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ORDER INSTITUTING DISCIPLINARY  
PROCEEDINGS, MAKING FINDINGS,  
AND IMPOSING SANCTIONS )  
PCAOB Release No. 105-2019-004 )  
*In the Matter of RSM US LLP,* )  
March 19, 2019 )  
*Respondent.* )  
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By this Order, the Public Company Accounting Oversight Board ("Board" or "PCAOB") is censuring RSM US LLP (the "Firm" or "Respondent"), a registered public accounting firm, and imposing a civil money penalty in the amount of \$15,000 upon the Firm. The Board is imposing these sanctions on the basis of its findings that the Firm failed to timely disclose certain reportable events to the Board on PCAOB Form 3, *Special Report*, in violation of PCAOB rules.

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 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 Respondent and the subject matter of these proceedings, which are admitted, Respondent consents to entry of this Order Instituting Disciplinary Proceedings, Making Findings, and Imposing Sanctions ("Order") as set forth below.<sup>1</sup>

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<sup>1</sup> The findings herein are made pursuant to the Respondent's Offer and are not binding on any other person or entity in this or any other proceeding.

**ORDER****III.**

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

**A. Respondent**

1. RSM US LLP, is, and at all relevant times was, a limited liability partnership organized under the laws of the state of Illinois, and headquartered in Chicago, Illinois. The Firm is a member of the RSM US Alliance and the RSM International global network. At all relevant times, the Firm has been registered with the Board pursuant to Section 102 of the Act and PCAOB rules. As of its 2018 Annual Report on PCAOB Form 2, the Firm had 6,365 accountants.

**B. Respondent Failed to Timely Disclose Certain Reportable Events to the Board, in Violation of PCAOB Rules**

2. This matter concerns the Firm's failures to disclose on a timely basis four reportable events, concerning two disciplinary proceedings, to the Board on Form 3 as required by PCAOB rules.

3. PCAOB Rule 2203 provides that a registered public accounting firm must file a special report on Form 3 to report any event specified in that form within thirty days of the event's occurrence.<sup>2</sup> One such specified event occurs when a firm "has become aware that, in a matter arising out of the Firm's conduct in the course of providing professional services for a client, the Firm has become a defendant or respondent in a civil or alternative dispute resolution proceeding initiated by a governmental entity or in an administrative or disciplinary proceeding other than a Board disciplinary proceeding" ("Item 2.7 Proceeding").<sup>3</sup> Another such specified event occurs when a firm "has become aware that" an Item 2.7 Proceeding "has been concluded."<sup>4</sup> With respect to four such events, involving two Item 2.7 Proceedings, the Firm failed to timely file a Form 3 with the Board.

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<sup>2</sup> See PCAOB Rule 2203, *Special Reports*. As the Board noted when adopting its rules on special reporting, "[R]eportable events will sometimes occur, and the public interest, as well as the ability to consider whether prompt action is warranted by the Board's inspection staff or enforcement staff, will be served by contemporaneous reporting of the event." PCAOB Rel. No. 2008-004, at 17 (June 10, 2008).

<sup>3</sup> PCAOB Form 3, at Item 2.7 (italics in the original removed). To be reportable under Item 2.7, the proceeding only has to relate to professional services for a client, and does not necessarily have to involve an audit of an issuer, broker, or dealer, as those terms are defined under PCAOB rules.

<sup>4</sup> PCAOB Form 3, at Item 2.10.

**ORDER**

4. On or around October 4, 2010, the Firm became aware that the Commodity Futures Trading Commission ("CFTC") had initiated and simultaneously concluded a disciplinary proceeding against it. The CFTC proceeding related to the Firm's provision of professional services to a company that was not an issuer.<sup>5</sup>

5. On or around June 4, 2018, the Firm became aware that the Securities and Exchange Commission ("SEC") had initiated and simultaneously concluded a separate disciplinary proceeding against it. The SEC proceeding related to the Firm's provision of professional services to another company that was not an issuer.

6. In violation of Rule 2203, the Firm failed to file a Form 3 with respect to the initiation and conclusion of the CFTC and SEC proceedings until November 30, 2018, around eight years after the Firm learned of the initiation and conclusion of the CFTC proceeding and around four months after it learned of the initiation and conclusion of the SEC proceeding.

7. The Firm's internal compliance and reporting systems failed to identify the initiation and conclusion of the proceedings described above as being reportable to the PCAOB. As a result, the Firm inappropriately delayed notifying the PCAOB of the initiation and conclusion of the disciplinary proceedings.

**IV.**

8. The Firm has represented to the Board that, since the events described in this Order, it has established and implemented the following changes to its policies and procedures for the purpose of providing the Firm with reasonable assurance of compliance with PCAOB reporting requirements:

- a. The Firm has revised and supplemented its policies and procedures for the purpose of providing the Firm with reasonable assurance of compliance with PCAOB reporting requirements, including policies and procedures providing reasonable assurance that reportable events are identified by Firm personnel who participate in the Firm's PCAOB reporting process and that those events are reported on the applicable PCAOB form in a timely and complete manner; and
- b. The Firm has established policies to ensure training concerning PCAOB reporting requirements, at least annually, of any Firm personnel who participate in the Firm's PCAOB reporting process.

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<sup>5</sup> The term "issuer" means an issuer (as defined in Section 3 of the Securities and Exchange Act of 1934 ("Exchange Act")), the securities of which are registered under Section 12 of the Exchange Act, or that is required to file reports under Section 15(d) of the Exchange Act, or that files or has filed a registration statement that has not yet become effective under the Securities Act of 1933, and that it has not withdrawn. See PCAOB Rule 1001(i)(iii).

**ORDER**

9. The Firm has also represented to the Board that it has assigned the role of compliance with PCAOB reporting matters to an individual within the Firm who possesses adequate knowledge and experience with PCAOB reporting requirements and sufficient authority within the Firm to fulfill those requirements on behalf of the Firm.

**V.**

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), the Firm is hereby censured; and
- B. Pursuant to Section 105(c)(4)(D) of the Act and PCAOB Rule 5300(a)(4), a civil money penalty in the amount of \$15,000 is imposed upon the Firm. 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. The Firm shall pay this civil money penalty within ten (10) days of the issuance of this Order by: (1) wire transfer pursuant to instructions provided 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 the Firm 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, 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

March 19, 2019