate notional value of swaps has declined in recent years due to compression activities that reduce the outstanding notional value while keeping economic exposures constant. Because exchange-traded and OTC contracts have different risk characteristics, the proper mix of Commission resources depends on the absolute and relative sizes of these two types of transactions.

Notional amounts are not a measure of risk. The aggregate notional value of swaps also may be reduced by counterparties engaging in portfolio compression exercises that reduce the outstanding notional value while keeping economic exposures constant. Because exchange-traded and OTC contracts and markets have differing risk characteristics, the proper mix of Commission resources depends on the absolute and relative sizes of these two types of transactions.

The Commission's ability to monitor derivatives trading activity has been enhanced in recent years with the development of SDRs. CFTC continues to render the data into a more useable form so that it can be used for economic analyses and to conduct market surveillance.

Figure 6: Notional Value of Global and U.S. Swaps and Futures Contracts

(Dollars in Trillions)



[25] Global Swaps reflect notional outstanding for interest rate, foreign exchange, credit, equity and commodity swap contracts globally, as reported by the Bank of International Settlements. U.S. Swaps reflect contracts reported from three SDRs as reported by the CFTC Weekly Swaps Report. Beginning in 2017, U.S. Swaps include notional outstanding for interest rate, foreign exchange, and credit default swaps. Prior to 2017, U.S. swaps include interest rate and credit default swaps only. U.S Futures Contracts reflect statistics from the Bank of International Settlements. Global Futures Contracts reflect interest rate and foreign exchange contracts globally, as reported by the Bank of International Settlements. 2019 global swaps actuals are based on June 2019 data; all other 2019 actuals are based on September 2019 data.

Entity-Netted Notionals

The CFTC has introduced a new metric aimed at measuring the size of swaps markets, the ENNs. This measure estimates the size of risk transfer in the swaps market and provides a more direct comparison between swaps and other rates markets, like U.S. Treasuries. In FY 2018, the Commission released a white paper, "*Introducing ENNs: A Measure of the Size of Interest Rate Swap Markets*" outlining the calculation of ENNs as well as their distribution across participant types and products. More recently, the office released a follow-up paper, "*ENNs for Corporate and Sovereign CDS and FX Swaps*" which extends the ENNs measure to two additional asset classes. These papers discussed why other common market size measures, like notional, do not accurately measure the amount of market risk transfer through swap markets.

Notional Amount vs. ENNs: The gross notional amount of a portfolio of swaps is defined as the sum of the notional amounts of each individual swap. This metric is problematic for two reasons. One, notional amount adds together, without adjustment, swaps with different amounts of risk. A 30-year interest rate swap has more risk than a 2-year interest rate swap, and an option on $100 worth of a security typically has less risk than $100 of that security, but notional amount simply adds all of those individual notional amounts together. Second, notional measures add long and short positions together, even when those positions are with the same counterparty and, therefore, unambiguously offset risk. The ENNs measure overcomes these problems by risk adjusting the notional amounts of individual swaps and by netting long and short positions within each pair of counterparties.

How ENNs are calculated. ENNs are calculated in a multi-step process. First, the notional amount of all swaps is duration-adjusted so that each dollar of notional amount represents the same amount of interest rate risk. This adjustment includes delta-adjustments for swaps with option features. Second, after these adjustments, long swap risk is netted against short swap risk within a given counterparty (i.e. legal entity) pair. Though swap risk is not netted across currencies, all amounts are converted to USD equivalents for aggregation purposes. Third, net positions are summed across all counterparty pairs to identify the total long and short ENNs across the entire market. This aggregate ENNs measure can be subdivided in various ways, such as ENNs for financial institutions or ENNs in a given currency. A summary of the steps of this process (notional, risk-adjusted notional, and ENNs), can be seen for all three major asset classes in the figure on the next page. In all cases, the ENNs value is significantly lower than the original notional measure. The IRS ENNs table is provided as an example of data and this process used to develop the comparison displayed in Figure 7.

ENNs metrics for credit default swaps (CDS) on corporate and sovereign credits are expressed in terms of the risk of a 5-year CDS on a corporate or sovereign that trades at a spread of 100 basis points. Long and short CDS positions net if all swaps are on the same name, i.e., the same underlying corporate or sovereign credit, and are between the same two legal counterparties.

For FX ENNs, the rules are as in the case of IRS swaps. Long and short FX swaps net if they are between the same pair of legal counterparties and denominated in the same currency. The only risk adjustment to the notional amounts of FX swaps is to express the notional amount of FX options in delta equivalents.

ENNs methodology for interest rate futures is very similar to that for interest rate swaps. All positions are adjusted to five-year notional equivalents, and then these five-year equivalents are netted within a given counterparty pair. Because all futures trading is cleared, offsetting futures contracts are automatically netted by the CCP, so the difference between gross positions and net positions is often smaller than for swaps.

As of the beginning of FY 2018, ENNs calculations had been extended to three major swap asset classes (interest rate swap, credit default swaps, and foreign exchange). Further, more granular, analysis within each of these three markets is now possible. The Commission is using ENNs information for individual market participants to better understand how various business sectors use derivatives markets and how regulations affect that usage.

IRS Notional Amounts and ENNs for U.S. Reporting Entities by Sector as of September 13, 2019[26]

Table 22: IRS Sector – Notional Amounts by Sector

(Dollars in Trillions)

	Notional Amounts				Notional Amounts in 5-Year Equivalents		
Sector	**Long**	**Short**	**Long**	**Short**	**ENNs Long**	**ENNs Short**	**ENNs Net**
Swap Dealer	184.1	183.6	93.4	91.7	8.9	7.2	1.7
Hedge Fund	26.2	24.4	7.0	7.1	0.9	1.1	-0.2
Bank	16.1	16.8	11.6	12.9	1.2	2.5	-1.3
Other Financial	6.4	6.6	4.8	4.4	0.8	0.5	0.3
Asset Manager	3.4	3.7	2.2	2.7	0.8	1.3	-0.5
Pension	1.9	1.8	2.7	2.1	1.0	0.3	0.7
Government/Quasi-Government	1.4	1.5	1.0	1.4	0.3	0.6	-0.3
Nonfinancial	0.4	1.6	0.2	1.0	0.2	0.9	-0.7
Insurance	1.0	0.9	2.1	1.4	0.9	0.2	0.7
Unclassified	0.5	0.8	0.2	0.5	0.0	0.4	-0.4
CCP Adj	0.4	0.1	0.1	0.1	0.1	0.1	0.0
Total	**241.8**	**241.8**	**125.3**	**125.3**	**15.1**	**15.1**	**0.0**

Interest Rate Futures ENNs by Participant Type as of September 13, 2019[27]

Table 23: Interest Rate Futures ENNs by Participant Type

(Dollars in Trillions)

	Notional Amounts		Notional Amounts in 5-Year Equivalents			
Participants Type	**Long**	**Short**	**Long**	**Short**	**ENNs Long**	**ENNs Short**
Asset Manager	5.90	8.01	1.82	1.08	1.00	0.26
Intermediary	14.63	15.52	0.40	0.58	0.18	0.36
Leveraged Speculator	53.80	51.04	0.65	1.38	0.27	1.01
Other Financial	0.80	0.88	0.19	0.10	0.15	0.05
Non-Financial	0.55	0.24	0.01	0.01	0.01	0.01
Total	75.68	75.69	3.07	3.15	1.61	1.69

[26] Data Source: Swap Data Repositories and Office of the Chief Economist, CFTC.
[27] Data Source: Swap Data Repositories and Office of the Chief Economist, CFTC.

FX Notional Amounts and ENNs for U.S. reporting Entities by Sector as of September 13, 2019[28]

Table 24: FX Notional Amounts and ENNs by Sector

(Dollars in Trillions)

Sector	Notional	Delta-Adjusted Notional	Doubled-ENNs	ENNS (%)
Swap Dealer	88.0	80.6	21.9	65.7%
Asset Manager	5.5	5.2	2.9	8.6%
Bank	4.7	4.5	1.7	5.0%
Hedge Fund	9.0	8.0	1.9	5.6%
Non-Financial	2.3	2.2	1.3	4.0%
Pension	1.4	1.4	0.8	2.5%
Other Financial	1.8	1.6	0.8	2.5%
Government/ Quasi-Government	0.9	0.9	0.5	1.6%
Insurance	0.8	0.8	0.5	1.6%
Unclassified	1.6	1.6	1.0	3.0%
Total	**116.1**	**106.8**	**33.4**	
½ Notionals/ENNs	**58.1**	**53.4**	**16.7**	

CDS Notional Amounts and ENNs for U.S. Reporting Entities by Sector as of June 14, 2019[29]

Table 25: CDS Notional Amounts and ENNs by Sector

(Dollars in Trillions)

Sector	Short	Long	Risk Adjusted Short	Risk Adjusted Long	ENNs Short	ENNs Long
Swap Dealer	4.4	4.2	3.5	3.4	1.7	1.6
Bank	0.4	0.4	0.3	0.3	0.1	0.2
Other	1.1	1.2	1.0	1.0	0.8	0.8
Total CCP Adj	**6.0**	**6.0**	**5.0**	**5.0**	**2.8**	**2.8**

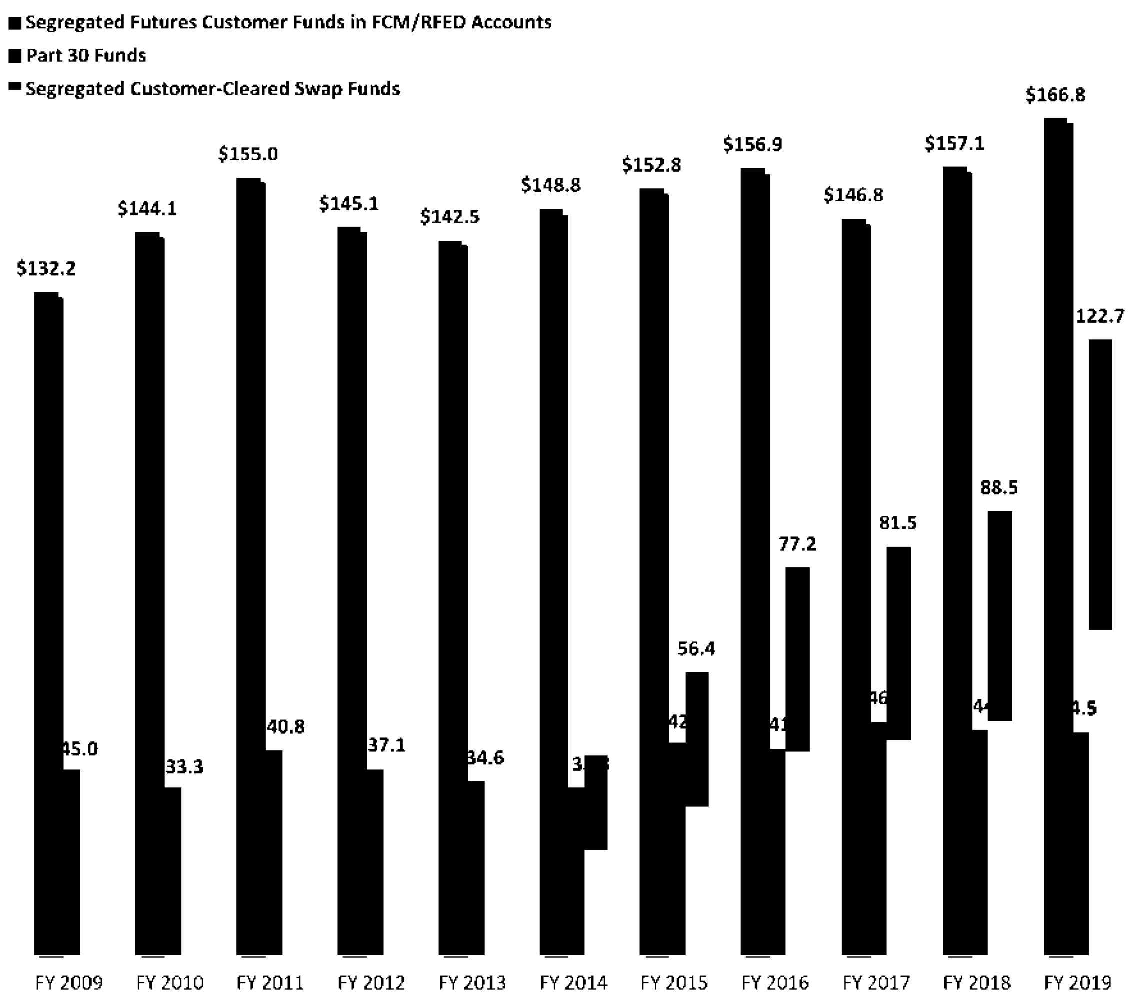
[28] Data Source: Swap Data Repositories and Office of the Chief Economist, CFTC.
[29] Data Source: Swap Data Repositories and Office of the Chief Economist, CFTC.

Customer Funds in Futures Commission Merchants Accounts[30]

As a key component of the Commission's regulatory framework, all customer funds held by an FCM for trading on DCMs (exchanges) and SEFs must be segregated from the FCM's own funds—this includes cash deposits and any securities or other property deposited by such customers to margin or guarantee their futures and cleared swaps trading. In addition, Part 30 of the CFTC's regulations also requires FCMs to hold apart from their own funds any money, securities or other property deposited by customers to margin futures contracts listed on foreign exchanges.

Figure 7: Customer Funds in FCM Accounts

(Dollars in Billions)



[30] Data Source: CFTC Monthly, FCMs Financial Reporting

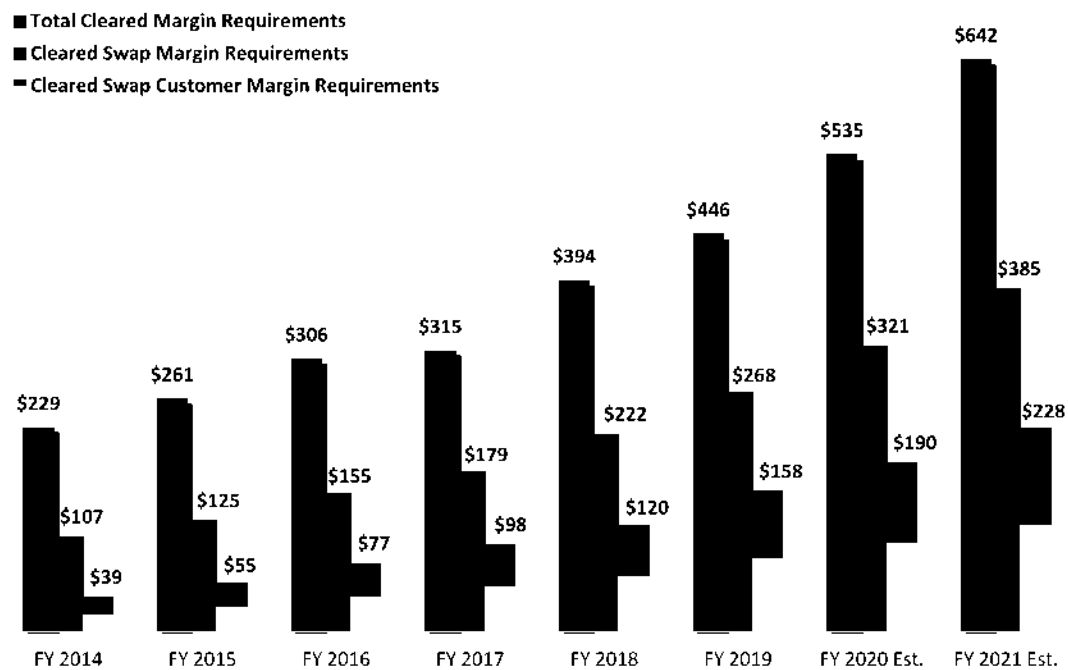
Margin Requirements[31]

Margin is the collateral that holders of financial instruments have to deposit with DCOs to cover the initial margin requirement of their positions. The initial margin requirement is calculated to encompass some or all of the risk of the positions within a portfolio. Collateral must be in the form of cash or highly liquid securities.

CFTC has observed increases in both the number of market participants it oversees and the sizes of their cleared positions, leading to increases in margin requirements. Total cleared margin (futures and swaps combined) increased $217 billion, or 95 percent from 2014 to 2019. DCOs only accept trades from their members. If a market participant is not a member of the DCO, it must clear through a member as its customer. Customer swap clearing has been growing very rapidly, increasing $119 billion or 305 percent from 2014 to 2019.

Figure 8: Margin Requirements

(Dollars in Billions)

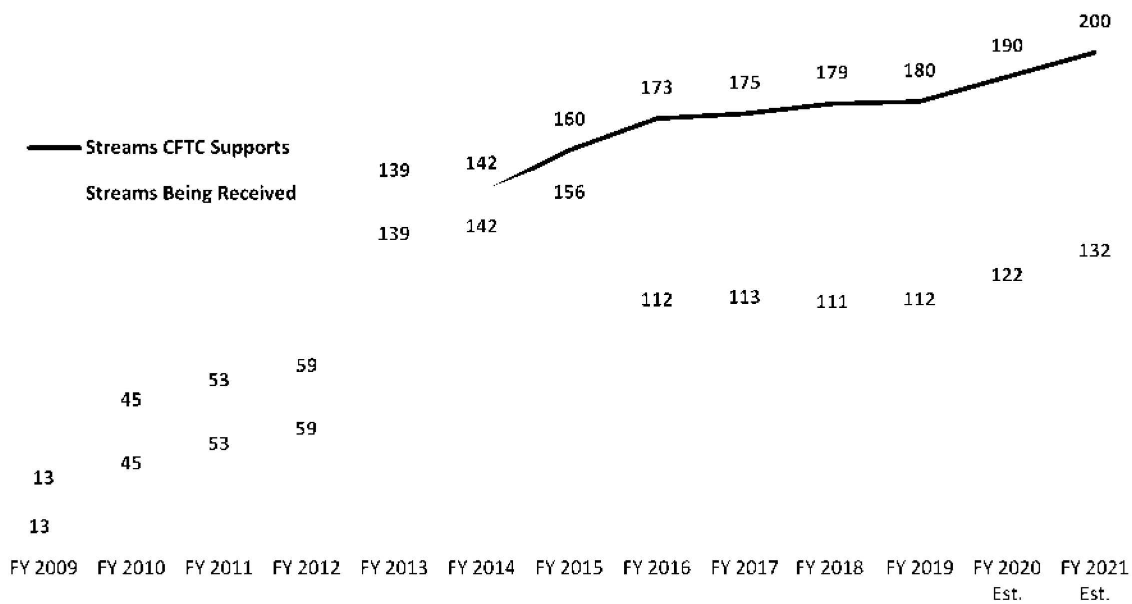


[31] Data Source: Part 39 data filings provided daily by DCOs.

Data Streams Supported and Being Received[32]

The chart reflects a historical depiction of the number of CFTC-supported data streams received from the industry. By working with industry to add values to certain files, the number of reporting requirements was reduced between FY 2016-FY 2017. The blue line illustrates the number of types of files that have been ingested over time while the green line depicts the number of types of files that the Commission currently receives. The number of files received (currently 112 types of files) will rise in FY 2020 and FY 2021 as the Commission ingests Order Data from Futures and Options exchanges.

Figure 9: CFTC-Supported Data Streams Received from Industry



[32] CFTC Office of Data and Technology, CFTC estimates

Swap Execution Facilities Registered with the CFTC

The CFTC finalized its rules for SEFs in FY 2013. At the end of FY 2019, 19 SEFs were registered with the Commission. These SEFs are diverse, but each is required to operate in accordance with the same core principles. These core principles provide a framework that includes obligations to establish and enforce rules, as well as policies and procedures that enable transparent and efficient trading. SEFs must make trading information publicly available, put into place system safeguards, and maintain financial, operational, and managerial resources to discharge their responsibilities.

For each business day, each SEF electronically submits several data sets to the Commission. These data sets are a major source of input to the Commission's surveillance oversight. The number of new contracts listed by SEFs each year will add to the surveillance workload in several ways. New contract terms and conditions have to be studied to fully understand of the product characteristics, support data for each contract has to be defined to the internal database systems, new analysis if appropriate needs to be developed and software engines may have to be modified.

Figure 10: Number of SEFs Registered with the CFTC

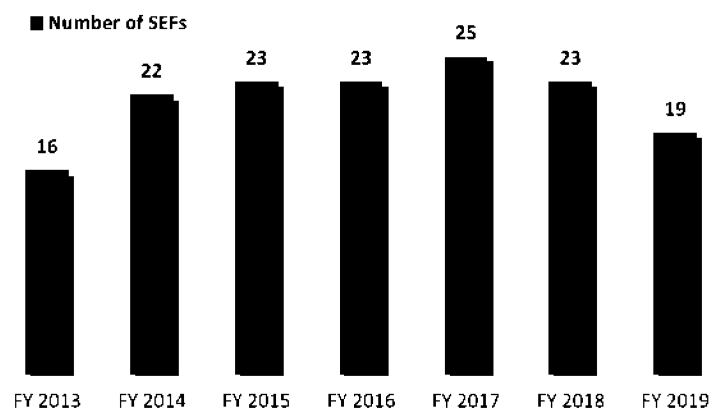


Table 26: FY 2019 List of SEFs

1	360 Trading Networks, Inc.	11	LedgerX LLC
2	BGC Derivatives Markets, L.P.	12	MarketAxess SEF Corporation
3	Bloomberg SEF LLC	13	NEX SEF Limited
4	Cboe SEF, LLC	14	Refinitiv US SEF LLC
5	Clear Markets North America, Inc.	15	SwapEx LLC
6	DW SEF LLC	16	Tassat Derivatives LLC[33]
7	GFI Swaps Exchange LLC	17	tpSEF Inc.
8	ICAP Global Derivatives Limited	18	Tradition SEF, Inc.
9	ICE Swap Trade LLC	19	TW SEF LLC
10	LatAm SEF, LLC		

[33] Formerly, trueEX LLC: https://www.cftc.gov/PressRoom/PressReleases/8076-19

Contract Markets Designated by the CFTC

The following DCMs are boards of trade or exchanges that meet the criteria and core principles for trading futures, options, or swaps by both institutional and retail participants. Currently, 15 DCM participants meet criteria and core principles for trading futures, options, and swaps. In addition, the Commission is reviewing five DCM applications. For each business day, each DCM electronically submits several data sets to the CFTC. These data sets are a major source of input to the Commission's surveillance function and for input to other functions throughout the Commission. Per CFTC Regulation 16.01, basic market level product data are submitted that includes open interest, trading volume, exchange of futures for related positions, delivery notices, option deltas, and prices. Per CFTC Regulation 16.00, clearing member end of day position data by proprietary and customer trading are received. Customer data is the aggregation of all customer positions cleared through the clearing member. Data elements include positions, bought and sold quantities, exchange of futures for related positions, and delivery notices. Per CFTC Rule 16.02, each transaction occurring during the business day is submitted, and includes such elements as trade quantity, time of trade, price, market participant account numbers, etc. These data sets, along with end of day large trader data submitted daily by FCMs, clearing members, and foreign brokers, are loaded into internal database systems and analyzed using sophisticated software applications.

The number of new contracts listed by the DCMs each year adds to the surveillance workload in several ways. New contract terms and conditions have to be studied for full understanding of the product characteristics, support data for each contract has to be defined to the internal database systems, new analyses if appropriate need to be developed, and software engines may have to be modified.

Figure 11: Number of Contract Markets Designated by the CFTC

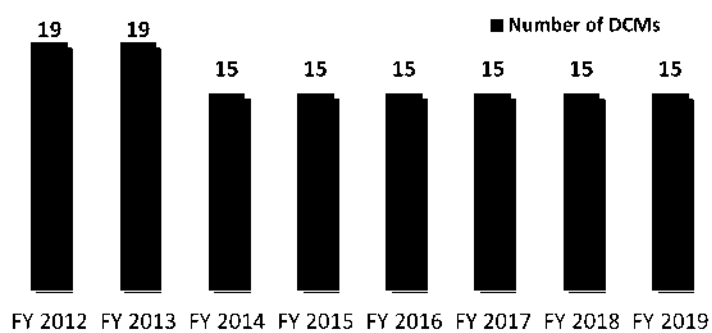


Table 27: FY 2019 List of DCMs

1	Cantor Futures Exchange, L.P.	9	Minneapolis Grain Exchange, Inc.
2	Cboe Futures Exchange, Inc.	10	NASDAQ Futures, Inc.
3	Chicago Board of Trade	11	New York Mercantile Exchange, Inc.
4	Chicago Mercantile Exchange, Inc.	12	Nodal Exchange, LLC
5	Commodity Exchange Inc.	13	North American Derivatives Exchange, Inc.
6	Eris Exchange, LLC	14	OneChicago LLC
7	ICE Futures U.S., Inc.	15	trueEX LLC
8	LedgerX, LLC		

Derivatives Clearing Organizations Registered with the CFTC

A clearinghouse that seeks to provide clearing services with respect to futures contracts, options on futures contracts, or swaps must register with the CFTC as a DCO. As of the end of FY 2019, 16 DCOs were registered with the CFTC. This does not include foreign clearinghouses that have received an exemption from the Commission for DCO registration. Any clearinghouse that receives such an exemption is still subject to limited oversight by the Commission.

The number of DCOs registered with the CFTC reflects the global nature of the swaps markets, and the significant growth in the size and importance of cleared markets in futures and swaps. The Commission's first swap clearing mandates, for interest rate swaps and credit default swaps, were issued in late 2012 and expanded in September 2016. The movement of swaps to a cleared environment has created greater transparency in the market, but has also shifted significant new levels of counterparty risk to DCOs, and some DCOs have expanded their product offerings and increased their memberships. As more swap activity migrates to clearing, the DCOs are holding substantial amounts of collateral that have been deposited by clearing members and the customers of those clearing members.

