

II. FINDINGS

The Commission finds the following:

A. SUMMARY

During the Relevant Period, in connection with the sale of physical cotton with a sales value of more than \$190 million, Olam knowingly or recklessly submitted false, misleading, or inaccurate data to the United States Department of Agriculture (“USDA”). The data Olam submitted to USDA is incorporated into weekly and monthly reports published by USDA. Olam knew that USDA’s reports are an indicator of supply and demand for the cotton industry, are reviewed by both futures traders and participants in the physical cotton markets, and contain market information that affects or tends to affect the price of cotton. As a result, Olam knowingly or recklessly caused false, misleading, or inaccurate market reports or market information which affect or tend to affect the price of a commodity to be delivered through interstate commerce in violation of Section 6(c)(1)(A) of the Act, 7 U.S.C. § 9(1)(A), and Regulation 180.1(a)(4), 17 C.F.R. § 180.1(a)(4) (2023).

In connection with the same physical cotton sales, Olam also submitted inaccurate data regarding its fixed-price cotton sales in multiple Form 304s to the Commission in violation of Regulation 19.02(a), 17 C.F.R. § 19.02(a) (2023), and former Regulation 19.01(a), 17 C.F.R. § 19.01(a) (2020), removed by Position Limits for Derivatives, 86 Fed. Reg. 3236, 3380 (effective Mar. 15, 2021).

In accepting Respondent’s offer, the Commission recognizes the cooperation of Respondent with the Division of Enforcement’s investigation of this matter. The Commission also acknowledges Respondent’s representations concerning its remediation in connection with this matter.

B. RESPONDENT

Olam Group Limited (“OGL”) is an integrated supply chain manager based in Singapore with subsidiaries that buy and sell a variety of agricultural commodities, including cotton. In March 2022, due to an internal restructure and de-merger, OGL replaced Olam International Limited (“OIL”) as the listed company in Singapore. OGL conducts international operations through a number of subsidiaries, including Olam Agri Americas Inc. (collectively with OGL, the former public company OIL, and their past and present subsidiaries, “Olam”). Olam is one of the largest cotton merchants in the world. In addition to physical cotton transactions, Olam engages in derivatives transactions both speculatively and to manage risk. Olam has never been registered with the Commission in any capacity.

C. FACTS

1. Olam’s Reporting Obligations

During the Relevant Period, Olam was required to submit data to USDA on Form FAS-98 regarding physical U.S. cotton sales to foreign destinations. Those submissions contain all

new export sales that occurred in the previous week, and the total outstanding balance of export sales, with numbers to be reported separately for each country of destination. Every Thursday, USDA publishes on its website a summary of cotton export sales activity, which contains anonymized data aggregating the cotton export sales that market participants report to USDA, broken down by country of destination. Every month, USDA publishes a World Agricultural Supply and Demand Estimates (“WASDE”) report, based in part on information it receives from market participants like Olam. USDA’s reports are reviewed by both futures traders and participants in the physical cotton markets as an indicator of supply and demand, and contain market information that is of the type that affects or tends to affect the price of cotton.

During the Relevant Period, Olam was also required to file reports with the Commission on Form 304 showing the quantity of its on-call and fixed-price cotton sale commitments. Olam submitted Form 304s to the Commission on a weekly basis that included quantities of both on-call and fixed-price cotton sale commitments. The Commission used these reports to collect data on the on-call (i.e., unfixed-cash) positions of cotton merchants and dealers, which the Commission published in a weekly Cotton On-Call Report. The Commission also used Form 304 to collect data on traders’ cash positions to determine whether commercial cotton traders who had exceeded their federal position limits held a bona fide hedge that would permit them to exceed those limits.

2. Olam’s August and September 2021 Sales to Entity A

In August and September of 2021, Olam made five sales of physical cotton to a counterparty in Asia that is typically one of the largest global purchasers of cotton (“Entity A”). The five sales occurred on or around August 3 and September 3, 9, 10, and 11, 2021. In the aggregate, Olam sold more than 375,000 bales of cotton to Entity A, with a sales value of more than \$190 million. These sales should have been reported to USDA on August 10, September 14, and September 21, 2021. Olam should have included these sales with other fixed-price cotton sales reported on its Form 304s between August 6 and September 17, 2021.

