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Notice of Finality of Initial Decision

In the Matter of Hui Yi Chew,

Respondent.

PCAOB No. 105-2022-002

October 4, 2022

On August 10, 2022, the Chief Hearing Officer of the Public Company Accounting Oversight Board rendered the attached Initial Decision pursuant to PCAOB Rule 5204(b) ordering, as sanctions, that Respondent Hui Yi Chew ("Chew") be permanently barred from being an associated person of a registered public accounting firm and that Chew pay a civil money penalty in the amount of \$100,000.

There having been no petition for Board review of the Initial Decision filed by any party pursuant to PCAOB Rule 5460(a) and no action by the Board to call the matter for review pursuant to PCAOB Rule 5460(b), the Initial Decision has today become final as to Chew pursuant to PCAOB Rule 5204(d).

Chew shall pay the civil money penalty by (a) wire transfer pursuant to instructions provided by Board staff; or (b) United States postal money order, certified check, bank cashier's check or bank money order; (c) made payable to the Public Company Accounting Oversight Board; (d) delivered to the Controller, Public Company Accounting Oversight Board, 1666 K Street, N.W., Washington D.C. 20006; and (e) submitted under a cover letter which identifies Chew as a respondent in these proceedings, sets forth the title and PCAOB File Number of these proceedings, and states that payment is made pursuant to this Notice, 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.

Effective Date of Sanctions: If Chew does not file an application for review by the Securities and Exchange Commission ("Commission") and the Commission does not order review of sanctions ordered against Chew on its own motion, the effective date of the sanctions shall be the later of the expiration of the time period for filing an application for Commission review or the expiration of the time period for the Commission to order review. If Chew files an

application for review by the Commission or the Commission orders review of sanctions ordered against Chew, the effective date of the sanctions ordered against Chew shall be the date the Commission lifts the stay imposed by Section 105(e) of the Sarbanes-Oxley Act of 2002.



Phoebe W. Brown
Secretary

October 4, 2022

In the Matter of Hui Yi Chew,

Respondent.

PCAOB No. 105-2022-002

Hearing Officer – MBD

INITIAL DECISION (DEFAULT)

August 10, 2022

Summary

Respondent Hui Yi Chew (“Chew”) was held in default pursuant to PCAOB Rule 5409(a) for failing to file an Answer in response to the Order Instituting Disciplinary Proceedings (“OIP”). Based upon the allegations of the OIP, which are deemed true and are also supported by evidence in the record, this Initial Decision finds that after learning of an upcoming inspection by the PCAOB’s Division of Registration and Inspections, Chew improperly altered audit work papers that would be provided to the inspectors. Chew accordingly failed to cooperate with the PCAOB inspection and also violated PCAOB audit documentation requirements. When the PCAOB’s Division of Enforcement and Investigations opened an investigation regarding her failure to cooperate with the PCAOB inspection, Chew failed to cooperate with the investigation. Pursuant to Section 105(b)(3) of the Sarbanes-Oxley Act of 2002, as amended, and PCAOB Rule 5300(b), this Initial Decision permanently bars Chew from association with any registered public accounting firm, and orders Chew to pay a civil monetary penalty of \$100,000.

Appearances

Brett Collings, Esq., New York, NY, for the PCAOB’s Division of Enforcement and Investigations.

No appearance by or on behalf of Respondent Hui Yi Chew.

INITIAL DECISION

I. PROCEDURAL BACKGROUND

On February 1, 2022, the Public Company Accounting Oversight Board (“PCAOB” or the “Board”) issued an Order Instituting Disciplinary Proceedings (“OIP”) setting forth allegations by the Division of Enforcement and Investigations (“Division”) that, after learning of an upcoming inspection by the PCAOB’s Division of Registration and Inspections (“DRI”), Respondent Hui Yi Chew (“Chew”) improperly altered and directed the alteration of audit work papers that would be provided to the DRI inspectors. According to the Division’s allegations, Chew violated the Sarbanes-Oxley Act of 2002, as amended (the “Act”) and PCAOB rules and standards by violating PCAOB audit documentation requirements,¹ failing to cooperate with DRI’s inspection, and, upon the initiation of an investigation by the Division into Chew’s noncooperation with DRI’s inspection, failing to cooperate with the Division’s investigation.

The OIP directed that proceedings be held to determine whether the Division’s allegations were true, to afford Chew an opportunity to establish any defenses to the allegations, and to determine what, if any, sanctions were appropriate against Chew for the

¹ The PCAOB’s auditing documentation standard states in part that, “Prior to the report release date, the auditor must have completed all necessary auditing procedures and obtained sufficient evidence to support the representations in the auditor’s report. A complete and final set of audit documentation should be assembled for retention as of a date not more than 45 days after the report release date (*documentation completion date*) Audit documentation must not be deleted or discarded after the documentation completion date, however, information may be added. Any documentation added must indicate the date the information was added, the name of the person who prepared the additional documentation, and the reason for adding it.” AS 1215.15-16, *Audit Documentation* (emphasis in original).

alleged violations. The OIP further directed Chew to file an Answer to the allegations contained in the OIP within twenty (20) days after service of the OIP.

