

CORNERSTONE RESEARCH

Economic and Financial Consulting and Expert Testimony

SEC Accounting and Auditing Enforcement Activity

YEAR IN REVIEW: FY 2024

ANALYSIS AND TRENDS

By Year and Quarter Initiated

SEC Enforcement at a Glance: Clayton vs. Gensler

Number and Type of Respondents

Allegations

Monetary Settlements

Non-Monetary Sanctions

Cooperation, Remedial Efforts, and Self-Reporting

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Executive Summary

Accounting and auditing enforcement actions plummeted in the last fiscal year of Gary Gensler’s tenure as Chair of the Securities and Exchange Commission (SEC) to the lowest number of actions since FY 2021. The SEC initiated a total of 45 enforcement actions—only 54% of the total initiated in FY 2023.¹ In addition, the SEC dismissed six administrative proceedings after the *SEC v. Jarkesy* decision on June 27, 2024.²

In contrast, the SEC imposed more than \$770 million in total monetary penalties in FY 2024—the highest total since 2021. The median monetary settlement for firm respondents rose to \$4.45 million, a 27% increase over FY 2023. Unlike other enforcement priorities during the Gensler Period, such as cryptocurrency and off-channel communications, SEC accounting and auditing enforcement activity generally declined compared to the Clayton Period.

The SEC initiated 45 accounting and auditing enforcement actions (“actions”) in fiscal year (“FY”) 2024.³ (page 2)

Approximately half of all actions initiated in FY 2024 (22) were initiated in the fourth quarter of the SEC’s fiscal year, including over one-third (36%) of all actions in September alone. (page 4)

The number of actions initiated against U.S. respondents decreased by 56% in FY 2024, while the number of actions against non-U.S. respondents increased by 18%. (page 4)







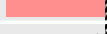

The number of actions referring to announced restatements and/or material weaknesses in internal control (nine) dropped to the lowest level in recent years. (page 6)

At \$771 million, the total monetary settlements increased 44% in FY 2024 from FY 2023, the second-highest level since 2020. (pages 10 and 11)

Non-monetary sanctions were imposed against 67% of the 33 individual respondents who settled in FY 2024. Approximately 58% of the individual respondents who settled in FY 2024 were prohibited from acting as an officer or director. (page 12)

For 25% of the 67 respondents who settled actions in FY 2024, the SEC reported that it considered the respondent’s self-reporting, cooperation, and/or remedial efforts as it set penalties and other remedies. (page 13)

Figure 1a: SEC Accounting and Auditing Actions and Settlements Summary Statistics, FY 2023–FY 2024

	FY 2023	FY 2024	Change
Initiated Actions			
Number of Actions	83	45	 -46%
Number of Accounting Actions	67	38	 -43%
Number of Auditing Actions	16	7	 -56%
Number of Individual Respondents	59	37	 -37%
Number of Firm Respondents	52	38	 -27%
Settled Actions			
Number of Respondents	119	67	 -44%
Number of Respondents Fined	101	57	 -44%
Percentage of Respondents Fined	85%	85%	0%
Total Settlements (\$ thousands)	\$537,049	\$771,051	44% 

SEC Enforcement at a Glance: Clayton Period vs. Gensler Period

In 2017, the first year of the first Trump administration, Jay Clayton was sworn in as Chair of the SEC. He remained in that role through the end of FY 2020, a period roughly corresponding to the FY 2017–FY 2020 period (the “Clayton Period”). Gary Gensler assumed the role of SEC Chair in 2021 and remained in office through the end of FY 2024, roughly corresponding to the FY 2021–FY 2024 period (the “Gensler Period”). In contrast with other enforcement priorities during the Gensler Period, such as cryptocurrency and off-channel communications, SEC accounting and auditing enforcement activity generally declined compared to the Clayton Period.⁴

In particular, the average number of initiated actions per year decreased by 19% under Gensler, falling from 74 during the Clayton Period to 60 during the Gensler Period. This decline is also reflected in a 30% decrease in the average number of individual respondents and a 21% decrease in the average number of firm respondents. Although the average number of SEC actions declined, the proportion of initiated actions involving auditors and audit firms remained steady at 21% per year during both the Clayton and the Gensler Periods.⁵

The average number of respondents per year in settled SEC actions decreased by 18% during the Gensler Period compared to the Clayton Period, from 80 respondents to 66 respondents. Consistent with this decline, the average total monetary settlements per year decreased by 19%, from \$796 million per year during the Clayton Period to \$647 million during the Gensler Period. However, the percentage of respondents fined per year increased slightly during the Gensler Period (83%), compared to the Clayton Period (79%).

Figure 1b: SEC Accounting and Auditing Actions and Settlements: Clayton Period vs. Gensler Period
FY 2017–FY 2024

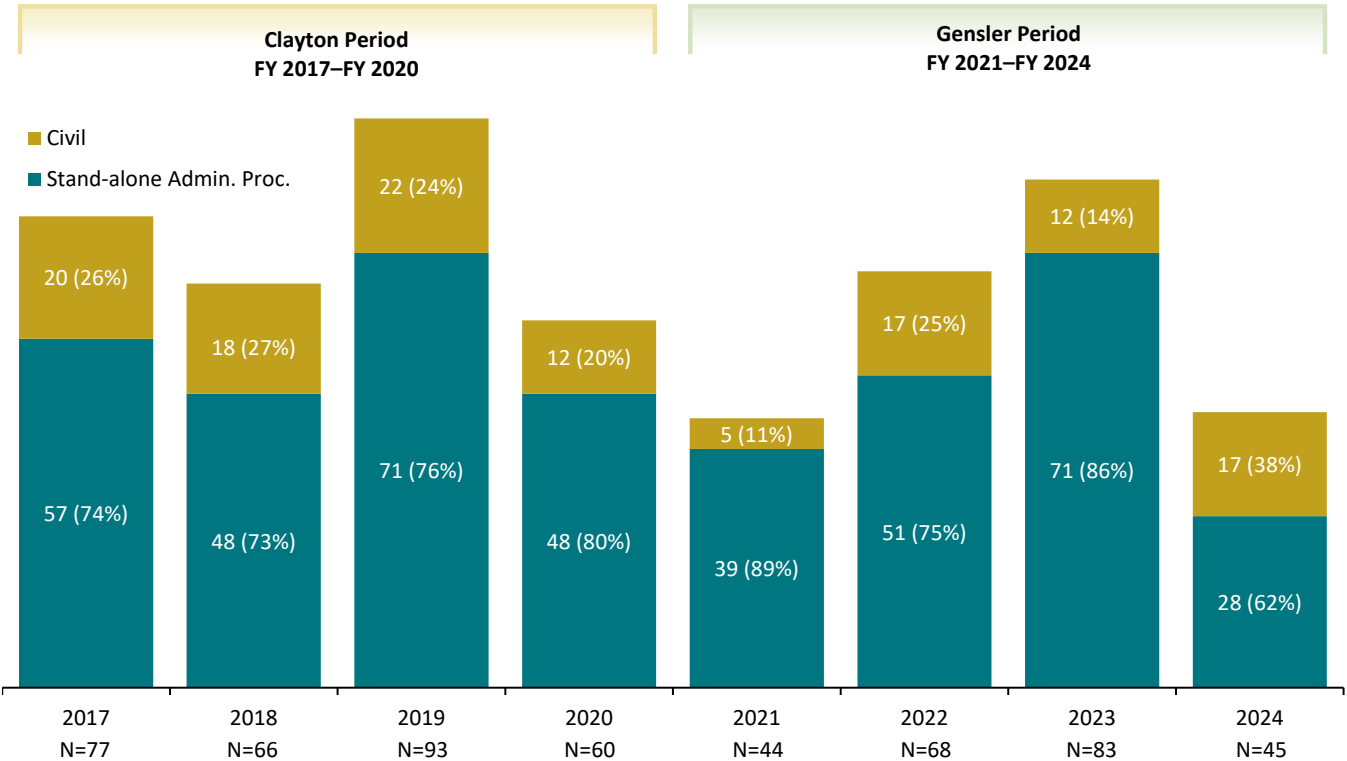
	Clayton Period FY 2017–FY 2020 Average	Gensler Period FY 2021–FY 2024 Average	Change	
Initiated Actions				
Number of Actions	74	60	<div></div>	-19%
Number of Accounting Actions	59	48	<div></div>	-19%
Number of Auditing Actions	15	12	<div></div>	-20%
Number of Individual Respondents	72	50	<div></div>	-30%
Number of Firm Respondents	50	40	<div></div>	-21%
Settled Actions				
Number of Respondents	80	66	<div></div>	-18%
Number of Respondents Fined	63	55	<div></div>	-13%
Percentage of Respondents Fined	79%	83%	<div></div>	6%
Total Settlements (\$ thousands)	\$795,833	\$646,504	<div></div>	-19%

