



**ORDER**

to the 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. **Ryan J. Collins** is, and at all relevant times was, a certified public accountant licensed by the Indiana Board of Accountancy (license no. CP11300016). Collins was employed by PricewaterhouseCoopers LLP (“PwC”) between September 2010 and May 2019. At all relevant times, Collins 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).

**B. Summary**

2. This matter concerns Respondent’s failure to cooperate with a Board inspection. Collins was a senior manager for PwC’s integrated audit of the financial statements and internal control over financial reporting of an issuer (“Issuer A”) for the fiscal year-ended September 30, 2018 (“Audit”).<sup>4</sup> As part of the Board’s annual inspection of PwC for 2019, Board staff selected the Audit for review (“Inspection”). During field work for the Inspection, Collins: (a) made a misleading statement to the Board’s inspectors; and (b) prepared a misleading document that he understood would be presented to the inspectors in response to a specific request from the inspectors. Through his actions and omissions Collins violated his obligation to cooperate with the Board’s Inspection.

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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) of the Act, 15 U.S.C. § 7215(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 a 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> At all relevant times, Issuer A was an “issuer” as that term is defined in Section 2(a)(7) of the Act and PCAOB Rule 1001(i)(iii).

**ORDER****C. Respondent Violated a PCAOB Rule***Applicable PCAOB Rule*

3. PCAOB Rule 4006 provides that “[e]very registered public accounting firm, and every associated person of a registered public accounting firm, shall cooperate with the Board in the performance of any Board inspection.” Cooperation includes complying with requests for “any record in the possession, custody, or control of such firm or person” as well as complying with requests to “provide information by oral interviews, written responses, or otherwise.” *Id.* “Implicit in this cooperation requirement is that auditors provide accurate and truthful information” to the Board’s inspectors.<sup>5</sup>

*Background Related to the Inspection*

4. Collins began working on PwC’s audit of Issuer A in 2010. Collins worked on each audit of Issuer A for fiscal years 2010 through 2018. Also, Collins participated in two Board inspections of PwC’s audits of Issuer A prior to the Inspection.

5. In early-March 2019, Collins learned that the Board would inspect the Audit as part of its annual inspection of PwC. Prior to the beginning of inspection field work, Collins understood that taxes would be one of the focus areas for the Inspection.

*Collins Made a Misleading Statement and Provided a Misleading Document to the Board’s Inspectors During the Inspection.*

6. Inspection field work commenced on April 1, 2019. During field work, the Board’s inspectors asked the engagement team questions related to the tax focus area and, specifically, related to transfer pricing.

7. During his preparations for the Inspection, Collins opened the archived work papers for the 2009 audit of Issuer A and found a memo that related to transfer pricing (“2009 Memo”).

8. During the evening of April 3, 2019, in an attempt to respond to open questions from the inspectors related to transfer pricing, Collins met with the other members of the engagement team. As part of addressing questions from the Board’s inspectors related to transfer pricing, he downloaded the 2009 Memo from the archived 2009 work papers. After downloading the 2009 Memo, Mr. Collins edited the 2009 Memo, which included deleting both the date on the memo and information that was not relevant

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<sup>5</sup> *Kabani & Co., Inc.*, Rel. No. 34-80201, 2017 WL 947229, at \*12 (SEC Mar. 10, 2017), *petition for review denied*, *Kabani & Co., Inc. v. SEC*, 733 Fed. App’x 918 (9th Cir. 2018). See also *Humayoun G. Khan*, PCAOB Rel. No. 105-2019-013 (June 4, 2019).

**ORDER**

to the questions of the inspectors. Collins made additional changes to the 2009 Memo the following morning (as modified, the “2019 Memo”).

9. Collins and other members of the engagement team for the Audit met with the Board’s inspectors during the morning of April 4, 2019. During that meeting, another member of the engagement team used the 2019 Memo to answer questions from the inspectors related to transfer pricing. At some point during that meeting, the other engagement team member provided the 2019 Memo to the inspectors.

10. The inspectors asked what the document was and why it was not dated. Collins responded that the document was from the “2010 audit.” Collins did not inform the inspectors that the 2019 Memo was, in fact, prepared the previous day and finalized earlier that same morning, April 4, 2019. Likewise, he did not explain to the inspectors that the 2019 Memo was based on a 2009 work paper, not a 2010 work paper.

11. His decision to tell the inspectors that the document was from 2010, and not from 2009, was intentional. Collins knew that information PwC sent to the Board’s inspectors in advance of Inspection field work stated that Collins started working on the Issuer A audit in 2010, and Collins thought it would raise questions if he identified the document as predating his work on the Audit.

12. After the meeting at which Collins provided the inspectors the misleading information about the 2019 Memo, the inspectors asked the Audit engagement partner to provide the original memo from the archived 2010 work papers. The engagement partner asked Collins to send a copy of the original work paper to the engagement partner.

13. Collins understood that the engagement partner would provide that document to the inspectors. Collins went back into the archived 2009 work papers, downloaded a copy of the 2009 Memo, and changed the date on the memo from 2009 to 2010, *i.e.*, to a date that was consistent with his misrepresentation to the Board’s inspectors earlier that morning. Collins then sent that document (“Purported 2010 Memo”) to the engagement partner. And the engagement partner provided the Purported 2010 Memo to the Board’s inspectors.

14. At no time did Collins advise the inspectors that the Purported 2010 Memo was really from the 2009 work papers and that Collins had changed the date on that document on April 4, 2019.

15. By his statements, actions, and omissions, Collins violated his duty to cooperate with the Board’s Inspection of the Audit.<sup>6</sup>

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<sup>6</sup> See PCAOB Rule 4006.

**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 Section 105(c)(4)(B) of the Act and PCAOB Rule 5300(a)(2), Collins 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>7</sup> and
- B. After one year from the date of this Order, Collins 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

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Phoebe W. Brown  
Secretary

July 21, 2020

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