The number of DCOs also reflects the increasing interest in clearing products related to digital currency. In FY 2017, the CFTC registered the first DCO devoted solely to clearing options on bitcoin. In FY 2019, the Commission approved the registration of a second DCO devoted solely to clearing products related to digital currency. The CFTC expects to receive additional applications from other entities that wish to clear bitcoin products or products related to other digital currencies, such as ethereum.

An existing DCO clears futures contracts on bitcoin indices, and another DCO started clearing physically-settled bitcoin futures contracts in FY 2019. This requires the Commission to monitor the risk of these new contracts on a daily basis, research and identify areas of risk in this new market, and update the examination program to identify the new risks and outline the methodology to be used when performing examination activities surrounding the new risks. One new risk of physically delivered bitcoin contracts relates to custodian risk, particularly when the DCO is acting as custodian and holding the bitcoin collateral that will be used to settle the contract. The assumption of this risk is not simple. There are no specific accounting pronouncements from accounting bodies, such as the Financial Accounting Standards Board (FASB) or the International Accounting Standards Board (IASB), regarding the appropriate way to account for bitcoin on the balance sheet or income statement, and as a result, the Commission is requiring DCOs to hire public accounting firms to make this determination. Digital currencies are targets for hackers and as a result, any custodian must have robust, resilient systems to curtail theft of the currencies. The Commission is requiring the DCOs to hire outside consultants to review these systems and identify weaknesses. Finally, the DCO must employ strong segregation of duty processes and procedures to safeguard against theft of the collateral from employees of the DCO. The Commission must have adequate resources to review reports being issued by consultants, resources for training purposes to learn about the new technologies to protect the digital currency, and must have the staffing resources, including travel dollars, to examine the DCO. Resources for training are needed for the examiners in order to keep abreast of new accounting treatment for digital currencies as well as new technologies used to defend against an intrusion.

New advancements such as cloud computing will drastically change the way clearing houses manage and protect their data. As a result, the examinations staff will need resources for training purposes to enhance skill sets, create and update the examination program for measuring compliance with this new advancement, and make recommendations if any changes are needed to enhance the Commission's regulations.

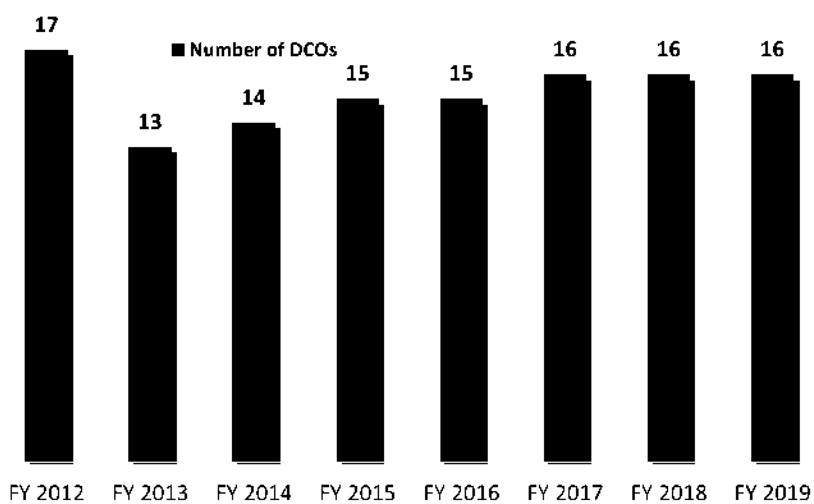
The Commission recognizes that cybersecurity is one of the greatest threats to world markets and economic stability, and that cybersecurity oversight is a crucial part of the CFTC's mission. As the number and sophistication of cyber-security incidents increase in the financial market sector, the

Commission must spend more time analyzing these incidents, participate in information sharing events such as NIST CVE repository[34], FBI Flash Alerts, FS-ISAC[35], and ChicagoFIRST[36] that discuss these incidents, risk assess the impact of those incidents to the DCO community, update skill sets by attending training classes to learn about the tools being used to hack the financial market sector, and update the information security examination program in an effort to ensure the Commission has a robust supervisory oversight program.

The Commission must review a number of quarterly financial resource reports, certified financial statements, chief compliance officer reports, and other event-driven notifications that are filed by DCOs with the Commission as required under CFTC Regulation 39.19. The Commission must also perform risk assessments on an increasing number of DCOs to determine which DCOs will be examined. The scope and methodology for each examination is risk-based and individually tailored to the unique characteristics of the DCO and the products they clear. The primary goal of the examination process is to identify areas of weakness or non-compliance in activities that are critical to a safe and efficient clearing process. This includes examining financial resources, risk management, system safeguards, and cyber-security policies, practices, and procedures to assess the maturity, capabilities, and overall resilience of the clearing house. All of these activities require staff resources to effectively supervise DCOs.

Finally, the Commission would like to automate and enhance some of the analysis, in particular in the area of back testing and stress testing, and is working on developing and creating systems that would help in this area.

Figure 12: Number of DCOs Registered with the CFTC



[34] CVE repository is a database of vulnerabilities that NIST members have experienced.
[35] FS-ISAC is an information sharing center specifically designated to allow financial market companies and regulators to inform each other of cybersecurity warnings, events or trends.
[36] ChicagoFIRST is a gathering of critical financial firms located in Chicago who collaborate with each other and governmental officials to promote resiliency.

Table 28: FY 2019 List of DCOs Registered with the CFTC

1	Chicago Mercantile Exchange , Inc.	9	LCH. Ltd
2	CX Clearinghouse, L.P.	10	LCH. SA
3	Eris Clearing, LLC	11	LedgerX LLC
4	Eurex Clearing AG	12	Minneapolis Grain Exchange, Inc.
5	ICE Clear Credit, LLC	13	Nodal Clear, LLC
6	ICE Clear Europe Ltd	14	North American Derivatives Exchange, Inc.
7	ICE Clear US, Inc.	15	Options Clearing Corporation
8	ICE NGX Canada Inc.	16	Singapore Exchange Derivatives Clearing Limited

Systemically Important Derivatives Clearing Organizations[37]

The Commission defines a SIDCO as a financial market utility (FMU) that is a DCO registered with the Commission, which has been designated as systemically important by the Financial Stability Oversight Council (FSOC) and for which the Commission acts as the Supervisory Agency. The designation of a FMU as systemically important means the failure of or a disruption to the functioning of the FMU could create, or increase, the risk of significant liquidity or credit problems spreading among financial institutions or markets and thereby threaten the stability of the U.S. financial system[38].The FSOC was granted the authority under Title VIII of the Dodd-Frank Act to designate FMUs as systemically important.

Under Title VIII, the Federal agency that has primary jurisdiction over the designated FMU (DFMU) is the Supervisory Agency, and the CFTC is the Supervisory Agency for two DCOs that were designated in 2012 [39]. The two SIDCOs are listed in the table below:

Table 29: FY 2019 List of SIDCOs

1	**Chicago Mercantile Exchange, Inc.**
2	**ICE Clear Credit, LLC**

Under Section 807(a) of the Dodd-Frank Act, the Supervisory Agency is required to examine each DFMU at least once annually in order to determine the nature of the operations of and the risks borne by the DFMU; the financial and operational risks presented by the DFMU to financial institutions, critical markets, or the broader financial system; the resources and capabilities of the DFMU to monitor and control risks; the safety and soundness of the DFMU, and the DFMU's compliance with Title VIII and the rules and orders prescribed thereunder. In addition, the Supervisory Agency must consult with the Federal Reserve Board regarding the scope and methodology of each examination and the Federal Reserve Board may participate in the examination led by the Supervisory Agency[40]. The SIDCOs listed in Table 26 are DFMUs with complex risk profiles that require a significant number of resources in order to efficiently and effectively supervise and examine their clearing activities. The FY 2021 budget seeks additional staffing resources for examination purposes.

The CFTC has developed an examination program to assess the SIDCOs' compliance with Title VIII and CFTC regulations. The Commission will continue to review remediation plans for any area of non-compliance that was identified during the examination process in 2019.

The Commission enhanced and clarified its regulations associated with cybersecurity testing within Regulation 39.18 and the enhanced regulations became fully effective in September 2017. As a result, there are explicit requirements regarding how often internal penetration testing, external penetration testing, vulnerability scanning, controls testing, enterprise risk technology assessment, and the testing of the security incident response plan must occur, who must complete the testing, and the remediation steps that must be undertaken. Cybersecurity testing by DCOs can harden their cyber defenses, maintain and increase their cyber resilience, and increase their ability to detect, contain, respond to, and recover from cyber-attack. The CFTC must continue to develop and update its written examination programs to measure compliance with the enhanced regulation. The CFTC assessed compliance with the enhanced regulations for all SIDCOs in 2019 and plans to follow-up on remediation plans to correct any areas of non-compliance identified during the examination process in 2020. In addition, CFTC staff must stay abreast of changing technologies and threats in order to effectively measure compliance and desperately needs funds for training purposes.

[37] The CFTC also considers two U.K.-based registered DCOs to be systemically important to the United States even though they have not been designated as such by FSOC. They are LCH Ltd. and ICE Clear Europe Limited (ICEU).
[38] See Section 807(d) of the Dodd-Frank Act.
[39] A third DCO, Options Clearing Corporation, was also designated, but the SEC is its Supervisory Agency.
[40] See Section 807(d) of the Dodd-Frank Act.

Exempt Derivatives Clearing Organizations

Section 5b(h) of the CEA permits the Commission to exempt, conditionally or unconditionally, a clearing organization from DCO registration for the clearing of swaps to the extent that the Commission determines that such clearing organization is subject to comparable, comprehensive supervision by appropriate government authorities in the clearing organization's home country.

Exempt DCOs currently are limited to clearing proprietary swap transactions for U.S. persons. In order to receive an exemption from DCO registration, a clearing organization must observe the Committee on Payments and Market Infrastructures-IOSCO Principles for Financial Market Infrastructures (PFMIs) in all material aspects and after receiving an exemption must submit an annual certification of its continued observance of the PFMIs. On an annual basis, the home country regulator for each exempt DCO must submit to the Commission a written representation that the exempt DCO is in good regulatory standing.

In FY 2019, the Commission proposed regulations that would codify the procedures and requirements for obtaining an exemption from DCO registration and permit exempt DCOs to clear customer swap transactions through foreign intermediaries. As of the end of FY 2019, the Commission has three pending petitions for exemption.

Figure 13: Number of Exempt DCOs

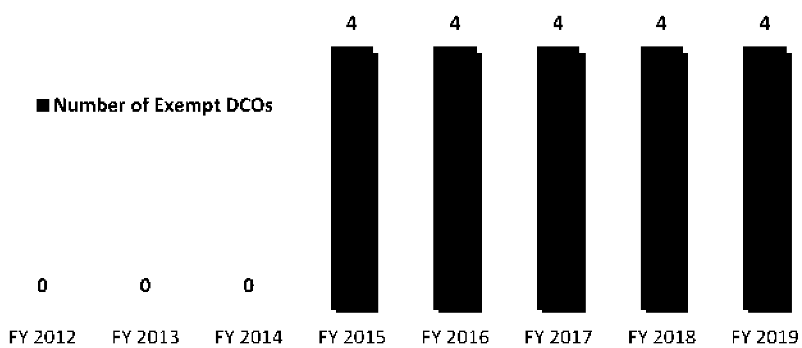


Table 30: FY 2019 List of Exempt DCOs

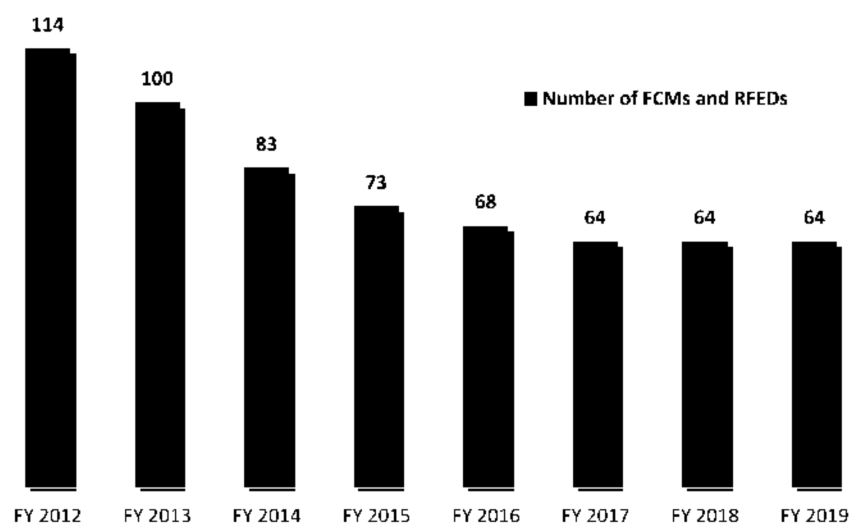
1	ASX Clear (Futures) Pty Limited
2	Japan Securities Clearing Corporation
3	Korea Exchange, Inc.
4	OTC Clearing Hong Kong Limited

Futures Commission Merchants and Retail Foreign Exchange Dealers Registered with the CFTC

In FY 2019, there were 64 total entities registered as FCMs. Two FCMs were also registered as RFEDs. FCMs serve an integral role in the execution and clearing of futures and swap transactions for market participants. FCMs are primarily engaged in soliciting or accepting orders from customers for futures, options and swap transactions executed on or subject to the rules of an exchange, and in connection therewith accepting money, securities or property to margin, guarantee or secure such transactions. The number of registered FCMs has steadily declined, despite the continued growth in the futures and cleared swaps markets. As a result, concentration of customer funds held at fewer FCMs has increased.

RFEDs engage in off-exchange retail foreign currency transactions with retail participants. As such, the RFED is the counterparty to the retail participant.

Figure 14: Number of FCMs and RFED Registered with the CFTC



The next page contains a listing of FCMs and RFEDs by name.

Table 31: FY 2019 List of FCMs and RFEDs

1	ABN AMRO Clearing Chicago, LLC	23	EFL Futures Limited	44	Natwest Markets Securities, Inc
2	ADM Investor Services, Inc.	24	GAIN Capital Group, LLC[41]	45	Nomura Securities International, Inc.
3	Advantage Futures LLC	25	G.H. Financials, LLC	46	OANDA Corporation[42]
4	AMP Global Clearing LLC	26	Goldman Sachs & Co. LLC	47	Phillip Capital Inc.
5	Apex Clearing Corporation	27	HSBC Securities (USA) Inc.	48	Pictet Overseas Inc.
6	Barclays Capital Inc.	28	Huatai Financial USA, Inc.	49	Rand Financial Services, Inc.
7	BGC Financial, LP	29	Interactive Brokers LLC	50	RBC Capital Markets LLC
8	BNP Paribas Securities Corp.	30	INTL FCStone Financial Inc.	51	R.J. O'Brien & Associates, LLC
9	BOCI Commodities & Futures (USA) LLC	31	Ironbeam Inc.	52	Rosenthal Collins Group, LLC
10	BOFAML Securities, Inc	32	Jefferies LLC	53	Santander Investment Securities Inc.
11	Cantor Fitzgerald & Co.	33	J.P. Morgan Securities LLC	54	Scotia Capital (USA) Inc.
12	Charles Schwab Futures, Inc	34	Macquarie Futures USA LLC	55	SG Americas Securities, LLC
13	CHS Hedging, LLC	35	Marex North America LLC	56	Straits Financial LLC
14	Citigroup Global Markets Inc.	36	McVean Trading & Investments, LLC	57	TD Ameritrade Futures & Forex LLC
15	Credit Suisse Securities (USA) LLC	37	Merrill Lynch, Pierce, Fenner & Smith Inc.	58	Tradestation Securities, Inc.
16	Cunningham Commodities LLC	38	Merrill Lynch Professional Clearing Corp.	59	UBS Financial Services Inc.
17	Daiwa Capital Markets America Inc.	39	MID-CO Commodities, Inc.	60	UBS Securities LLC
18	Deutsche Bank Securities Inc.	40	Mint Brokers	61	UOBBF Clearing Limited
19	Direct Access USA LLC	41	Mizuho Securities USA LLC	62	Wedbush Securities Inc.
20	Dorman Trading, LLC	42	Morgan Stanley & Co, LLC	63	Wells Fargo Securities, LLC
21	E D & F Man Capital Markets Inc.	43	Nanhua USA LLC	64	York Business Associates, LLC
22	E *TRADE Futures LLC				

[41] GAIN Capital Group, LLC is an FCM that is also registered as an RFED.
[42] OANDA Corporation is an FCM that is also registered as an RFED.

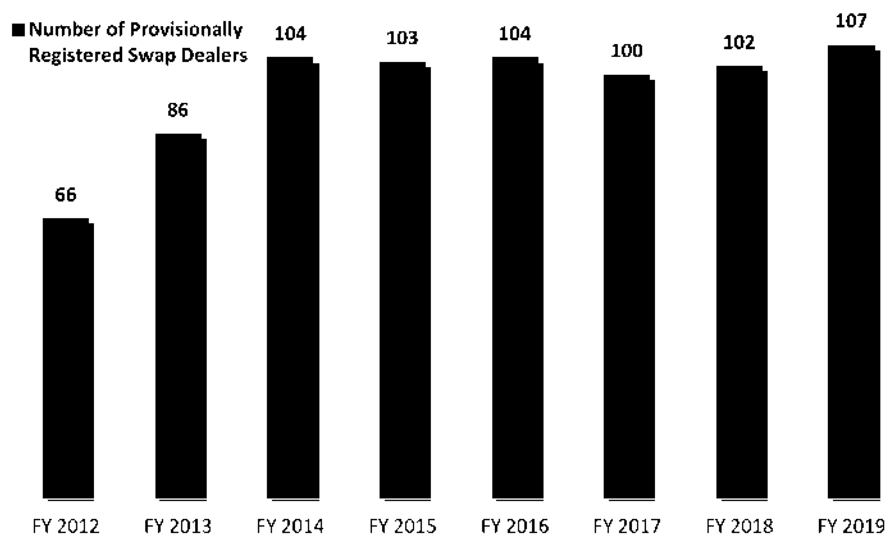
Swap Dealers Provisionally Registered with the CFTC

Swap dealer is a registration category created by the Dodd-Frank Act to regulate dealing activities in the swaps market. A registered swap dealer is subject to various entity and transactional requirements primarily located in Part 23 of the Commission's regulations. A swap dealer must register with the Commission only after its dealing activity exceeds a gross notional threshold set by regulation. The Commission has delegated swap dealer registration to the NFA.

The first swap dealers were provisionally registered on December 31, 2012. Over the following year, the number of swap dealers nearly doubled as more swap dealers exceeded the *de minimis* threshold until the number exceeded 100. Over the next five years, the total number of provisionally registered swap dealers fluctuated slightly as new dealers registered and existing dealers deregistered.

In November 2018, the Commission approved a final rule amending the swap dealer registration activity threshold and permanently set the *de minimis* threshold at $8 billion in any preceding 12 month period.

Figure 15: Number of SD Provisionally Registered with the CFTC



The next page contains a listing of Swap Dealers by name as of September 30, 2019[43].

[43] Data in the figure and table were obtained from NFA swap dealer registry.

Table 32: FY 2019 List of Provisionally Registered SDs

1	ABBEY NATIONAL TREASURY SERVICES PLC	28	CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK	55	THE HONGKONG AND SHANGHAI BANKING CORPORATION LTD	82	MERRILL LYNCH FINANCIAL MARKETS INC
2	ASTON CAPITAL INVESTMENT MANAGER LP	29	CREDIT SUISSE CAPITAL LLC	56	HSBC BANK PLC	83	MERRILL LYNCH INTERNATIONAL
3	AUSTRALIA AND NEW ZEALAND BANKING GROUP LTD	30	CREDIT SUISSE INTERNATIONAL	57	HSBC BANK USA NA	84	MERRILL LYNCH JAPAN SECURITIES CO LTD
4	BANCO BILBAO VIZCAYA ARGENTARIA SA	31	CREDIT SUISSE SECURITIES EUROPE LTD	58	IBFX INC	85	MITSUI & CO PRECIOUS METALS INC
5	BANCO SANTANDER SA	32	DANSKE BANK AS	59	ICBC STANDARD BANK PLC	86	MIZUHO CAPITAL MARKETS LLC
6	BANK OF AMERICA MERRILL LYNCH INTERNATIONAL DAC	33	DARBY SWAP TRADING LLC	60	ING CAPITAL MARKETS LLC	87	MIZUHO SECURITIES USA LLC
7	BANK OF AMERICA NA	34	DB ENERGY TRADING LLC	61	INTESA SANPAOLO SPA	88	MORGAN STANLEY & CO INTERNATIONAL PLC
8	BANK OF MONTREAL	35	DEUTSCHE BANK AG	62	INTL FCSTONE MARKETS LLC	89	MORGAN STANLEY & CO LLC
9	THE BANK OF NEW YORK MELLON	36	ED&F MAN CAPITAL MARKETS LTD	63	J ARON & COMPANY LLC	90	MORGAN STANLEY BANK INTERNATIONAL LTD
10	THE BANK OF NOVA SCOTIA	37	ED&F MAN DERIVATIVE PRODUCTS INC	64	J ARON & COMPANY SINGAPORE PTE	91	MORGAN STANLEY BANK NA
11	BARCLAYS BANK PLC	38	FIFTH THIRD BANK	65	JB DRAX HONORE UK LTD	92	MORGAN STANLEY CAPITAL GROUP INC
12	BNP PARIBAS SA	39	FOREX CAPITAL MARKETS LLC	66	JEFFERIES DERIVATIVE PRODUCTS LLC	93	MORGAN STANLEY CAPITAL PRODUCTS LLC
13	BOFA SECURITIES EUROPE SA	40	FXDIRECTDEALER LLC	67	JEFFERIES FINANCIAL PRODUCTS LLC	94	MORGAN STANLEY CAPITAL SERVICES LLC
14	BP ENERGY COMPANY	41	GAIN GTX LLC	68	JEFFERIES FINANCIAL SERVICES INC	95	MORGAN STANLEY DERIVATIVE PRODUCTS INC
15	BTIG LLC	42	GLOBAL FUTURES & FOREX LTD	69	JP MORGAN SECURITIES LLC	96	MORGAN STANLEY EUROPE SE
16	CANADIAN IMPERIAL BANK OF COMMERCE	43	GOLDMAN SACHS & CO LLC	70	JP MORGAN SECURITIES PLC	97	MORGAN STANLEY MEXICO CASA DE BOLSA SA DE CV
17	CANTOR FITZGERALD SECURITIES	44	GOLDMAN SACHS BANK EUROPE SE	71	JP MORGAN VENTURES ENERGY CORPORATION	98	MORGAN STANLEY MUFG SECURITIES CO LTD
18	CARGILL INCORPORATED	45	GOLDMAN SACHS BANK USA	72	JPMORGAN CHASE BANK NATIONAL ASSOCIATION	99	MUFG BANK LTD
19	CITADEL SECURITIES SWAP DEALER LLC	46	GOLDMAN SACHS DO BRASIL BANCO MULTIPLO SA	73	KEYBANK NATIONAL ASSOCIATION	100	MUFG SECURITIES EMEA PLC
20	CITIBANK N A	47	GOLDMAN SACHS EUROPE SE	74	LLOYDS BANK CORPORATE MARKETS PLC	101	NATIONAL AUSTRALIA BANK LTD
21	CITIGROUP ENERGY INC	48	GOLDMAN SACHS FINANCIAL MARKETS LP	75	LLOYDS BANK PLC	102	NATIXIS
22	CITIGROUP GLOBAL MARKETS INC	49	GOLDMAN SACHS FINANCIAL MARKETS PTY LTD	76	MACQUARIE BANK LTD	103	NATWEST MARKETS PLC
23	CITIGROUP GLOBAL MARKETS LTD	50	GOLDMAN SACHS INTERNATIONAL	77	MACQUARIE ENERGY LLC	104	NEWEDGE USA LLC
24	COMMERZBANK AG	51	GOLDMAN SACHS JAPAN CO LTD	78	MBIA INSURANCE CORPORATION	105	NOMURA DERIVATIVE PRODUCTS INC
25	COMMONWEALTH BANK OF AUSTRALIA	52	GOLDMAN SACHS MEXICO CASA DE BOLSA SA DE CV	79	MERRILL LYNCH CAPITAL SERVICES INC	106	NOMURA GLOBAL FINANCIAL PRODUCTS INC
26	COOPERATIEVE RABOBANK UA	53	GOLDMAN SACHS MITSUI MARINE DERIVATIVE PRODUCTS LP	80	MERRILL LYNCH COMMODITIES EUROPE LTD	107	NOMURA INTERNATIONAL PLC
27	COURNOT FINANCIAL PRODUCTS LLC	54	GOLDMAN SACHS PARIS INC ET CIE	81	MERRILL LYNCH COMMODITIES INC		

Swap Data Repositories Provisionally Registered with the CFTC

SDRs are entities created by the Dodd-Frank Act in order to provide a central facility for swap data reporting and recordkeeping. Under the Dodd-Frank Act, all swaps, whether cleared or uncleared, are required to be reported to registered SDRs. The Dodd-Frank Act added new Section 21 to the CEA, which established registration requirements and core duties and responsibilities for SDRs. The Commission, in turn, created Part 49 of the Commission's regulations to implement Section 21. SDRs are required to register with the Commission and comply with the Commission's regulations. These regulations include requirements for public reporting of swap transaction and pricing data and for providing swap data to the Commission.