Actions by Year Initiated

- In FY 2024, the SEC initiated 45 accounting and auditing enforcement actions, a 46% decline from the 83 actions initiated in FY 2023.
- Of the 45 actions initiated during FY 2024, 28 (62%) were administrative proceedings, down from 86% in FY 2023. All but one of the 28 administrative proceedings announced a concurrent settlement on the same day.
- The SEC brought 17 civil actions against 41 respondents in FY 2024, a 64% increase from FY 2023. After the Supreme Court decision in *SEC v. Jarkesy et al.* on June 27, 2024, the SEC initiated twice as many civil actions (14) than the average number of civil actions in the previous seven years (6.9).⁶
- During the Gensler Period,⁷ the SEC initiated an average of 60 actions per year, a 19% decline from the 74 actions per year initiated during the Clayton Period.⁸

After two consecutive years of increases in accounting and auditing enforcement actions, actions initiated in FY 2024 decreased by 46% under Chair Gensler.¹

Figure 2: SEC Accounting and Auditing Actions by Year Initiated FY 2017–FY 2024



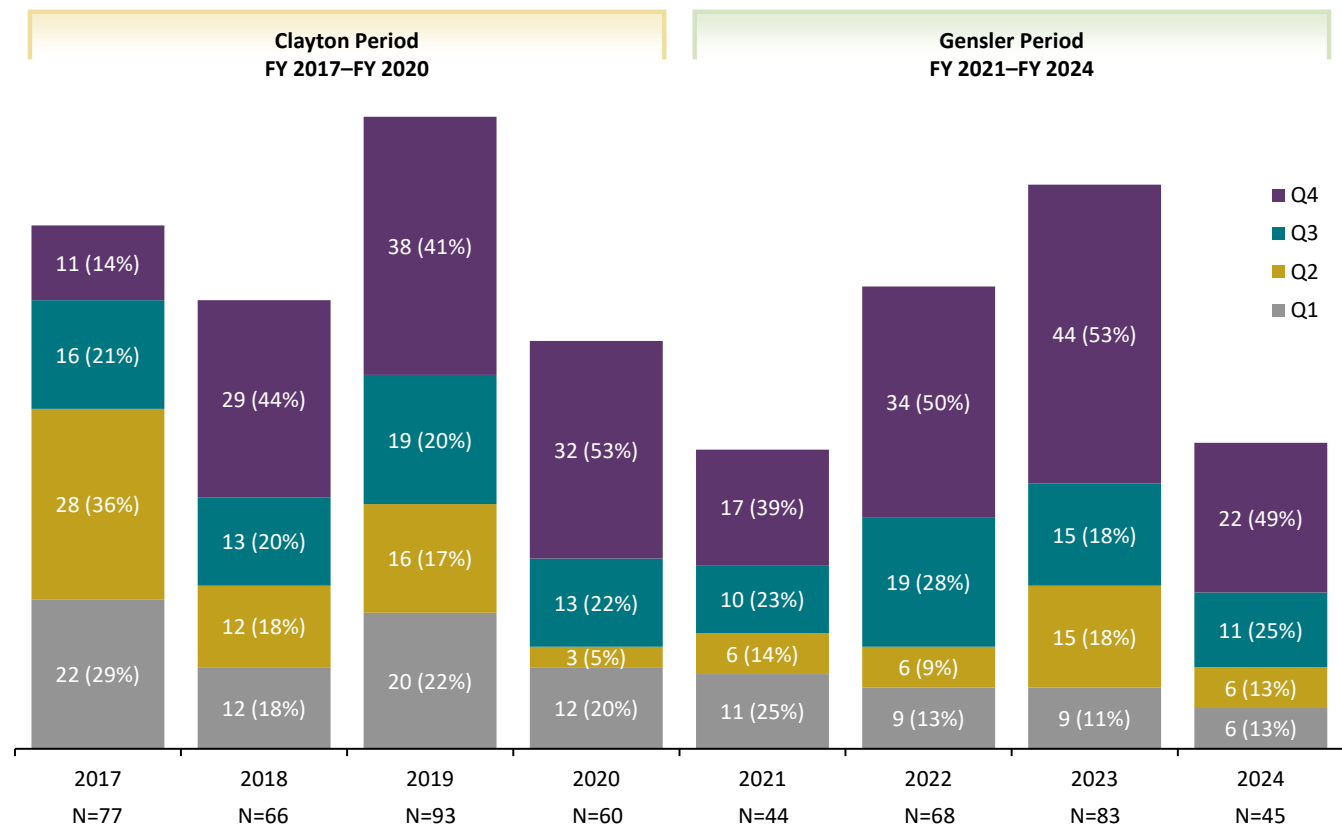
Source: Cornerstone Research; www.sec.gov
Note: “Year Initiated” is the fiscal year in which an administrative proceeding was instituted or a civil action complaint was filed. Jay Clayton was sworn in as Chair of the SEC on May 4, 2017 (<https://www.sec.gov/news/press-release/2017-94>), while Gary Gensler was sworn in as Chair of the SEC on April 17, 2021 (<https://www.sec.gov/news/press-release/2021-65>). See [Research Sample and Data Sources](#) for additional information.

Actions by Quarter Initiated

Consistent with the prior two years, the SEC initiated nearly half of its FY 2024 actions in the fourth quarter.

- The SEC brought almost three quarters of its FY 2024 actions in the second half of its fiscal year, up from the FY 2017–FY 2023 average of 65%.
- In September, the final month of the fiscal year, the SEC initiated 16 actions, representing more than one-third (36%) of the FY 2024 total.
- The majority of actions initiated in the fourth quarter (56%) were administrative proceedings, all of which announced concurrent settlements on the same day.
- The proportion of actions initiated across the second and third quarters of the SEC’s fiscal year in FY 2024 (38%) was consistent with the FY 2017–FY 2023 average (38%).

Figure 3: SEC Accounting and Auditing Actions by Quarter Initiated FY 2017–FY 2024



Source: Cornerstone Research; www.sec.gov

Note: “Quarter Initiated” is the fiscal quarter in which an administrative proceeding was instituted or a civil action complaint was filed. Jay Clayton was sworn in as Chair of the SEC on May 4, 2017 (<https://www.sec.gov/news/press-release/2017-94>), while Gary Gensler was sworn in as Chair of the SEC on April 17, 2021 (<https://www.sec.gov/news/press-release/2021-65>). Percentages may not sum to 100% due to rounding. See [Research Sample and Data Sources](#) for additional information.