On February 4, 2022, the Office of the Secretary of the PCAOB filed a Notice stating that the OIP was delivered to Chew on February 4, 2022, as evidenced by the FedEx delivery notification attached to the Notice. Accordingly, absent an extension, the deadline for Chew to file an Answer to the OIP was February 24, 2022. Chew failed to file an Answer to the OIP by the February 24 deadline.

On March 3, 2022, the Hearing Officer issued an order directing Chew to show cause by March 31, 2022, why she should not be deemed to be in default pursuant to PCAOB Rule 5409(a)(2) (“Show Cause Order”). The Show Cause Order advised Chew that if she failed to respond to the Show Cause Order within the time allowed (including a proposed Answer to the OIP), “Ms. Chew may be deemed to be in default, and a default decision may be issued finding that Ms. Chew committed the violations alleged in the OIP and imposing sanctions.” The Show Cause Order was delivered to Chew by email and International FedEx.

Chew did not respond to the Show Cause Order. Accordingly, on April 11, 2022, the Hearing Officer issued an order deeming Chew to be in default pursuant to PCAOB Rule 5409(a)(2) (the “Default Order”). The Default Order noted that a copy of the Show Cause Order had been delivered to Chew on March 9, 2022, as evidenced by an International FedEx tracking document attached to the Default Order as an exhibit, and directed the Division to file a motion for issuance of a default decision with supporting materials by May 13, 2022, addressing Chew’s violations and the appropriate sanctions for the violations. The Default Order was delivered to Chew by email and International FedEx.

On May 13, 2022, the Division filed a Motion for Issuance of a Default Decision (“Default Motion”), accompanied by a Statement of Undisputed Material Facts (“Div. Statement”), the Declaration of Brett Collings (“Collings Decl.”), the Declaration of Thomas J. Barry (“Barry Decl.”), and numerous supporting exhibits. The Default Motion requests that Chew be permanently barred from being associated with any registered public accounting firm, and that Chew be assessed a civil monetary penalty of \$100,000. According to the Division’s certificate of service, a copy of the Default Motion and supporting materials was served upon Chew by FedEx and electronic mail.

The Default Order provided a deadline of June 3, 2022, for Chew to file a response to the Division’s Default Motion. To date, Chew has not filed any response to the Default Motion or otherwise participated in this proceeding.

II. FINDINGS OF FACT

The factual allegations in the OIP are deemed true pursuant to PCAOB Rule 5409(a). Additionally, a review of the evidentiary materials filed by the Division in support of its Default Motion supports a determination by a preponderance of the evidence that the OIP’s factual allegations are true. *See* PCAOB Rule 5204(a).²

² When making findings, the Board should not rely solely on the allegations of the OIP, but should review the evidence submitted by its staff and determine whether the evidence adequately supports the findings requested. *See Paul Gaynes*, PCAOB File No. 105-2011-006 at 2 and 2 n.1 (Initial Decision Nov. 10, 2011; Notice of Finality Jan. 3, 2012). As the SEC noted in approving the imposition of sanctions by the NASD following a default in *James M. Russen, Jr.*, Exch. Act Rel. No. 32895, 51 S.E.C. 675, 678 n.12 (Sept. 14, 1993), “The [NASD] did not base its conclusion simply on the complaint’s allegations; rather, it reviewed the record evidence presented by its staff and determined that the evidence supported a finding of violation. This approach affords this Commission a basis for discharging its review function under Section 19 of the Securities Exchange Act.”

For the reasons set forth below, the Division's Default Motion is **GRANTED**.

A. Respondent

Chew is a member of the Institute of Singapore Chartered Accountants OIP ¶ 3; Div. Statement ¶ 7. Until October 2019, and at all relevant times, Chew was a senior associate at KPMG LLP (Singapore) ("KPMG Singapore" or the "Firm"). *Id.* At all relevant times, Chew 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). OIP ¶ 3; Barry Decl. ¶ 6, Ex. 6; Barry Decl. ¶ 7, Ex. 7; Barry Decl. ¶ 9, Ex. 9; Div. Statement ¶ 7.

Chew was employed by KPMG Singapore until the Firm placed Chew on administrative leave on August 30, 2019. Barry Decl. ¶ 9, Ex. 9; Div. Statement ¶ 33. On September 30, 2019, Chew provided the Firm with notice of her resignation, effective as of October 29, 2019. *Id.*

B. Other Relevant Entities and Individual

KPMG Singapore is a limited liability partnership organized under Singapore law and headquartered in Singapore and is a member of the KPMG International network of firms. At all relevant times KPMG Singapore was a registered public accounting firm as that term is defined in PCAOB Rule 1001(r)(i). OIP ¶ 4; Barry Decl. ¶ 1, Ex. 1; Barry Decl. ¶ 2, Ex. 2; Div. Statement ¶ 1.

