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ORDER INSTITUTING DISCIPLINARY  
PROCEEDINGS, MAKING FINDINGS,  
AND IMPOSING SANCTIONS

*In the Matter of Leonardo Fonseca de  
Freitas Maia,*

Respondent.

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) PCAOB Release No. 105-2016-038  
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) December 5, 2016  
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By this Order, the Public Company Accounting Oversight Board ("Board" or "PCAOB") is: (1) censuring Leonardo Fonseca de Freitas Maia ("Respondent"); (2) barring Maia from being an associated person of a registered public accounting firm;<sup>1</sup> and (3) imposing a civil money penalty in the amount of \$10,000 on Maia. The Board is imposing these sanctions on the basis of its findings that Maia violated PCAOB rules and standards in connection with a Board inspection.

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) 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

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<sup>1</sup> Maia may file a petition for Board consent to associate with a registered public accounting firm after one (1) year 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.<sup>2</sup>

**III.**

On the basis of Respondent's Offer, the Board finds<sup>3</sup> that:

**A. Respondent**

1. Leonardo Fonseca de Freitas Maia, 42, is a former partner of the PCAOB registered firm Deloitte Touche Tohmatsu Auditores Independentes ("Deloitte Brazil" or "Firm"). From June 2008 through May 2012, Maia served as a member of the Firm's Global IFRS and Offering Services group. Maia became a partner of Deloitte Brazil in 2013. On or about January 11, 2016, the Firm placed Maia on administrative leave. At all relevant times, Maia was an associated person of a registered public accounting firm, as that term is defined by Section 2(a)(9) of the Act and PCAOB Rule 1001(p)(i). Maia separated from the Firm in November 2016.

**B. Respondent Violated Applicable PCAOB Rules and Standards**

Applicable PCAOB Rules and Standards

2. In connection with the preparation or issuance of an audit report, PCAOB rules require that associated persons of registered public accounting firms comply with applicable auditing and related professional practice standards.<sup>4</sup> Auditing Standard No. 3, *Audit Documentation* ("AS3"), requires that the complete and final set of

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<sup>2</sup> 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.

<sup>3</sup> The Board finds that Respondent's conduct described in this Order meets the conditions set out in Section 105(c)(5), which provides that certain sanctions may be imposed in the event of: (A) intentional or knowing conduct, including reckless conduct, that results in violation of the applicable statutory, regulatory, or professional standard; or (B) repeated instances of negligent conduct, each resulting in a violation of the applicable statutory, regulatory, or professional standard.

<sup>4</sup> See PCAOB Rule 3100, *Compliance with Auditing and Related Professional Practice Standards*; PCAOB Rule 3200T, *Interim Auditing Standards*. All references to PCAOB rules and standards are to the versions of those rules and standards in effect at the time of the relevant conduct.

**ORDER**

documentation for an audit be assembled for retention by the "documentation completion date," a date no later than 45 days from the date on which the auditor grants permission to use its audit report.<sup>5</sup> After the documentation completion date, audit documentation must not be deleted or discarded from the audit file, but it may be added as long as the auditor documents the date of the addition, the person who prepared the additional documentation, and the reason for adding the documentation.<sup>6</sup>

3. PCAOB Rule 4006, *Duty to Cooperate with Inspectors*, requires registered firms and their associated persons to cooperate with inspections conducted by the Board. The cooperation requirement of Rule 4006 includes an obligation "not to provide misleading documents or information in connection with the Board's inspection processes."<sup>7</sup>

Respondent Violated PCAOB Rules and Standards in Connection with a PCAOB Inspection

4. During the relevant time period, one of Deloitte Brazil's audit clients was Gol Linhas Aéreas Inteligentes S.A., also known as Gol Intelligent Airlines Inc. ("Gol"). On April 8, 2011, the Firm issued two unqualified audit reports concerning Gol's 2010 financial statements and internal control over financial reporting ("ICFR"). Gol included those reports in a Form 20-F filed with the U.S. Securities and Exchange Commission ("Commission") on April 8, 2011. Maia did not perform procedures in connection with those reports.

5. The Board conducted an inspection of Deloitte Brazil in 2012. In early March 2012, the PCAOB Division of Registration and Inspections ("Inspections") informed Deloitte Brazil that primary field work procedures for the inspection would begin on March 26, 2012. Inspections identified the Firm's audit of Gol's 2010 financial statements and ICFR ("2010 Gol Audit") as one of the audits to be inspected, and identified the focus areas for the inspection, which included revenue, deferred revenue, and accounts receivable.