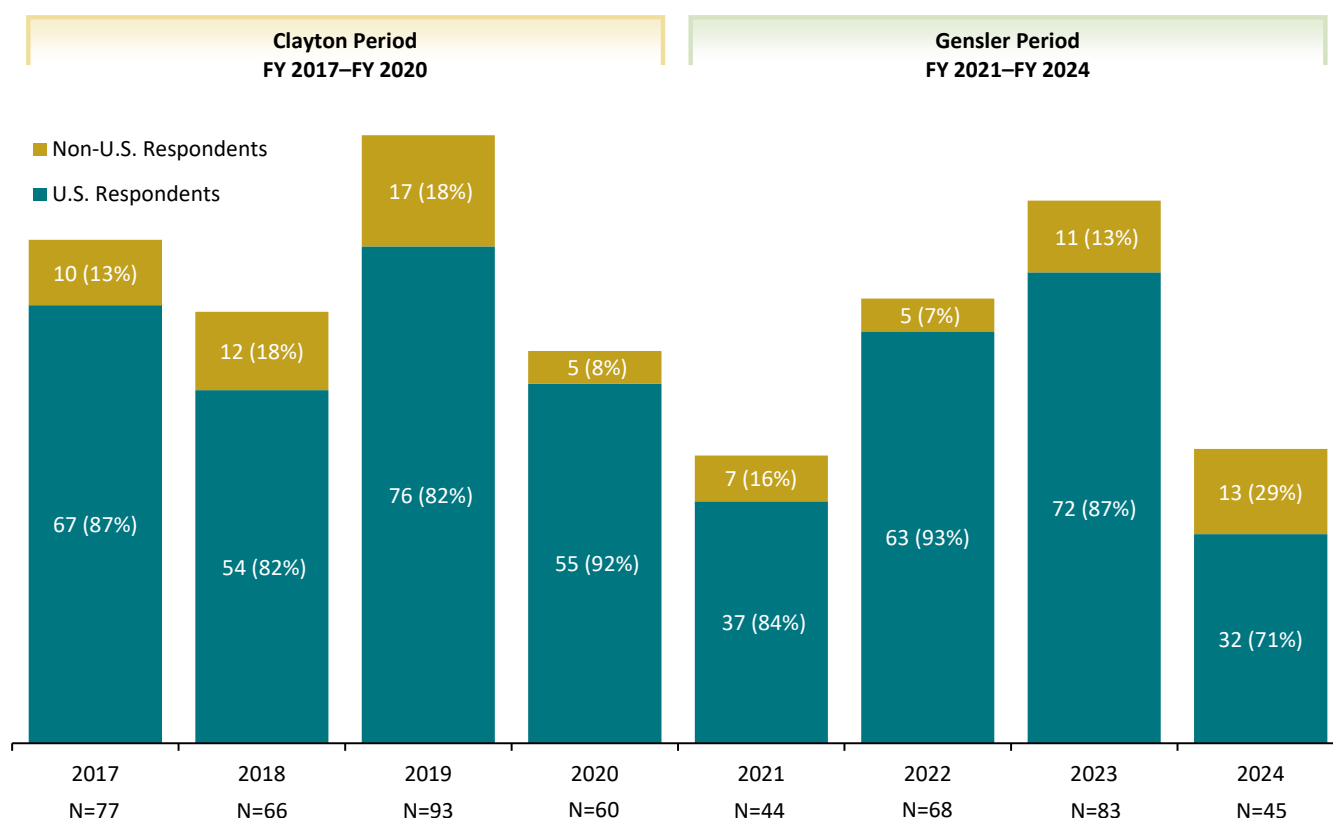
Actions Involving Non-U.S. Respondents

- In FY 2024, the SEC initiated 13 actions against non-U.S. respondents, the highest number of actions per year since FY 2019. There were 28 respondents involved in non-U.S. actions in FY 2024, nearly twice the annual average from the FY 2017–FY 2023 (15).
- Nine of the actions initiated in FY 2024 were settled during FY 2024, while the remaining five actions remained open at the end of the fiscal year.
- During FY 2024, the SEC brought actions involving respondents in Australia, Canada, China Colombia, Ireland, Nigeria, and the United Kingdom.

The number of actions initiated against U.S. respondents decreased by 56% in FY 2024, while the number of actions initiated by the SEC against non-U.S. respondents increased by 18%.

- Since FY 2017, the SEC has brought 82 actions involving respondents in countries outside the United States. The most frequent non-U.S. actions were brought against respondents in Canada (12), the United Kingdom (11), Germany (6), and Japan (5).

Figure 4: SEC Accounting and Auditing Actions Involving U.S. and Non-U.S. Respondents by Year Initiated FY 2017–FY 2024



Source: Cornerstone Research; www.sec.gov

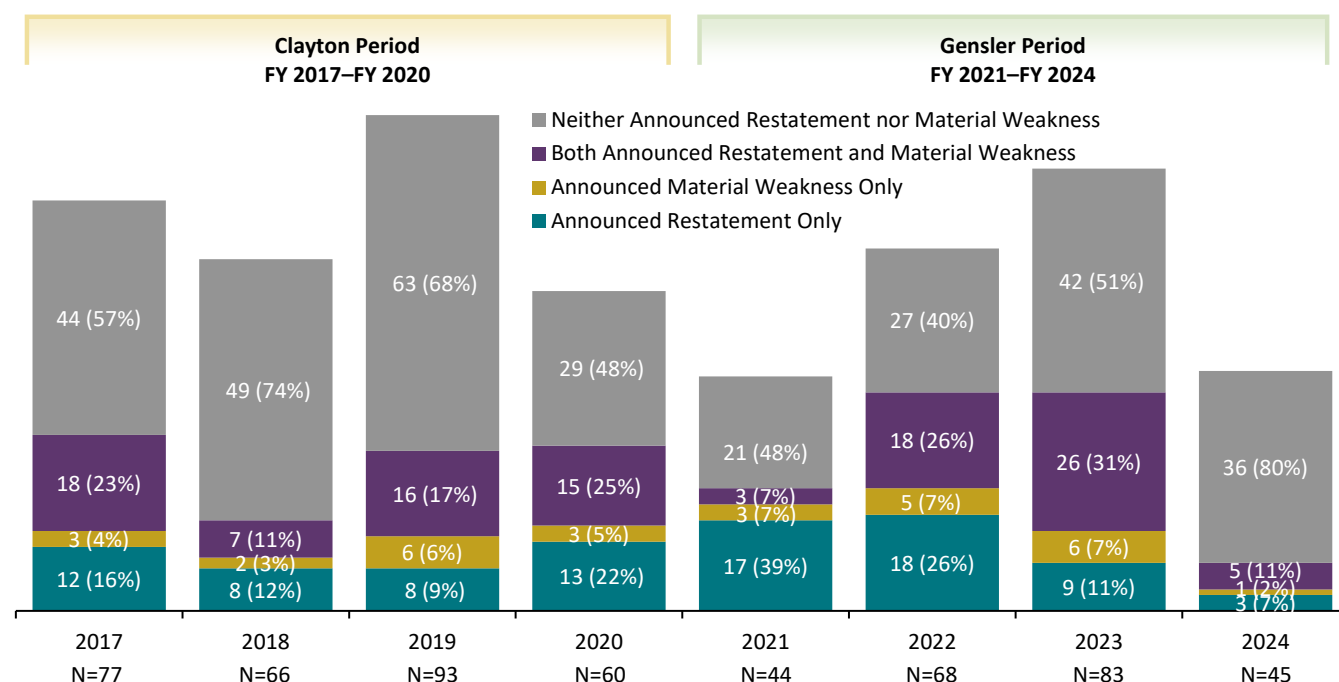
Note: “Year Initiated” is the fiscal year in which an administrative proceeding was instituted or a civil action complaint was filed. Actions involving firm respondents are classified as actions involving non-U.S. respondents if (1) there is a single firm respondent and the firm is headquartered outside the U.S.; or (2) there are multiple firm respondents and (a) all of the firm respondents are headquartered outside the U.S. or (b) one or more of the firm respondents are headquartered outside the U.S. and the alleged violations occurred outside the U.S. Actions involving only individual respondents are classified as actions involving non-U.S. respondents if (1) the individuals are licensed or reside outside the U.S. and (2) the alleged violations occurred outside the U.S. Jay Clayton was sworn in as Chair of the SEC on May 4, 2017 (<https://www.sec.gov/news/press-release/2017-94>), while Gary Gensler was sworn in as Chair of the SEC on April 17, 2021 (<https://www.sec.gov/news/press-release/2021-65>). See [Research Sample](#) and [Data Sources](#) for additional information.

