
ORDER INSTITUTING DISCIPLINARY
PROCEEDINGS, MAKING FINDINGS,
AND IMPOSING SANCTIONS

In the Matter of Wanderley Olivetti,

Respondent.

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) PCAOB Release No. 105-2016-034
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December 5, 2016

By this Order, the Public Company Accounting Oversight Board ("Board" or "PCAOB") is: (1) censuring Wanderley Olivetti ("Olivetti" or "Respondent"); and (2) barring Olivetti from being an associated person of a registered public accounting firm.¹ The Board is imposing these sanctions on the basis of its findings that Olivetti failed to cooperate with a Board investigation.

I.

The Board deems it necessary and appropriate, for the protection of investors and to further the public interest in the preparation of informative, accurate, and independent audit reports, that disciplinary proceedings be, and hereby are, instituted pursuant to Section 105(c) of the Sarbanes-Oxley Act of 2002, as amended (the "Act"), and PCAOB Rule 5200(a)(1) and (3) against Respondent.

II.

In anticipation of the institution of these proceedings, and pursuant to PCAOB Rule 5205, Respondent has submitted an Offer of Settlement ("Offer") that the Board has determined to accept. Solely for purposes of these proceedings and any other proceedings brought by or on behalf of the Board, or to which the Board is a party, and without admitting or denying the findings herein, except as to the Board's jurisdiction over him and the subject matter of these proceedings, which are admitted, Respondent

¹ Olivetti may file a petition for Board consent to associate with a registered public accounting firm after five (5) years from the date of this Order.

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consents to entry of this Order Instituting Disciplinary Proceedings, Making Findings, and Imposing Sanctions ("Order") as set forth below.²

III.

On the basis of Respondent's Offer, the Board finds³ that:

A. Respondent

1. Wanderley Olivetti, 51, is a former partner of the PCAOB registered firm Deloitte Touche Tohmatsu Auditores Independentes ("Deloitte Brazil" or "Firm"). From June 2006 until July 2016, Olivetti was the National Professional Practice Director ("NPPD") of Deloitte Brazil. Olivetti was also a member of the Policy Committee, the governing board of the Firm, from June 1, 2005 through May 31, 2012; was a member of the Firm Attest Committee from June 2008 through July 2016; and was a member of the Firm's Technical Area from 2006 until July 2016. In or about July 2016, the Firm removed Olivetti from his leadership positions and placed him on administrative leave. At all relevant times, Olivetti was an associated person of a registered public accounting firm as that term is defined in Section 2(a)(9) of the Act and PCAOB Rule 1001(p)(i). Olivetti separated from the Firm in November 2016.

B. Respondent Failed to Cooperate with a Board Investigation

Applicable PCAOB Rules

2. Section 105(b)(3)(A) of the Act authorizes the Board to sanction an associated person of a registered public accounting firm for "refus[ing] to...cooperate with the Board in connection with an investigation[.]"⁴ Board rules include procedures for implementing that authority.⁵ Noncooperation with a Board investigation includes: (a) "fail[ing] to comply with an accounting board demand ['ABD']"; (b) "knowingly mak[ing] any false material declaration or mak[ing] or us[ing] any other information, including any book, paper, document, record, recording, or other material, knowing the

² The findings herein are made pursuant to Respondent's Offer and are not binding on any other person or entity in this or any other proceeding.

³ The sanctions that the Board is imposing on Respondent in this Order are imposed pursuant to Section 105(b)(3) of the Act, 15 U.S.C. § 7215(b)(3), and PCAOB Rule 5300(b).

⁴ 15 U.S.C. § 7215(b)(3)(A).

⁵ See PCAOB Rules 5110, 5200(a)(3).

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same to contain any false material declaration"; (c) "abus[ing] the Board's processes for the purpose of obstructing an investigation"; and (d) "otherwise [failing] to cooperate in connection with an investigation."⁶

3. PCAOB rules also prohibit associated persons of registered public accounting firms from taking or omitting to take any action "knowing, or recklessly not knowing, that the act or omission would directly and substantially contribute to a violation by that registered public accounting firm of," among other things, the rules of the Board.⁷

Respondent Violated PCAOB Rules in Connection with a Board Investigation

4. On October 15, 2013, the PCAOB Division of Enforcement and Investigations (the "Division") issued a document request to Deloitte Brazil as part of an informal inquiry, requesting that the Firm produce, among other things, the work papers from the Firm's audit of Gol Linhas Aéreas Inteligentes S.A., also known as Gol Intelligent Airlines Inc. ("Gol"), for fiscal year 2010 ("2010 Gol Audit"). In response to that request, the Firm produced a set of 2010 Gol Audit work papers that had been improperly altered in connection with a 2012 Board inspection of the audit. At the time the Firm produced the work papers to the Division in 2013, it did not disclose the improper alterations, which it had made to conceal deficiencies in the 2010 Gol Audit.