At the time of each sale, Olam sent an email to Entity A confirming the quantity, quality, and price of the cotton. For each of the five sales, Entity A promptly responded via email to confirm the sales. Olam’s standard practice was to consider a sale finalized when it sent an email or other communication confirming the sales in terms of the price, quantity, and quality of the cotton, regardless of whether a formal contract had been drafted or signed. Olam’s standard practice was to circulate a sales confirmation email internally so that Olam’s back-office staff could generate a template contract for the sale, and also input the sale into Olam’s internal databases. Olam’s internal databases served as the data source for Olam’s external reporting to USDA and the Commission.

3. Olam’s False, Misleading, or Inaccurate Reporting

For the five sales to Entity A during the Relevant Period, certain Olam employees decided to diverge from Olam’s standard practices. Rather than following those standard practices, Olam created an internal contract number associated with each of the sales at the time the email confirmation was sent, delayed creating Olam’s template contract for the sales, and

excluded the five sales from Olam's internal databases, which caused Olam to omit the five sales from its Form 304s and Form FAS-98s.

Olam knew or recklessly disregarded the fact that excluding the five sales from Olam's internal databases would result in those sales being excluded from Olam's reports to USDA and the Commission. One Olam employee was responsible for reviewing draft USDA submissions prepared by a subordinate. Olam employees also received weekly emails containing a preview or draft of the export sales that Olam was going to report to USDA, and reviewed and discussed USDA's weekly export sales reports once they were published. Olam knew or recklessly disregarded the fact that the draft submissions and USDA's export sales reports did not contain the sales to Entity A at the time the sales were made.

Olam knew that the price of cotton is affected or tends to be affected by sales of this magnitude appearing or failing to appear in USDA reports. Market participants understood that export sales of this size indicate that the cotton had been purchased by or for Entity A, given the size of the sales and Entity A's status as one of the largest cotton purchasers in the world. Olam knew that information indicating that Entity A might be purchasing large quantities of U.S. cotton is a significant market indicator that affects or tends to affect the price of cotton.

Olam did not report the August 3 sale to USDA until September 14, 2021, and to the Commission until its Form 304 dated September 10, 2021. Olam did not report the September 3, 9, 10, or 11 sales to USDA until September 28, 2021, and to the Commission until its Form 304 dated September 24, 2021. As a result, Olam submitted at least four inaccurate Form FAS-98s to USDA, including its Form FAS-98s submitted on August 10, September 14, September 21, and September 28, 2021. Specifically, Olam's Form FAS-98 submission on August 10 did not contain the August 3 sale to Entity A; Olam's Form FAS-98 submission on September 14 did not contain the September 3 and 9 sales to Entity A; and Olam's Form FAS-98 submission on September 21 did not contain the September 10 or September 11 sales to Entity A.²

In addition, Olam submitted seven inaccurate Form 304s to the Commission dated August 6, 13, 20, 27, 2021; and September 3, 10, and 17, 2021, even though those reports identified other fixed-price sales. Specifically, Olam's Form 304s dated August 6, 13, 20, and 27, 2021 did not contain the August 3 sale to Entity A; Olam's Form 304 dated September 3, 2021 did not contain the August 3 or September 3 sales to Entity A; Olam's Form 304 dated September 10, 2021 did not contain the September 3, 9, or 10 sales to Entity A; and Olam's Form 304 dated September 17 did not contain the September 3, 9, 10, or 11 sales to Entity A.

² Olam's Form FAS-98 on September 14 was also inaccurate in that it indicated that the August 3 sale to Entity A had occurred during the previous week, when in fact it occurred earlier. Olam's Form FAS-98 on September 28, 2021 was inaccurate in that it indicated that the final four sales had occurred during the previous week, when in fact they occurred earlier.