Actions Referring to Announced Restatements and/or Material Weaknesses in Internal Control

- Of the 45 actions initiated in FY 2024, eight referred to announced restatements of financial statements, and six referred to announcements of material weaknesses in internal control.
- Of the eight actions referring to restatements in FY 2024, four alleged improper revenue recognition. This was in line with FY 2023 when 17 of the 35 actions (49%) referring to a restatement also alleged improper revenue recognition.
- The percentage of FY 2024 initiated actions referring to both an announced restatement *and* material weakness in internal control (11%) reached its second lowest level since FY 2017.

Actions referring to an announced restatement and/or material weakness in internal control declined to only nine in FY 2024—a 78% decline from the 41 such actions initiated over the prior two fiscal years.

Figure 5: SEC Accounting and Auditing Actions Referring to Announcements of Restatements and/or Internal Control Weaknesses by Year Initiated
FY 2017–FY 2024



Source: Cornerstone Research; www.sec.gov

Note: “Year Initiated” is the fiscal year in which an administrative proceeding was instituted or a civil action complaint was filed. Actions “referring to announcements of restatements” are actions that refer to an announcement that a company will restate, may restate, or has unreliable financial statements in the order instituting an administrative proceeding or the complaint in a civil action. Actions “referring to announcements of material weaknesses in internal control” are actions that refer to an announcement that the company has a material weakness in internal control in the order instituting an administrative proceeding or the complaint in a civil action. Percentages may not sum to 100% due to rounding. See [Research Sample and Data Sources](#) for additional information.

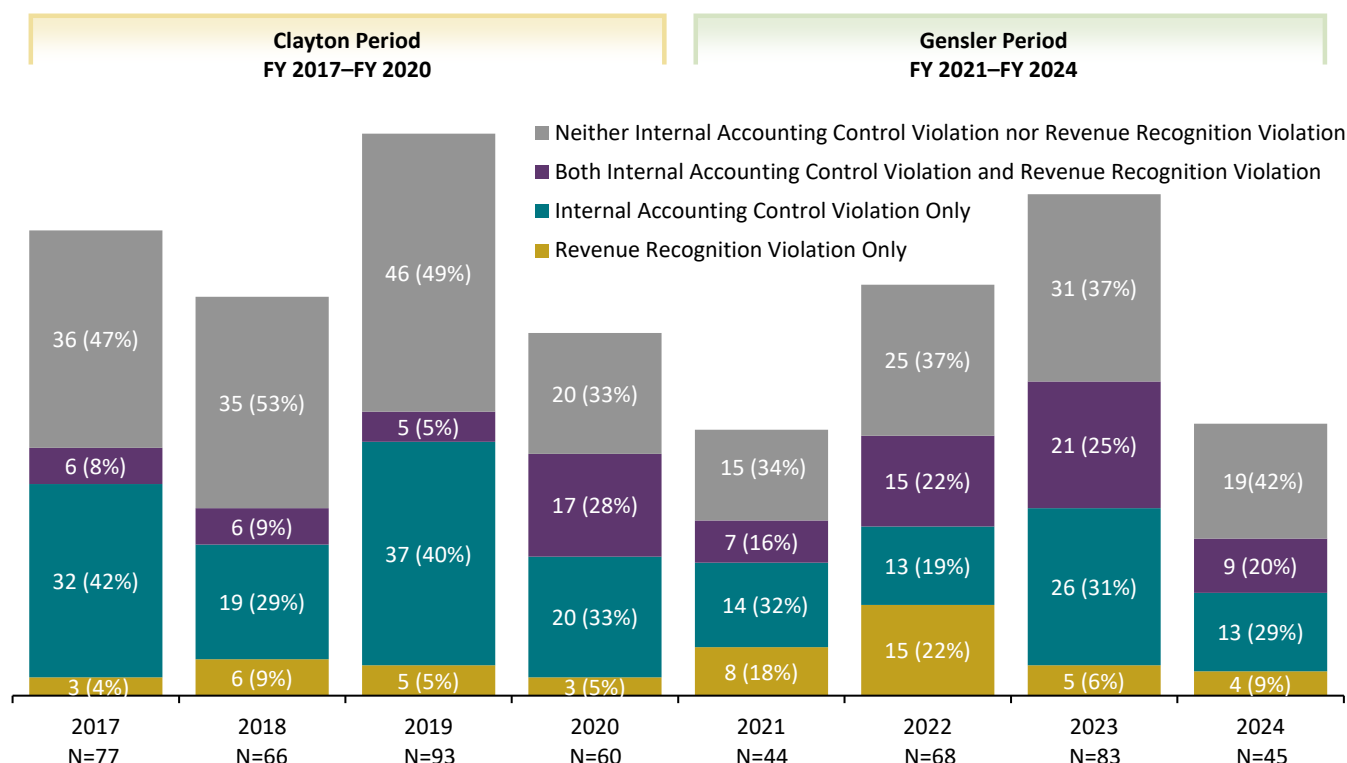
Allegations

- The most common allegations in actions initiated in FY 2024 related to a company's revenue recognition and internal accounting controls. One or both violations were alleged in 58% of FY 2024 actions.
- In FY 2024, nine actions alleged violations of both internal accounting controls and disclosure controls and procedures, below the average of 14 cases per year during the first three fiscal years of the Gensler Period.
- The SEC initiated three actions in FY 2024 alleging violations of auditor independence, down from four such actions initiated in FY 2023.

The number of actions alleging violations of internal accounting controls decreased to its lowest level since FY 2021.

- In FY 2024, five actions alleged violation of Section 304 of the Sarbanes-Oxley Act of 2002 (the “clawback” provision). This represented an increase from three such actions initiated in FY 2023, but consistent with the yearly average of five actions initiated in FY 2017–FY 2023.⁹

Figure 6: SEC Accounting and Auditing Actions Alleging Violations of Internal Accounting Controls and/or Revenue Recognition Violations by Year Initiated
FY 2017–FY 2024



Source: Cornerstone Research; www.sec.gov

Note: “Year Initiated” is the fiscal year in which an administrative proceeding was instituted or a civil action complaint was filed. Actions alleging violations of internal accounting controls and disclosure controls and procedures are actions where the SEC alleges that respondents violated or caused to violate Section 13(b)(2)(B) and Rule 13a-15 of the Securities Exchange Act of 1934, respectively. Jay Clayton was sworn in as Chair of the SEC on May 4, 2017 (<https://www.sec.gov/news/press-release/2017-94>), while Gary Gensler was sworn in as Chair of the SEC on April 17, 2021 (<https://www.sec.gov/news/press-release/2021-65>). See [Research Sample and Data Sources](#) for additional information.

Number and Type of Respondents

- In FY 2024, the proportion of actions involving individuals only (27%) decreased from FY 2023 (41%) and was below the four-year averages under both Chair Clayton (37%) and Chair Gensler (40%) (see Panel A of Figure 7).
- There were 75 total respondents in the actions initiated by the SEC in FY 2024, a decrease from the 111 respondents in FY 2023 and below the four-year averages under both Chair Clayton (122) and Chair Gensler (90) (see Panel B of Figure 7).
- The number of auditor and audit firm respondents involved in SEC actions in FY 2024 (11) was half of the number in FY 2023 (22) (see Figure 8).

