
Senators Again Seek to Open PCAOB Disciplinary Proceedings

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Senators Charles Grassley (R-Iowa) and Jack Reed (D-Rhode Island) have re-introduced their [proposal](#) to open to the public disciplinary proceedings by the Public Company Accounting Oversight Board against accountants. Under the Sarbanes-Oxley Act, PCAOB accountant disciplinary proceedings are non-public until the PCAOB imposes sanctions on an accountant or accounting firm and any stay of such proceedings pending appeal to the SEC has been lifted. According to Senator Grassley, this “secrecy provides incentives to bad actors to extend the proceedings as long as possible so they can continue to do business without notice to businesses about potential problems with a particular auditor.”

Senators Grassley and Reed have introduced this bill in successive Congresses since 2011. ([See our blog post from April 30, 2013.](#)) A similar provision was included in a version of the Financial CHOICE Act introduced in the House last year, but was not included in the bill that passed the House Financial Services Committee. Committee Chair Jeb Hensarling (R-Texas) has indicated that he intends to introduce a new CHOICE Act in the current Congress, but the scope and timing of any financial reform legislation continues to be uncertain.

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