KPMG Wirtschaftsprüfungsgesellschaft ("KPMG Germany") is also a member of the KPMG International network of firms and is headquartered in Berlin, Germany. At all relevant times KPMG Germany was a registered public accounting firm as that term is defined in PCAOB Rule 1001(r)(i). Barry Decl. ¶ 3, Ex. 3; Barry Decl. ¶ 4, Ex. 4; Div. Statement ¶ 2.

Issuer A is a software company based in Germany with American Depository Shares listed on the New York Stock Exchange. At all relevant times, Issuer A was an issuer as that term is defined by PCAOB Rule 1001(i)(iii) and Section 2(a)(7) of the Act. OIP ¶ 6; Barry Decl. ¶ 4, Ex. 4. Issuer A's Asian subsidiary is based in Singapore. *Id.*; Barry Decl. ¶ 5, Ex. 5; Div. Statement ¶ 3. Chew was a member of the engagement team that conducted the Firm's audit of the 2018 financial statements of Issuer A's Asian subsidiary ("Subsidiary Audit"). OIP ¶ 3; Div. Statement ¶ 7.

Tan Joon Wei ("Tan") is a member of the Institute of Singapore Chartered Accountants. Until January 2020, and at all relevant times, Tan was a manager at KPMG Singapore and a member of the Subsidiary Audit engagement team.³ Tan was terminated by the Firm on January 29, 2020. Barry Decl. ¶ 9, Ex. 9; Div. Statement ¶ 8. On March 29, 2021, the Board issued an order, to which Tan consented without admitting or denying the substantive allegations, sanctioning Tan and imposing a two-year associational bar with the right to petition for termination of his bar after two years for noncooperation with DRI's 2019 inspection of KPMG Singapore. *See Order Instituting Disciplinary Proceedings, Making Findings, and Imposing Sanctions In the Matter of Tan Joon Wei*, PCAOB Rel. No. 105-2021-001 (Mar. 29, 2021). OIP ¶ 5; Div. Statement ¶ 8.

³ Tan is also referred to as "Winn Tan." *See* Barry Decl. ¶ 38, Ex. 38; Barry Decl. ¶ 41, Ex. 41; Div. Statement ¶ 12 n.2.

C. In Anticipation of a PCAOB Inspection, Chew Improperly Altered and Directed the Alteration of Work Papers Following the Documentation Completion Date

1. DRI's Notification of a Planned Inspection of KPMG Singapore

KPMG Singapore performed referred work in support of the audit opinion on Issuer A's year-end 2018 financial statements issued by KPMG Germany on February 20, 2019, including certain financial information of Issuer A's Asian subsidiary. Div. Statement ¶ 4. The documentation completion date for Issuer A's audit was April 6, 2019. KPMG Singapore assembled for retention the final sets of electronic and hard copy work papers for the Subsidiary Audit on March 5, 2019, and April 6, 2019, respectively. OIP ¶ 11; Barry Decl. ¶ 8, Ex. 8; Div. Statement ¶ 5. The Subsidiary Audit engagement team archived the electronic work papers for the Subsidiary Audit on March 5, 2019, and archived the hard copy work papers for the Subsidiary Audit on April 6, 2019. Barry Decl. ¶ 8, Ex. 8; Barry Decl. ¶ 9, Ex. 9; Div. Statement ¶ 6.

By letter dated July 16, 2019, DRI notified KPMG Singapore that the Firm had been selected for inspection, with fieldwork scheduled to begin on August 19, 2019. Chew learned of the scheduled inspection and, in early August, of the inspectors' selection of the Subsidiary Audit for review as part of that inspection. OIP ¶ 12; Div. Statement ¶ 9; Barry Decl. ¶ 10, Ex. 10.

2. Chew's Reaction to DRI's Selection of the Subsidiary Audit for Inspection

On August 4, 2019, Tan informed Chew through a WhatsApp chat that DRI had selected the Subsidiary Audit for review stating, "Boss I think [Issuer A] got picked for pcaob . . . We are screwed." Barry Decl. ¶ 12, Ex. 12; Div. Statement ¶ 11. Chew responded, "omg deaaaa . . . I

can't even save myself." When told by Tan that DRI was supposed to pick focus areas for the inspection, including potentially controls, Chew responded, "If controls we die . . . FSA we also die . . . This is a scary ending." *Id.*

In an August 5, 2019, online chat, Chew informed Charmaine Tang, another senior associate at KPMG Singapore who worked on the Subsidiary Audit, that "winn say [Issuer A] selected for pcaob [a]sia . . . i think the pcaob more shit . . . they check the whole au[d]it . . . and will ask why we do this this this . . . why nev[e]r do that that that . . . is death." Barry Decl. ¶ 13, Ex. 13; Div. Statement ¶ 12.

