



TEXAS STATE BOARD
of PUBLIC ACCOUNTANCY

William Treacy, Executive Director

WWW.TAXSCAN.IN - Simplifying Tax Laws

www.tsbpa.texas.gov

505 E. Huntland Drive, Suite 380
Austin, Texas 78752-3757

P: (512) 305-7800
F: (512) 305-7854
(512) 305-7875

FOR IMMEDIATE RELEASE

Contact: William Treacy
Executive Director
(512) 305-7801

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Ernst & Young LLP Assessed Reprimand and \$3M Penalty by Texas Board

AUSTIN, TX — The Texas State Board of Public Accountancy (TSBPA) approved an Agreed Consent Order assessing a reprimand and a \$3,000,000 administrative penalty against Ernst & Young LLP (EY) on November 9, 2023. The penalty was the largest administrative penalty that the Texas Board has ever assessed against a CPA firm.

EY was the subject of a Securities and Exchange Commission (SEC) order that included a number of professionals licensed as Texas CPAs who were found to have cheated on ethics exams and on a variety of other examinations required to maintain their Texas CPA licenses. The SEC had further determined that EY had withheld this misconduct from the SEC staff who were involved in the investigation.

“The action represents the Board’s message to all Texas licensees that the Board will not tolerate any form of professional misconduct,” said TSBPA Executive Director William Treacy.

Contact: William Treacy
Executive Director
(512) 305-7801

Administration/
Accounting
(512) 305-7800
accounting@tsbpa.texas.gov

CPE
(512) 305-7844
licensing@tsbpa.texas.gov

Enforcement
(512) 305-7866
enforcement@tsbpa.texas.gov

Exam/
Qualifications
(512) 305-7851
exam@tsbpa.texas.gov

Licensing
(512) 305-7853
licensing@tsbpa.texas.gov

Sponsor Review
(512) 305-7832
specprog@tsbpa.texas.gov



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About the Texas State Board of Public Accountancy:

The mission of the Texas State Board of Public Accountancy (Board) is to protect the public by ensuring that persons issued certificates as CPAs possess the necessary education, skills, and capabilities and that they perform competently in the profession of public accountancy. The Board operates pursuant to the authority of Chapter 901 of the Texas Occupations Code, short titled the *Public Accountancy Act (Act)*. As provided in the *Act*, the terms "accountant" and "auditor" and any derivations of those terms imply competence in the practice of public accountancy. The public relies on that implication of competence when it employs a certified public accountant (CPA). The Board, in order to protect the public and ensure competence in the practice by the profession, examines, certifies and licenses CPAs and restricts the use of these terms to its licensees.

The *Act* provides for 15 Board members appointed by the Governor, with the advice and consent of the Senate, for six-year staggered terms. Board members are required to be citizens of the United States and residents of Texas.

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