III. LEGAL DISCUSSION

A. **Olam Submitted Knowingly or Recklessly Inaccurate Export Sales Reports to USDA in Violation of Section 6(c)(1)(A) of the Act and Regulation 180.1(a)(4)**

Taken together, Section 6(c)(1)(A) of the Act, 7 U.S.C. § 9(1)(A), and Regulation 180.1(a)(4), 17 C.F.R. § 180.1(a)(4) (2023), prohibit “delivering, or causing to be delivered for transmission through the mails or interstate commerce, by any means of communication whatsoever, a false or misleading or inaccurate report concerning crop or market information or conditions that affect or tend to affect the price of any commodity in interstate commerce, knowing or acting in reckless disregard of the fact that such report is false, misleading or inaccurate.”

During the Relevant Period, Olam was required to submit data to USDA regarding its physical U.S. cotton sales to foreign destinations on Form FAS-98. *See* 7 U.S.C. § 5712, 7 C.F.R. § 20.6 (2023). Those submissions were required to contain all new export sales that occurred in the previous week, and the total outstanding balance of export sales, with numbers to be reported separately for each country of destination. *See* 7 U.S.C. § 20.6(a)(1)(ii), (viii) (2023); USDA, FAS-98, Report of Export Sales and Exports, *available at* <https://apps.fas.usda.gov/export-sales/instructions--2.pdf> (last accessed September 11, 2024). Such market information is of the type that affects or tends to affect the price of cotton in interstate commerce.

Olam knew that the data it submitted was incorporated into reports that USDA publishes on its website every Thursday summarizing cotton export sales activity. The data was also incorporated into USDA’s monthly WASDE report. Olam knew that USDA’s weekly and monthly reports: are considered by futures traders and participants in the physical cotton markets to be important indicators of supply and demand; are reviewed by both futures traders and participants in the physical cotton markets; and contain market information that affects or tends to affect the price of cotton. Olam knew that information indicating that Entity A might be purchasing large quantities of cotton is market information that affects or tends to affect the price of cotton.

Olam submitted at least four Form FAS-98s to USDA that contained false, misleading, or inaccurate information regarding its sales to Entity A, including Olam’s Form FAS-98s submitted on August 10, September 14, September 21, and September 28, 2021. By doing so, Olam knowingly or recklessly caused false, misleading, or inaccurate reports concerning crop or market information or conditions that affect or tend to affect the price of cotton in interstate commerce to be delivered through interstate commerce, in violation of Section 6(c)(1)(A) of the Act and Regulation 180.1(a)(4).

B. **Olam Filed Inaccurate Form 304s in Violation of Former Regulation 19.01 and Regulation 19.02**

Former Regulations 19.00(a), 19.01, and 19.02, 17 C.F.R. §§ 19.00(a), 19.01(a), 19.02 (2020), together required all merchants and dealers of cotton holding or controlling reportable

futures and options positions and positions for futures delivery in cotton to file weekly and monthly Form 304s with the Commission.

During the Relevant Period, Olam held or controlled reportable futures and options positions in cotton, and was required to report on Form 304 its on-call and fixed-price cotton sales on a weekly² and monthly³ basis, respectively. Olam submitted Form 304s to the Commission on a weekly basis which contained data regarding both its on-call and fixed-price cotton sales. Seven of Olam's Form 304s during this period contained inaccurate information about its fixed-price cotton sales.

By submitting weekly Form 304s that did not accurately reflect its fixed-price cotton sales, Olam violated then-effective Regulation 19.01(a) and Regulation 19.02(a).

IV. FINDINGS OF VIOLATIONS

Based on the foregoing, the Commission finds that, during the Relevant Period, Olam violated Section 6(c)(1)(A) of the Act, 7 U.S.C. § 9(1)(A), Regulations 19.02(a) and 180.1(a)(4), 17 C.F.R. §§ 19.02(a), 180.1(a)(4) (2023), and former Regulation 19.01(a), 17 C.F.R. § 19.01(a) (2020).

V. OFFER OF SETTLEMENT

Respondent has submitted the Offer in which it knowingly and voluntarily:

- A. Consents to the resolution of this matter in an administrative proceeding;
- B. Acknowledges service of this Order;
- C. Admits the jurisdiction of the Commission with respect to all matters set forth in this Order and for any action or proceeding brought or authorized by the Commission based on violation of or enforcement of this Order;
- D. Waives:
 - 1. The filing and service of a complaint and notice of hearing;
 - 2. A hearing;

² See Regulation 19.02.