5. On Saturday, February 22, 2014, Olivetti and another senior Firm partner ("Other Senior Partner")⁸ met with a Deloitte Brazil colleague who had been the senior manager on the 2010 Gol Audit ("Gol Senior Manger").⁹ At that meeting, the Gol Senior Manager disclosed the improper alteration of the 2010 Gol Audit work papers to Olivetti and the Other Senior Partner. Olivetti and the Other Senior Partner subsequently met with the engagement partner for the 2010 Gol Audit ("Gol Engagement Partner"),¹⁰ who confirmed that the 2010 Gol Audit work papers had been improperly altered in connection with the 2012 Board inspection, and that those improperly altered work

⁶ PCAOB Rule 5110(a).

⁷ PCAOB Rule 3502, *Responsibility Not to Knowingly or Recklessly Contribute to Violations*.

⁸ See *Maurício Pires de Andrade Resende*, PCAOB Rel. No. 105-2016-033 (Dec. 5, 2016).

⁹ See *André Ricardo Aguillar Paulon*, PCAOB Rel. No. 105-2016-035 (Dec. 5, 2016).

¹⁰ See *José Domingos do Prado*, PCAOB Rel. No. 105-2016-032 (Dec. 5, 2016).



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papers had subsequently been produced to the Division in connection with its inquiry. By no later than February 2014, therefore, Olivetti was aware that the Firm had provided the Division with improperly altered versions of the 2010 Gol Audit work papers.

6. As Olivetti was aware, Deloitte Brazil continued its obstruction after the Board issued an Order of Formal Investigation in June 2014 and the Division issued an ABD to the Firm requiring that it produce responsive documents and information. For example, Olivetti knew that the Firm was continuing to withhold the original 2010 Gol Audit work papers from the Division.

7. In his position as NPPD of Deloitte Brazil, Olivetti directly and substantially contributed to the Firm's failure to cooperate with the Division's investigation. For example, the Firm made a presentation to the Division on July 31, 2014 concerning the 2010 Gol Audit. Olivetti reviewed the presentation in advance and knew it to contain statements that were consistent with the improperly altered work papers. Olivetti acceded, however, to the Firm's presentation of false material information to the Division.¹¹

8. Olivetti also failed to cooperate with the Division's investigation. For example, on July 13 and 14, 2015, and on December 11, 2015, Olivetti provided investigative testimony to the Division under oath and on the record. Despite his position as NPPD of Deloitte Brazil and his obligation to cooperate with the Division's investigation, Olivetti failed in that testimony to disclose his knowledge concerning the Firm's improper alteration of work papers, even when asked about that alteration.¹²

9. Based on the conduct described above, Olivetti repeatedly failed to cooperate with a Board investigation and directly and substantially contributed to Deloitte Brazil's failure to cooperate with that investigation.¹³

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10. During September and October 2016, Olivetti provided information concerning others at Deloitte Brazil that was of substantial assistance to the Division's

¹¹ See PCAOB Rule 3502.

¹² See PCAOB Rule 5110(a).

¹³ See PCAOB Rule 3502; PCAOB Rule 5110(a).

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investigation.¹⁴ The Board took that substantial assistance into account in ordering the sanctions under Section IV of this Order.

IV.

In view of the foregoing, and to protect the interests of investors and further the public interest in the preparation of informative, accurate, and independent audit reports, the Board determines it appropriate to impose the sanctions agreed to in Respondent's Offer. Accordingly, it is hereby ORDERED that:

- A. Pursuant to Sections 105(b)(3)(A)(iii) and 105(c)(4)(E) of the Act and PCAOB Rule 5300(a)(5) and (b)(1), Wanderley Olivetti is censured;
- B. Pursuant to Sections 105(b)(3)(A)(i) and 105(c)(4)(B) of the Act and PCAOB Rule 5300(a)(2) and (b)(1), Wanderley Olivetti is barred from being an associated person of a registered public accounting firm, as that term is defined in Section 2(a)(9) of the Act and PCAOB Rule 1001(p)(i);¹⁵ and
- C. After five (5) years from the date of this Order, Wanderley Olivetti may file a petition, pursuant to PCAOB Rule 5302(b), for Board consent to associate with a registered public accounting firm.

ISSUED BY THE BOARD.

/s/ Phoebe W. Brown

Phoebe W. Brown
Secretary

December 5, 2016

¹⁴ See "Policy Statement Regarding Credit for Extraordinary Cooperation in Connection with Board Investigations," Apr. 24, 2013.

¹⁵ As a consequence of the bar imposed in this Order, the provisions of Section 105(c)(7)(B) of the Act will apply with respect to Olivetti. Section 105(c)(7)(B) provides: "It shall be unlawful for any person that is suspended or barred from being associated with a registered public accounting firm under this subsection willfully to become or remain associated with any issuer, broker, or dealer in an accountancy or a financial management capacity, and for any issuer, broker, or dealer that knew, or in the exercise of reasonable care should have known, of such suspension or bar, to permit such an association, without the consent of the Board or the Commission."