In another August 5, 2019, online chat, senior associate Harriet Phang, who also worked on the Subsidiary Audit, wrote to Chew, "winn just told me." Barry Decl. ¶ 14, Ex. 14; Div. Statement ¶ 13. After they discussed Tan's reaction to the selection of the Subsidiary Audit for review, Chew wrote to Phang, "everything is die . . . omgggg." *Id.* Later in the same chat, Phang wrote to Chew, "Maybe winn th[i]nks we followed the standards? . . . HAHAAH," to which Chew responded, "dieeee." After Phang sent Chew a question Tan asked regarding alternative procedures for confirmations, Chew responded, "i think never doc the details . . . need to dig out the invoices if want all the details." *Id.*

3. Chew Altered and Directed the Alteration of Work Papers After the Audit Documentation Completion Date

Between August 7, 2019, and the beginning of inspection fieldwork on August 19, 2019, Chew worked with other Firm audit staff to modify four work papers from the Subsidiary Audit—a software revenue sampling work paper, two work papers related to alternative procedures for confirmations, and a cloud revenue work paper. Chew directed junior audit staff

to modify certain of those work papers and also edited electronic versions of certain of those work papers herself. Chew also instructed that modified versions of the work papers be placed in the hard copy work paper binders for the Subsidiary Audit. OIP ¶ 16; Div. Statement ¶¶ 16-22.

In an August 7, 2019, online chat, Chew wrote to Tan, “we have all the invoices, just that all along like we never rly doc the details of the invoices that kind . . . will it be possible to plot a [junior audit staff] tmr to doc down the details?” Barry Decl. ¶ 15, Ex. 15; Div. Statement ¶ 14. Tan responded, “hahahaha we cannot be doing work now.” *Id.*; OIP ¶ 15. Later in the same chat, Chew wrote, “we do hardcopy and file in? . . . then no timestamp.” Tan responded, “ya lor.”⁴ Chew also suggested to Tan that they could “try to get some time to document the alternative.” *Id.* Tan responded affirmatively, and later on August 7, 2019, at Tan’s instruction, a junior audit staff member, Gabriel Lim (“Lim”), and Phang checked the hard copy work paper files for the Subsidiary Audit out of KPMG Singapore’s Central Filing Room. Barry Decl. ¶ 9, Ex. 9; Barry Decl. ¶ 16, Ex. 16; Div. Statement ¶¶ 14-15.

Over the course of the following week, Chew then altered — or directed Lim to alter — four work papers for the Subsidiary Audit. The alterations Chew made and oversaw to the work papers included deletions and additions made to the content of the work papers. The altered work papers contained no indication they had been modified following the April 6, 2019, documentation completion date for the Issuer A audit and the Subsidiary Audit, nor any information concerning who made the modifications or when or why they had been made. OIP

⁴ “Ya lor” is a Singapore English colloquialism indicating affirmation or acceptance. Div. Statement ¶ 14 n.3.

¶¶ 11, 17-18; Barry Decl. ¶ 8, Ex. 8; Div. Statement ¶¶ 5, 16-28.

(a) Software Revenue Sampling Plan

On August 7, 2019, Chew sent Lim two emails, one of which with the subject “to print tmr tgt with software revenue memo and ksp,” and both of which attached a copy of a Software Revenue Sampling Plan work paper for the Subsidiary Audit (“Sampling Plan Work Paper”). Barry Decl. ¶ 25, Ex. 25; Barry Decl. ¶ 27, Ex. 27; Div. Statement ¶ 20. The copies of the Sampling Plan Work Paper attached to Chew’s emails differed from each other, and from the version saved in the archived electronic work papers for the Subsidiary Audit. *Compare* Barry Decl. ¶ 25, Ex. 25 and Barry Decl. ¶ 27, Ex. 27 *with* Barry Decl. ¶ 26, Ex. 26; Div. Statement ¶ 21. The version of the Sampling Plan Work Paper attached to one of Chew’s emails was the version added to the hard copy work paper files for the Subsidiary Audit. *Compare* Barry Decl. ¶ 27, Ex. 27 *with* Barry Decl. ¶ 28, Ex. 28; *see also* Barry Decl. ¶ 21, Ex. 21; Div. Statement ¶ 21. In that version of the Sampling Plan Work Paper, certain inputs to the sampling calculation, including the monetary values and amounts of certain items were updated; the original version of the Sampling Plan Work Paper used values from the third quarter of 2018, and the revised version updated those values as of year-end 2018. *Compare* Barry Decl. ¶ 26, Ex. 26 *with* Barry Decl. ¶ 28, Ex. 28; Barry Decl. ¶ 38, Ex. 38; Barry Decl. ¶ 41, Ex. 41, at 2 (Response 19.c); Barry Decl. ¶ 9, Ex. 9; Div. Statement ¶ 21. Chew made the modifications to the Sampling Plan Work Paper herself. Barry Decl. ¶ 38, Ex. 38; Barry Decl. ¶ 41, Ex. 41, at 2 (Response 19.a); Div. Statement ¶ 21.