Figure 16: Number of Provisionally Registered SDRs

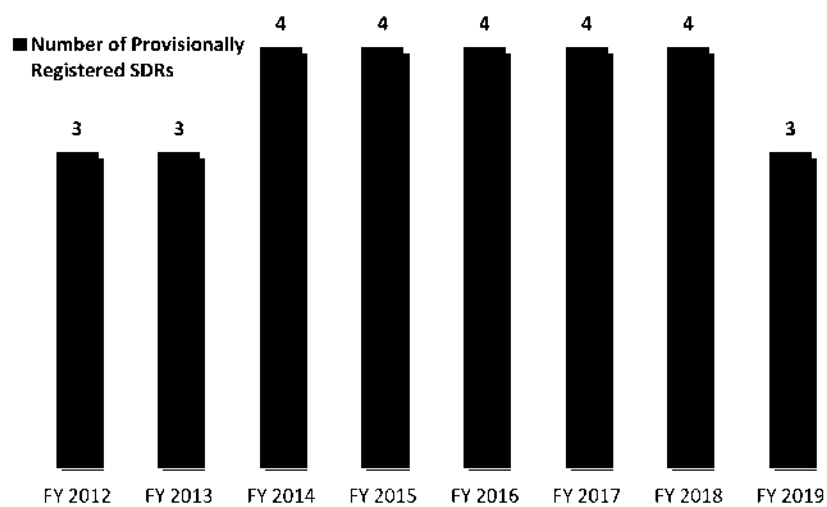


Table 33: FY 2019 List of SDRs

1	Chicago Mercantile Exchange
2	DTCC Data Repository, LLC
3	ICE Trade Vault, LLC

APPENDIX 6

Customer Protection Fund

Introduction

Section 748 of the Dodd-Frank Act amended the CEA by adding Section 23, entitled "Commodity Whistleblower Incentives and Protections." Among other things, Section 23 establishes a whistleblower program that requires the Commission to pay awards, under regulations prescribed by the Commission and subject to certain limitations to eligible whistleblowers, who voluntarily provide the Commission with original information about violations of the CEA, and that lead to the successful enforcement of a covered judicial or administrative action, or a related action. The Commission's whistleblower awards are equal, in the aggregate amount to at least 10 percent but not more than 30 percent of the monetary sanctions actually collected in the Commission's action or a related action.

Section 748 of the Dodd-Frank Act also established the CFTC Customer Protection Fund (CPF) for the payment of awards to whistleblowers, through the Whistleblower Program, and the funding of customer education initiatives designed to help customers protect themselves against fraud or other violations of the CEA or the rules or regulations thereunder. The Commission undertakes and maintains customer education initiatives through the Customer Education Program.

Management of the Whistleblower Office

The Whistleblower Office (WBO) has three essential functions:

- *Process Whistleblower Submissions.* WBO receives, tracks, and handles whistleblower submissions and inquiries, often communicating with whistleblowers or their counsel to address questions or concerns.

- *Coordinate with Commission Divisions and Outside Agencies*. WBO answers questions from Commission staff and others regarding the whistleblower program, and guides the handling of whistleblower matters as needed during examination, investigation and litigation. WBO also approves referrals of whistleblower-identifying information to outside agencies.

- *Administer Claims Process*. WBO receives and tracks whistleblower award claims, gathers and prepares the adjudicatory records for the Whistleblower Claims Review Staff (CRS), advises the CRS as needed on the whistleblower provisions and rules, and memorializes the CRS's decisions. Those determinations lead to Final Orders of the Commission through a review process that WBO also coordinates. Finally, WBO processes award claims that do not meet minimum requirements under the Whistleblower Rules, 17 C.F.R. part 165.

In FY 2019, the CFTC issued five orders granting awards, the highest number of awards in a single year, to whistleblowers for providing valuable information about violations of the CEA— totaling more than $15 million.

All whistleblower award payments are made out of the CPF established by Congress that is financed entirely through monetary sanctions paid to the CFTC by violators of the CEA.

In FY 2021, the Commission will continue its communications with market participants and voluntary whistleblowers about the protections and incentives under the Whistleblower Program. WBO will also continue processing whistleblower submissions and award claims with the goals of increased efficiency and shortened turnaround times.

Management of the Office of Customer Education and Outreach

The Office of Customer Education and Outreach (OCEO) administers the Customer Education Program with public education initiatives designed to help customers protect themselves against fraud and other violations of the CEA.

OCEO serves as the focal point for customer dialog by working to initiate and maintain ongoing conversations with various customer groups, including producers and end-user customers, who use futures, options, and swaps to manage risk; financial customers such as associations, pension funds, and municipalities; and retail customers who historically have been most at-risk for fraud. CFTC utilizes a multimedia approach that includes customer advisories, digital engagement, press engagement, brochures, in-person engagements, and strategic partnerships to inform customers and identify emerging issues or learning needs.

The Commission also utilizes an alliance-based outreach strategy utilizing partnerships with Federal and state agencies as well as nonprofit and industry groups. In addition, OCEO provides new and engaging educational content for CFTC.gov and contributes to improving the Commission's overall online presence through the use of better technology, increased emphasis on search engine optimization, and smarter use of social media.

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In FY 2019, OCEO completed a reorganization, becoming a sub-office of the Office of Public Affairs. During this interim period, OCEO conducted a macro literature review of fraud and victimization research as well as in-depth demographic research to identify customer needs and media preferences. The goal of the report was to identify possible new initiatives and promising practices for the office. Effectively communicating fraud avoidance information and warnings about developing fraud threats requires approaches that cut through the noise, reach at-risk customers, and clearly provides available protections and actionable solutions.

OCEO also continued to educate the public about virtual currencies, teaming with LabCFTC in the presentation of the first FinTech Forward conference in October 2018 and the second in October 2019. OCEO drafted and published customer advisories on virtual currency related topics and conducted public presentations—both in-person and online—about avoiding virtual-currency related fraud. These efforts were part of an ongoing effort to educate customers about fraud and violations that have been identified in connection with the purchase and trading of virtual currencies. This effort will continue using digital outreach to provide just-in-time education to help customers make more informed decisions, print materials that will be distributed through direct engagements or through stakeholder groups, and in-person events designed to reach customers who are most interested in virtual currencies or commonly targeted by fraud. OCEO will also extend this work through engagements with international financial educators as well as by partnering with other federal agencies.

Operation of the CFTC Customer Protection Fund

The CPF is a revolving fund established under section 748 of the Dodd-Frank Act. The Commission shall deposit civil monetary penalties, disgorgements, and interest it collects in covered administrative or judicial enforcement actions into the CPF whenever the balance in the CPF at the time of the deposit is less than or equal to $100 million. The Commission pays whistleblower awards and finances customer education initiatives from the CPF, but does not deposit restitution awarded to victims into the CPF. Program values include allocated CFTC administrative expenses.

In FY 2021, the CFTC estimates that it will use up to $60.0 million:

- Up to $6.2 million will be used to finance customer education initiatives, administrative expenses, and 15 FTE, an increase of $1.6 million over the estimated FY 2019 level.
- Whistleblower award payouts are estimated at $25 million.
- Up to $5.3 million will be used for the WBO to fund administrative expenses and 13 FTE, which is an increase of $1.6 million over the estimated FY 2019 level.

Table 34: Customer Protection Fund

	FY 2019 Actual ($000)	FY 2020 Estimate ($000)[44]	FY 2021 Estimate ($000)
Budget Authority – Prior Year	$158,950	$141,436	$113,179
Budget Authority – New Year	3,225	3,200	3,200
Prior Year Recoveries	323	2,552	832
Sequestration	(200)	(189)	-189)
Total Budget Authority	162,298	146,999	117,022
Whistleblower Program	3,290	3,981	3,981
Whistleblower Awards	15,385	25,000	25,000
Customer Education Program	2,188	4,839	4,839
Total Planned Expenditures	20,863	33,820	33,820
Unobligated Balance	$141,436	$113,179	$83,202

[44] FY 2020 Estimate for Prior Year Recoveries is above initial apportionment. Estimate provided is as of January 28, 2020.

APPENDIX 7

Table of Acronyms

U.S. Federal Law

CEA	Commodity Exchange Act
Dodd-Frank Act	Dodd-Frank Wall Street Reform and Consumer Protection Act
FISMA	Federal Information Security Management Act
FOIA	Freedom of Information Act

CFTC Divisions and Offices

DCR	Division of Clearing and Risk
DMO	Division of Market Oversight
DOE	Division of Enforcement
DSIO	Division of Swap Dealer and Intermediary Oversight
OCE	Office of the Chief Economist
OCEO	Office of Customer Education and Outreach
ODT	Office of Data and Technology
OED	Office of the Executive Director
OGC	Office of the General Counsel
OIA	Office of International Affairs
OIG	Office of the Inspector General
WBO	Whistleblower Office

U.S. Federal Departments and Agencies

CFTC	U.S. Commodity Futures Trading Commission
Federal Reserve Board	Board of Governors of the Federal Reserve System
GSA	U.S. General Services Administration
OMB	Office of Management and Budget
SEC	U.S. Securities and Exchange Commission

Other Abbreviations

CDS	Credit Default Swaps
CIGIE	Council of the Inspectors General on Integrity and Efficiency
CME	Chicago Mercantile Exchange
CPF	Customer Protection Fund
CPO	Commodity Pool Operator
CTA	Commodity Trading Advisor
DCM	Designated Contract Market
DCO	Derivatives Clearing Organization
DFMU	Designated Financial Market Utility
DSRO	Designated Self-Regulatory Organization
ENN	Entity-Netted Notionals
EU	European Union
FBOT	Foreign Board of Trade
FCM	Futures Commission Merchant
FinTech	Financial Technology

FSB	Financial Stability Board
FSOC	Financial Stability Oversight Council
FTE	Full-time Equivalent
FX	Foreign Exchange
FY	Fiscal Year
ICE	Intercontinental Exchange
IOSCO	International Organization of Securities Commissions
IRS	Interest Rate Swaps
IT	Information Technology
MSP	Major Swap Participant
NIST	National Institute of Standards and Technology
NFA	National Futures Association
OTC	Over-the-Counter
PPA	Program, Project, and Activity
RER	Rule Enforcement Review
RFED	Retail Foreign Exchange Dealer
S&E	Salaries and Expenses
SDR	Swap Data Repository
SEF	Swap Execution Facility
SIDCO	Systemically Important Derivatives Clearing Organization
SRO	Self-Regulatory Organization
UK	United Kingdom

CFTC

Agency Budget Execution Summary

Year: FY19

Scenario: Execution

CFTC Business Information System

		Labor		Non-Labor					BOC Total
Organization Name	**FTE**	**Salary**	**Benefits**	**Travel**	**Training**	**CFTC-Wide Training**	**Operating (Non-IT)**	**Leases**	**Total**
Office of the Chairman & Commissioners	35	$6,345.105	$2,031,721	$400,500	$18,000	$0	$248,666	$0	$9.043,992
Office of the Executive Director	85	$14,083.990	$5,374,720	$40,000	$55,000	$349,000	$15,686,645	$25,252,628	$60.841,983
Office of International Affairs	13	$2,635.295	$753,662	$451,000	$8,000	$0	$75,000	$0	$3.922,957
Enforcement	165	$31,618.125	$9,746,220	$522,733	$111,000	$0	$2,627,267	$0	$44.625,345
Market Oversight	92	$16,813.000	$5,373,444	$50,000	$62,000	$0	$100,000	$0	$22.398,444
Clearing and Risk	72	$13,059.216	$4,190,904	$125,000	$45,000	$0	$25,000	$0	$17.445,120
Market Participants	75	$13,874.100	$4,342,200	$75,000	$51,000	$0	$25,000	$0	$18.367,300
Office of the Chief Economist	20	$3,665.520	$1,132,980	$28,000	$24,500	$0	$12,500	$0	$4.863,500
Legal Division	47	$9,735.768	$2,927,160	$45,000	$28,000	$0	$30,000	$0	$12.765,928
Data and Technology	83	$14,470.718	$4,698,713	$50,000	$56,000	$0	$1,800,000	$0	$71.075,431
Inspector General	9	$1,569.510	$449,487	$52,000	$20,000	$0	$559,003	$0	$2.650,000
Total	**696**	**$127,870,347**	**$41,021,211**	**$1,839,233**	**$478,500**	**$349,000**	**$21,189,081**	**$25,252,628**	**$268,000,000**

Agency Budget Execution Summary

Year: FY20
Scenario: Execution

Organization Name	FTE	Labor: Salary	Labor: Benefits	Non-Labor: Travel	Non-Labor: Training	Non-Labor: CFTC-Wide Training	Non-Labor: Operating (Non-IT)	Non-Labor: Leases	BOC Total: Total
Office of the Chairman & Commissioners	42	$8,287,333	$2,695,586	$459,675	$36,409	$0	$952,118	$0	$12,431,121
Office of the Executive Director	87	$15,337,752	$5,966,112	$30,000	$60,883	$300,000	$13,587,855	$24,912,000	$60,194,602
Office of International Affairs	14	$2,846,676	$912,604	$350,000	$8,371	$0	$70,000	$0	$4,187,651
Enforcement	169	$34,207,628	$11,546,925	$400.000	$121,766	$0	$2,550,000	$0	$48,826,319
Market Oversight	88	$17,291,560	$5,956,104	$84,000	$64,688	$0	$45,469	$0	$23,441,821
Clearing and Risk	71	$13,986,503	$4,812,948	$125,000	$95,228	$0	$53,000	$0	$19,072,679
Market Participants	76	$15,130,156	$5,185,480	$65,000	$55,556	$0	$3.000	$0	$20,439.192
Office of the Chief Economist	21	$4,114,824	$1,385,916	$47.000	$12,938	$0	$10,000	$0	$5,570,678
Legal Division	43	$9,348,243	$2,988,242	$37,000	$33,486	$0	$70,693	$0	$12,477,664
Data and Technology	82	$15,246,998	$5,356,650	$36,000	$61,644	$0	$51,247,609	$2,552,391	$74,501,292
Inspector General	9	$1,913,481	$543,015	$53,040	$20,400	$0	$327,045	$0	$2,856,981
Total	**702**	**$137,711,154**	**$47,349,582**	**$1,686,715**	**$571,369**	**$300,000**	**$68,916,789**	**$27,464,391**	**$284,000,000**

Agency Budget Formulation Summary

Year: FY21

Scenario: Formulation

Version: President's Budget Current Estimate

CFTC Business Information System

		Labor		Non-Labor					BOC Total
Organization Name	FTE	Salary	Benefits	Travel	Training	CFTC-Wide Training	Operating (Non-IT)	Leases	Total
Office of the Chairman & Commissioners	38	$7,528,387	$2,502,456	$409,124	$19,048	$0	$890,183	$0	$11,349,198
Office of International Affairs	14	$3,011,806	$917,588	$460,020	$8,160	$0	$76,500	$0	$4,474,074
Division of Administration	132	$23,854,380	$7,946,004	$103,186	$92,532	$455,980	$56,798,952	$29,971,515	$119,222,548
Enforcement	169	$34,741,837	$11,399,050	$533,188	$113,220	$0	$2,679,812	$0	$49,467,107
Market Oversight	81	$16,222,518	$5,389,902	$51,000	$63,240	$0	$102,000	$0	$21,828,660
Clearing and Risk	86	$17,084,846	$5,763,376	$127,500	$45,900	$0	$1,850,500	$0	$24,872,122
Market Participants	69	$13,912,614	$4,615,617	$156,500	$52,020	$0	$25,500	$0	$18,762,251
Office of the Chief Economist	20	$3,958,220	$1,296,240	$33,560	$24,990	$0	$12,750	$0	$5,325,760
Legal Division	55	$11,893,585	$3,762,385	$110,900	$28,560	$0	$3,678,562	$0	$19,473,992
Division of Data	44	$8,712,714	$3,069,994	$18,000	$20,000	$0	$14,072,929	$304,945	$26,198,581
Office of the Inspector General	9	$2,025,576	$561,645	$54,000	$25,000	$0	$359,486	$0	$3,025,707
Total	**717**	**$142,946,482**	**$47,224,257**	**$2,056,978**	**$492,670**	**$455,980**	**$80,547,174**	**$30,276,460**	**$304,000,000**

CFTC

Commodity Futures Trading Commission

Transition Briefing Book
November 2020

Section 4 – Administrative & Organizational Topics

Strategic Plan

Contents

COMMODITY FUTURES TRADING COMMISSION

Chairman's Letter

Like most of the employees I have had the pleasure to meet with and work beside, I am immensely proud – also humbled – to serve the American people by helping to lead the Commodity Futures Trading Commission (CFTC, or Commission). The CFTC is the world's premier derivatives regulator. Few agencies have such a broad, consequential, and unique mission. Futures, swaps, and options provide critical risk management and price discovery tools that can promote long-term stability and growth in the real economy.

Strategic planning plays a crucial role in helping achieve the mission of any successful organization. Shortly after my confirmation I began working with all CFTC employees to revise ***our*** mission statement. And for the first time, we adopted a vision statement and identified a set of core values. The word "our" is emphasized because we wrote them together; every CFTC employee was given an opportunity to provide input and then vote as a community.

I am pleased to present these key ingredients to organizational excellence – they create the foundation upon which our success will be built, and will ensure that we continue to row in the same direction.

The CFTC's New Mission Statement, Vision Statement and Core Values

Mission Statement

To promote the integrity, resilience, and vibrancy of the U.S. derivatives markets through sound regulation.

Vision Statement

To be the global standard for sound derivatives regulation.

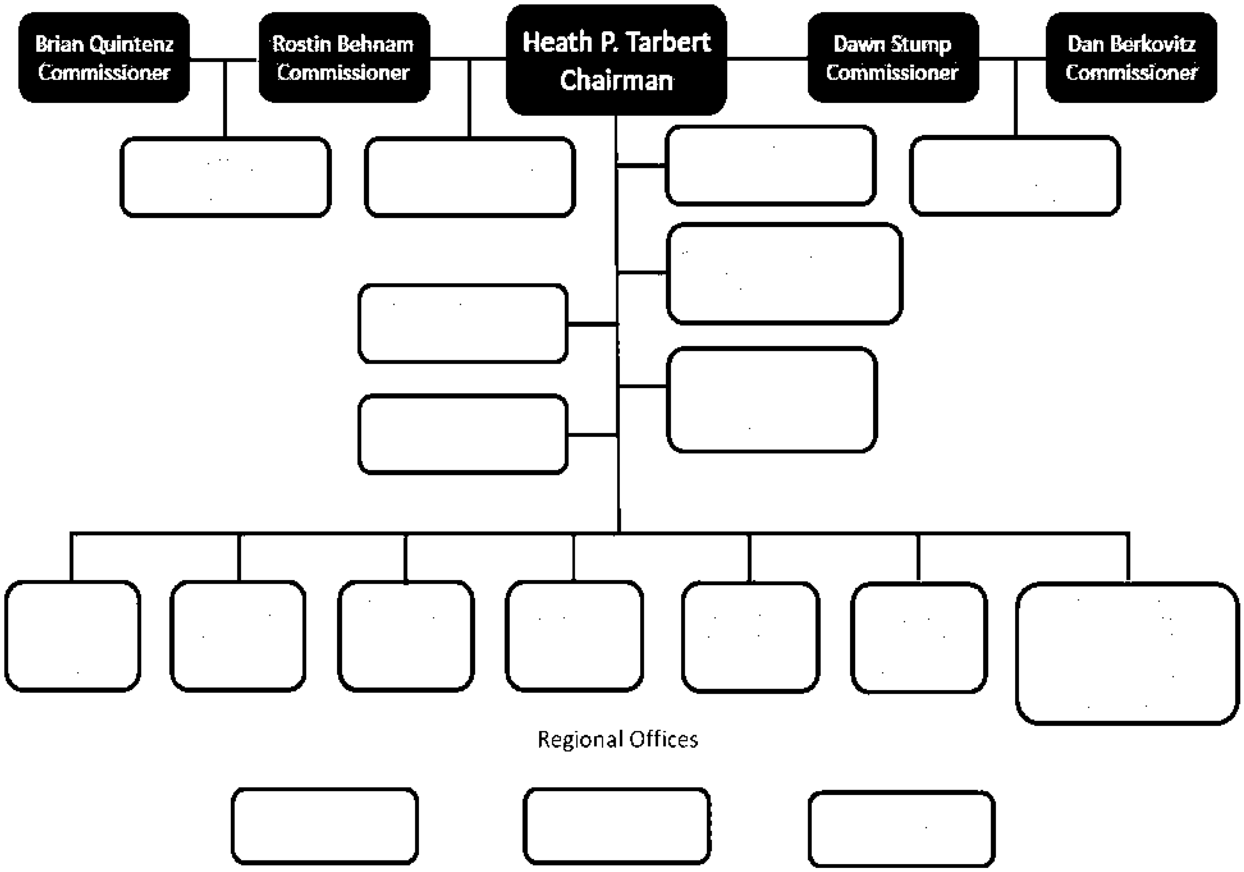
Core Values

Commitment:	*Bringing our best to work every day and holding ourselves to the highest professional standards.*
Forward-thinking:	*Challenging ourselves to stay ahead of the curve.*
Teamwork:	*Valuing diverse skill sets and backgrounds to achieve our mission.*
Clarity:	*Providing transparency to market participants about our rules and processes.*

The strategic goals and objectives that are encapsulated in this plan will guide and prioritize our efforts to achieve the CFTC's mission. This mission includes a special obligation to ensure our derivatives markets support the U.S. free enterprise system in innovative ways. We will meet these obligations with an eye toward serving the interests of Main Street Americans, making sure these voices are heard and their concerns are addressed.

Our success is built on the expertise, skill, and dedication of the CFTC's vital workforce. Our workforce has made it possible for U.S. futures, options, and swaps markets to serve as the global standard, because these markets are deep, open, liquid, transparent, and soundly regulated. Together, we are committed to maintain and strengthen these qualities, and achieve the CFTC's essential mission of promoting the integrity, resilience, and vibrancy of the U.S. derivatives markets through sound regulation.

The CFTC Organization and Responsibilities



To promote market integrity, the CFTC regulates and polices the derivatives markets, seeking to lower the risk of the futures and swaps markets to the economy and the public. The agency oversees a variety of individuals and organizations, including derivatives clearing organizations (DCOs), swap execution facilities (SEFs), designated contract markets (DCMs), swap data repositories (SDRs), swap dealers (SDs), futures commission merchants (FCMs), commodity pool operators (CPOs), and other entities.

Established by statute as an independent agency in 1974, the CFTC assumed responsibilities previously belonging to the Department of Agriculture since the 1920s. The Commission historically has been charged by the Commodity Exchange Act (CEA) with regulatory authority over the commodity futures and options markets. These markets have existed since the 1860s, beginning with agricultural commodities.

Over time, these markets, known as DCMs, regulated by the Commission, have grown to include those for energy and metals commodities such as crude oil, heating oil, gasoline, copper, gold, and silver. The agency now also oversees DCMs for financial products such as interest rates, stock indexes, and foreign currency. Most recently, the CFTC has granted DCM licenses for exchanges specializing in futures relating to digital assets.

In addition, the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) directed the agency to oversee the U.S. swaps market, which is more than $400 trillion in notional value; about twelve times the size of the futures market. This link includes the laws and regulations that guide the Commission's work.

Futures, options, and swaps markets are essential to our economy and the way that businesses and investors manage risk and uncertainties regarding future commodity price movements. Farmers, ranchers, commercial companies, municipalities, pension funds, and others use these markets to lock in a price or rate, helping them focus on innovating, producing goods and services, creating jobs, and reducing the risks of investing. The CFTC works to ensure market participants can use markets with confidence.

Strategic Goal 1

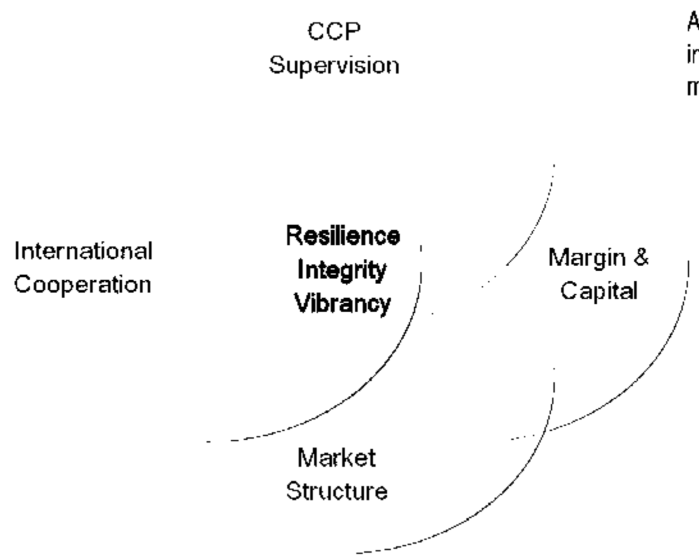
Strengthen the resilience and integrity of our derivatives markets while fostering their vibrancy.

Derivatives markets strengthen the U.S. and global economy by helping market participants manage price risks. This frees up capital for business investment and job creation. To foster economic growth, our markets must be open and competitive so that price discovery reflects the forces of supply and demand, unaltered by fraud, manipulation, or other abuses.

The CFTC's unique challenge is to achieve the dual goals of protecting and advancing the world's leading derivatives markets. Protecting these markets will bolster confidence in their integrity. Taking steps to avoid systemic risk will not only protect market participants, but increase confidence in the soundness of the U.S. derivatives markets. As the Commission develops and implements regulations consistent with statutory mandates, we commit to do so in a way that retains the vibrancy derivatives markets need to perform their fundamental risk-management functions. As our markets continue to rapidly evolve, the CFTC remains committed to maintaining its role as a global leader in sound derivatives regulation.

The CFTC will achieve the following outcomes tied to Strategic Goal 1:

- The CFTC will demonstrate coherent and consistent central counterparty (CCP) oversight.
- The CFTC will use risk-based analysis to develop and implement derivatives markets regulations.



Strategic Goal 1: Strategic Objectives

1.1 Ensure our central counterparties remain the soundest in the world.

Sound CCPs are essential to the efficiency and stability of derivatives markets, as they provide crucial services and reduce counterparty risk.