Relative to the Clayton Period, the number of auditor and audit firm respondents during the Gensler Period decreased by 29%.¹⁰

- Approximately 67% of the individual respondents involved in SEC actions in FY 2024 were CEOs or CFOs at the time of the alleged wrongdoing (see Figure 9).
- Of the 35 individuals associated with SEC registrants, four were members of the board of directors, three of whom were also CEOs.

Figure 7: Number of Respondents in SEC Accounting and Auditing Actions by Year Initiated

Panel A		Clayton Period FY 2017–FY 2020		Gensler Period FY 2021–FY 2024		FY 2023		FY 2024	
Number of Actions Involving		Average	Percent	Average	Percent	Number	Percent	Number	Percent
Individual(s)		27	37%	24	40%	34	41%	12	27%
Firm(s)		30	40%	24	39%	35	42%	21	47%
Firm(s) and Individual(s)		17	23%	12	20%	14	17%	12	27%
Total		74	100%	60	100%	83	100%	45	100%

Panel B		Clayton Period FY 2017–FY 2020		Gensler Period FY 2021–FY 2024		FY 2023		FY 2024	
Number of Respondents		Average	Percent	Average	Percent	Number	Percent	Number	Percent
Firm(s)		50	41%	40	44%	52	47%	38	51%
Individual(s)		72	59%	50	56%	59	53%	37	49%
Total		122	100%	90	100%	111	100%	75	100%

Source: Cornerstone Research; www.sec.gov

Note: “Year Initiated” is the fiscal year in which an administrative proceeding was instituted or a civil action complaint was filed. An action may involve one or more respondents. Jay Clayton was sworn in as Chair of the SEC on May 4, 2017 (<https://www.sec.gov/news/press-release/2017-94>), while Gary Gensler was sworn in as Chair of the SEC on April 17, 2021 (<https://www.sec.gov/news/press-release/2021-65>). See [Research Sample and Data Sources](#) for additional information.

Figure 8: Type of Respondents in SEC Accounting and Auditing Actions by Year Initiated
FY 2017–FY 2024

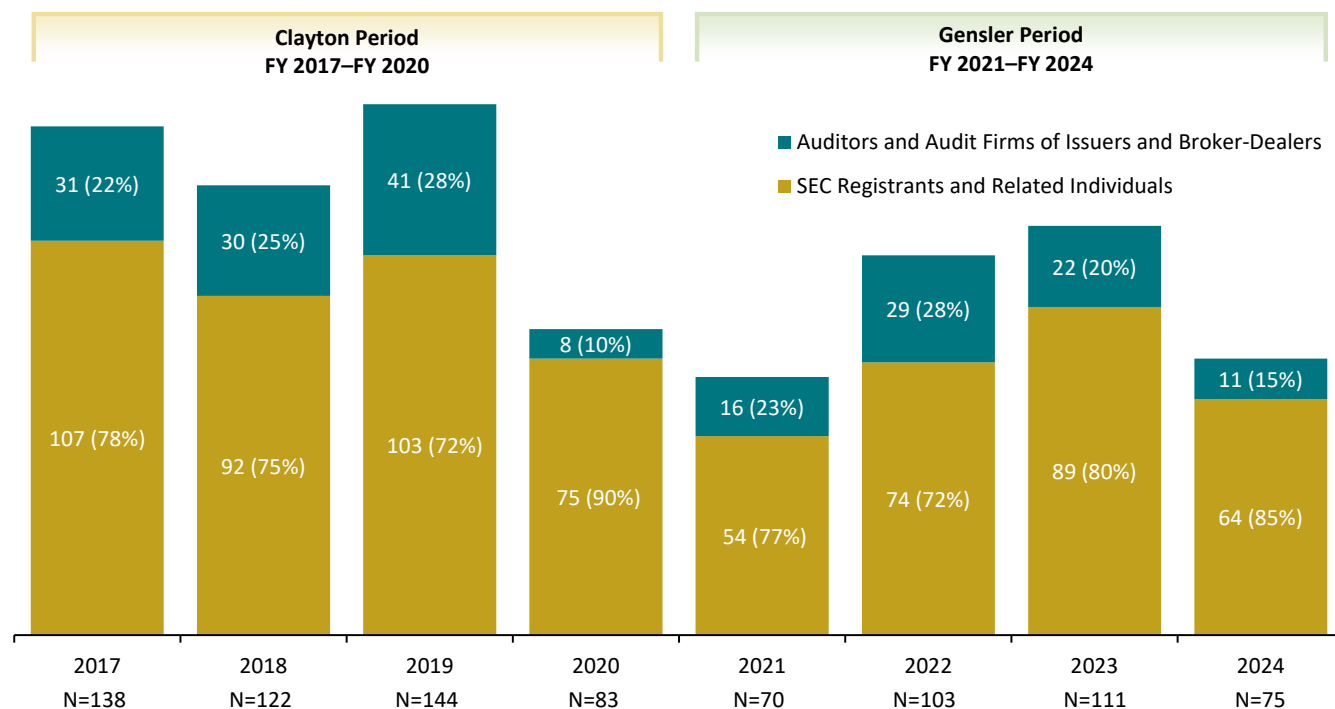
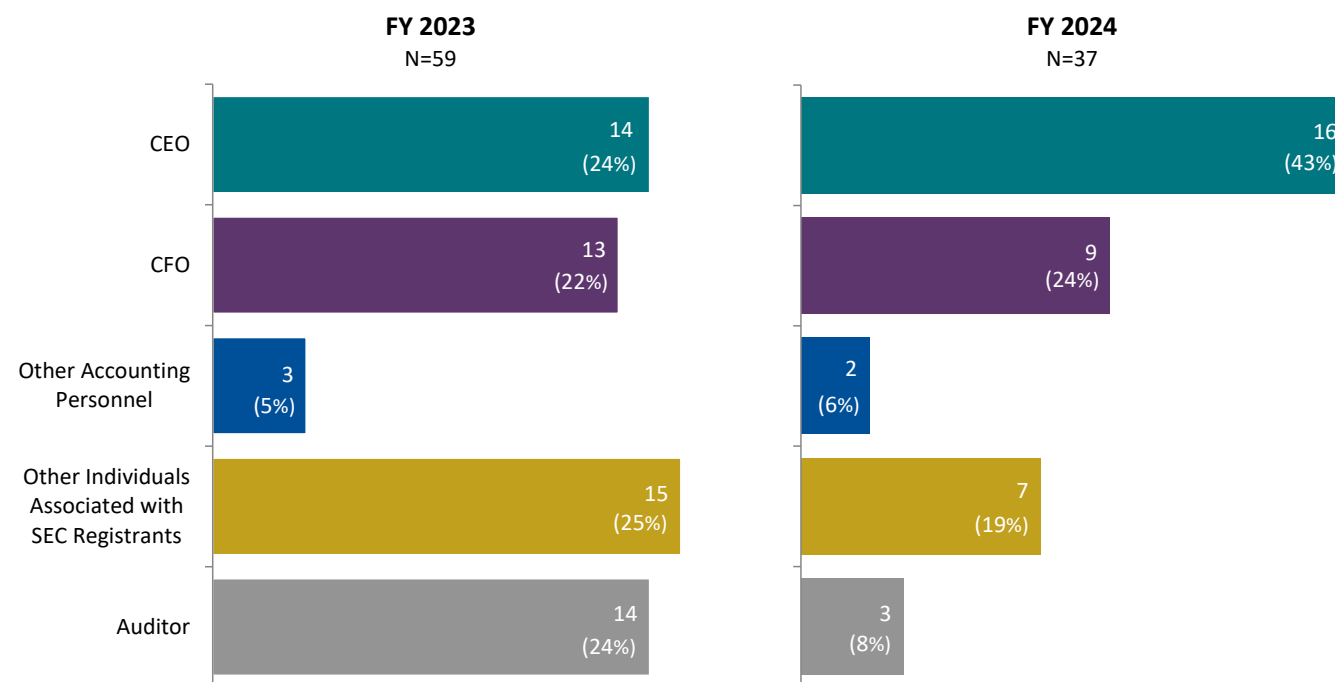


Figure 9: Type of Individual Respondents in SEC Accounting and Auditing Actions by Year Initiated
FY 2023–FY 2024



Source: Cornerstone Research; www.sec.gov

Note: “Year Initiated” is the fiscal year in which an administrative proceeding was instituted or a civil action complaint was filed. Respondents’ positions at the time of the alleged wrongdoing are based on the job titles mentioned in the administrative order or complaint. “Other Accounting Personnel” include Chief Accounting Officer, Controller, and other accounting-related positions. “Other Individuals Associated with SEC Registrants” include individuals employed by an SEC registrant, including consulting accounting firms. See [Research Sample and Data Sources](#) for additional information.