Lim printed the revised copy of the Sampling Plan Work Paper on August 8, 2019. Barry Decl. ¶ 24, Ex. 24, at 499 (Transaction IDs 26499130-133). After Lim printed the revised copy of

the Sampling Plan Work Paper, Chew added it to the hard copy work paper binders for the Subsidiary Audit. Barry Decl. ¶ 38, Ex. 38; Barry Decl. ¶ 41, Ex. 41, at 2 (Response 19.m); Div. Statement ¶ 22.

(b) Quarterly Confirmations Alternative Procedures and Singapore Confirmations Alternative Procedures

On August 7, 2019, Chew and Lim engaged in an online chat in which Chew provided instruction to Lim on where to locate certain confirmations related to the Subsidiary Audit and informed him that Tan was “ok with just vouching invoices for our alternative . . . so can just print it out when youre done.” Barry Decl. ¶ 17, Ex. 17; Div. Statement ¶ 16. Chew also instructed Lim to “amend the GW 3.0020 wp and send me too,” and subsequently specified that she wanted Lim to “add a column behind also . . . ‘invoice ties to contract amount?’ . . . then you put Y with tax of x% . . . something like the quarterly one.” *Id.*

On the afternoon of August 7, 2019, Lim emailed Chew a copy of “GW3.0020 Software Rev Contract Summary (edited)” (“Singapore Confirmations Alternative Procedures Work Paper”), which he had updated at Chew’s request. Barry Decl. ¶ 18, Ex. 18; Barry Decl. ¶ 38, Ex. 38; Barry Decl. ¶ 41, Ex. 41, at 3 (Response 23.b); Div. Statement ¶ 17. The copy of the Singapore Confirmations Alternative Procedures Work Paper attached to Lim’s email differed from the version saved in the archived electronic work papers for the Subsidiary Audit. Barry Decl. ¶ 9, Ex. 9; *compare* Barry Decl. ¶ 19, Ex. 19 *with* Barry Decl. ¶ 20, Ex. 20; *see also* Barry Decl. ¶ 21, Ex. 21; Div. Statement ¶ 17. The revised version omitted one contract previously included, and contained two new contracts not previously included, in the sample population. Barry Decl. ¶ 9, Ex. 9; *compare* Barry Decl. ¶ 19, Ex. 19 *with* Barry Decl. ¶ 20, Ex. 20; Barry Decl.

¶ 38, Ex. 38; Barry Decl. ¶ 41, Ex. 41, at 3 (Response 23.d); Div. Statement ¶ 17. The revised version also contained new columns that listed details of vouched invoices, including a column with the header “Invoice Ties to Contract Amount” within which certain cells included the entry “Y, with tax of 7%.” *Compare* Barry Decl. ¶ 19, Ex. 19 *with* Barry Decl. ¶ 20, Ex. 20; *see also* Barry Decl. ¶ 21, Ex. 21; Div. Statement ¶ 17.

Lim’s August 7, 2019, email attaching the revised Singapore Confirmations Alternative Procedures Work Paper also attached a spreadsheet named “Copy of FY18 External and Internal Confirmations Checklist Q1-Q4 050419” (“Quarterly Confirmations Alternative Procedures Work Paper”). Barry Decl. ¶ 18, Ex. 18; Div. Statement ¶ 18. That version of the Quarterly Confirmations Alternative Procedures Work Paper differed from the version saved in the archived electronic work papers for the Subsidiary Audit. Barry Decl. ¶ 9, Ex. 9; *compare* Barry Decl. ¶ 22, Ex. 22 *with* Barry Decl. ¶ 23, Ex. 23; *see also* Barry Decl. ¶ 21, Ex. 21; Div. Statement ¶ 18. The revised version of the Quarterly Confirmations Alternative Procedures Work Paper contained additional columns documenting information related to external confirmations the Firm received in connection with the Subsidiary Audit (including some received by the Firm after the documentation completion date), as well as information related to internal sales representations made by Issuer A’s Asian subsidiary. *Compare* Barry Decl. ¶ 22, Ex. 22 *with* Barry Decl. ¶ 23, Ex. 23; *see also* Barry Decl. ¶ 21, Ex. 21; Barry Decl. ¶ 9, Ex. 9; Barry Decl. ¶ 38, Ex. 38; Barry Decl. ¶ 41, Ex. 41 at 2 (Response 21.c); Div. Statement ¶ 18; OIP ¶ 18.b.

Lim printed revised copies of the Singapore Confirmations Alternative Procedures Work Paper and the Quarterly Confirmations Alternative Procedures Work Paper on August 8, 2019. Barry Decl. ¶ 24, Ex. 24, at 486-487 (Transaction IDs 26498092-093, 26498182); Div. Statement

¶ 19.