1.2 Work with our international counterparts to reduce market fragmentation.

A regulatory structure relying on international cooperation and comity reduces fragmentation by avoiding inconsistent or contradictory risk management requirements.

1.3 Effectively monitor and work to ensure optimal requirements for margin and capital in our markets.

Finalizing capital rules for swap dealers and addressing operational difficulties in implementation of margin for uncleared swaps requirements will bolster the resilience of our markets.

1.4 Advance policies that deepen liquidity and increase transparency in our markets without reducing the risk-mitigating benefits of regulations.

A lack of liquidity and transparency can negatively impact the ability of derivatives markets participants to manage and mitigate risk.

Strategic Goal 2

Regulate our derivatives markets to promote the interests of all Americans.

The significant benefits that the commodity futures, swaps, and options markets bring to the lives of everyday Americans often go unnoticed. These markets enable businesses to provide more stable and predictable prices to consumers for everything from groceries to gasoline and heating bills to home mortgages. In regulating derivatives markets and their financial instruments, the CFTC serves a critical role in our free-enterprise system. In regulating these markets, we must not lose sight of their underlying purpose: to serve the needs of all Americans.

America's farmers and ranchers have relied on derivatives markets to hedge production and costs for more than 100 years. Those markets provide fair value for farmers' and ranchers' hard work and enable more stable prices for consumers. The Commission will demonstrate commitment to the agricultural community and its stakeholders by understanding and addressing issues that positively and negatively impact agricultural commodity derivatives markets. We will also focus on ensuring that Main Street institutions are not unnecessarily burdened by regulatory requirements.

The CFTC will achieve the following outcomes tied to Strategic Goal 2:

- The CFTC will demonstrate improved protection of and market accessibility to end users.
- The CFTC will take actions to right-size regulations for Main Street financial institutions and smaller FCMs.

Strategic Goal 2: Strategic Objectives

2.1 Deepen our commitment to stakeholders in the agricultural community.

When derivatives markets are not working to benefit our farmers and ranchers, they are not working. The CEA's cornerstone is to provide our agricultural sector tools to hedge risk and receive fair prices.

2.2 Consider the unique role played by Main Street financial institutions and smaller FCMs.

With fewer resources, small financial institutions and FCMs may bear a disproportionate compliance burden relative to the risk they contribute to the larger financial system. Where appropriate, regulations should take into account the size of relevant entities and the risk profiles of their activities.

2.3 Make markets more accessible to end users.

We must ensure that our regulations and their implementation do not discourage or penalize commercial end users who need to hedge risk.

2.4 Increase protections for customer assets and information.

The Commission works vigilantly to protect customer assets and information. We are identifying potential rule revisions and orders that promote asset and information protection.

2.5 Educate the American public on derivatives and the CFTC's mission.

Knowledge of derivatives and the CFTC mission will help Main Street Americans gain access to valuable risk management tools and help them to avoid fraud.

Agriculture	Smaller Financial Institutions	End Users	Customer Protection	Education

Strategic Goal 3

Encourage innovation and enhance the regulatory experience for market participants at home and abroad.

How we regulate is just as important as what we regulate. All our actions are aimed at developing and implementing regulations that are efficient, effective, and appropriately tailored. When crafting and revising regulations, we will be guided by the important outcomes of resiliency, avoiding systemic risk, and improving the integrity of derivatives markets and advancing the interests of Main Street. Econometric analysis will help inform how we achieve those outcomes. Where appropriate, we will emphasize the principles we expect industry to adhere to. Where appropriate, a principles-based approach can help our markets remain fair, innovative, and vibrant.

Financial markets quickly adopt emerging technologies, and our derivatives markets have experienced an amazing digital transformation that presents opportunities as well as risks. Market regulation needs to keep pace and even lead, as our mandate to encourage responsible innovation is important to the Nation. The CFTC must promote responsible innovation, avoiding rules and approaches reflective of business practices long gone.

The CFTC will achieve the following outcomes tied to Strategic Goal 3:

- The CFTC will increase agency decision-making transparency.
- The CFTC will reduce burdens that serve no regulatory purpose.

Strategic Goal 3: Strategic Objectives

3.1 Emphasize our tradition of principles-based regulation where appropriate.

The CFTC's principles-based regulatory tradition has allowed markets to evolve to meet the economy's changing demands while reducing systemic risk. "Principles-based" is not a euphemism for "deregulation." Apply a principles-based approach, where appropriate, will help our markets remain fair, innovative, and vibrant.

3.2 Increase the transparency of our agency's decision-making processes.

Because our regulatory decisions often have a broad and deep impact on derivatives markets, the economy, and all Americans, our decision-making must be open and transparent.

3.3 Harmonize regulations for market participants subject to concurrent CFTC and SEC jurisdiction.

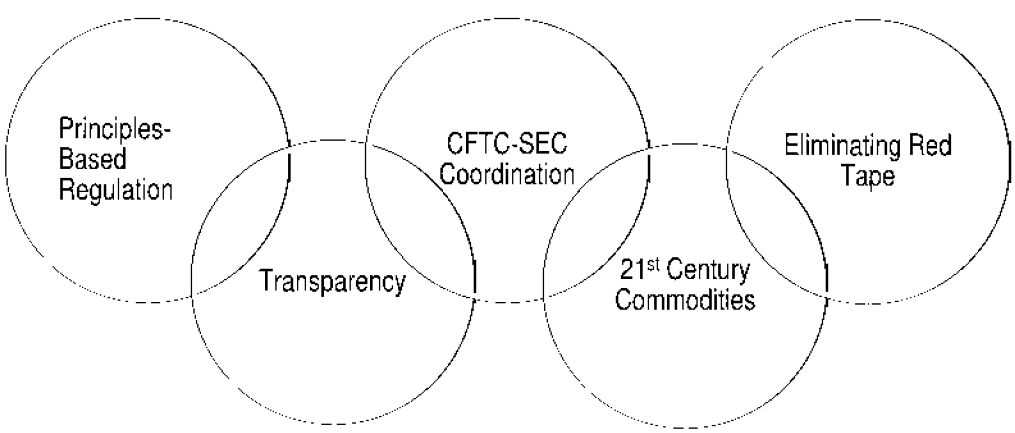
Firms dually registered with the CFTC and the SEC risk duplication and redundancy burdens. Harmonizing oversight reduces burdens through consistent requirements.

3.4 Address the risks and opportunities arising from "21st century commodities."

We will develop a holistic framework to promote responsible innovation in digital assets.

3.5 Address any regulations that no longer serve a regulatory purpose.

We are maintaining regulatory effectiveness while reducing burdens where the burden on market participants is disproportionate to the regulatory purpose served.



Strategic Goal 4

Be tough on those who break the rules.

Derivatives markets function well only when there is confidence in their integrity. The CFTC is committed to protecting the public from misconduct in our markets. For this reason, the CFTC's Division of Enforcement (DOE) focuses on detecting, investigating, and prosecuting misconduct that could potentially undermine market integrity. Such misconduct includes fraud, manipulation, spoofing, and disruptive trading.

The CFTC's strong enforcement program emphasizes being tough on those who break the rules but also being fair and consistent. We recognize that the best way to preserve market integrity is by deterring potential bad actors from engaging in misconduct in the first place. The CFTC's enforcement efforts to obtain remedial sanctions and maximize deterrence against future violations increase public confidence and trust in our derivatives markets.

The CFTC will achieve the following outcomes tied to Strategic Goal 4:

- The CFTC will demonstrate coordination with other criminal and civil enforcement authorities.
- The CFTC will implement its recently published Enforcement Manual.

Strategic Goal 4: Strategic Objectives

4.1 Provide fairness, consistency, and predictability across enforcement matters.

Certainty, consistency, and transparency are key criteria in guiding CFTC enforcement. The policies and procedures governing DOE's efforts are found in its Enforcement Manual.

4.2 Leverage the CFTC's expertise and resources by coordinating with other criminal and civil enforcement authorities.

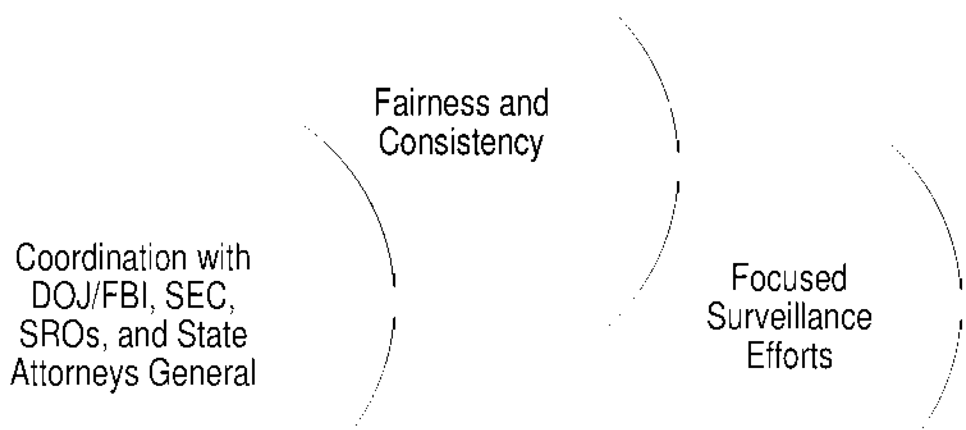
Misconduct is not limited to regulatory boundaries or international borders, so we must work closely with our domestic and international enforcement partners to protect our markets.

4.3 Where necessary and appropriate, create bright-line rules to prevent market manipulation.

Attempts to corner or squeeze the market pose such a critical risk to participants that they merit the straightforward, predictable, and consistent application of bright-line rules.

4.4 Focus market surveillance on areas where fraud and manipulation are most likely.

Prioritizing surveillance of products and markets where fraud and manipulation are most likely to occur, we are improving market integrity by using sophisticated data analytics to increase the probability of identifying potential violations of the CEA and CFTC regulations.



Strategic Goal 5

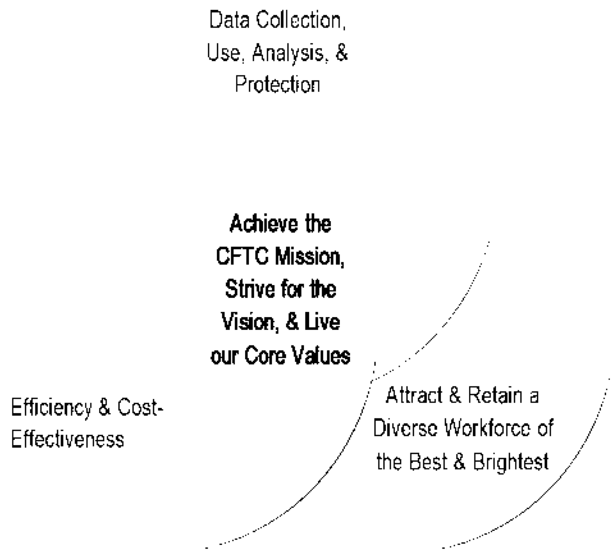
Focus on our unique mission and improve our operational effectiveness.

The CFTC recently went through the valuable exercise of revising our mission statement, developing a vision statement, and identifying a set of core values. This was not a top-down effort, but one in which everyone in the agency was given an opportunity to provide input and then vote – so they are truly our mission, vision, and values. Together, with this strategic plan, the CFTC is creating a cohesive, results-driven workplace, and turning our aspirations into accomplishments. We are proud of our unique mission, with responsibilities for derivatives markets and their vast impact on the national economy.

Because the CFTC has been entrusted with a critical mission and the resources to carry it out, it is our duty to improve our operational effectiveness. This will ensure that our resources are dedicated exclusively to achieving our mission.

The CFTC will achieve the following outcomes tied to Strategic Goal 5:

- The CFTC will demonstrate improved operational efficiency.
- The CFTC will improve data collection, use, analysis, and protection.



Strategic Goal 5: Strategic Objectives

5.1 Reformulate a shared mission statement, vision statement, and list of core organizational values for the agency.

The CFTC is building a culture of excellence, just like every successful organization, through three essential ingredients: 1) a clear mission, 2) a strategic vision, and 3) a set of core values.

5.2 Improve the agency's collection, use, analysis, and protection of data.

We are improving the CFTC's data analysis competency and using advanced and sophisticated modeling techniques, such as machine learning, to improve data quality and validation and to identify potential harm to our markets and consumers.

5.3 Be good stewards of taxpayer dollars by improving our efficiency, streamlining processes, and cutting unnecessary costs.

Two ways the CFTC maximizes limited resources are streamlining and centralizing business management functions and improving space administration. Our organizational structure must evolve; prioritizing resources to best help us achieve our unique mission.

5.4 Attract, retain, and promote a diverse workforce of the best and the brightest.

We continually review our human capital programs to ensure the CFTC consistently attracts, retains, and develops a diverse and high-performing workforce. We identify and address competency gaps to keep pace with market developments and maintain high performance.

Planning, Evaluation, & Enterprise Risk Management

The CFTC has a robust process for executing its strategic plan and achieving the CFTC's mission. The Commission is in the midst of incorporating annual operating plans at the division and office level to implement and reinforce the CFTC Strategic Plan.

To reinforce our strategic priorities, we are also improving the connection between the strategic goals and priorities in this plan to our corporate performance management practices. After extensive recent analysis and associated recommendations of the CFTC's performance management system, we intend to add rigor to performance management practices. The intended result is to improve alignment between employee, management, and executive performance standards and assessments with the CFTC's mission, strategic goals, and priorities.

Another essential component to achieving the CFTC mission is Enterprise Risk Management (ERM). The Commission is currently standing up what will become a robust and mature ERM program. The CFTC ERM program will improve and integrate strategic planning, performance monitoring, and risk management capabilities to identify and proactively manage risks that threaten accomplishment of our mission. The aim of the ERM program is to establish an awareness of risk throughout the CFTC that will allow us to anticipate, examine, and systematically address risks the CFTC faces in its operations.

External Factors

External factors can materially affect the CFTC's strategies, plans, and priorities. They include:

- Legislation could be enacted that adds to or reduces the CFTC's scope of action and its operations.
- The level of appropriations could impact how strategies are applied and whether there are sufficient resources to achieve our goals.
- World and U.S. economies could expand or contract dramatically.
- Demand for or supply of commodities and other goods and services that affect derivatives trading could change significantly.
- Court decisions may alter the CFTC's workload projections, business processes, and resource requirements.
- Information technology capabilities could materially change, improving or hindering the CFTC's ability to monitor market and participant behavior and analyze transactions.
- New derivative products, processes, or market participants may develop, having a positive or negative impact on the Commission's ability to oversee the market.
- Global security matters could disrupt the CFTC's ability to fulfill its mission.
- Critical staff attrition – especially for those staff members with hard to replace competencies – could impact our performance.
- Unforeseen domestic and global risks with potentially catastrophic consequences (pandemic events, natural disasters, etc.).

Appendix A – CFTC Divisions and Offices

Offices of the Chairman and the Commissioners

The Offices of the Chairman and the Commissioners provide executive direction and leadership to the CFTC as it implements the Commodity Exchange Act (CEA).

Division of Clearing and Risk

The Division of Clearing and Risk (DCR) oversees derivatives clearing organizations (DCOs) and other market participants in the clearing process. These include futures commission merchants, swap dealers, major swap participants, and large traders. DCR monitors the clearing of futures, options on futures, and swaps by DCOs, assesses DCO compliance with the CEA and Commission regulations, and conducts risk assessment and surveillance. DCR also makes recommendations on DCO applications and eligibility, rule submissions, and which types of swaps must be cleared.

Division of Enforcement

The Division of Enforcement (DOE) identifies, investigates, and prosecutes alleged violations of the CEA and Commission regulations. Potential violations include fraud, misappropriation, manipulation, and disruptive trading practices. DOE's Whistleblower Office receives tips, complaints, and referrals of potential violations, and its market surveillance program analyzes trade data to identify trading or positions that warrant further enforcement inquiry.

Division of Market Oversight

The Division of Market Oversight (DMO) oversees derivatives platforms and swap data repositories. DMO reviews new applications for designated contract markets, swap execution facilities, swap data repositories, and foreign boards of trade and examines existing trading platforms and swap data repositories to ensure their compliance with regulatory requirements, including system safeguards. DMO also evaluates new platform-traded products to ensure that they are not susceptible to manipulation, and reviews entity rules to ensure compliance with the CEA and Commission regulations. DMO's data analysis informs CFTC policymaking.

Division of Swap Dealer and Intermediary Oversight

The Division of Swap Dealer and Intermediary Oversight (DSIO) oversees the registration and compliance of intermediaries and futures industry self-regulatory organizations, including U.S. derivatives exchanges and the National Futures Association (NFA). DSIO also develops and monitors compliance with regulations addressing registration, business conduct standards, capital adequacy, and margin requirements for swap dealers and major swap participants.

Office of the Chief Economist

The Office of the Chief Economist (OCE) conducts economic and econometric analysis of derivatives markets. It also partners with other CFTC divisions and offices to integrate economic reasoning and data analysis into Commission policy and cost-benefit considerations.

Office of Data and Technology

The Office of Data and Technology (ODT) provides technology and data management support for Commission market and financial oversight, surveillance, enforcement, legal support, and public transparency activities. ODT also provides general network, communication, storage, computing, and information management infrastructure and services.

Office of the Executive Director

The Office of the Executive Director (OED) leads the innovative and strategic management of employee, financial, and operational resources in support of the CFTC's mission. By delegation of the Chairman, the OED directs the internal management of the Commission, ensuring the Commission's continued success, continuity of operations, and adaptation to the ever-changing markets it is charged with regulating. The OED directs effective and efficient allocation of CFTC resources, develops and implements management and administrative policy, and ensures program performance is measured and tracked agency-wide.

Office of General Counsel

The Office of General Counsel (OGC) provides legal services and support to the Commission and all of its programs. These services include: engaging in defensive, appellate, and amicus curiae litigation; assisting the Commission in the performance of its adjudicatory functions; providing legal advice and support for Commission programs; assisting other program areas in preparing and drafting Commission regulations; interpreting the CEA; overseeing the Commission's ethics program and compliance with laws of general applicability; and providing advice on legislative, regulatory issues and financial technology innovation.

Office of the Inspector General

The Office of the Inspector General (OIG) is an independent organizational unit at the CFTC. Its mission is to detect waste, fraud, and abuse and to promote integrity, economy, efficiency, and effectiveness in the CFTC's programs and operations. In accordance with the Inspector General Act of 1978, the OIG issues semiannual reports detailing its activities, findings, and recommendations.

Office of International Affairs

The Office of International Affairs (OIA) advises the Commission on all international regulatory initiatives, provides guidance regarding international issues raised in Commission matters, represents the Commission in international groups (such as the Financial Stability Board (FSB)), standard setting bodies (such as the International Organization of Securities Commissions (IOSCO)) and bilateral fora, and provides technical assistance to non-U.S. authorities.

Office of Legislative and Intergovernmental Affairs

The Office of Legislative and Intergovernmental Affairs (OLIA) is the Commission's official liaison with Members of Congress, federal agencies, and the Administration. OLIA develops and executes legislative strategy on behalf of the Chairman and Commission, manages congressional testimony, and works with the various divisions to provide technical assistance on legislation.

Office of Minority and Women Inclusion

The Office of Minority and Women Inclusion (OMWI) leads the CFTC's civil rights, equal employment opportunity, diversity, and inclusion programs.

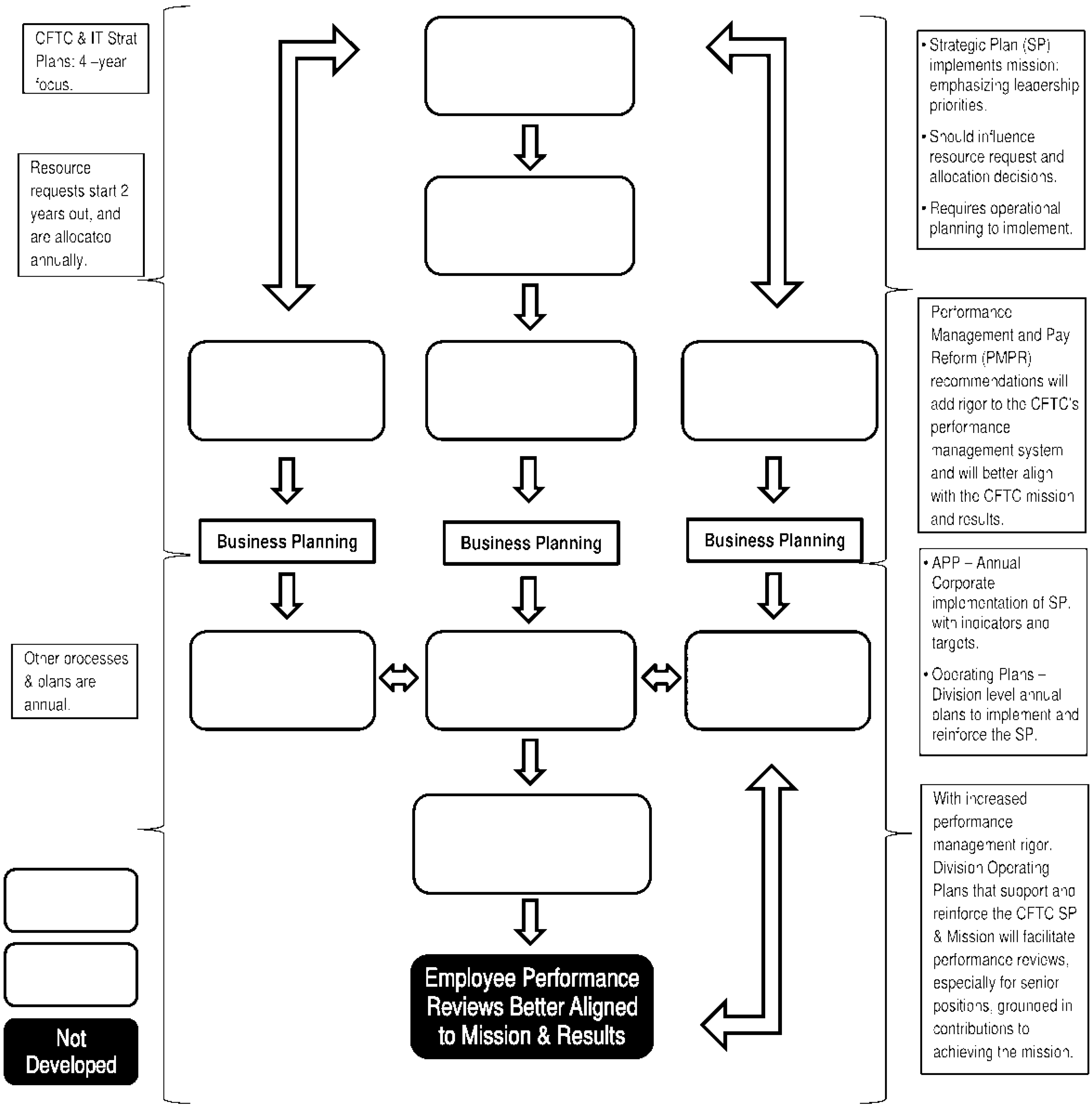
Office of Public Affairs

The Office of Public Affairs (OPA) is the Commission's primary public-facing office that provides honest, timely, and useful information across all communication platforms in order to serve internal and external stakeholders in all sectors to accomplish and facilitate the Commission's mission. OPA proactively conducts outreach and creates messages designed to raise awareness of the CFTC brand in order to promote the public's trust.

Appendix B – Glossary of Acronyms

CEA	Commodity Exchange Act
CCP	Central Counterparty
CFTC	Commodity Futures Trading Commission
Commission	Commodity Futures Trading Commission
CPO	Commodity Pool Operator
DCM	Designated Contract Market
DCO	Derivatives Clearing Organization
DCR	Division of Clearing and Risk
Dodd-Frank Act	Dodd-Frank Wall Street Reform and Consumer Protection Act
DOE	Division of Enforcement
DMO	Division of Market Oversight
DSIO	Division of Swap Dealer and Intermediary Oversight
ERM	Enterprise Risk Management
FCM	Futures Commission Merchant
FSB	Financial Stability Board
IOSCO	International Organization of Securities Commissions
NFA	National Futures Association
OCE	Office of the Chief Economist
ODT	Office of Data and Technology
OED	Office of the Executive Director
OGC	Office of General Counsel
OIG	Office of the Inspector General
OIA	Office of International Affairs
OLIA	Office of Legislative and Intergovernmental Affairs
OMWI	Office of Minority and Women Inclusion
OPA	Office of Public Affairs
PMPR	Performance Management and Pay Reform
SD	Swap Dealer
SDR	Swap Data Repository
SEF	Swap Execution Facility

Appendix C – CFTC Planning & Accountability Roadmap



COMMISSION DECISIONAL AND INFORMATIONAL PROCESSES

Date Updated: May 1, 2019
POC: Melissa Jurgens, Chris Kirkpatrick
Office of Executive Director, Executive Secretariat Branch

Introduction

Within the Office of the Executive Director, the Secretariat enables the work of the Chairman and Commissioners by maintaining and managing orderly, efficient, and legally sound processes for the Commission to receive information and recommendations, review or deliberate on matters, and take official actions. These processes include seriatim voting, absent objection review, informational memo/report distribution, and Commission meetings. The key operational details of each of those processes are summarized below.

Seriatim Voting

Process Description: Seriatim voting is a formal decision making process, provided for by the Commission's rules (17 CFR 140.12), in which a particular matter is circulated in writing to each Commissioner, one at a time in sequential order, for a vote. Seriatim consideration is an alternative to joint deliberation by the Commission in a meeting held in compliance with the Government in the Sunshine Act (see below). Seriatim voting is used for the disposition of matters that require a final action/decision by the Commission.