³ See former Regulation 19.01. While Regulation 19.01 was removed as of March 15, 2021, Olam was nonetheless required to report its fixed-price sales on a monthly basis until January 1, 2022, when ICE implemented new Regulation 150.5, 17 C.F.R. § 150.5. See Position Limits for Derivatives, 86 Fed. Reg. 3236, 3249 (effective Mar. 15, 2021) (“Until the applicable exchange that lists a given referenced contract implements § 150.5 under the Final Rule, market participant, if using bona fide hedges for Federal position limit purposes, must continue to provide the Commission with Form 204 and Parts I and II of Form 304 to the Commission consistent with the status quo.”); see also ICE Futures U.S. Notice: Reminder: Amendments to Exchange Position Limit Exemption Rules and Processes (Dec. 28, 2021), available at https://www.theice.com/publicdocs/futures_us/exchange_notices/ICE_Futures_US_ExemptionAmendments_20211228.pdf.

3. All post-hearing procedures;
 4. Any and all rights or defenses the Respondent has or might have for the matter to be adjudicated in a federal district court in the first instance, including any associated right to a jury trial;
 5. Judicial review by any court;
 6. Any and all objections to the participation by any member of the Commission's staff in the Commission's consideration of the Offer;
 7. Any and all claims that it may possess under the Equal Access to Justice Act, 5 U.S.C. § 504, and 28 U.S.C. § 2412, and/or the rules promulgated by the Commission in conformity therewith, Part 148 of the Regulations, 17 C.F.R. pt. 148 (2023), relating to, or arising from, this proceeding;
 8. Any and all claims that it may possess under the Small Business Regulatory Enforcement Fairness Act of 1996, Pub. L. No. 104-121, tit. II, §§ 201–253, 110 Stat. 847, 857–74 (codified as amended at 28 U.S.C. § 2412 and in scattered sections of 5 U.S.C. and 15 U.S.C.), relating to, or arising from, this proceeding; and
 9. Any claims of Double Jeopardy based on the institution of this proceeding or the entry in this proceeding of any order imposing a civil monetary penalty or any other relief, including this Order;
- E. Agrees that Respondent is not the prevailing party in this action for purposes of the waiver of any and all rights under the Equal Access to Justice Act specified in subpart 7 of Paragraph D of this Section;
- F. Stipulates that the record basis on which this Order is entered shall consist solely of the findings contained in this Order to which Respondent has consented in the Offer;
- G. Consents, solely on the basis of the Offer, to the Commission's entry of this Order that:
1. Makes findings by the Commission that Respondent violated Section 6(c)(1)(A) of the Act, 7 U.S.C. § 9(1)(A), Regulations 19.02(a) and 180.1(a)(4), 17 C.F.R. §§ 19.02(a), 180.1(a)(4) (2023), and former Regulation 19.01(a), 17 C.F.R. § 19.01(a) (2020);
 2. Orders Respondent to cease and desist from violating Section 6(c)(1)(A) of the Act, 7 U.S.C. § 9(1)(A), and Regulations 19.02(a) and 180.1(a)(4), 17 C.F.R. §§ 19.02(a), 180.1(a)(4) (2023); and
 3. Orders Respondent to pay a civil monetary penalty in the amount of Three Million Two Hundred Fifty Thousand Dollars (\$3,250,000), plus post-judgment interest, within twenty (20) days of the date of entry of this Order; and

H. Represents that it has remediated the problems that gave rise to the violations that are the subject of this Order, including, but not limited to, the following:

1. Updating its policies to provide for the immediate and timely reporting of physical purchases or sales;
2. Creating an advisory note for employees describing their regulatory reporting responsibilities;
3. Providing guidelines in its desktop procedure manuals for Form 304 and FAS-98 reporting, providing guidelines on when to recognize a physical sale; and
4. Engaging in ongoing monitoring to ensure that physical purchases and sales are promptly reported.

Upon consideration, the Commission has determined to accept the Offer.