(c) Cloud Revenue – Test of Details

In a July 24, 2019, WhatsApp conversation, Tan wrote to Chew, “I realised we didn’t test capitalise contract costs and it’s not covered by group :/” and asked Chew to “help me pull!” Barry Decl. ¶ 12, Ex. 12, at 8; Div. Statement ¶ 23. On July 26, 2019, Tan emailed Melinda Foo at Issuer A’s Asian subsidiary, beginning a series of email communications between Tan and Foo in which Tan requested information about Issuer A’s Asian subsidiary’s cloud customers. Barry Decl. ¶ 29, Ex. 29; Div. Statement ¶ 23.

On August 6, 2019, Chew emailed Tan (copying Phang) regarding a “Cloud Revenue Summary – to discuss with Melinda” and then sent Tan (again copying Phang) an email stating, “Updated!” that attached a copy of the Cloud Revenue Review Work Paper for the Subsidiary Audit (“Cloud Revenue Work Paper”). Barry Decl. ¶ 30, Ex. 30; Div. Statement ¶ 24.

In an August 8, 2019, online chat with Tang, Chew wrote, “sigh [Issuer A] is screwed” and when Tang asked why, Chew responded “the pcaob inspection . . . I think our revenue also not there . . . especially the cloud one.” Barry Decl. ¶ 31, Ex. 31; Div. Statement ¶ 25.

On August 13, 2019, Chew emailed Phang another copy of the Cloud Revenue Work Paper, which Chew had revised and which therefore differed from the version of the same work paper in the archived electronic audit file for the Subsidiary Audit. Barry Decl. ¶ 32, Ex. 32; Barry Decl. ¶ 38, Ex. 38; Barry Decl. ¶ 41, Ex. 41, at 3 (Responses 24, 25.a); *compare* Barry Decl. ¶ 33, Ex. 33 *with* Barry Decl. ¶ 34, Ex. 34; Barry Decl. ¶ 21, Ex. 21; Div. Statement ¶ 26. Specifically, the altered version of the Cloud Revenue Work Paper contained revised inputs and additional information regarding the timing of certain cloud licenses, annual fees, and

revenues. Barry Decl. ¶ 9, Ex. 9; *compare* Barry Decl. ¶ 33, Ex. 33 *with* Barry Decl. ¶ 34, Ex. 34; *see also* Barry Decl. ¶ 21, Ex. 21; OIP ¶ 18.d; Div. Statement ¶ 26. In her email, Chew asked Phang to “help me print this and file into the cloud file in my locker.” Barry Decl. ¶ 32, Ex. 32. Phang then forwarded Chew’s email to Lim and wrote, “Please print! I will pass you the file.” Barry Decl. ¶ 35, Ex. 35; Div. Statement ¶ 26.

Lim printed the revised copy of the Cloud Revenue Work Paper on August 13, 2019. Barry Decl. ¶ 24, Ex. 24, at 570 (Transaction IDs 26504110-112); Div. Statement ¶ 27; OIP ¶ 18.d.

Chew added the revised copies of the four work papers—the Singapore Confirmations Alternative Procedures Work Paper, the Quarterly Confirmations Alternative Procedures Work Paper, the Sampling Plan Work Paper, and the Cloud Revenue Work Paper—to the hard copy binders for the Subsidiary Audit prior to the beginning of inspection fieldwork. Barry Decl. ¶ 38, Ex. 38; Barry Decl. ¶ 41, Ex. 41, at 2-4 (Responses 19.m, 21.n, 23.n, 25.n); Div. Statement ¶ 28. Chew was aware that the binders containing the four modified work papers would be provided to the DRI inspectors when they conducted their fieldwork. Barry Decl. ¶ 38, Ex. 38; Barry Decl. ¶ 41, Ex. 41, at 2-4 (Responses 19.l, 21.m, 23.m, 25.m); Div. Statement ¶ 28. None of the altered work papers indicated that they had been added to the binders after the documentation completion date for that audit or that their content had been modified after the documentation completion date for that audit, by whom those alterations had been made, nor the reasons for the alterations. Barry Decl. ¶ 20, Ex. 20; Barry Decl. ¶ 23, Ex. 23; Barry Decl. ¶ 28, Ex. 28; Barry Decl. ¶ 34, Ex. 34; Div. Statement ¶ 28.

On August 16, 2019, after the last of the four modified work papers had been printed

and added to the hard copy work paper binders, Chew notified Tan through an online chat that “we reprinted the hardcopy,” to which Tan replied, “based on the latest number . . . I damn scared they go and catch the hardcopy.” Div. Statement ¶ 29; Barry Decl. ¶ 36, Ex. 36; OIP ¶ 20; Div. Statement ¶ 28.