Key Operational Details:

- By rule (17 CFR 140.12(a)), the Chairman determines whether and when matters may be put into, or withdrawn from, seriatim. Accordingly, the Secretariat submits all matters proposed for seriatim to the Chairman's Office for approval to circulate.
- Following approval to circulate, but before distribution, seriatim matters are reviewed by the Commissioners' respective ethics screeners to confirm clearance to participate.
- The order of circulation/voting for seriatim matters is established by customary Commission practice. Matters go first to the most junior non-Chair Commissioner (*i.e.*, most recent date of entry into office) and then proceed through the remaining non-Chair Commissioners in ascending order of seniority. The Chairman votes last.
- Current practice is for seriatim matters to be circulated without a due date for completion of the vote, unless there is an underlying legal or compliance deadline that requires Commission action on the matter by a date certain.
- By rule (17 CFR 140.12(b)), a matter may be withdrawn from seriatim upon the request of any Commissioner and scheduled instead for a Commission meeting.

- In many cases, the final action/document resulting from a seriatim vote will be announced/issued publicly. Certain confidential matters, as well as some internal administrative matters, are not announced. Supporting materials circulated with seriatim matters (*e.g.*, staff memos) are not affirmatively released, but may be subject to disclosure under the Freedom of Information Act, if not exempt.
- Seriatim circulation is the most frequently used Commission decisional process. In Fiscal Year (FY) 2018, approximately 250 matters were handled through seriatim.

Absent Objection Review

Process Description: Absent objection (AO) review is a formal process for distributing documents (typically an impending staff issuance, such as a no-action letter) to the Commissioners for review and the opportunity to register an objection. While staff generally takes objections into consideration, they do not constitute a vote and the AO process does not result in a final Commission action/decision. AO procedures are not specified in the Commission's rules, but rather are established by customary practice.

Key Operational Details:

- The Chairman determines whether and when documents may be distributed for AO review. That being the case, the Secretariat submits all items intended for AO review to the Chairman's Office for approval to distribute.
- After approval to distribute, but before release to the Commission, AO documents are reviewed by the Commissioners' respective ethics screeners for clearance to participate.
- For AO review, documents are distributed simultaneously to all Commissioners. The distribution always includes a due date/time by which any objections must be received by the Secretariat. The preferred minimum review period is one week.
- Commissioners are not required to respond to an AO distribution. Many have set the expectation that they will respond only when objecting. Otherwise, they will remain silent, with no inference as to their position to be drawn from the non-response.
- When the review period has closed, if there were no objections, the Chairman's Office gives final clearance – through the Secretariat – to CFTC staff to proceed with issuing the document that was the subject of the AO review.
- If objections are received, it has been customary for the Chairman's Office to direct CFTC staff to make reasonable attempts to resolve the basis for the objection(s), to the extent possible. However, the prevailing view is that the Chairman retains the authority to direct the issuance of a *staff* document, even over the objection of a majority of Commissioners. Such occasions have arisen, but they are infrequent.
- In FY 2018, there were around 55 AO reviews conducted.

Informational Memo/Report Distribution

Process Description: Informational memos/reports are documents distributed to the Commission to provide updates, awareness, or general information on matters not requiring a seriatim vote or absent objection review.

Key Operational Details:

- Chairman's Office staff reviews informational memos/reports received from CFTC Divisions/Office and approves them for distribution by the Secretariat.
- Informational memos/reports are not subject to ethics screening, and are distributed to all Commissioners at the same time.
- In FY 2018, about 90 informational memos/reports were distributed.

Commission Meetings

Process Description: Commission meetings are gatherings of a quorum of the Commission (see below) to jointly conduct official business. Required procedures for meetings are specified in detail by the Government in the Sunshine Act (5 U.S.C. 552b) and Commission implementing regulations (17 CFR part 147).

Key Operational Details:

- A quorum of Commissioners is required for a meeting under the Sunshine Act. A quorum consists of a majority of sitting Commissioners (*i.e.*, a quorum is 3 when 4 or 5 Commissioners are in office, and 2 when 2 or 3 Commissioners are in office). In turn, the Commission can act with the agreement of a majority of a quorum.
- The Chairman calls, and sets the agenda for, meetings of the Commission. Current practice is to call meetings on an as-needed basis, rather than on a fixed schedule.
- Meetings may be open (public), closed (non-public), or a combination of the two. To be closed, a meeting's subject must be within a Sunshine Act exemption. Closing a meeting requires a Commission vote, either in advance or at the meeting itself (limited cases).
- Commission meetings, whether open or closed, must be publicly announced at least one week in advance. Other than for certain types of closed meetings, holding a meeting with less notice requires the Commission to vote to determine that the meeting is necessary for CFTC business (typically due to an emergency).
- For open meetings, the announcement is made via a press release/web posting by the Office of External Affairs. The Secretariat then submits the required notice for publication in the *Federal Register*. Closed meetings are announced solely by a *Federal Register* notice. For the *Federal Register* notice to be published one week prior to a meeting, the optimal announcement date is 10 days in advance.

- In FY 2018, the Commission held one open meeting and three closed meetings.

UNIFIED AGENDA PROCESS

Date Updated: May 1, 2019
POC: Melissa Jurgens, Chris Kirkpatrick
Office of Executive Director, Executive Secretariat Branch

About the Unified Agenda

Pursuant to the Regulatory Flexibility Act (5 U.S.C. 601, *et seq.*), and consistent with Executive Order 12866, the Commission issues twice a year an agenda of rulemaking matters it expects to consider during the next 12 months. The Commission's agenda is submitted for publication in the government-wide Unified Agenda of Federal Regulatory and Deregulatory Actions ("Unified Agenda"), which is released in the Spring and Fall of each year by the Office of Management and Budget (OMB) and the General Services Administration (GSA). For reference, the current Unified Agenda can be found online at http://reginfo.gov/.

CFTC Agenda Preparation and Timeline

Process Description: The CFTC preparation process and timeframes are keyed to the OMB/GSA deadline for agencies' agenda submissions. OMB extensively reviews and comments on the submissions, so the due date is typically at least two months before the publication of the Unified Agenda. In turn, the CFTC's preparation – coordinated by the Secretariat – starts about two months before the expected due date. This lead time is necessary to allow for Division staff updates to agenda entries, compilation of a complete proposed agenda submission, review and follow-up by the Chairman's Office, and a sufficient review and voting period for the Commission.

Key Preparation Timeframes (for a Fall agenda submission):

- LAST WEEK OF MAY – Request for updates to agenda entries goes out to Divisions.
- SECOND WEEK OF JUNE – Draft agenda entries due from Divisions.
- LAST WEEK OF JUNE – Chairman's Office receives complete proposed agenda submission for review and resolution of any policy/substantive issues with Divisions.
- SECOND WEEK OF JULY – Final proposed agenda submission circulated to Commission in seriatim for consideration and vote.
- LAST WEEK OF JULY – Due date for completion of seriatim vote and transmission of Commission-approved agenda submission to OMB/GSA.

Labor Management Relations

Point of Contact: KerriLaine Prunella

CFTC employees are represented by the National Treasury Employees Union (NTEU). Specifically, approximately 420 bargaining unit employees across all CFTC offices are represented by the union. Bargaining unit employees are typically non-supervisory staff, such as attorneys, auditors, investigators, and analysts.

NTEU was certified on November 7, 2014, to represent the bargaining unit employees in Washington, Chicago, and Kansas City. The New York office had been previously represented by the American Federation of Government Employees, but in 2016, they elected NTEU to represent them.

CFTC's authorizing legislation requires the Agency to operate under the Federal Labor-Management Statute, which includes the requirement to meet and negotiate with Unions in good faith for the purposes of arriving at a collective bargaining agreement. In broad terms, collective bargaining agreements tend to be in effect for three to five years and include work schedules, safety and health provisions, telework, and many other items affecting employees' conditions of work. In addition, because CFTC has the discretion to set pay, compensation is also subject to negotiation as part of the master agreement.

In 2019, the Agency and NTEU completed our first Agency-wide master collective bargaining agreement covering the terms and conditions of employment for represented staff. The articles address topics such as leave approval, telework, work schedules, compensation, benefits, office assignments, merit promotion, health and wellness programs, and other areas. Initial supervisory training occurred following the CBA adoption, and additional training will be offered in early 2021.

Several large-scale issues will be negotiated with the union, to include office relocation over the next several years and pay and performance management programs.

The agency recently reached agreement on an extension of our multi-year agreement on compensation, which provides for a 2% across the board increase in January 2021 and 2022 and a 4.15% merit increase for staff with a satisfactory rating for the 2020-2021 rating period and 3% for the 2021-2022 rating period. It also provides $800,000 agency wide for the Student Loan Repayment Program each year.

CFTC Facilities Request in the FY 2020 Budget Request

The Commission requested $31 million as a separate no-year appropriation for resources required to relocate and replicate the current regional facilities in its three locations: New York, Chicago, and Kansas City. The DC Office lease, the agency's largest lease, expires in 2025.

CFTC Facility Relocation and Replication Request

Proposed GSA Facility Type by Location	Expiration Lease	Rentable Est New Sqft	FY 2018 Actual	Continuing Resolution 2019	President's FY 2020 Budget
					$ in thousands
Kansas City - Leased Facility	April, 2021	11,624			$2,713
Construction/Alterations					1,099
Relocation/Replication					$1,614
Chicago - Federal Facility	April, 2022	32,047			$13,052
Construction/Alterations					7,426
Relocation/Replication					5,626
New York - Federal Facility	June, 2022	22,523			$15,236
Construction/Alterations					11,561
Relocation/Replication					3,675
Total		66,194			$31,000

- The Commission is expected to relocate from CFTC federally leased space and been assigned GSA federally-owned space in Chicago and New York and a GSA leased location in Kansas City. Acquiring facility space through GSA is expected to provide some financial relief and certainty to the Commission for the ensuing a multi-year occupancy agreement period. The Commission will require funding for GSA to commence alternations and replication of the facilities to the newly assigned spaces in early FY 2020. The table on the next page provides an overview and estimates by regional location.

- The Facility Relocation and Replication Request encompasses costs to include design, alteration, and initial outfitting for the new space assigned by GSA. This request includes items payable to GSA and other sources for alteration/construction, relocation and replication of the existing facilities to the new locations such as IT infrastructure and telecommunications equipment, systems furniture, logistics support, and personal property. These resources are necessary to provide complete, habitable, and operational spaces when the Commission assumes occupancy of the facilities.

- In FY 2021 and FY 2022, the Commission will have duplicate rent costs for the three regional locations as GSA completes the alterations of the new spaces and the Commission begins to transition to the new facilities. These costs will be included in the annual Salaries and Expenses request under the Division of Administration. This transition period may take up to three months to ensure construction is complete, and that furniture, telecommunication, and computer equipment are installed and operational prior to occupancy. Funding requested under the Division of Administration will support the staffing and administration of the relocation and replication funding for the agency.

- The Commission has met government-wide footprint reduction mandates through extensive efforts to eliminate the square footage requirements in each of the locations with expiring leases. The Commission expects to achieve a 52 percent footprint reduction (reduction of 72,168 square feet) with the conversion to GSA managed space, which is in addition to the release of 7,922 square footage in Kansas City in December, 2017. Footprint reduction efforts will continue as Commission staff and

GSA representatives begin reviewing the requirements for replacement of the Washington D.C. lease expiring in 2025.

FY 2020 Budget Brief to Appropriators

The following briefing on the CFTC FY 2020 Budget Request was provide to the majority and minority staffs of the Committees on Appropriations of the House and Senate. Note that, because of timing and per OMB direction, the FY 2019 budget column included in the presentation charts (and in the President's budget request) are depicted as the continuing resolution level and not the enacted appropriation level.

COMMODITY FUTURES TRADING COMMISSION

Congressional Budget Brief
Committees on Appropriations
March 8, 2019

FY 2020 President's Budget

- In order for the CFTC to fulfill its duty to oversee the Nation's vital derivatives markets in FY 2020, CFTC is requesting $315.0 million (M) for ongoing operational functions and new initiatives, and also recognizes efficiencies from actions taken in prior years such as reducing space in Kansas City, organizational realignments, and aligning and balancing the workforce's skills to ready the Commission to be a 21st century regulator.
  - $284.0M and 707 full-time equivalents (FTE)
    - an increase of $35.0M and 67 FTE over the FY 2019 CR level
  - $31.0M for the relocation and replication of regional offices.

FY 2020 Relocation and Replication Request

CFTC Facility Relocation and Replication Request

Proposed GSA Facility Type by Location	Lease Expiration	Est New Rentable Sqft	FY2020 President's Budget
			$ in '000
Kansas City - Leased Facility	April, 2021	11.624	$2,713
Construction Alterations			1,099
Relocation Replication			$1.614
Chicago - Federal Facility	April, 2022	32.047	$13,052
Construction Alterations			7.426
Relocation Replication			5,626
New York - Federal Facility	June 2022	22.523	$15,23[illegible]
Construction Alterations			11,561
Relocation Replication			3,675
Total		66 194	$31,000

- $20.1M (65%) of the $31M is for alterations and construction
- Remaining $10M (35%) is to fund moving, furnishings and equipment to fit the new spaces, as well as moving and/or replacing obsolete equipment.
- Request is for a new no-year appropriation
- Early in FY 2020, the GSA will expect funding to initiate the alterations and construction at the facilities.

  Estimates include costs for:
  - GSA alterations,
  - IT infrastructure and telecommunications equipment,
  - systems furniture,
  - logistics support, and
  - personal property.
- No staff requested, as staff in Executive Director will support administration of funding.
- Reducing square footage by 52% (72,168)

Section 4 Agency-wide Issues Expiring Leases and Continuing Space Requirements

Date Updated: November 25, 2020
POCs: Tony Thompson, Tomeka Gilbert, Wes French
Division of Administration

Overview

CFTC currently has leases for real property in four cities: Washington, D.C., New York, Chicago and Kansas City. While the CFTC maintains statutory authority to enter into multi-year real property leases, CFTC has been working with the General Services Administration (GSA) to obtain office space for its regional and headquarters offices, all of which have leases that will expire within the next 5 years.

Background

An agency may enter into real property leases only if it has statutory authority to do so. Generally, GSA has the authority to lease real property to assign to federal agencies. However, in some cases, Congress has authorized a federal agency to lease real property independent of GSA. CFTC has such statutory authority to enter into leases for real property, as provided in 7 U.S.C § 16(b)(3).

> *The Commission shall also have authority to make and enter into contracts with respect to all matters which in the judgment of the Commission are necessary to appropriate to effectuate the purposes and provisions of this chapter, including but not limited to the rental of necessary space at the seat of government and elsewhere.*

Further, the Consolidated Appropriations Act, 2019 (and years previous), provided CFTC with the authority to enter into multiple year leases.

> *For necessary expenses to carry out the provisions of the Commodity Exchange Act (7 U.S.C. 1 et seq.), including the purchase and hire of passenger motor vehicles, and the rental of space (to include multiple year leases), in the District of Columbia and elsewhere...*

Starting in 1994, CFTC entered into and is currently administering multiple-year leases for its DC headquarters and three regional offices. While the CFTC may enter into multiple-year lease contracts for real property and is not required to obtain its space through GSA, several issues arose that have necessitated the use of GSA for future CFTC real property leases.

Beginning in 2013, the CFTC Inspector General initiated a series of office space investigative reviews (last report issued in 2016), noting that CFTC maintained excess space in its office locations. In addition, at the request of the House Appropriations Committee Chairman, the General Accountability Office (GAO) in 2015 initiated an audit of CFTC's leasing practices and space utilization and, among other things, recommended that the CFTC consider consolidating its Chicago and Kansas City Offices. As a result of the GAO audit and a follow-up Comptroller General Appropriations law decision, it was determined that while CFTC maintained the authority to enter into multi-year leases, the requirements of the recording statute, 31

U.S.C. § 1501(a)(1) were not waived. In entering into its historical leases, some dating back to 1994, the CFTC had violated the Anti-deficiency Act (ADA), and the issue was previously undetected by CFTC, its external auditors (KPMG) and the OIG. CFTC's leasing practices were further scrutinized and GAO issued two additional appropriations law decisions (the last one issued in March 2018) on CFTC leasing practices, each of which have resulted in various violations of the ADA. CFTC is currently in the process of reporting these violations in accordance with the requirements in OMB Circular A-11. In addition, and as a result of the issues highlighted, CFTC coordinated with OMB, GAO and appropriations committee staff and drafted additional legislative language, which was included in the annual appropriations bills, starting with FY 2016, to enable CFTC to pay its rental obligations until the leases expired. This language must be included in each year's appropriations language until the D.C. lease expires in 2025.

> *Provided, That notwithstanding the limitations in 31 U.S.C. 1553, amounts provided under this heading are available for the liquidation of obligations equal to current year payments on leases entered into prior to the date of enactment of this Act: Provided further, That for the purpose of recording and liquidating any lease obligations that should have been recorded and liquidated against accounts closed pursuant to 31 U.S.C. 1552, and consistent with the preceding proviso, such amounts shall be transferred to and recorded in a no year account in the Treasury, which has been established for the sole purpose of recording adjustments for and liquidating such unpaid obligations.*

There were a substantial number of Congressional inquiries, briefings and hearing questions about CFTC's recording practices, management of its leases and its overall contracting processes. Given the level of inquiry and the requirements in the recording statute that require CFTC to obligate the entire lease amount in the first year of the lease (unless it has a delegation from GSA), other contracting irregularities related to CFTC lease documents, and CFTC's technical ability to appropriately negotiate a multi-year lease arrangement, CFTC opted to negotiate an MOU with GSA whereby CFTC would continue to administer its existing leases and any extensions to those leases, and GSA would procure and administer all new CFTC space assignments consistent with GSA's policies and procedures. GSA maintains many additional authorities that other agencies do not, such as a statutory waiver of portions of the recording statute for its real property leases. Under regulation, GSA either owns buildings or negotiates and manages leases. A copy of the MOU with GSA was provided to CFTC's Congressional oversight committees after it was initiated and is attached to this document.

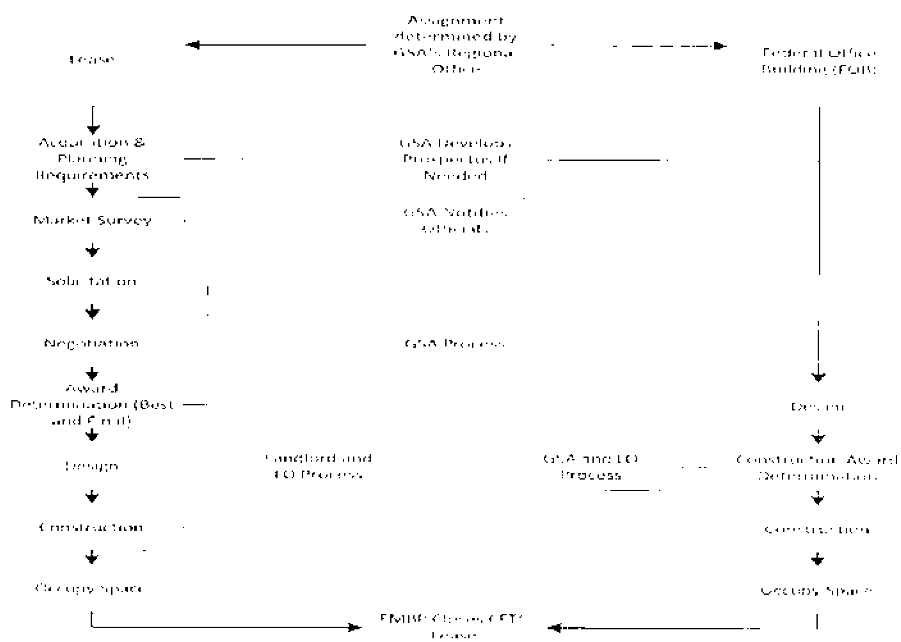
<u>The GSA Process</u>

The GSA assignment process is a multi-year, standardized process, and CFTC is in various stages of this process for its future space requirements, depending on the expiration of each lease. GSA is not a broker for agencies, but will assign CFTC space regardless of whether the building is owned or leased by GSA on behalf of the Government. Under GSA regulations, GSA "assigns" space for agencies. What this means is that GSA owns (in the case of a government building) or leases space that is then assigned to an agency by GSA. If GSA determines an agency's requirement cannot be fulfilled in a federal building, a competitive leasing process is conducted. While CFTC does have limited input into the competitive leasing process, it is possible that building space that is not desirable but meet the needs of the Government is assigned to the agency.

Agencies are responsible for providing GSA with geographical location, square footage needs by staffing type and the type of space needed, typically several years before the expiration of each lease. GSA, in coordination with the Office of Management and Budget, also prescribes per-person space allocations for agencies based on various metrics and other considerations. At CFTC, the Business Operations Branch in the Division of Administration coordinates with GSA to develop the space policy and requirements, and GSA provides the agency with the timing of required funding so that funding can be identified and requested during the annual appropriations process.

The length and complexity of the GSA process depends on the size of the requirement and construction costs. Under the Public Buildings Act, as amended, GSA is required to submit a formal document, or "Prospectus," to the Office of Management and Budget (OMB), the Senate Committee on Environment and Public Works, and the House Committee on Transportation and infrastructure, if the costs exceed prescribed thresholds, as part of the funding authorization process. Each Prospectus includes project specifications, cost estimates, and an anticipated completion schedule for the proposed project. Project authorization must be received from OMB, and from both the House and Senate committees before Congress can approve and fund GSA's proposed projects each fiscal year through the *Transportation, Treasury, Housing and Urban Development, Judiciary, and Independent Agencies* appropriations bill. Once the proposed construction and repairs projects receive congressional funding, GSA contracts with private sector firms for design and construction work through the appropriate formal bidding process. Only the CFTC headquarters building exceeds the prospectus threshold. For those assignments that do not exceed the prospectus level (such as CFTC's regional office assignments), the formal congressional approval process is not required and funding for each project is requested as part of the President's annual budget submission to Congress.

The general steps in the GSA process are provided below.



Space Utilization

The Federal Government initiated efforts in 2004[1] to promote cost control and efficiency measures over its real property inventory. Succeeding Administrations have continued these efforts. In May 2012, OMB provided guidance to agencies[2] that curtailed, with limited exceptions, any increases to the size of civilian real estate inventory. In 2015, OMB issued further agency guidance[3] that required, among other things, agencies freeze and reduce their space footprints. The "Reduce the Footprint" (RTF) policy remains in

[1] Executive Order 13327 was issued on February 4, 2004 by President George W. Bush

[2] OMB memo M-12-12, *Promoting Efficient Spending to Support Agency Operations*, May 11, 2012

[3] OMB Management Procedures Memorandum No. 2015-01, *Implementation of OMB Memorandum M-12-12 Section 3: Reduce the Footprint*, March 25,2015

effect today. Agencies are required to report on their efforts and GSA and OMB continue to make additional changes to further implement this guidance.

Under the current Administration, GSA targets an average of 180 usable square feet (usf) per person, which includes the workstation (office or cubicle) and pro-rata share of halls and corridors, conference rooms, computer rooms and breakrooms. In its current locations, CFTC is at approximately 370usf per person. In 2018, CFTC requested a 220usf exemption to the policy for its new leases, but the request was rejected by OMB, and CFTC will be required to comply with the 180usf average in all new GSA space assignments.

The following chart provides current and revised space ratios for the new leases

Individual Staff Space				
Employee Category	Number	Current usf	Revised usf	Change
Chairman and Commissioners	5	564	475	-89
Directors and Regional Administrators	14	300	275	-25
Supervisors	191	180	120	-60
Non-Supervisory staff	536	125	100	-25
Contractors, interns (cubicles)	275	96	48	-48
Support Areas				
Room Type		Number	Number	Change
Conference Rooms		60	15	-45
Deposition Rooms		0	4	4
Training Rooms		5	4	-1
Teaming Rooms @ 125usf		0	56	56
File Rooms		34	21	-13
HQ Conference Center/Hearing Room usf		8,000.00	5,100.00	-2,900

Status of CFTC Leases

CFTC office lease expirations are provided below.