Monetary Settlements

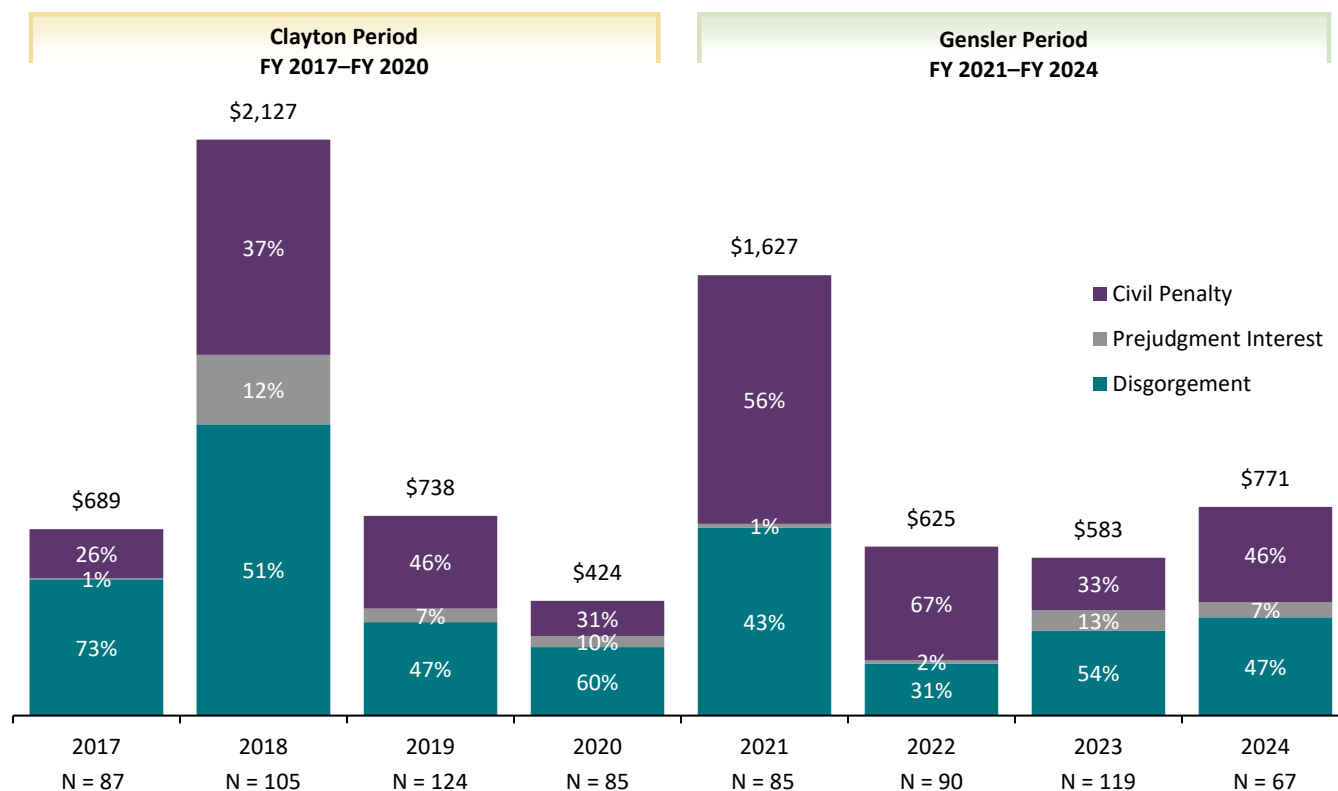
- In FY 2024, 67 respondents settled with the SEC.
- The SEC imposed monetary settlements on 63 of the 67 respondents, totaling \$771 million.
- Civil penalties in FY 2024 accounted for 46% of total monetary settlements, while disgorgement and prejudgment interest accounted for 54%.
- Prejudgment interest accounted for 7% of total monetary settlements, representing a decline from 13% in FY 2023.

The percentage of monetary settlements associated with civil penalties increased by 39% in FY 2024 (46%) compared to FY 2023 (33%).

- In FY 2024, actions against four of the 67 respondents (5%) were resolved by the SEC without imposing monetary settlements, down from 14% in FY 2023.

Figure 10: Total Disgorgement, Prejudgment Interest, and Civil Penalty Amounts in Resolved SEC Accounting and Auditing Actions by Settlement Year
FY 2017–FY 2024

(Dollars in millions)



Source: Cornerstone Research; www.sec.gov

Note: “Settlement Year” is the fiscal year in which respondents settled with the SEC. Settlements include all actions settled or otherwise resolved during the fiscal year, regardless of when the action was initiated. Monetary settlements include penalties, disgorgement, and prejudgment interest. Reimbursement amounts of previously awarded compensation by individual respondents are excluded from monetary settlements. Jay Clayton was sworn in as Chair of the SEC on May 4, 2017 (<https://www.sec.gov/news/press-release/2017-94>), while Gary Gensler was sworn in as Chair of the SEC on April 17, 2021 (<https://www.sec.gov/news/press-release/2021-65>). See [Research Sample and Data Sources](#) for additional information.

- Monetary settlements against firms totaled approximately \$589 million, roughly \$56 million higher than in FY 2023.
- Monetary settlements against individuals totaled approximately \$181 million, nearly four times the total in FY 2023.
- The median monetary settlement for firm respondents was \$4.45 million, a 27% increase over FY 2023.

The median monetary settlement for individual respondents was \$175,000 in FY 2024—more than twice the \$75,000 median under Chair Gensler and three times the \$50,000 median under Chair Clayton.

Figure 11: Monetary Settlements in Resolved SEC Accounting and Auditing Actions by Settlement Year
(Dollars in thousands)

	Clayton Period FY 2017–FY 2020 Average		Gensler Period FY 2021–FY 2024 Average		FY 2023		FY 2024	
	Individuals	Firms	Individuals	Firms	Individuals	Firms	Individuals	Firms
Total Respondents in Resolved Actions	43	37	38	28	68	51	12	25
Respondents Fined	34	29	31	24	58	43	11	22
Average Settlement (in thousands)	\$672	\$26,650	\$625	\$26,355	\$866	\$12,396	\$6,729	\$19,646
Median Settlement (in thousands)	\$50	\$1,500	\$75	\$2,457	\$75	\$3,500	\$175	\$4,450
Max Settlement (in thousands)	\$43,700	\$1,786,674	\$13,560	\$1,006,300	\$13,277	\$103,618	\$156,377	\$100,000
Total Settlements (in thousands)	\$22,990	\$772,843	\$19,265	\$627,239	\$50,237	\$533,022	\$181,683	\$589,368