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<sup>5</sup> AS3 ¶¶ 14, 15.

<sup>6</sup> See id. ¶ 16.

<sup>7</sup> *Nathan M. Suddeth, CPA*, PCAOB Rel. No. 105-2013-007, ¶ 4 (Sept. 10, 2013).

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6. On or about March 12, 2012, Maia was informed by a colleague who had served as senior manager for the 2010 Gol Audit and had since become a partner ("Gol Senior Manager")<sup>8</sup> that the engagement partner<sup>9</sup> for the 2010 Gol Audit, a senior partner of Deloitte Brazil, had directed the Gol Senior Manager to improperly alter the 2010 Gol Audit work papers to attempt to conceal certain matters from Inspections. The Gol Senior Manager stated that the engagement partner had determined that Maia should also participate in the alteration effort.

7. As a result, on Saturday, March 17, 2012, Maia, the Gol Senior Manager, and another colleague<sup>10</sup> met in a Deloitte Brazil conference room and both discussed and made alterations to numerous 2010 Gol Audit work papers, including work papers that addressed the audit areas that Inspections had identified as focus areas for the inspection. Maia himself made certain of the alterations. Maia did not document when those alterations were made, why they were made, or who made them. Maia knew that others would make the improperly altered work papers available to Inspections as the original work papers from the 2010 Gol Audit. Maia's actions violated PCAOB audit documentation standards and his duty to cooperate with Inspections.<sup>11</sup>

**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 Section 105(c)(4)(E) of the Act and PCAOB Rule 5300(a)(5), Leonardo Fonseca de Freitas Maia is censured;

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<sup>8</sup> See *André Ricardo Aguillar Paulon*, PCAOB Rel. No. 105-2016-035 (Dec. 5, 2016).

<sup>9</sup> See *José Domingos do Prado*, PCAOB Rel. No. 105-2016-032 (Dec. 5, 2016).

<sup>10</sup> See *Joao Rafael Belo de Araujo Filho*, PCAOB Rel. No. 105-2016-037 (Dec. 5, 2016).

<sup>11</sup> See AS3 ¶ 16; PCAOB Rule 4006. The documentation completion date for the 2010 Gol Audit was no later than May 23, 2011.



## ORDER

- B. Pursuant to Section 105(c)(4)(B) of the Act and PCAOB Rule 5300(a)(2), Leonardo Fonseca de Freitas Maia 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);<sup>12</sup>
- C. After one (1) year from the date of this Order, Leonardo Fonseca de Freitas Maia may file a petition, pursuant to PCAOB Rule 5302(b), for Board consent to associate with a registered public accounting firm;<sup>13</sup> and
- D. Pursuant to Section 105(c)(4)(D) of the Act and PCAOB Rule 5300(a)(4), a civil money penalty in the amount of \$10,000 is imposed upon Leonardo Fonseca de Freitas Maia. All funds collected by the Board as a result of the assessment of this civil money penalty will be used in accordance with Section 109(c)(2) of the Act. Maia shall pay this civil money penalty within ten (10) days of the issuance of this Order by (1) wire transfer in accordance with instructions furnished by Board staff; or (2) United States Postal Service money order, bank money order, certified check, or bank cashier's check (a) made payable to the Public Company Accounting Oversight Board, (b) delivered to the Controller, Public Company Accounting Oversight Board, 1666 K Street, N.W., Washington D.C. 20006, and (c) submitted under a cover letter, which identifies Maia as a respondent in these proceedings, sets forth the title and PCAOB release number of these proceedings, and states that payment is made pursuant to this Order, a copy of which cover letter and money order or check shall be sent to Office of the Secretary, Attention: Phoebe W. Brown, Secretary,

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<sup>12</sup> As a consequence of the bar, the provisions of Section 105(c)(7)(B) of the Act will apply with respect to Maia. 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."

<sup>13</sup> In considering such a petition, the Board will address all of the factors described in PCAOB Rule 5302(b) and, among other things, will give weight to whether Maia has, in the period after the date of this Order, completed at least 20 hours of continuing professional education directly related to ethics.

**ORDER**

Public Company Accounting Oversight Board, 1666 K Street, N.W.,  
Washington D.C. 20006.

ISSUED BY THE BOARD.

/s/ Phoebe W. Brown

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Phoebe W. Brown  
Secretary

December 5, 2016