Location	Lease Expiration	Date for Initiating GSA Engagement	Type of Building	When CFTC Funding is Required
Kansas City	April 2021	June 2018	Lease	January 2020
New York	March 2022	June 2018	Federal Building	January 2019

Chicago	June 2022	June 2018	Federal Building	October 2019
District of Columbia	September 2025	September 2018	TBD	October 2023

Kansas City Regional Office

- Seriatim conducted in 2018 approving action.
- After a financial analysis by the Financial Management Branch and considering other factors, Chairman Giancarlo decided not to consolidate the Kansas City and Chicago regional offices.
- Market survey completed April 16, 2019.
- The assigned location at 2600 Grand Ave, Kansas City, MO has a fee for fitness center and parking services.,. In the current KC location, the landlord provides a fitness center and parking at no cost to CFTC employees.
    - Due to appropriation law, the CFTC cannot pay for employee parking
    - The Human Resources Branch is looking into alternative solutions to address the fitness center fee, including reengaging the Life Cycle Program
- CFTC will be relocating in March 2021.
- CFTC management is bargaining over the changes to working conditions and the impact and implementation of the moves with our union

New York Regional Office

- Seriatim completed August 2018 approving action.
- CFTC will be relocating to the Ted Weiss Federal Office Building (aka 290 Broadway) in January 2022
- CFTC management is bargaining over the changes to working conditions and the impact and implementation of the moves with our union
- Additional background on NYRO Employee Relocation Concerns is attached

Chicago Regional Office

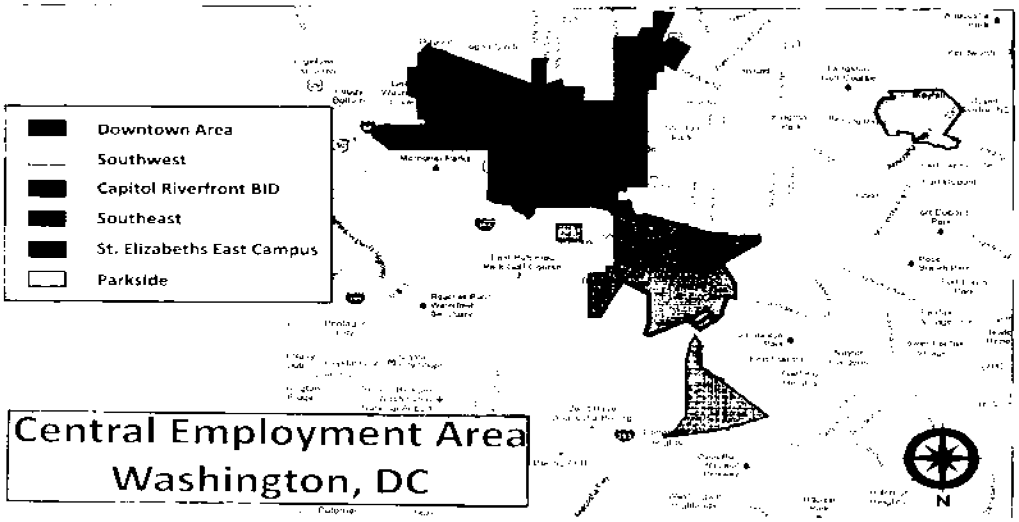
- Seriatim conducted August 2018 approving action
- CFTC will be relocating to the Ralph Metcalfe Federal Office Building at 77 W Jackson Blvd in April 2022.
- CFTC management is bargaining over the changes to working conditions and the impact and implementation of the moves with our union

DC Headquarters Office

- Because this continuing requirement exceeds the prospectus threshold, a FY 2022 GSA Prospectus has been completed.
- A Macro Program of Requirements (POR). by a GSA contracted architectural/engineering firm has been completed. The POR process identifies CFTC total space requirements and also involves interviews with leadership, management and employees.
  Union involvement will be required.
    - Decision Point: Team of employees to participate
- GSA will be exploring both Federal and lease building assignments in the Delineated Area for DC. The POR will determine which buildings suit CFTC's needs.

- In keeping with Executive Order[4], the Delineated Area is a disjointed area in DC's Central Business District that includes select sections of the Downtown, Southwest, Capitol Riverfront, Southeast, St. Elizabeth's East Campus and Parkside regions of Washington, D.C.

A map of the Delineated Area appears below:



Budget Requests and Considerations

In FY 2020 budget request, CFTC received a $31 MM no-year appropriation for facility relocation and replication costs for the New York, Chicago and Kansas City leases. The estimate includes costs for GSA building alterations, IT infrastructure and telecommunications equipment, systems furniture, logistics support and furniture. The following chart provides the cost break-out of the $31MM request.

CFTC Facility Relocation and Replication Request

Proposed GSA Facility Type by Location	Lease Expiration	Est New Rentable Sqft	FY 2018 Actual Continuing Resolution 2019 President's FY 2020 Budget
			$ in thousands
Kansas City - Leased Facility	April, 2021	11,624	$2,713
Construction/Alterations			1,099
Relocation/Replication			$1,614
Chicago - Federal Facility	April, 2022	32,047	$13,052
Construction/Alterations			7,426
Relocation/Replication			5,626
New York - Federal Facility	June, 2022	22,523	$15,236
Construction/Alterations			11,561
Relocation/Replication			3,675
Total		66,194	$31,000

[4] Executive Order 12072 – *Federal Space Management*, August 16, 1978

Statutory Union Bargaining Requirements

Bargaining unit CFTC staff are represented by the National Treasury Employees Union (NTEU). The NTEU maintains certain rights when it comes to conditions of employment and the impact and implementation of the moves. In relation to CFTC space, these include bargaining unit input into finishes, size of offices, number of conference rooms, break areas, etc.

Employee Engagement

A workforce engagement strategy is currently being developed

Challenges

(b)(5)

Attachment
MOU Between GSA and CFTC

NYRO Employee Relocation Concerns

Attachment

MEMORANDUM OF UNDERSTANDING
BETWEEN
THE UNITED STATES GENERAL SERVICES ADMINISTRATION
AND
THE UNITED STATES COMMODITY FUTURES TRADING COMMISSION

This Memorandum of Understanding ("MOU") is between the United States General Services Administration ("GSA" or "Party") and the United States Commodity Futures Trading Commission ("CFTC" or "Party") (the CFTC and the GSA collectively as the "Parties").

The core mission of the CFTC is to foster open, transparent, competitive, and financially sound markets; to avoid systemic risk; and to protect the market users and their funds, consumers, and the public from fraud, manipulation, and abusive practices related to derivatives and other products that are subject to the Commodity Exchange Act, as amended. The core mission of the GSA's Public Buildings Service is to provide effective, mobile, sustainable workplace solutions for federal agencies at the best value for the American Taxpayer. Through this MOU, the CFTC seeks to leverage the GSA's expertise in commercial leasing in managing its operating leases.

The CFTC currently has four leases to meet its office space requirements in Washington (DC), New York City (NY), Chicago (IL), and Kansas City (MO)(See Attachment: Inventory of CFTC Leases).

Consistent with GSA's Pricing Desk Guide, 4th edition, issued April 5, 2010, as it may be amended (see GSA website at http://www.gsa.gov/portal/content/104909), GSA and CFTC agree to collaborate in the development of a comprehensive portfolio strategy that addresses CFTC's current and future space needs, which may include Federally owned or leased space. This MOU provides a framework by which GSA shall provide leasing services to CFTC for CFTC's real property space requirements. CFTC has authority to enter into this MOU under 7 U.S.C. §16(a). GSA has authority to perform all tasks indicated in this MOU under 40 U.S.C. § 501(a)(1), 40 U.S.C. §585, and 40 U.S.C. § 586.

As set forth below, CFTC will continue to administer its existing leases, and will negotiate and administer any necessary extensions to existing CFTC leases, GSA will consult with and advise CFTC in its administration of existing and extended leases, and GSA will procure and administer all new leases for CFTC consistent with GSA policies and procedures. The Parties seek to establish and follow a common strategy for CFTC's future housing needs with the following understanding:

1. The Effective Date of this MOU will be the date this MOU is executed by both Parties. This MOU may be executed in counterparts, each of which will be deemed to be a duplicate original, and which together will constitute one and the same instrument.

2. As requested by CFTC, GSA will collaborate with CFTC in the development of a comprehensive strategy for CFTC's space needs;

3. CFTC is responsible for the administration of all existing CFTC leases;

4. CFTC is responsible for procuring extensions of any existing CFTC leases;

5. As requested by CFTC, GSA will advise and consult with CFTC regarding CFTC's administration of its existing leases and CFTC's procurement and administration of any extension to existing CFTC leases;

6. GSA and CFTC will negotiate a fee schedule to reimburse GSA through a separate interagency agreement for advice and counseling requested by CFTC regarding CFTC's administration of its existing leases and in the procurement and administration of any extension to existing CFTC leases;

7. As of the Effective Date of this MOU, GSA shall procure and administer all new CFTC leases consistent with CFTC's demonstrated needs and requirements, GSA practices and procedures as well as relevant statutes, Executive Orders, and supplemental agency policies and guidance;

8. As of the Effective Date of this MOU, GSA will work with CFTC to maximize and increase efficiency in its planning for future space requirements and to consider alternatives to acquiring additional office space, such as consolidation, co-location, teleworking, and hoteling. GSA and CFTC agree that GSA may perform these services on a reimbursable basis on CFTC's current inventory of leases, if requested by CFTC;

9. As of the Effective Date of this MOU, in the event that existing Federally-controlled space is unavailable to meet CFTC space requirements and leasing is required, GSA will follow policy established in the Leasing Desk Guide (http://www.gsa.gov/portal/content/163635); and

10. As of the Effective Date of this MOU, CFTC agrees to enter into separate interagency agreements as appropriate to pay GSA fees for services provided by GSA to CFTC in procuring and administering new CFTC leases as set forth in the GSA Pricing Desk Guide.

Each Party represents that it has authority to enter into this MOU. In the event of any material change in a Party's authority to enter into this MOU, written notification will be provided immediately to the other agency.

The point of contacts from CFTC and GSA will be as follows:

Wes French
Manager, Programs and Planning
Logistics and Operations
Office of the Executive Director
U.S. Commodity Futures Trading Commission
Phone: (202) 418-5864
Email: wfrench@cftc.gov

Chris Wisner
Assistant Commissioner
Office of Leasing
Public Buildings Service
U.S. General Services Administration
Phone: (202) 208-4947
Email: chris.wisner@gsa.gov

The MOU, approved by both parties in August 2016, is hereby revoked.

This MOU may be terminated by either party with ninety (90) days written notice. In any event, this MOU will expire upon expiration of the CFTC leases referenced in the Attachment to this MOU.

Anthony Thompson (date)
Executive Director
U.S. Commodity Futures Trading Commission

11 8 16
Norman Dong (date)
Commissioner
Public Buildings Service
U.S. General Services Administration

Attachment

Inventory of CFTC Leases

Location	Rentable Square Feet as of 2016	Expiration
<u>Main Office (Headquarters)</u> Three Lafayette Centre 1155 21st Street, NW Washington, DC 20581	288,000	09/30/2025
<u>Southwestern Region</u> 4900 Main Street Suite 500 Kansas City, MO 64112	24,000	03/31/2021
<u>Central Region</u> 525 West Monroe Street Suite 1100 Chicago, IL 60661	60,000	06/03/2022
<u>Eastern Region</u> 140 Broadway New York, NY 10005	62,000	04/30/2022

Page 1 of 1

"ByPass" Authority

Date Updated: November 25, 2020
POC: Joel Mattingley
Division of Administration

BACKGROUND

Unlike many Federal agencies[1], CFTC has statutory authority, informally knows as "bypass" authority that requires that CFTC submit budget estimates or requests, or legislative recommendations, testimony or comments submitted by the Commission to the President or OMB concurrently to both the House and Senate Appropriations and Agriculture Committees. The Commission is expressly exempt from any requirement that legislative recommendations, testimony or comments be submitted for Executive Branch review prior to transmission to Congress. Where the Commission voluntarily seeks other agency comments, such fact is to be noted in the transmittal. The language also provides that if any Commissioner provides a separate opinion on a final commission publication on a matter, the opinion must be published in full along with the final commission publication of the matter. The attachment to this document provides OMB's internal analysis of agency "bypass" provisions.

The CFTC statutory "bypass" language is contained in the Commodity Exchange Act (CEA), 7 U.S. Code § 2(a)(10) :

Transmittal of Budget Requests and Legislative Recommendations to Congressional Committees

(10) (A) Whenever the Commission submits any budget estimate or request to the President or the Office of Management and Budget, it shall concurrently transmit copies of that estimate or request to the House and Senate Appropriation s Committees and the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition, and Forestry.

(B) Whenever the Commission transmits any legislative recommendations, or testimony, or comments on legislation to the President or the Office of Management and Budget, it shall concurrently transmit copies thereof to the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition, and Forestry. No officer or agency of the United States shall have any authority to require the Commission to submit its legislative recommendations, or testimony, or comments on legislation to any officer or agency of the United States for approval, comments, or review, prior to the submission of such recommendations, testimony, or comments to the Congress. In instances in which the Commission voluntarily seeks to obtain the comments or review of any officer or agency of the United States, the Commission shall include a description of such actions in its legislative recommend actions, testimony, or comments on legislation which it transmits to the Congress.

(C) Whenever the Commission issues for of final publication any opinion, release, rule, order, interpretation, or other determination on a matter, the Commission shall provide that any dissenting, concurring, or separate opinion by any Commissioner on the matter be published in full along with the Commission opinion, release, rule, order, interpretation, or determination.

1 CFTC is among a list of forty four federal agencies that maintain some form of legislative and/or budget bypass authority.

IMPLICATIONS

OMB Budget Submissions and OMB Pass-back[2]

- The Commission typically provides its budget request to OMB in mid-September of each year. Unlike most agencies, but similar to SEC, the Commission submits a letter to OMB outlining the Commission's request, rather than the full justification document. Prior to submission, the Commission budget estimate must go through the seriatim process. In the past, commissioners have submitted written opinions, both dissenting and concurring, about the budget submissions that have been published with the final submission. Copies of the letter to OMB are concurrently submitted to the Appropriators at this time.

- Unlike other agencies, CFTC pass-back occurs orally, per OMB's discretion. OMB typically calls the Budget Office with the pass-back information and negotiations occur verbally, with the Budget Office coordinating the discussions with the Chairman's Office as appropriate. Because the process is oral, no additional disclosure outside of the agency takes place and after "settle-out," final budget materials are prepared for the February budget submission to Congress.

CFTC's Utilization of Bypass Authority

- In keeping with the legislative language, the Commission maintains authority for its budget estimates, and has the option to submit a budget that is different from the President's submission. This occurred with the submission of the FY 2018 Budget request when the Commission did not come to agreement with OMB on the budget request amount and submitted a budget in excess of the published President's budget request to Congress. The disagreement centered on OMB's requirement that the CFTC include a provision for user fees to accommodate the increase in CFTC's budget request. Although the parties were not agreement, the submission of the alternate budget request was carefully coordinated with OMB. Nevertheless, the disconnect between the CFTC and the Administration's requests received press coverage and was not particularly well-received by the Appropriators. Bypass authority was not utilized in CFTC's official requests for FY 2020 and FY 2021 budgets, both of which included a provision for user fees for a portion of CFTC's budget request.

OMB Legislative Proposal Review Processes

- Because of the bypass provisions, OMB rarely provides written legislative proposals to the CFTC for review and comment. Any such interactions typically take place informally/verbally between the OMB Resource Management Office and the CFTC Budget Office which typically coordinates any

[2] The OMB "pass-back" process occurs after agencies submit their budgets to OMB but before those budgets are submitted to Congress by the President on the first Monday in February. After OMB receives an agency budget request, OMB provides feedback and instructions to an agency about the Administration's planned adjustments to the agency's submission. This process, which typically takes place in late November or early December, is referred to as "pass-back," and with limited exceptions is provided in writing. Agencies may appeal an OMB adjustment during the "settle-out" process, where final numbers and provisions for each agency budget as well as the President's final budget submission are finalized. Adjustments are generally included in the official submission of the President's budget to Congress and are also reflected in the agency's individual, more detailed submissions to the Appropriations committees. Because of the pre-decisional nature of the process, and in accordance with OMB direction, discussions during the process are not disclosed outside of OMB and the agency, unless there are other statutory provisions, such as "bypass," authority that require disclosure.

verbal responses to OMB.

<u>Testimony</u>

- With most federal agencies, OMB requires a pre-review/approval of congressional committee testimony. Because of the "bypass" provisions, CFTC does not submit its written budget or other hearing testimony to OMB for pre-review. Any such submissions, if they do occur, occur concurrently with the submission of the testimony to the appropriate congressional committees of jurisdiction.

Attachment (best copy available)

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

February 20, 2001

MEMORANDUM FOR OMB POLICY OFFICERS AND DADs

FROM: Jim ukes
Assistant Director for
Legislative Reference

Jim

SUBJECT: Agencies with Legislative and Budget "Bypass" Authorities – Information

Attached for your information is a periodic update of the Legislative Reference (LR) Division's list of Federal agencies with legislative and budget "bypass" authorities. "Bypass" authorities purport to restrict the President's review of the budgets and/or legislative recommendations of certain agencies.

The attached papers contain: (1) background information on the "bypass" authorities; (2) a list of "bypass" agencies; and (3) summary descriptions of agency-specific "bypass" authorities. This material is intended for OMB internal use only.

Forty-four Federal agencies currently have some form of legislative and/or budgetary "bypass". The attached compilation identifies agencies with: (1) budgetary and legislative "bypass" authority; (2) budgetary "bypass" authority only; (3) legislative "bypass" authority only; and (4) non-statutory (i.e., "informal") legislative "bypasses".

The principal additions to the 1999 version of this document are: (1) excerpts from the Justice Department's 2000 opinion on the constitutionality of legislative bypass provisions (page 2 of the background paper); and (2) updates to reflect statutory changes concerning the Federal Aviation Administration (pages 4 and 7), the District of Columbia courts (pages 4 and 7), and the Federal Housing Finance Board (pages 8 and 15).

LR Treatment of "Bypass" Agencies

LR's longstanding practice is to determine, on a case-by-case basis, whether or not to refer material for review to a "bypass" agency. Often, this decision is made in consultation with the "bypass" agency's legislative counsel. Depending on how the "bypass" agency interprets the applicable statute, it may have discretion regarding the treatment of OMB-referred material.

In general, an OMB referral is not made to a "bypass" agency unless the agency agrees to refrain from forwarding to Congress OMB-referred material or its response to an OMB referral. If a "bypass" agency cannot adhere to this guideline, but its views are important to the OMB clearance process or for preparation of an enrolled bill memorandum, the "bypass" agency's views are obtained informally.

Attachment

TABLE OF CONTENTS -- "BYPASS" AGENCIES

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February 2001

BACKGROUND -- LEGISLATIVE AND/OR BUDGETARY "BYPASS" PROVISIONS

Introduction

Several statutory provisions purport to restrict the President's control over Government agencies' budgets and/or legislative recommendations. These "bypass" provisions, which are summarized in the attachments to this paper, erode Presidential control over Executive branch policies and operations.

Most of these "bypass" provisions apply to the so-called "independent" regulatory agencies, which have some degree of independence within the Executive branch. (The precise legal status of these agencies within the Executive branch is a question that is outside the scope of this paper.) Nevertheless, the statutory legislative and budgetary bypasses that have been enacted to date have established precedents for extension to other agencies, thereby further undermining the President's authority and control over the Executive branch.

In addition, several other agencies without statutory bypasses have historically or customarily not complied with OMB clearance requirements. Finally, the various Inspectors General within the agencies have asserted a limited statutory legislative bypass.

Statutory Legislative Bypass

OMB Circular No. A-19 requires that agency legislative proposals and views on legislation be submitted to OMB for coordination and clearance prior to their transmittal to Congress.[1] The agencies, in turn, are required to set forth in their communications (other than testimony) to Congress the advice received from OMB concerning the relationship of the proposal to the Administration's program.

[1] Circular No. A-19 states that it applies to all Executive branch agencies except those with a statutory bypass. Executive branch agencies are defined to include "any Executive department or independent commission, board, bureau, office, agency, Government-owned or controlled corporation, or other establishment of the Government, including any regulatory commission or board . . . ."

Legislative bypass provisions enacted into law usually: (1) provide that legislative recommendations, testimony, or comments submitted to the President or OMB by the affected agency are to be transmitted simultaneously to Congress without prior Executive branch review; and/or (2) prohibit any Federal officer or agency from requiring the affected agency to submit legislative recommendations, testimony, or comments for approval or review prior to submission to Congress.[2]

These legislative bypass provisions undermine the President's role as Chief Executive and can deprive the President, Executive agencies, and Congress of the full benefits of OMB's central clearance process. In particular, OMB's coordination of legislative proposals, testimony, and the like on behalf of the Administration serves several important purposes. First, it provides a mechanism for development of a coherent legislative program for the President. Second, it encourages the various agencies to take the concerns and views of other agencies into account. Third, it facilitates the development of a consistent Administration position on legislation. Finally, it assures that Congress gets coordinated and informative agency views on legislation under consideration.

<u>April 2000 Justice Department View on Constitutionality of Legislative Bypass</u>. In an April 2000 letter to Senator Rockefeller, the Justice Department commented on legislation that would have: (1) required an agency component to submit legislative recommendations to the Congress; and (2) provided that "[n]o officer or agency of the United States may require the Director [of the agency component] to submit [the legislative recommendations] to any officer or agency of the United States for approval, comments, or review prior to [their submission] to Congress." The Department stated that "[w]e believe that this provision is invalid under the Recommendations Clause,[3] which protects the President's constitutional prerogative to formulate his own recommendations and proposals, and to control the policy agenda of the Executive Branch. By requiring the President's subordinates to provide the Congress with legislative

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[2] OMB will, however, as stated in Circular No. A-19, honor requests from such agencies for advice on the relationship of particular legislation, reports, or the testimony to the program of the President.

[3] The Recommendations Clause of the Constitution (Art. II, sec. 3) provides that the President "shall from time to time . . . recommend to [Congress] . . . such measures as he shall judge necessary and expedient."

recommendations, the legislation infringes on the President's ability to decline to offer any legislative recommendation if, in the President's judgment, no such recommendation is necessary or expedient. The invalidity of such a congressionally-compelled legislative recommendation is heightened to the extent that the provision attempts to prohibit the President, or his subordinates, from reviewing, analyzing, or approving the legislative recommendation before it is sent to Congress." The Department added that "[e]ven if the terms 'officer' or 'agency' are construed so as not to include the President himself, . . . we do not believe the Congress can preclude the President from relying on subordinate officers in the discharge of his constitutional duty to supervise legislative recommendations."

Statutory Budget Bypass

In enacting the Budget and Accounting Act of 1921, Congress created a system that clearly defined the respective responsibilities of the Legislative and Executive branches in fiscal matters. That Act recognized the need for the Executive branch to speak with one voice in presenting the Federal Budget by replacing the previously followed practice of allowing each agency to decide for itself the amount of appropriations to request of Congress. An essential principle underlying the Act was -- and remains -- that the President's budget requests for individual agencies and programs should be developed within the larger context of Presidential policy formulation and the need for government-wide budget totals that are appropriate in terms of their effects on the economy and on public borrowing.

-- Concurrent Budget Submission Requirement

Most of the budget bypass provisions enacted to date require agencies to submit their budgets to OMB and Congress concurrently. Generally, these provisions do not require the President to include the agency's request in the Budget that he transmits to Congress (i.e., the President's Budget may propose appropriations for an agency that differ from the estimates that the agency has provided OMB and Congress).

One of the fundamental difficulties with these bypass provisions lies in the timing of the submission of budget information to Congress. The individual agencies' budgets -- including the independent regulatory commissions -- have important relationships to those of other Government agencies and programs. These budgets cannot be evaluated properly without an understanding of the President's overall fiscal policy as revealed in the entire budget. Premature disclosure of individual agency budget requests can encourage a narrowly-focused, disjointed consideration of such requests by Congress -- precisely the problem that the Budget and Accounting Act, the Congressional Budget Act, and related legislation attempt to prevent.

Early disclosure may also affect the agencies' budget estimates. For example, an agency, knowing of a disposition by key members of Congress to view its budget proposals more favorably than the President, will likely increase its budget estimate. Transmitting their requests to Congress ahead of the President's Budget can enable agencies to try to build external pressures on the Appropriations Committees for more spending.

-- Requirement to Present Both an Agency's and President's Budget Requests

A variation of the budget bypass provision described above applies to the U.S. Postal Service, the Social Security Administration, the Internal Revenue Service Oversight Board, the District of Columbia Courts, and the Air Traffic Services Subcommittee of the Aviation Management Advisory Council (with respect to the Federal Aviation Administration). In these instances, the President is required to present the agency's budget request unchanged, but may make his own recommendations as well. These requirements are of less practical concern than the budget bypass requirements described above because the agency's budget is not submitted to Congress in advance of the President's Budget. These requirements are not construed to provide the concerned agencies with budget bypass authority.

Existing and longstanding OMB policies provide that after the President's Budget has been transmitted to Congress, the heads of agencies may provide information concerning the budget estimates they submitted to OMB when Congress asks for this information in connection with its consideration of the President's Budget. They are obliged, however, to support the President's Budget decisions, notwithstanding the latitude afforded them in communicating with Congress. (By contrast, the heads of the bypass agencies can be expected to, and do, testify before Congress in defense of their own budget requests, rather than the President's Budget recommendations.) Additionally, provisions of the Congressional Budget Act provide Congress with statutory authority to obtain appropriate data and information from Executive branch agencies that Congress may need to make and improve its own budgetary decisions.

-- Special Requirement for International Trade Commission

A 1975 law directs that the International Trade Commission's (ITC) proposed appropriations be included in the President's Budget "without revision". Since that time, the ITC's requests have been so included; the President has not proposed alternative appropriations, although there appears to be no express prohibition against so doing.

-- Other

Several other agencies -- mainly regulators of financial institutions, such as the Federal Reserve Board -- derive their funds from non-governmental sources; the budgets of these agencies are not subject to Executive review. This type of bypass is not examined in this paper. Similarly, under the Budget and Accounting Act, the budget requests of the Legislative and Judicial branches as received by OMB are simply included without change in the President's Budget.

Also, a number of corporations established by Federal law, but which are not owned or controlled by the Government, do not appear to be covered by A-19.

"Informal" or "Customary" (i.e., non-statutory) Bypasses

In addition to the statutory bypasses, there exists an "informal" or "customary" legislative bypass. This type of bypass is asserted by several "independent" agencies without any explicit authority, statutory or otherwise. OMB Circular No. A-19, by its terms, does cover the legislative activities of these agencies; however, the agencies generally do not comply with its provisions. In some cases, these de facto bypasses have been in effect for many years.

Inspectors General

Congress enacted the Inspector General (IG) Act of 1978, in part, because of concerns about the inability of Executive branch agencies to detect and prevent fraud, waste, and abuse in Federal programs.

Section 5(a) of the 1978 Act requires each IG to prepare a semi-annual report to the head of the agency in which he or she is located concerning a number of matters (e.g., recommendations for ways to correct significant problems). The agency head is, in turn, required to forward the report to Congress along with whatever comments he or she cares to make. In addition, section

4(a)(2) of the Act states that it is the responsibility of the IGs to "review existing and proposed legislation . . . and to make recommendations in the semi-annual reports concerning the impact of such legislation . . . ."

Many members of the IG community assert that these statutory IG reporting requirements provide the IGs with a limited legislative bypass. Some IGs have also argued that the reporting requirements in the Act provide a general legislative bypass. As a result, OMB does not routinely receive IG submissions for legislative clearance.