Source: Cornerstone Research; www.sec.gov

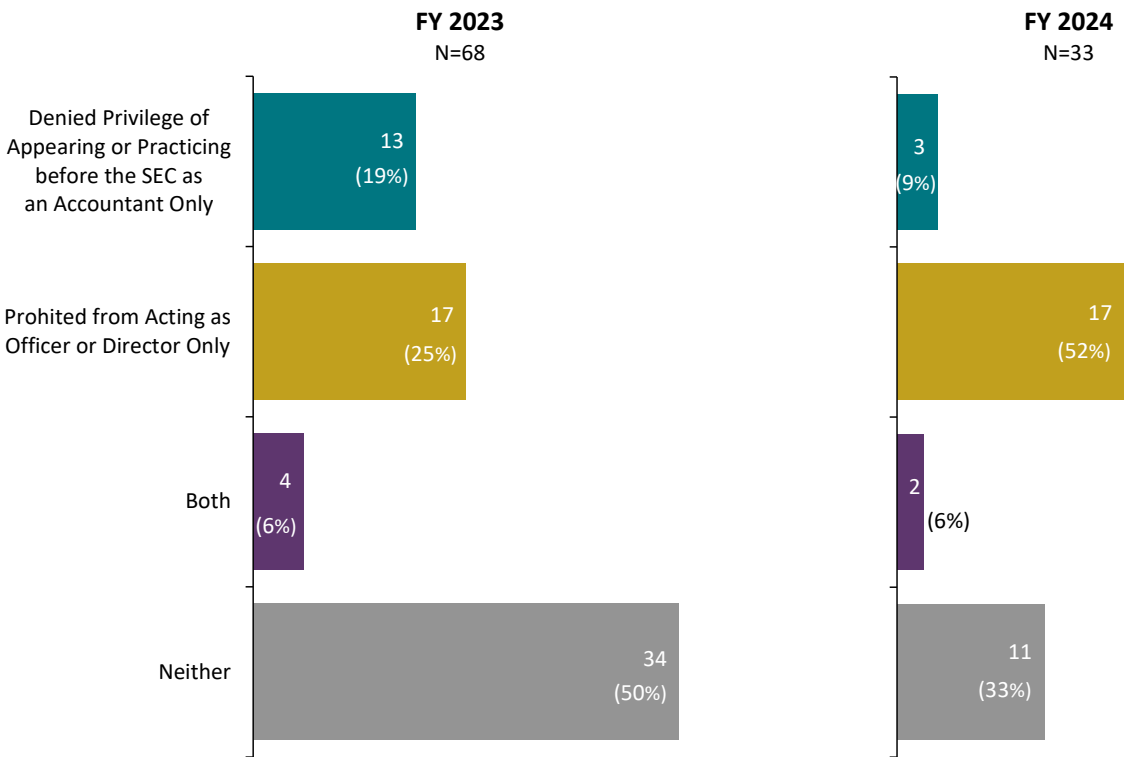
Note: “Settlement Year” is the fiscal year in which respondents settled the charges with the SEC. Settlements include all actions settled or otherwise resolved during the fiscal year, regardless of when the action was initiated. Monetary settlements include penalties, disgorgement, and prejudgment interest. Reimbursement amounts of previously awarded compensation by individual respondents are excluded from monetary settlements. See [Research Sample and Data Sources](#) for additional information.

Non-Monetary Sanctions

- In addition to monetary settlements, the SEC imposes non-monetary sanctions on individual and firm respondents (e.g., officer and director bars, requirements to retain an independent consultant).
- Two thirds (22 of 33) of the individual respondents who settled in FY 2024 were prohibited from serving as an officer or director and/or denied the privilege of appearing or practicing before the SEC as an accountant. This was an increase from 50% of individual respondents who settled in FY 2023.
- In FY 2024, 19 (58%) of the 33 individual respondents who settled were prohibited by the SEC to act as an officer or a director of a registrant. For 11 of the 19 individuals, the bar was permanent, while the remaining eight individuals were barred for 6.5 years, on average.
- Of the 33 individuals who settled in FY 2024, five (15%) were denied the privilege of appearing or practicing before the SEC as an accountant. Three of the five individuals received permanent suspensions, while two had their privileges suspended for an average of 1.5 years.

Officer and director bars imposed on individual respondents who settled in FY 2024 increased to 58%, up from 31% in FY 2023.

Figure 12: Non-Monetary Sanctions in Resolved SEC Accounting and Auditing Actions by Settlement Year
FY 2023 and FY 2024



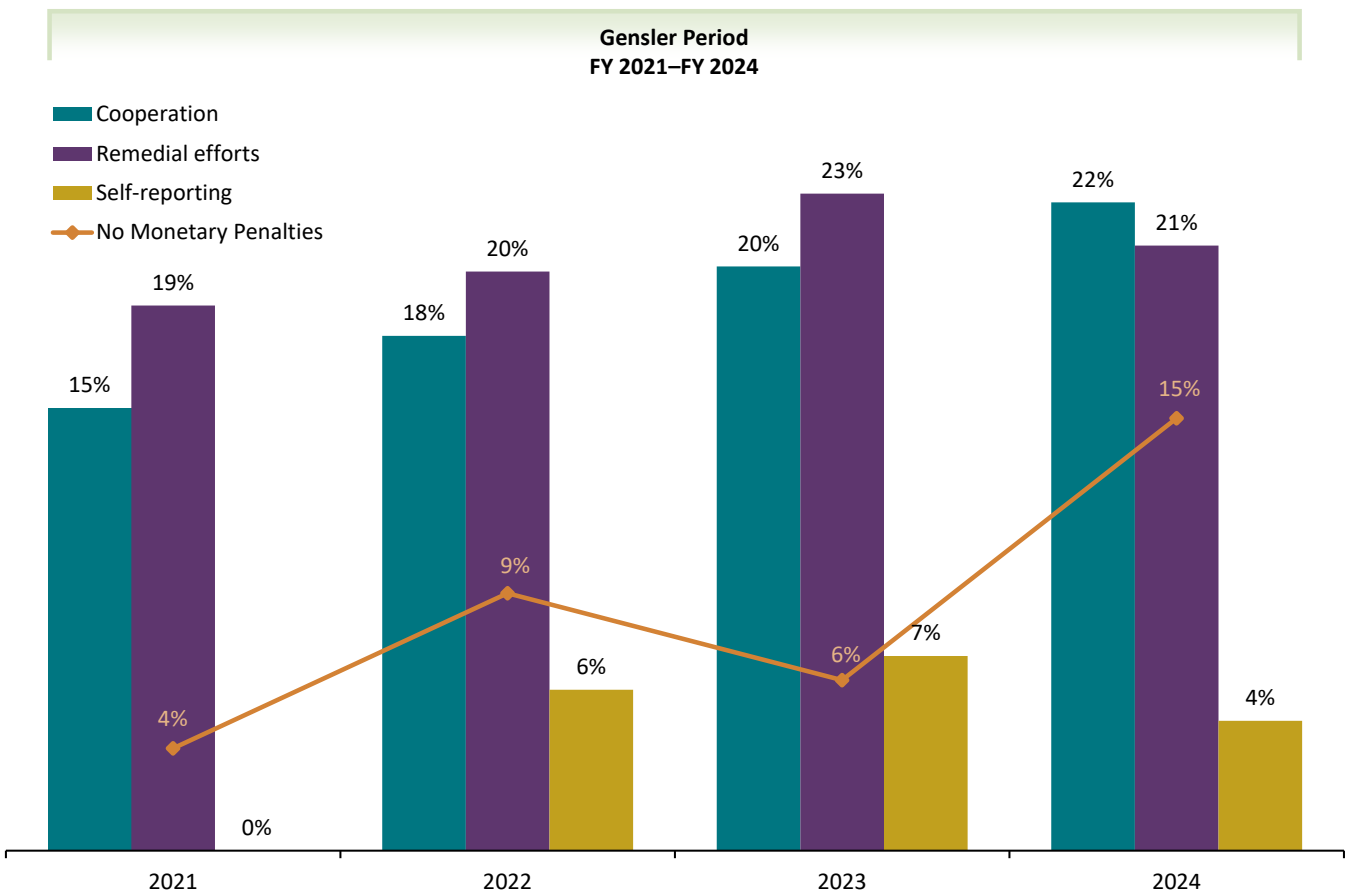
Source: Cornerstone Research; www.sec.gov
Note: “Settlement Year” is the fiscal year in which respondents settled the charges with the SEC. Settlements here include all actions settled or otherwise resolved during the fiscal year against individual respondents, regardless of when the action was initiated. Non-monetary sanctions (i.e., officer and director bars and/or suspensions to appear or practice as an accountant before the SEC) are imposed against individual respondents. See [Research Sample and Data Sources](#) for additional information.