D. DRI’s Inspection and KPMG Singapore’s Internal Investigation

DRI’s fieldwork for the 2019 inspection of KPMG Singapore began on August 19, 2019. Barry Decl. ¶ 10, Ex. 10. The Firm made available to the DRI inspectors the archived work papers, both electronic and hard copy, on that date. Div. Statement ¶ 30. During the course of their fieldwork, DRI staff noticed that certain work papers in the hard copy files resembled—but differed from—corresponding work papers in the electronic audit file for the Subsidiary Audit. Collings Decl. ¶ 2; Barry Decl. ¶ 9, Ex. 9; OIP ¶ 22; Div. Statement ¶ 31. The DRI inspectors questioned those discrepancies and following DRI’s inquiry, KPMG Singapore conducted an internal investigation, which identified the versions of the Singapore Confirmations Alternative Procedures Work Paper, the Quarterly Confirmations Alternative Procedures Work Paper, the Sampling Plan Work Paper, and the Cloud Revenue Work Paper included in the Subsidiary Audit’s hard copy work paper binders as having been modified following the documentation completion date for that audit and in advance of DRI’s inspection. Barry Decl. ¶ 9, Ex. 9; Barry Decl. ¶ 21, Ex. 21; Div. Statement ¶¶ 31, 32.

As part of KPMG Singapore’s internal investigation, senior Firm personnel questioned Chew. Chew falsely claimed that any revisions to work papers from the Subsidiary Audit were made because she and others were using the Subsidiary Audit file as a “live file” that also supported the then ongoing statutory audit of Issuer A’s Asian subsidiary and for the purpose of

enhancing the procedures and documentation for the local statutory audit and not the Subsidiary Audit. Barry Decl. ¶ 37, Ex. 37; OIP ¶ 23; Div. Statement ¶ 32. In fact, the email correspondence and text messages exchanged among Chew and other KPMG Singapore personnel in August 2019 relating to the need to make alterations to the work papers before an imminent PCAOB inspection demonstrate that the revisions to the work papers had nothing to do with a statutory audit. This Initial Decision concludes that the audit work papers were modified as part of a deliberate attempt to deceive the DRI inspectors.

KPMG Singapore placed Chew on administrative leave on August 30, 2019. Barry Decl. ¶ 9, Ex. 9. On September 30, 2019, Chew provided the Firm with notice of her resignation, effective as of October 29, 2019. *Id.*; Div. Statement ¶ 33.

E. The Division's Investigation

Following DRI's 2019 inspection of KPMG Singapore, on September 10, 2019, the Division opened an informal inquiry to investigate potential noncooperation by the Firm. Collings Decl. ¶ 2; Div. Statement ¶ 34. As part of that inquiry, the Division issued a request for information to Chew concerning her involvement in the Subsidiary Audit and her preparation for and activities in connection with DRI's review of that engagement. Barry Decl. ¶ 38, Ex. 38; Div. Statement ¶ 35. The Division transmitted the request to Chew on April 9, 2020, via email, to a personal email address that KPMG Singapore provided to the Division (Chew's "Personal Email Address"). Barry Decl. ¶ 40, Ex. 40; *see also* Barry Decl. ¶ 9, Ex. 9; Barry Decl. ¶ 39, Ex. 39; OIP ¶ 27; Div. Statement ¶ 35.

On April 30, 2020, Chew submitted her responses to the Division's request for information by email from her Personal Email Address. Barry Decl. ¶ 41, Ex. 41; OIP ¶ 27; Div.

Statement ¶ 36. Chew’s responses included representations that “the workpapers were updated for the purpose of the local statutory work done, and these were documented in our hardcopy files. When Winn Tan reviewed the file in May 2019, updates were subsequently performed from May 2019 onwards to ensure that the work done for our local statutory FS was complete and accurate. These files were subsequently submitted for the PCAOB review.” Barry Decl. ¶ 41, Ex. 41 at 2 (Response 16). This explanation by Chew is contradicted by the documentary evidence that Chew made revisions and directed others to make revisions to the work papers to conceal deficiencies in the Subsidiary Audit.

On October 30, 2020, a telephone conference call was held between the Division and Chew during which Division staff summarized their initial conclusions regarding their investigation and discussed a potential settlement with Chew. Div. Statement ¶ 38. Both before and following the October 30, 2020, telephone call, Division staff communicated with Chew using Chew’s Personal Email Address. Collings Decl. ¶ 4. Following the October 30, 2020, telephone call, Chew communicated with Division staff using her Personal Email Address to ask questions about the possible settlement. *Id.* However, Chew did not respond to two emails that Division staff sent to Chew’s Personal Email Address in January 2021 regarding potential settlement. *Id.* ¶ 5.

F. The Division’s Accounting Board Demands to Chew and Chew’s Failure to Respond

On March 29, 2021, the Board issued an Order of Formal Investigation (“OFI”) related to potential violations of PCAOB rules and auditing standards in connection with the Subsidiary Audit and DRI’s inspection of it. Barry Decl. ¶ 52, Ex. 52; OIP ¶ 31; Div. Statement ¶ 45.