"BYPASS" AGENCIES

Agencies with Statutorily-Based Budgetary and Legislative "Bypass" Provisions

1. Advisory Council on Historic Preservation
2. Chemical Safety and Hazard Investigation Board
3. Commodity Futures Trading Commission
4. Consumer Product Safety Commission
5. Federal Aviation Administration (Transportation)
6. Federal Election Commission
7. Federal Retirement Thrift Investment Board
8. Merit Systems Protection Board
9. National Transportation Safety Board
10. Railroad Retirement Board
11. Surface Transportation Board (Transportation)

Agencies with Statutorily-Based Budgetary "Bypass" Provisions Only*

1. Court of Appeals for Veterans Claims
2. International Trade Commission
3. Legal Services Corporation
4. State Justice Institute
5. United States Institute of Peace

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* Statutory provisions relating to the United States Postal Service (39 U.S.C. 2009), the Social Security Administration (42 U.S.C. 901), the Internal Revenue Service Oversight Board (26 U.S.C. 7802), the District of Columbia Courts (Pub.L. 105-33, secs. 11242-3), and the Air Traffic Services Subcommittee of the Aviation Management Advisory Council (with respect to the Federal Aviation Administration's air traffic control system budget -- 49 U.S.C. 106(p)(7)(C)(v)) require the President to submit these entities' budget requests to Congress without revision, together with the President's own budget proposals for the concerned entities. These provisions are not construed to provide the concerned agencies with budget bypass authority.

Agencies with Statutorily-Based Legislative "Bypass" Provisions Only

1. Farm Credit Administration
2. Federal Deposit Insurance Corporation
3. Federal Housing Finance Board
4. Federal Reserve Board of Governors
5. National Credit Union Administration
6. Office of the Comptroller of the Currency (Treasury)
7. Office of Thrift Supervision (Treasury)
8. Securities and Exchange Commission
9. Federal Energy Regulatory Commission
10. Office of Federal Housing Enterprise Oversight (HUD)
11. Office of the National Taxpayer Advocate (Treasury - Internal Revenue Service)
12. Office of Special Counsel
13. Small Business Administration (Chief Counsel for Advocacy)

Agencies with "Informal" (i.e., non-statutory) Legislative Bypasses

1. Commission on Civil Rights
2. Corporation for Public Broadcasting
3. Court of Appeals for Veterans Claims
4. Federal Communications Commission
5. Federal Maritime Commission
6. Federal Trade Commission
7. International Trade Commission
8. Legal Services Corporation
9. Marine Mammal Commission
10. National Railroad Passenger Corporation (Amtrak)
11. Nuclear Regulatory Commission
12. State Justice Institute
13. Tennessee Valley Authority
14. United States Institute of Peace
15. United States Postal Service

Inspectors General

SUMMARY DESCRIPTION OF AGENCIES' STATUTORILY-BASED BUDGETARY AND LEGISLATIVE "BYPASS" PROVISIONS

1. Advisory Council on Historic Preservation

   P.L. 94-422, Sec. 201(9); 90 Stat. 1322, 1323; 16 USCA Sec. 470r, 470t(b), as amended by P.L. 96-515, Sec. 301(k); 94 Stat. 2999 provides that no Federal official or agency can require the Council to submit for review its legislative recommendations, testimony, or comments prior to the submission of such information to Congress. Where the Council voluntarily seeks other agency comments, such fact is to be noted in the transmittal. Any budget estimate or request that the Council submits to the President or OMB must concurrently be sent to the Appropriations Committees in both Houses and the House Interior and Senate Energy Committees.

2. Chemical Safety and Hazard Investigation Board

   P.L. 101-549, Sec. 301 (amending Sec. 112(F)(6)(R) of the Clean Air Act; 104 Stat. 2569; 42 USCA Sec. 7412(r)(6)(R)) provides that any budget estimate, request, supplemental request, or information, any legislative recommendation, or prepared testimony submitted to the President or a Federal Agency shall be concurrently transmitted to Congress. No Federal official or agency can require prior review of the Board's budgetary or legislative communications to the Congress.

3. Commodity Futures Trading Commission

   P.L. 93-463, Sec. 101(a)(3); 88 Stat. 1390; 7 USCA Sec. 4a (h)(1),(2) provides that all budget estimates or requests, or legislative recommendations, testimony, or comments submitted by the Commission to the President or OMB are to be transmitted concurrently to both the House and Senate Appropriations and Agriculture Committees. The Commission is expressly exempt from any requirement that legislative recommendations, testimony, or comments be submitted for Executive branch review prior to transmission to Congress. Where the Commission voluntarily seeks other agency comments, such fact is to be noted in the transmittal.

4. Consumer Product Safety Commission (CPSC)

P.L. 92-573, Sec. 27(k)(1),(2); 86 Stat. 1229; 15 USCA Sec. 2076(k)(1),(2) provides that any budget estimate or request, or legislative recommendations, testimony, or comments submitted to the President or OMB by CPSC be concurrently transmitted to the Congress. No Federal official or agency can require prior review of CPSC's legislative communications to the Congress.

5. Federal Aviation Administration (FAA) (Transportation)

P.L. 97-248, Sec. 506(f); 96 Stat. 679; 49 USCA Sec. 48109 provides that any budget estimate or request, supplemental budget estimate, other budget information, legislative recommendation, or comment on legislation that is sent to the Secretary of Transportation, the President, or OMB pertaining to funds authorized for air navigation facilities and equipment or for research, engineering and development must be concurrently transmitted to the Speaker of the House, the House Public Works and Appropriations Committees, the President of the Senate, and the Senate Commerce and Appropriations Committees. (The Justice Department has issued a legal opinion on this provision that asserts that Sec. 506(f) is constitutional only if interpreted to permit the Secretary and the President to review the FAA Administrator's reports prior to the time that they are submitted to Congress.) (Also see the footnote on page 7 concerning a separate requirement relating to the Air Traffic Services Subcommittee of the Aviation Management Advisory Council. This Subcommittee is required to review and approve the FAA's budget request related to the air traffic control system.)

6. Federal Election Commission (FEC)

P.L. 93-443, Sec. 208(a); 88 Stat. 1283; 2 USCA Sec. 437d(d)(1),(2) requires that any budget estimate or request, or legislative recommendation, testimony, or comments submitted to the President or OMB by the FEC be concurrently transmitted to the Congress. No Federal official or agency can require prior review of FEC's legislative communications to the Congress.

7. Federal Retirement Thrift Investment Board

P.L. 99-509, Sec. 6001(e); 100 Stat. 1931, amended 5 U.S.C. 8472 to add subsections (i) and (j) providing, respectively, that the Board shall submit its annual budget concurrently to the President and the appropriate committees of Congress, and that the Board may submit to the President, and, at the same time, shall submit to each House of Congress, any legislative recommendations of the board relating to any of its functions under any provision of law.

8. Merit Systems Protection Board

P.L. 95-454, Sec. 202(a); 92 Stat. 1125; 5 USCA Sec. 1205(j),(k) requires the Board to prepare and submit its annual budget concurrently to the President and to the appropriate committees of Congress. The Board's budget, "as revised," is required to be included as a separate item in the President's Budget. Any legislative recommendations of the Board relating to its functions are required to be submitted concurrently to the President and both Houses of Congress.

9. National Transportation Safety Board (NTSB)

P.L. 93-633, Sec. 304(b)(7); 88 Stat. 2170; 49 USCA App. Sec. 1903 (b)(7) provides that any budget estimate, request or supplemental estimate or legislative recommendation, prepared testimony, or comments submitted to the President or OMB shall be concurrently transmitted to the Congress. No Federal official or agency can require prior review of NTSB's budgetary or legislative communications to the Congress.

10. Railroad Retirement Board

P.L. 98-76, Sec. 416; 97 Stat. 436; 45 USCA Sec. 231f(f) provides that any budget estimate, request, or supplemental estimate, or legislative recommendation, prepared testimony, or comment on legislation submitted to the President or OMB shall be concurrently transmitted to the Congress. No Federal official or agency can require prior review of the Board's budgetary or legislative communications to the Congress.

11. <u>Surface Transportation Board (STB)</u>

P.L. 104-88 abolished the Interstate Commerce Commission (ICC) and transferred some of its functions to the Surface Transportation Board (STB), a new entity within the Department of Transportation. Bypass provisions similar to those that applied to the ICC apply to the STB. Specifically, P.L. 104-88, sec. 201, 109 Stat. 934, 49 U.S.C. 703(g) provides that any budget estimate, request, or budget information (including personnel needs), or legislative comment, recommendation, or prepared testimony for congressional hearings submitted to the Secretary of Transportation shall be concurrently transmitted to the Congress. No officer of an agency may impair communications between the STB and the Congress concerning budget estimates or requests.

SUMMARY DESCRIPTION OF AGENCIES' STATUTORILY-BASED BUDGETARY "BYPASS" PROVISIONS ONLY

1. Court of Appeals for Veterans Claims

The United States Court of Appeals for Veterans Claims was established by the Veterans Judicial Review Act, 38 U.S.C. Sections 7251-7292, under Article I of the Constitution. Section 7282 of the Act authorizes the Court to submit its budget for inclusion in the President's budget without review within the Executive branch.

2. International Trade Commission

P.L. 93-618, Sec. 175(a)(1); 88 Stat. 2011; 19 USCA Sec. 2232 specifically excludes the Commission from the provisions of the Budget and Accounting Act of 1921 and directs that the Commission's estimated expenditures and proposed appropriations be included without revision in the President's Budget.

3. Legal Services Corporation (LSC)

The LSC is a private nonprofit corporation largely funded through Federal appropriations. Its Board Members are appointed by the President subject to Senate confirmation. P.L. 93-355, Sec. 1005(e)(1); 88 Stat. 380; 42 USCA Sec. 2996d(e) provides that the LSC is generally not to be considered a department, agency or instrumentality of the Federal Government. There is no explicit statement in P.L. 93-355 that the LSC is outside the regular budget process, but the Corporation has so interpreted Sec. 1005(e)(2) of the Act (88 Stat. 380, 42 USCA Sec. 2996d(e)(2)), which states that "nothing in this title shall be construed as limiting the authority of the Office of Management and Budget to review and submit comments upon the Corporation's annual budget request at the time it is transmitted to the Congress." LSC has been submitting its budget requests concurrently to OMB and the Congress.

4. State Justice Institute

The State Justice Institute is a private nonprofit corporation established to further the development and adoption of improved judicial administration in State courts. Its Board of Directors is appointed by the President with the advice and consent of the Senate.

P.L. 98-620, Sec. 203; 98 Stat. 3336; 42 USC 10704(c) states that OMB may "review and submit comments" on the State Justice Institute's budget request when it is transmitted to Congress, implying a budgetary bypass. The same provision also states that otherwise the Institute "shall not be considered a department, agency, or instrumentality of the Federal Government."

5. United States Institute of Peace (USIP)

P.L. 98-525; 98 Stat. 2651; 22 USCA Sec. 4601, et seq., established the USIP as an independent, nonprofit corporation and generally provides that officers and employees of the USIP are not to be considered officers or employees of the United States Government. (There is no explicit provision contained in P.L. 98-525 stating the USIP is outside the regular budget process; however, USIP has so interpreted Sec. 1709(a) of P.L. 98-525, 22 USCA Sec. 4608(a), which states that "[n]othing in this title may be construed as limiting the authority of the Office of Management and Budget to review and submit comments on the Institute's budget request at the time it is transmitted to the Congress.")

SUMMARY DESCRIPTION OF AGENCIES' STATUTORILY-BASED LEGISLATIVE "BYPASS" PROVISIONS ONLY

1. Farm Credit Administration (FCA)

   P.L. 92-181, Sec. 5.18(3); 85 Stat. 622; 12 USCA Sec. 2252(a)(3) provides that from "time to time" the FCA may recommend legislative changes directly to Congress.

2. Federal Deposit Insurance Corporation (FDIC)
3. Federal Housing Finance Board
4. Federal Reserve Board of Governors
5. National Credit Union Administration
6. Office of the Comptroller of the Currency (Treasury)
7. Office of Thrift Supervision (Treasury)
8. Securities and Exchange Commission (SEC)

   P.L. 93-495, Sec. 111; 88 Stat. 1506; 12 USCA Sec. 250 prohibits any Federal officer or agency from requiring the SEC or the preceding five (item nos. 2-6 above) agencies to submit legislative recommendations, testimony, or comments for approval or review prior to their submission to Congress, provided that such communications include a statement to the effect that the views expressed therein do not necessarily represent the views of the President.

9. Federal Energy Regulatory Commission

   P.L. 95-91, Sec. 401(j); 91 Stat. 583; 42 USCA Sec. 7171(j) provides that whenever the Federal Energy Regulatory Commission submits to the Secretary of Energy, the President, or the Office of Management and Budget, any legislative recommendation or testimony, or comments on legislation, prepared for submission to Congress, the Commission shall concurrently transmit a copy thereof to the appropriate committees of Congress.

10. Office of Federal Housing Enterprise Oversight (HUD)

    P.L. 102-550, Sec. 1313 allows the Office of Federal Housing Enterprise Oversight in HUD to provide Congress with recommendations and reports without "the prior approval, comment, or review of any officer or agency of the United States." The Office must include a statement indicating that the views expressed do not necessarily represent the views of the HUD Secretary or the President.

11. Office of the National Taxpayer Advocate (Treasury - Internal Revenue Service)

The Office of the National Taxpayer Advocate was established by the Internal Revenue Service Reform and Restructuring Act, P.L. 105-206, sec. 1102(a), 112 Stat. 697 et. seq., 26 U.S.C. 7803(c). Among other things, section 1102 requires the Office of the Taxpayer Advocate to submit certain annual reports directly to the House Ways and Means Committee and the Senate Finance Committee, without any prior review or comments by the IRS Commissioner, the Secretary of the Treasury, the IRS Oversight Board, any other Treasury Department officer or employee, or the Office of Management and Budget. The reports are to contain, among other things, such legislative recommendations as may be appropriate to resolve problems encountered by taxpayers.

12. Office of Special Counsel (OSC)

P.L. 101-12, Sec. 3 (5 U.S.C. Sec. 1217) pertains to OSC's transmittal of information to the Congress. This section states: "The Special Counsel or any employee of the Special Counsel designated by the Special Counsel, shall transmit to the Congress on the request of any committee or subcommittee thereof, by report, testimony, or otherwise, information and the Special Counsel's views of functions, responsibilities, or other matters relating to the Office. Such information shall be transmitted concurrently to the President and any other appropriate agency in the executive branch."

13. Small Business Administration (Chief Counsel for Advocacy)

P.L. 94-305, Sec. 201; 90 Stat. 668; 15 USCA Sec. 634a requires the President to appoint, subject to Senate confirmation, a Chief Counsel for Advocacy. 15 USCA 634f provides, in pertinent part, that

> The Chief Counsel may from time to time prepare and publish such reports as he deems appropriate. Not later than one year after June 4, 1976, he shall transmit to the Congress, the President, and the [Small Business] Administration, a full report containing . . . specific recommendations . . . including specific legislative proposals and recommendations . . . . Not later than 6 months after June 4, 1976, he shall prepare and transmit a preliminary report on his activities. The reports shall not be submitted to [OMB] . . . for any purpose prior to transmittal to the Congress and the President.

SBA's Advocacy Office has contended that these reporting provisions provide it with a permanent and general legislative bypass. OMB has not insisted on compliance by the Advocacy Office with legislative clearance requirements.

SUMMARY DESCRIPTION OF AGENCIES' "INFORMAL" (I.E., NON-STATUTORY) LEGISLATIVE BYPASSES

1. Commission on Civil Rights

The Commission was created by the Civil Rights Act of 1957, P.L. 85-315, which was later amended by P.L. 103-419. Although the Act has never provided statutory bypass authority, the Commission asserts that it has implied legislative bypass authority since four of its eight Commissioners are appointed by Congress.

2. Corporation for Public Broadcasting (CPB)

P.L. 90-129, Section 201(9), 81 Stat. 368; 47 USC 396 establishes the CPB as a nonprofit corporation not to "be an agency or establishment of the United States Government." The President appoints the Board of Directors of the CPB with the advice and consent of the Senate. The CPB generally does not submit legislative materials for clearance.

The CPB submits its budget request directly to the Congress. However, this request is first sent to OMB and OMB provides recommended changes. CPB can ignore these recommendations in its request to Congress but the President's budget includes OMB's recommended CPB funding.

3. Court of Appeals for Veterans Claims

In addition to the statutory budget bypass previously noted, the Court views itself as an independent judicial body and does not submit legislation or testimony to OMB for clearance. This view is not based on statutory authority.

4. Federal Communications Commission (FCC)

Section 154(k) of the Communications Act of 1934, 47 USCA Sec. 154(k), requires the FCC to submit an annual report to Congress addressing several matters, including "specific recommendations to Congress as to additional legislation which the Commission deems necessary or desirable, including all legislative proposals submitted for approval to the Director of the Office of Management and Budget." (Absent specific bypass language, OMB does not interpret reporting requirements of this nature as authorizing a bypass.)

The Commission acts as if it has a bypass and does not ordinarily submit legislation or reports or testimony on legislation in advance to OMB for clearance. Moreover, OMB has made no effort in recent memory to subject the FCC to the requirements of Circular A-19.

5. <u>Federal Maritime Commission (FMC)</u>

Reorganization Plan No. 7 of 1961, 75 Stat. 840; 26 F.R. 7315 established the FMC and stated that it "shall not be a part of any executive department or under the authority of the head of any executive department." The FMC generally does not submit legislative materials for clearance.

6. <u>Federal Trade Commission (FTC)</u>

The FTC has no statutory legislative bypass but acts as if it does: it does not ordinarily submit legislation or reports or testimony on legislation to OMB for clearance. OMB has made no effort in recent memory to subject the FTC to the requirements of Circular A-19.

OMB does refer legislative materials to the FTC on a case-by-case basis, however, particularly with respect to matters likely to have a direct impact on that agency (e.g., concerning revisions of the laws governing unfair trade practices).

7. <u>International Trade Commission (ITC)</u>

In addition to the formal budgetary bypass enacted on behalf of the ITC, noted previously, the ITC asserts an informal legislative bypass and does not clear legislative materials through OMB. This assertion could be based on 19 USCA 2232, which, besides providing ITC with a budgetary bypass, states that the ITC "shall not be considered to be a department or establishment for purposes of the [Budget and Accounting Act of 1921]."

8. <u>Legal Services Corporation (LSC)</u>

In addition to the budget bypass for LSC, previously described, LSC has never participated in OMB's Circular No. A-19 legislative clearance process.

9. Marine Mammal Commission

P.L. 92-522, Sec. 204; 86 Stat. 1045; 16 USCA Sec. 1404, requires the Commission to transmit an annual report to Congress, which must include, among other things, various recommendations made to the Secretary of the Interior and other Federal officials with respect to matters concerning marine mammals. Under section 202, the report must be furnished "for comment" to the Interior Secretary before it is transmitted to Congress.

The Commission has no statutory legislative bypass but behaves as if it does. It generally does not submit legislative materials to OMB for review and clearance in accordance with OMB Circular A-19.

10. National Railroad Passenger Corporation (Amtrak)

Amtrak is a for-profit corporation that is largely owned by the Federal Government. P.L. 95-421, Sec. 3; 92 Stat. 923, repealed the budgetary and legislative bypass provisions previously applicable to Amtrak (contained in P.L. 93-146, Sec. 12; 87 Stat. 553). Notwithstanding that repeal, however, Amtrak does not currently submit budget information or legislative proposals and comments to OMB for clearance. Consequently, Amtrak's informal bypass is both budgetary and legislative in nature.

11. Nuclear Regulatory Commission (NRC)

NRC has no statutory legislative bypass but asserts one nonetheless. NRC does submit its appropriation authorization legislative materials for clearance under Circular A-19. In virtually all other cases, however, including testimony and legislative reports, it does not acknowledge OMB's central clearance authority.

12. State Justice Institute

In addition to the budget bypass noted previously, the Institute generally does not submit legislative materials for clearance.

13. Tennessee Valley Authority (TVA)

TVA has no statutory legislative bypass but frequently acts as if it does.

14. United States Institute of Peace (USIP)

In addition to the budget bypass enacted for the USIP, noted previously, the USIP has asserted an informal legislative bypass, for which there is no statutory or other authority.

15. United States Postal Service (USPS)

In addition to the USPS budget provisions described in the footnote on page 7, the Postal Service has generally not submitted legislative items for clearance.

THE INSPECTORS GENERAL (IGs)

Section 5(a) of the Inspector General Act of 1978; P.L. 95-452; 5 USCA App. 3, Sec. 5(a), requires each IG to prepare a semi-annual report to the head of the agency in which he or she is located concerning a number of matters (e.g., a description of the recommendations made by the IGs to their agencies for corrective action with respect to significant problems, abuses, or deficiencies). Section 4(a)(2) of the Act expressly states that it is the responsibility of the IGs "to review existing and proposed legislation . . . and to make recommendations in the semi-annual reports concerning the impact of such legislation . . . ."

In addition, Section 5(d) of the Act requires the IGs to report to their agency heads "immediately" when the IGs become aware of especially serious abuses, problems, or deficiencies. In both cases, the agency heads are, in turn, required to forward these reports -- semi-annual or otherwise -- to Congress, along with whatever comments they care to make. These requirements constitute a legislative bypass for the IGs with respect to the specified reports. (The agency head comments on the IG reports are, however, subject to the requirements of OMB Circular A-19.)

Some of the IGs have argued that, taken together, the IG reporting requirements provide the IGs with a general legislative bypass, applicable to all legislative recommendations and materials. As a result, OMB rarely receives any IG submissions for legislative clearance.

Agency Reform Plan Efforts

Date Updated: November 25, 2020
POCs: Tony Thompson, Tomeka Gilbert, KerriLaine Prunella
Division of Administration

- January 13, 2020 Chairman Heath Tarbert approved an Agency-wide reform to realign key functions of the Commission.
- The reorganization sought to:
  - create a new Division of Data (DOD) formed from the data-centric components in the Division of Market Oversight (DMO) and the Office of Data and Technology (ODT);
  - enhance structural and operational efficiency by adding the operational functions in ODT into OED, and create the Division of Administration;
  - reassign the Executive Secretariat Branch from OED to the Office of General Counsel (OGC) and renamed OGC the Legal Division (LD);
  - rename and realign the Division of Swap Dealer and Intermediary Oversight (DSIO) and the Office of Customer Education and Outreach (OCEO) to Market Participants Division (MPD);
  - realign the Division of Clearing and Risk (DCR) and Division of Swap Dealer and Intermediary Oversight to provide a clearing examinations presence in the New York Regional Office; and
  - realign the web services and AV studio in ODT under the Office of Public Affairs (OPA).
- The reorg became effective on November 8, 2020 after completing our bargaining agreement to NTEU.
- Attached please find signed memo attached.

Aluminum Market Issues

Background

The physical aluminum market is mainly driven by industrial demand. China is the world's largest producer (55%) and consumer (50%) of primary aluminum. Russia's Rusal is also a major producer of aluminum.

The London Metals Exchange (LME), Shanghai Futures Exchange (SHFE), and Comex (CME) are the leading futures exchanges in the metal. The LME contract is considered the world's benchmark – and can be thought of as a global price. The LME contract can be physically delivered at any one of the over 700 LME approved warehouses throughout world, at the discretion of the short. Given the uncertainty of the delivery location the LME contract is not very useful as a delivery mechanism.

Premiums

Each delivery market has one or more local pricing points that are priced as differentials to the LME cash price. This component is known as the premium. In well-functioning markets, the premium can be thought of as a differential reflecting local supply-demand conditions and transportation costs relative to the global conditions. Premiums affect the all-in price paid for delivered metal, even when end-users buy their metal directly from producers. In the U.S., the predominant premium is called the Midwest Premium and is specifically for transactions at Detroit (transactions at other locations have an additional component for transportation, etc.).

There are several organizations that publish Midwest premium prices: Platts is a leading publisher, but there are others as well. Platts is a price reporting agency and is not registered with, or regulated by, CFTC. Starting in August 2013, CME (Comex) listed a futures contract for U.S. Midwest Premium that settles to the Platts published premium price. This contract has an open Interest of 30-35,000. On occasion, concerns have been raised about these benchmarks, both regarding the opacity of the process as well as depth of the underlying cash markets to support the formation of reliable indices.

CFTC has oversight of the CME as a registered Designated Contract Market (DCM). DCMs are self-regulatory organizations responsible for monitoring trading on their platform. When a DCM lists a cash settled contract such as the Platts Midwest premium, the CME must demonstrate that they monitor the pricing of the cash settled contract and amend contract terms if there is a threat of manipulation, disruption or distortion. In addition, to ensure that markets are sound and fair; the Commodity Exchange Act requires DCMs to comply with core principles, including the requirement that DCM listed futures contracts are "not readily susceptible to manipulation"

CFTC also has enforcement authority for commodities in interstate commerce to bring actions, as appropriate, for manipulative activity, including false reporting, and fraud. Since the beginning of this year, the U.S. Midwest Premium has increased from being about 6% of total price at Detroit, to currently being in the 16% range. Many factors related to changes in supply and demand affect the Midwest premium.

LME

A number of consumers indicated the relationship between market balance, premiums and the LME cash price had broken down in 2014-15. There were two main reasons cited: carry trades and warehouse delivery backlogs.

Carry trades
Carry trades, or longer term inventory financing deals, take advantage of cheap financing, low storage rates and a forward curve in contango. These trades tend to lock up inventory, effectively competing against stocks required by end users. As a consequence, aluminum may not be as available for physical consumption; the financial demand for metal may drive up incentives, tighten the market for physical metal, and raise premiums.