Cooperation, Remedial Efforts, and Self-Reporting

- The SEC acknowledged that 25% (15 firms and two individuals) of the 67 respondents who settled in FY 2024 offered cooperation, undertook remedial efforts, and/or self-reported to the SEC. This was slightly below the 26% reported in FY 2023.
- Cooperation, remedial efforts, and/or self-reporting in no monetary settlements for seven respondents resulted. The SEC also did not impose any non-monetary sanctions on five of these seven respondents.

The proportion of respondents who settled without monetary penalties increased substantially, largely due to dismissed administrative proceedings brought against six CPAs.¹¹

Figure 13: Cooperation, Remedial Efforts, and Self-Reporting Recognized by the SEC in Resolved SEC Accounting and Auditing Actions by Settlement Year
FY 2021–FY 2024



Source: Cornerstone Research; www.sec.gov

Note: “Settlement Year” is the fiscal year in which respondents settled the charges with the SEC. Settlements include all actions settled or otherwise resolved during the fiscal year, regardless of when the action was initiated. Gary Gensler was sworn in as Chair of the SEC on April 17, 2021 (<https://www.sec.gov/news/press-release/2021-65>). See [Research Sample](#) and [Data Sources](#) for additional information.

Research Sample and Data Sources

Accounting and auditing enforcement actions include (1) Accounting and Auditing Enforcement Releases (AAERs) available on the SEC's website at <https://www.sec.gov> and (2) actions that are classified as "Issuer Reporting and Disclosure" or "Issuer Reporting / Audit & Accounting" in the Annual Reports of the SEC's Division of Enforcement and that contain accounting- or auditing-related allegations.

The sample includes civil actions and stand-alone administrative proceedings (collectively, "initiated actions") as indicated in the Annual Reports of the SEC's Division of Enforcement, while it excludes other actions such as follow-on administrative proceedings.

For actions brought against auditors or audit firms, the research sample excludes actions unrelated to the performance of an audit or the firm's system of quality control.

For administrative proceedings, settlements include those reported in orders concerning both litigated and settled administrative proceedings instituted by the SEC, available at <https://www.sec.gov/litigation/admin>. For civil actions, settlements include those reported in the case dockets.

SEC fiscal years begin on October 1 of the prior year and end on September 30.

Endnotes

- ¹ “SEC Announces Enforcement Results for Fiscal Year 2024,” SEC Press Release, November 22, 2024, <https://www.sec.gov/newsroom/press-releases/2024-186> (“The Securities and Exchange Commission today announced that it filed 583 total enforcement actions in fiscal year 2024 while obtaining orders for \$8.2 billion in financial remedies, the highest amount in SEC history.”).
- ² Supreme Court of the United States, *SEC v. Jarkesy et al.*, Certiorari to the United States Court of Appeals for the Fifth Circuit, No. 22-859. Argued November 29, 2023—Decided June 27, 2024.
- ³ SEC fiscal years begin on October 1 of the prior year and end on September 30. FY 2024 spans October 1, 2023, to September 30, 2024.
- ⁴ Cornerstone Research, “SEC Cryptocurrency Enforcement 2024 Update,” January 23, 2025, available at <https://www.cornerstone.com/wp-content/uploads/2025/01/SEC-Cryptocurrency-Enforcement-2024-Update.pdf>; Cornerstone Research, “SEC Enforcement Activity: Public Companies and Subsidiaries. Fiscal Year 2024 Update,” November 21, 2024, available at <https://www.cornerstone.com/wp-content/uploads/2024/11/SEC-Enforcement-Public-Companies-Subsidiaries-FY2024.pdf>.
- ⁵ In comparison, under the Biden administration (January 20, 2021–December 31, 2024), the Public Company Accounting Oversight Board (PCAOB) finalized 124 Auditing Actions, compared to 101 under the first Trump administration (January 20, 2017–January 19, 2021). See Cornerstone Research, “PCAOB Enforcement Activity 2024 Year in Review,” February 26, 2025, available at <https://www.cornerstone.com/insights/reports/pcaob-enforcement-activity-2024-year-in-review/>.
- ⁶ The average number of civil actions is calculated between June 28 and September 30 of each year from 2017 to 2023.
- ⁷ Gary Gensler was sworn in as Chair of the SEC on April 17, 2021. See “Gary Gensler Sworn in as Member of the SEC,” SEC Press Release, April 17, 2021, <https://www.sec.gov/news/press-release/2021-65>.
- ⁸ Jay Clayton was sworn in as Chair of the SEC on May 4, 2017. See “Jay Clayton Sworn in as Chairman of SEC,” SEC Press Release, May 4, 2017, <https://www.sec.gov/news/press-release/2017-94>.
- ⁹ Gary Gensler, “They Are Merely the Agents: Prepared Remarks before the American Bar Association,” December 7, 2023, <https://www.sec.gov/news/speech/gensler-prepared-remarks-american-bar-association-231207>. See also Gurbir S. Grewal, Director, Division of Enforcement, “Remarks at New York City Bar Association Compliance Institute,” October 24, 2023, <https://www.sec.gov/news/speech/grewal-remarks-nyc-bar-association-compliance-institute-102423>; Gurbir S. Grewal, Director, Division of Enforcement, “Remarks at Securities Enforcement Forum,” November 15, 2023, <https://www.sec.gov/news/speech/grewal-speech-securities-enforcement-forum-111522>. Director Grewal stated that, “to ensure accountability from senior executives at public companies and incentivize them to prevent misconduct at their firms, . . . the Commission employed another tool in fiscal year 2023 and used Sarbanes-Oxley 304 to require several executives to return bonuses and compensation following misconduct at their firms, even though the executives were not personally charged with the underlying misconduct.” In FY 2023, approximately \$3.6 million in incentive compensation was returned.
- ¹⁰ The SEC identified individual accountability as a “key priority area” and a “pillar of the SEC’s enforcement program” in its announcements of enforcement results for FY 2021, FY 2023, and FY 2024. See “SEC Announces Enforcement Results for FY 2021,” SEC Press Release, November 18, 2021, <https://www.sec.gov/news/press-release/2021-238> (“Other examples of enforcement actions in key priority areas include [] Holding Individuals Accountable”); “SEC Announces Enforcement Results for Fiscal Year 2023,” SEC Press Release, November 14, 2023, <https://www.sec.gov/news/press-release/2023-234> (“Individual accountability remains a pillar of the SEC’s enforcement program.”); SEC Announces Enforcement Results for Fiscal Year 2024,” SEC Press Release, November 22, 2024, <https://www.sec.gov/newsroom/press-releases/2024-186> (“Charging individuals for securities law violations, where appropriate, is essential for accountability and deterrence and for enhancing public trust in the markets”).
- ¹¹ On September 27, 2024, the SEC dismissed five administrative proceedings: *In the Matter of Paul L. Chancey, Jr., CPA*; *In the Matter of Ira S. Viener, CPA*; *In the Matter of Alan J. Markowitz, CPA*; *In the Matter of Jia Roger Qian Wang, CPA and Wang Certified Public Accountant, P.C.*; *In the Matter of Edward F. Hackert, CPA*.

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