VI. ORDER

Accordingly, IT IS HEREBY ORDERED THAT:

- A. Respondent and its successors and assigns shall cease and desist from violating Section 6(c)(1)(A) of the Act, 7 U.S.C. § 9(1)(A), and Regulations 19.02(a) and 180.1(a)(4), 17 C.F.R. §§ 19.02(a), 180.1(a)(4) (2023).
- B. Respondent shall pay a civil monetary penalty in the amount of Three Million Two Hundred Fifty Thousand Dollars (\$3,250,000) (“CMP Obligation”), within twenty (20) days of the date of entry of this Order. If the CMP Obligation is not paid in full within twenty (20) days of the date of entry of this Order, then post-judgment interest shall accrue on the unpaid portion of the CMP Obligation beginning on the date of entry of this Order and shall be determined by using the Treasury Bill rate prevailing on the date of entry of this Order pursuant to 28 U.S.C. § 1961.

Respondent shall pay the CMP Obligation and any post-judgment interest by electronic funds transfer, U.S. postal money order, certified check, bank cashier’s check, or bank money order. If payment is to be made other than by electronic funds transfer, then the payment shall be made payable to the Commodity Futures Trading Commission and sent to the address below:

MMAC/ESC/AMK326
Commodity Futures Trading Commission
Division of Enforcement
6500 S. MacArthur Blvd.
HQ Room 266
Oklahoma City, OK 73169
9-amz-ar-cftc@faa.gov

If payment is to be made by electronic funds transfer, Respondent shall contact the Federal Aviation Administration at the above email address to receive payment instructions and shall fully comply with those instructions. Respondent shall accompany payment of the CMP Obligation with a cover letter that identifies the paying Respondent and the name and docket number of this proceeding. The paying Respondent shall simultaneously transmit copies of the cover letter and the form of payment to the Chief Financial Officer, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, D.C. 20581.

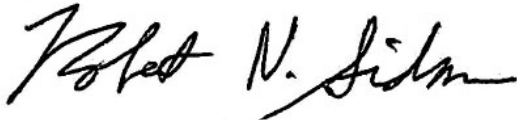
- C. Respondent and its successors and assigns shall comply with the following conditions and undertakings set forth in the Offer:
1. **Public Statements:** Respondent agrees that neither it nor any of its successors and assigns, agents or employees under its authority or control shall take any action or make any public statement denying, directly or indirectly, any findings or conclusions in this Order or creating, or tending to create, the impression that this Order is without a factual basis; provided, however, that nothing in this provision shall affect Respondent's: (i) testimonial obligations; or (ii) right to take legal positions in other proceedings to which the Commission is not a party. Respondent and its successors and assigns shall comply with this agreement, and shall undertake all steps necessary to ensure that all of its agents and/or employees under its authority or control understand and comply with this agreement.
 2. **Cooperation, in General:** Respondent shall cooperate fully and expeditiously with the Commission, including the Commission's Division of Enforcement, in this action, and in any current or future Commission investigation or action related thereto. Respondent shall also cooperate in any investigation, civil litigation, or administrative matter related to, or arising from, this action.
 3. **Partial Satisfaction:** Respondent understands and agrees that any acceptance by the Commission of any partial payment of Respondent's CMP Obligation shall not be deemed a waiver of its obligation to make further payments pursuant to this Order, or a waiver of the Commission's right to seek to compel payment of any remaining balance.
 4. **Change of Address/Phone:** Until such time as Respondent satisfies in full its CMP Obligation as set forth in this Order, Respondent shall provide written notice to the Commission by certified mail of any change to its telephone number and mailing address within ten calendar days of the change.
 5. **Notices:** Until such time as Respondent satisfies in full its CMP Obligation, upon the commencement by or against Respondent of insolvency, receivership or bankruptcy proceedings or any other proceedings for the settlement of Respondent's debts, all notices to creditors required to be furnished to the Commission under Title 11 of the United States Code or other applicable law with

respect to such insolvency, receivership bankruptcy or other proceedings, shall be sent to the address below:

Secretary of the Commission
Office of General Counsel
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street N.W.
Washington, D.C. 20581

The provisions of this Order shall be effective as of this date.

By the Commission.



Robert N. Sidman
Deputy Secretary of the Commission
Commodity Futures Trading Commission

Dated: September 27, 2024