Warehouse load-out queues
LME warehouses has had significant backlogs in releasing metal from storage. Delivery load-out times approached 20 months during 2013. Consumers alleged the load-out delays led to increased premiums for delivered metal. The issue drew political and regulatory scrutiny in the United States. At that time, Detroit's Metro warehouse was owned and operated by Goldman Sachs.

CFTC dialogue with LME and UK regulators
In 2014-15, CFTC staff held frequent dialogue with LME's senior leadership, as well as with UK regulatory authorities, to understand LME's perspective on aluminum contract and warehouse issues, and to assess LME's proposals for resolving such issues.

Within the limits of its jurisdiction over LME as a foreign board of trade (FBOT), CFTC staff made recommendations for addressing issues in the aluminum contract and related warehouse practices, and encouraged LME to move promptly to address problem areas.

CFTC staff monitored market conditions, LME's implementation of responsive measures, and legal developments in UK courts that impacted the scope and timing of any responsive measures to be undertaken by LME.

LME policy changes
The CFTC consulted with LME as the Exchange implemented new operational procedures that cut delivery queues and increased transparency regarding delivery data and processes. Since then, load-out queues at Detroit warehouses have steadily declined and are currently at zero. Examples of some new LME policies include:

- LME passed rules requiring load-outs to be greater than load-ins for warehouses with queue over 50 days.
  To stop the so-called "merry-go-round" practices utilized by warehouses, a rule was

introduced so that metal must be shipped to a different warehouse operator or to a consumer in the same LME location, or it must physically leave the location altogether.

- The LME began publishing a Commitment of Traders report.

CFTC Jurisdiction

- *US Futures and Swaps are under CFTC jurisdiction.* Current aluminum futures products listed by CME:

Contract	**Open Interest (Oct 12, 2020)**
Aluminum Futures	205
Aluminum A380 Alloy (Platts) Futures	0
Aluminum MW U.S. Transaction Premium Platts (25MT) Futures	34,749
Aluminium European Premium Duty-Unpaid (Metal Bulletin) Futures	13,264
Aluminium European Premium Duty-Paid (Metal Bulletin) Futures	10,983
Aluminum Japan Premium (Platts) Futures	4,475

- *CFTC Jurisdiction over the LME FBOT*
  LME has been able to offer the aluminum contract for direct access trading since receiving a staff no-action relief letter on March 12, 2001 (CFTC Letter No. 01-11). That letter was superseded by an Order of Registration issued pursuant to Commodity Exchange Act section 4(b)(1) and Part 48 of the Commission's regulations on October 31, 2016. LME is not a registered entity and remains regulated by the FCA in the UK. It is registered with the CFTC only for the purpose of permitting direct access trading, and the Commission's oversight of LME is limited to the aspects of direct access trading. Should it be deemed necessary, the CFTC, under Part 48, can impose additional requirements and conditions on the direct access trading and could, under the worst scenario, revoke the Order, thereby prohibiting trading by direct access. It should be noted that prohibiting direct access trading does just that, and U.S. persons could continue to trade LME contracts by other means. Note that LME has three markets: the ring, a phone market and LMESelect, the electronic market. Generally, U.S. trading by direct access in aluminum accounts for approximately 1.5% of the worldwide volume in aluminum traded on LMESelect.

- *CFTC Jurisdiction in Connection to Warehouses and S&P Global Platts*
  Neither commodity warehouses nor Platts are registered with the Commission in any category of registration or oversight. The Commission, therefore, has no direct

regulatory authority over warehouses, wherever located, or Platt's provision of energy and commodities information. CFTC-registered designated contract markets (DCMs) and swap execution facilities (SEFs), however, may have contractual arrangements with both warehouses and Platts in connection with their marketplaces. If such arrangements were to impact the ability of a DCM or SEF to comply with its respective regulatory obligations, such compliance issues would come within the Commission's authority and oversight responsibility.

LabCFTC Overview

In service to the CFTC's Goal of encouraging innovation and enhancing the regulatory experience for market participants at home and abroad, LabCFTC's mission is to be the FACE of innovation for the Commission and promote responsible innovation among financial industry, stakeholders, and policymakers by:

- Facilitating dialogue between innovators and those within the CFTC on financial and technological innovations;
- Advancing policy and regulation in financial innovation;
- Coordinating internally and externally with International, Federal, and State regulators, organizations, and associations; and
- Educating internal and external stakeholders on financial technology and innovation in the financial markets to identify how innovations are being used.

In 2019, the Chairman elevated LabCFTC to an official operating office in the Commission, reporting directly to him. This elevation underscores the commitment of the Agency to innovation – and solidifies LabCFTC's role to be the link between the Agency and innovators for years to come.

Facilitating Dialogue:

- **Office Hours**: Since its inception, LabCFTC regularly engages with the fintech community (including startups, firms, academics, market participants and interested parties,) through office hour sessions every Tuesday in Washington DC. In the past, these meetings were also held in New York, Chicago, Atlanta, and Singapore. Likewise, we have continued to make available a dedicated webpage, an Innovator Intake form, Email Distribution lists and Point-of-Contact (phone and email) for public outreach. To date, LabCFTC has had about 430 meetings over the past 3 years.

- **Innovation Competition.** LabCFTC launched its inaugural fintech competition, Project Streetlamp, in April. The contest challenges innovators to leverage artificial intelligence (AI) and other technologies to help innovate the Commission's Registration Deficient, or RED List. The RED List is designed to promote market integrity by identifying foreign entities that appear to be illegally soliciting and accepting funds from U.S. customers to trade binary options, foreign currency, or other products, but are not registered with the CFTC. The RED List helps customers make informed decisions about whether to trade with or through such an entity. The CFTC is the first financial regulator to sponsor a contest under the SPCA. The winner was announced at the November 17th Empower Innovation 2020 event as the CFTC Innovator of the Year and received a commemorative award.

- **Empower Innovation Fall Virtual Series**: Because of the pandemic, LabCFTC re-imagined its Annual Fintech Forward conference (described below) for 2020. Instead of a one-day event, LabCFTC hosted a three-part virtual interactive series, convening innovators, regulators, and thought-leaders with a focus on issues pertaining to financial innovation, and leading change during crisis. The first of this series was on September 24th and was focused on technology and innovation during the pandemic. The second session was held on October 21st (focusing on the view of regulators on technology and innovation) and the third on November 17th (how technology and innovation impact the future of finance). Access to these sessions is available to the public on the CFTC YouTube Channel..

- **Fintech Forward conferences (2018 and 2019).** Since 2018, LabCFTC annually hosted Fintech Forward conferences to offer intersectional thinking and conversation around emerging financial innovation and fintech policy. Panels discussed a wide range of topics: artificial intelligence in the 21st century marketplace, digitization and custody, big data and cloud computing, and global perspectives on fintech issues. The conference also featured a "Meet the Regulators" exhibit where attendees had the opportunity to connect with regulators one-on-one and discuss innovation initiatives and other fintech topics.

- **Technology Advisory Committee** LabCFTC serves as the Designated Federal Officers for the agency's Technology Advisory Committee, Virtual Currency Subcommittee and the FSOC committee on Digital Assets. In this role, LabCFTC facilitates dialogue on topics surrounding emerging fintech in the derivatives markets.

Advancing Policy:

- **Financial Innovation Working Group (FWG)**
  In 2020, LabCFTC developed the agency's first Financial Innovation Working Group, an interdepartmental liaison, held monthly with the agency's top fintech stakeholders. Each month FWG leverages experts within its network to discuss fintech issues with speakers ranging from NYDFS, to SEC, and the Hill to name a few. Most recently, the working group has met on a virtual basis, to discuss challenges as a result of the pandemic and the technology that can support the Commission's response to the changing marketplace.

- **View of innovators**: One of the advantages of reorganizing LabCFTC as a stand-alone office, is that it increases the visibility of innovators and cutting-edge tech for the Chairman and Senior staff. This forward-thinking approach connects agency decision makers with industry experts in real-time, revealing what's on the horizon and fostering informed policy and improved Commission plans.

- **Legislative initiatives**: LabCFTC works closely with OLA on legislative initiatives and/or comments from Capitol Hill. These initiatives could include legislation relating to technology or innovation or could be focused on the role the Commission plays in the ever-changing financial services industry.

Collaboration with other Regulators:

- **GFIN:** In 2019, the agency joined the CFTC joined the Global Financial Innovation Network (GFIN) along with several other US financial agencies (SEC, FDIC, and OCC). Since GFIN's launch in January 2018, it has grown to include 50 financial regulators and related organizations from across the globe.

- **International bodies:** Additionally, CFTC sits on the Financial Stability Oversight Council (FSOC) committee on Digital Assets and IOSCO's Fintech advisory committee.

- **MOUs/SOIs:** The Commission has entered into memorandums of understanding relating to financial innovation with the Australian Securities and Investments Commission (ASIC), the European Securities and Markets Authority (ESMA), the Monetary Authority of Singapore (MAS), and the UK's Financial Conduct Authority (FCA). The Commission recently approved a Statement of Intent with the South Africa Reserve Bank on the coordination of financial innovation.

Educational materials.

- **Primers:** Since its inception, LabCFTC has released three primers addressing significant, emerging fintech developments within the financial markets. These primers are intended to be an educational resource for the public about fintech innovation. The most recent primer focused on the potential of artificial intelligence (AI) to transform our financial markets. Earlier primers included overviews of smart contracts and virtual currencies.

- **Internal Training:** LabCFTC's educational efforts also focus on the internal training and education of Commission staff. LabCFTC partnered with the HR department to ensure that this training is accounted for in each employee's learning management plan. During the pandemic, LabCFTC has held over 60+ trainings on technology and innovation topics since March including topics on blockchain, bitcoin, and ethereum. Over the past year, LabCFTC also conducted a dozen internal 'Lunch and Learn' education sessions for over 300 employees.

Advisory Committees Overview

Date Updated: November 25, 2020
POCs: John Einstman (Legal Division), Michelle Ghim (Legal Division), and Designated Federal Officers ("DFOs") as listed in this document
Legal Division *et al.*

The CFTC has five active advisory committees that provide the CFTC with advice and recommendations on various issues relevant to the CFTC's regulatory mission.

Unless specifically exempted, advisory committee activities are governed by the Federal Advisory Committee Act ("FACA"). The FACA formalized a process for establishing, operating, overseeing, and terminating these advisory bodies, and the Committee Management Secretariat was created within the U.S. General Services Agency ("GSA") to monitor compliance with the Act.

Four of the CFTC's advisory committees, the Technology Advisory Committee ("TAC"), the Market Risk Advisory Committee ("MRAC"), the Agriculture Advisory Committee ("AAC") and the Global Market Advisory Committee ("GMAC") are subject to the FACA, while the Energy and Environmental Markets Advisory Committee ("EEMAC") is exempted from the FACA requirements by the Commodity Exchange Act ("CEA"). *See* 7 U.S.C. § 2(a)(15)(E). A listing of advisory committees and their members is provided below.

The CFTC's Chairman and Commissioners sponsor but do not chair the various advisory committees to ensure the independence of the committees' advice and recommendations to the Commission. FACA meetings are coordinated by appointed DFOs, and EEMAC meetings are coordinated by the appointed "Secretary" within the Commission, in consultation with the Legal Division, General Law Branch. The CFTC's Advisory committee meetings are generally live streamed and transcripts of the meetings are available to the public on the CFTC website.

FACA Requirements

The FACA governs the operation of federal advisory committees and emphasizes public involvement through open meetings and reporting. Generally, FACA committee meetings must be open to the public, and meetings must be announced in the *Federal Register* fifteen days in advance. Reports, transcripts, working papers, and other materials made available to or prepared for or by the committees must be made available to the public.

The FACA calls upon federal agencies to carefully consider the necessity of a new committee before establishing it. Under the FACA, a discretionary committee is terminated after two years unless the agency renews the committee's charter prior to the two-year expiration date. Further, the FACA requires agencies to terminate a committee once it has completed its function.

The FACA applies whenever an agency has established, or is utilizing, a group and seeks consensus advice or recommendations from a group that includes at least one person who is not a regular federal employee, and obtains input for its own operations or activities.

When the FACA Does Not Apply

The FACA does not apply to meetings solely involving federal employees or groups that Congress has explicitly designated as FACA-exempt, such as the EEMAC. The FACA also does not apply to groups 1) that are not managed or controlled by an agency, 2) that meet for the purpose of exchanging facts or information, or) where the agency is seeking advice from attendees on an individual basis.

Federal Agency Responsibility

Any advisory group, with limited exceptions, that is established or utilized by a federal agency for the purpose of providing consensus advice or recommendations and that has at least one member who is not a federal employee, must comply with the FACA, its implementing regulations, and administrative guidelines provided by the GSA's Committee Management Secretariat.

Agency Committee Management Officer and DFOs

The FACA also provides that each agency with a federal advisory committee must appoint a Committee Management Officer to oversee the administration of the FACA's requirements within the agency. In addition, a DFO must be appointed for each committee to:

- Approve or call committee meetings;
- Approve agendas;
- Attend meetings;
- Adjourn any meeting when he or she determines it to be in the public interest; and
- Chair meetings when so directed by the Sponsor.

Open Access to Committee Meetings and Operations

The FACA requires that federal agencies with advisory committees must:

- Arrange meetings for reasonably accessible and convenient locations and times;
- Publish fifteen days' advance notice of meetings in the Federal Register;
- Open advisory committee meetings to the public (unless an exemption from the "Government in the Sunshine Act" applies);
- Make available for public inspection, subject to the Freedom of Information Act, papers and records, including detailed minutes of each meeting; and
- Maintain records of expenditures.

Advisory Committee Members

The FACA requires that committee memberships be "fairly balanced in terms of the points of view represented and the functions to be performed." Selection of committee members is made based on the FACA's requirements and the potential member's background and qualifications. Some members are subject to criminal conflict of interest laws, regulatory standards of ethical conduct, financial disclosure requirements, and other Federal ethics laws and regulations.

CFTC Advisory Committees

Agricultural Advisory Committee

The AAC was created to assist the Commission in assessing issues affecting agricultural producers, processors, lenders and others interested in or affected by the agricultural commodity derivatives markets through public meetings, and Committee reports and recommendations.

Committee Sponsor: Chairman Heath P. Tarbert
AAC DFO: Summer Mersinger
Agricultural Futures Contracts with Open Interest Subcommittee Alternate DFO: Christa Lachenmayr
Last AAC meeting: September 24, 2020
Committee website:

Members include representatives of national farm organizations, major commodity groups, agribusiness concerns, and agricultural bankers. There is no chair currently serving for this committee, but it is assumed that the next Sponsor will appoint.

On September 23, 2020, the Commission approved the formation of an AAC subcommittee for the purpose of making recommendations to the Committee on policy related to its evaluation of implementation plans for amendments to agricultural futures contracts with open interest (Ag-OI Subcommittee).

As of September 24, 2020, AAC members included:

Name	Entity Representing
Buddy Allen	American Cotton Shippers Association
Joe Barker	National Council of Farmer Cooperatives
Chris Betz	Michigan Agri-Business Association
Larry Birgen	National Farmers Union
Robbie Boone	Farm Credit Council
Amanda Breslin	Coalition for Derivatives End Users
Patrick Coyle	National Grain and Feed Association
Rob Creamer	Futures Industry Association/Principal Traders Group

Robert Crosby	Managed Funds Association
Neil Dierks	National Pork Producers Council
Ed Elfmann	American Bankers Association
Jim Fryer	National Cattlemen's Beef Association
Edward Gallagher	National Milk Producers Federation
H. Thomas Hayden, Jr.	Commodity Markets Council
Matt Hines	American Farm Bureau Federation
Thomas Hogan	Cocoa Merchants Association of America
Ashley Hungerford	USDA Office of the Chief Economist
Tom Kadlec	Futures Industry Association
Chris Klenklen	National Association of State Departments of Agriculture
Ron Lee	National Cotton Council of America
Randy Melvin	National Corn Growers Association
Erin Morris	USDA Agricultural Marketing Service
John Owen	USA Rice Federation
Monte Peterson	American Soybean Association
Paul Riniker	National Farmers Organization
Mark Scanlan	Independent Community Bankers of America
Stephen Strong	North American Export Grain Association
Justin Tupper	US Cattlemens Association
Hayden Wands	American Bakers Association
Ryan Weston	American Sugar Alliance
Chris Young	International Swaps and Derivatives Association, Inc.

Energy & Environmental Markets Advisory Committee

Pursuant to the CEA, specifically 7 U.S.C. § 2(a)(15)(A)(iii)), the EEMAC's objectives and scope of activities shall be to conduct public meetings; submit reports and recommendations to the Commission (including dissenting views or minority views, if any); and otherwise serve as a vehicle for discussion and communication on matters of concern to exchanges, firms, end users, and regulators regarding energy and environmental markets and their regulations by the Commission.

In conformance with the CEA, the Commission is required to appoint nine Members with a wide diversity of opinion and who represent a broad spectrum of interests, including hedgers and consumers. The EEMAC holds at least two annual meetings with its Members and the 9-20 Associate Members as provided in the EEMAC Charter. Per the EEMAC Charter, the

Members and Associate Members may represent exchanges, derivatives clearing organizations, swap data repositories, firms, end-users, consumers, regulators, and academics.

Committee Sponsor: Commissioner Dan M. Berkovitz
Secretary: Abigail S. Knauff
Last EEMAC meeting: October 16, 2020
Committee website: https://www.cftc.gov/About/AdvisoryCommittees/EEMAC

As of November 25, 2020, EEMAC Members included:

Name	Entity Representing
Trabue Bland	ICE Futures U.S.
Rob Creamer	FIA Principal Traders Group
Demetri Karousos	Nodal Exchange, LLC
William F. McCoy	Morgan Stanley
Lopa Parikh	Edison Electric Institute
Jacqueline Roberts	Consumer Advocate Division of West Virginia
Derek Sammann	CME Group
Tyson T. Slocum	Public Citizen
Dena E. Wiggins (Chair)	Natural Gas Supply Association

Associate Members included:

Matthew Agen	American Gas Association
Susan B. Bergles	Exelon Company
Jessica Bowden	Millennium Management LLC
Paul Cicio	Industrial Energy Consumers of America
Sean Cota	National Energy and Fuels Institute
Daniel Dunleavy	Ingevity Corporation
Katherine Delp	DTCC Data Repository (U.S.) LLC
Erik Heinle	Office of the People's Counsel
Paul Hughes	Southern Company
Jeff B. Hume	Continental Resources, Inc.
Kaiser Malik	Calpine Corporation
Dr. John Parsons	Special Government Employee
Delia Patterson	American Public Power Association
Matthew Picardi	Commercial Energy Working Group
Malinda Prudencio	The Energy Authority, Inc
Sarah Tomalty	BP Energy Company
Richard Sandor	Environmental Financial Products, LLC

Noha Sidhom	Energy Trading Institute
Jeffrey L. Walker	ACES

Global Markets Advisory Committee

The GMAC was created to assist the Commission on assessing the impact on matters of public concern to the exchanges, firms, market users, other market participants, and the Commission regarding the regulator challenges of a global marketplace, which reflect the interconnectedness of markets and the multinational nature of business.

Committee Sponsor: Commissioner Dawn D. Stump
GMAC DFO: Andrée Goldsmith
Subcommittee on Margin Requirements for Non-cleared Swaps ADFO: Warren Gorlick
Last GMAC meeting: May 19, 2020
Committee website: https://www.cftc.gov/About/AdvisoryCommittees/GMAC

Members include representatives of end-users, exchanges, swap execution facilities, swap data repositories, clearinghouses, asset managers, intermediaries, swap dealers, service providers, public interest groups, and regulators.

On October 22, 2019, the Commission approved the formation of the GMAC Subcommittee on Margin Requirements for Non-cleared Swaps.

As of November 25, 2020, GMAC members included:

Name	Entity Representing
Chris Allen	Standard Chartered Bank
Ted Backer	Morgan Stanley
Ashley Belich	RBC Capital Markets
Shawn Bernardo	TP ICAP SEF
Darcy Bradbury	D.E. Shaw & Co., L.P.
Maria Chiodi	Credit Suisse Securities (USA) LLC
Clive Christison	BP
Joseph Cisewski	Better Markets
Jim Colby	Coalition for Derivatives End-Users
Gerry Corcoran	R.J. O'Brien & Associates, LLC
Sunil Cutinho	CME Clearing
David Goone	Intercontinental Exchange, Inc.
Paul Hamill	Citadel Securities
Amy Hong	Goldman Sachs
John Horkan	LCH Group

Adam Kansler	IHS Markit
Angie Karna (Chair)	Nomura Securities International, Inc.
Robert Klein	Citigroup Global Markets
Agnes Koh	Singapore Exchange Limited
Ben MacDonald	Bloomberg LP
Erik Tim Müller	Eurex Clearing AG
Joseph Nicosia	Louis Dreyfus Company
Murray Pozmanter	DTCC
Thomas Sexton	National Futures Association
Jessica Sohl	HC Technologies
Thane Twiggs	Cargill Risk Management
Supurna VedBrat	BlackRock
Masahiro Yamada	JP Morgan Securities LLC

Market Risk Advisory Committee

The MRAC advises the Commission on (1) systemic issues that impact the stability of the derivatives markets and other related financial markets, and (2) the impact and implications of the evolving market structure of the derivatives markets and other related financial markets.

Committee Sponsor: Commissioner Rostin Behnam
MRAC and Interest Rate Benchmark Reform, CCP Risk and Governance, and Market Structure Subcommittees DFO: Alicia Lewis
Climate-Related Market Risk Subcommittee ADFO: David Gillers
Last MRAC meeting: July 21, 2020
Committee website: https://www.cftc.gov/About/AdvisoryCommittees/MRAC

Members include representatives of end-users, exchanges, swap execution facilities, swap data repositories, clearinghouses, asset managers, intermediaries, market makers, service providers, academia, public interest groups, and regulators.

The Commission approved the formation of the MRAC Interest Rate Benchmark Reform Subcommittee on September 27, 2018; the Climate-Related Market Risk Subcommittee on July 3, 2019; and the CCP Risk and Governance, and Market Structure Subcommittees on November 12, 2019.

As of November 25, 2020, MRAC members included:

Name	Entity Representing
B. Salman Banaei	IHS Markit
Stephen Berger	Citadel
Richard Berner	Special Government Employee
Lee Betsill	CME Group

Peter Borish	Quad Group
Biswarup Chatterjee	Citigroup
Alicia Crighton	Futures Industry Association
Chris Dickens	HSBC Global Markets, EMEA
Shelly Goodwin	BP IST Global Americas
Matthias Graulich	Eurex Clearing AG
Graham Harper	Futures Industry Association – Principal Traders Group
Frank Hayden	Calpine Corporation
Lindsay Hopkins	Minneapolis Grain Exchange
Annette Hunter	Federal Home Loan Bank of Atlanta
Demetri Karousos	Nodal Exchange, LLC
Eileen Kiely	Blackrock
Derek Kleinbauer	Bloomberg SEF LLC
Laura Klimpel	The Depository Trust & Clearing Corporation
Robert Mangrelli	Chatham Financial
Kevin McClear	Intercontinental Exchange, Inc.
Dennis McLaughlin	LCH Group
Craig Messinger	Virtu Financial
Dale Michaels	The Options Clearing Corporation
John Murphy	Commodity Markets Council
Sam Priyadarshi	Vanguard
Jonathan Raiff	Nomura Securities International, Inc.
Marnie Rosenberg	JP Morgan
James Shanahan	CoBank ACB
Lisa Shemie	Cboe Global Markets
Betty Simkins	Head of Finance Department, Professor and Williams Companies Chair in Business, Oklahoma State University, Spears School of Business
Tyson Slocum	Public Citizen
Sujatha Srinivasan	Goldman Sachs
Marcus Stanley	Americans for Financial Reform
Robert Steigerwald	Federal Reserve Bank of Chicago
Janine Tramontana	Federal Reserve Bank of New York
Nadia Zakir (Chair)	Pacific Investment Management Company LLC (PIMCO

Scott Zucker	Tradeweb

Technology Advisory Committee

The TAC was created to advise the Commission on the impact and implications of technological innovations on financial services and the futures markets, and the appropriate legislative and regulatory response to increasing use of technology in the markets.

Committee Sponsor: Commissioner Brian D. Quintenz
TAC DFO: Meghan Tente
Automated and Modern Trading Markets Subcommittee ADFO: John Coughlan
Cybersecurity Subcommittee ADFO: Scott Sloan
Distributed Ledger Technology and Market Infrastructure Subcommittee ADFO: Philip Raimondi
Virtual Currencies Subcommittee ADFO: Jorge Herrada
Last TAC meeting: July 16, 2020
Committee website: https://www.cftc.gov/About/AdvisoryCommittees/TAC

Members include representatives of industry, exchanges, regulatory organizations, academia, and think tanks and public interest groups.

On June 4, 2018, the Commission approved the formation of the Automated and Modern Trading Markets, Cybersecurity, Distributed Ledger Technology and Market Infrastructure, and Virtual Currencies Subcommittees.

As of November 25, 2020, TAC members included:

Name	Entity Representing
Erik Barry	Credit Suisse
Daniel Carrigan	Nasdaq
Christopher Chattaway	Goldman Sachs
Thomas Chippas	ErisX
Charley Cooper	R3
Gary DeWaal	Katten Muchin Rosenman LLP
Richard Gorelick (Chair)	DRW Holdings, LLC
Christopher Hehmeyer	Hehmeyer Trading and Investments
Julie Holzrichter	CME Group
Mayur Kapani	ICE
Derek Josef Kleinbauer	Bloomberg
John Lothian	John J. Lothian Co. Inc.
Timothy McHenry	NFA
Lee Olesky	Tradeweb
Jennifer Peve	DTCC

Jeffrey A. Trahan	Deere & Company
Supurna VedBrat	BlackRock
Eddie Wen	JP Morgan Chase
Haimera Workie	FINRA
Aaron Wright	Special Government Employee
Yesha Yadav	Special Government Employee