Pursuant to that OFI, the Division prepared an Accounting Board Demand (“ABD”) requiring Chew to provide certain documents and information by May 4, 2021, and transmitted it to Chew on April 20, 2021 (“April ABD”). Barry Decl. ¶ 53, Ex. 53; OIP ¶ 32. The April ABD included language explaining that “FAILURE TO COMPLY WITH THIS DEMAND MAY SUBJECT YOU TO SANCTIONS UNDER SECTION 105(b)(3) OF THE SARBANES-OXLEY ACT OF 2002, as amended (15 U.S.C. § 7215(b)(3)(A)), AND PCAOB RULE 5300(b).” Barry Decl. ¶ 53, Ex. 53; OIP ¶ 33; Div. Statement ¶ 46. Division staff enclosed with the April ABD a copy of PCAOB Form ENF-1 (“ENF-1”), which also describes the consequences of failing to comply with an ABD or otherwise failing to cooperate with an investigation. Barry Decl. ¶ 53, Ex. 53; OIP ¶ 36; Div. Statement ¶ 46.

The Division served the April ABD on Chew by emailing it to her Personal Email Address. Barry Decl. ¶ 54, Ex. 54; Div. Statement ¶ 47. The Division’s transmittal email informed Chew that the Board had instituted a formal investigation and that her failure to comply with an ABD would constitute noncooperation under PCAOB Rule 5110 and be grounds for disciplinary action. *Id.* at 1; OIP ¶ 34. The Division’s transmittal email again offered to discuss potential settlement with Chew, if she was interested. Div. Statement ¶ 47.

The Division also served Chew with a copy of the April ABD by sending it, via FedEx, to a residential address for Chew that KPMG Singapore provided to the Division during its investigation (“Chew’s Residential Address”). Barry Decl. ¶ 9, Ex. 9; OIP ¶ 35; Div. Statement ¶ 48. FedEx confirmed that the package containing the April ABD was delivered and signed for on April 26, 2021. Barry Decl. ¶ 55, Ex. 55; OIP ¶ 35; Div. Statement ¶ 48.

After Chew failed to respond to the April ABD by the May 4, 2021 deadline specified therein, the Division sent Chew a follow-up letter dated May 14, 2021, which enclosed another copy of the April ABD and ENF-1, and which offered to extend the deadline for Chew's response to May 21, 2021. Barry Decl. ¶ 56, Ex. 56; OIP ¶ 37; Div. Statement ¶ 49. The Division's letter reminded Chew that "failure to comply with an ABD may subject you to sanctions under Section 105(b)(3)(A) of the Sarbanes-Oxley Act of 2002, as amended (15 U.S.C § 7215(b)(3)(A)), and PCAOB Rule 5300(b)." Barry Decl. ¶ 56, Ex. 56; OIP ¶ 37; Div. Statement ¶ 49.

The Division transmitted its May 14, 2021, letter to Chew by sending it to her Personal Email Address and also sending an additional copy via FedEx to Chew's Residential Address. Barry Decl. ¶ 56, Ex. 56; OIP ¶ 38. FedEx confirmed that the Division's letter was delivered and signed for on May 22, 2021. Barry Decl. ¶ 57, Ex. 57; OIP ¶ 38. Chew did not respond in any way to the April ABD. Collings Decl. ¶ 6; OIP ¶ 39; Div. Statement ¶ 50.

On May 26, 2021, the Division issued an ABD to Chew ("May ABD") requiring Chew to appear via videoconference for sworn testimony on June 14, 2021. Barry Decl. ¶ 58, Ex. 58; OIP ¶ 40; Div. Statement ¶ 51. The Division's transmittal letter enclosing the May ABD requested that Chew contact the Division by June 2, 2021, to confirm her availability for testimony at the designated time or to arrange a mutually convenient alternative time. Barry Decl. ¶ 58, Ex. 58, at 2; OIP ¶ 42; Div. Statement ¶ 51. The transmittal letter also provided instructions about the videoconference platform that would be used for Chew's testimony and provided a toll-free international number that would be used for the audioconference of her testimony. Barry Decl. ¶ 58, Ex. 58, at 2; OIP ¶ 43; Div. Statement ¶ 51. In its letter, the Division again informed Chew that failure to comply with an ABD could subject her to sanctions pursuant to Section

105(b)(3)(A) of the Act and PCAOB Rule 5300(b) and enclosed another copy of ENF-1. Barry Decl. ¶ 58, Ex. 58, at 2, 22-24; OIP ¶ 42; Div. Statement ¶ 51.

The Division served the May ABD on Chew by emailing it to her Personal Email Address. Barry Decl. ¶ 58, Ex. 58, at 1; OIP ¶ 41; Div. Statement ¶ 52. The Division's transmittal email reiterated the instruction from its cover letter that Chew confirm with the Division, by June 2, 2021, that she could attend her testimony on June 14, 2021, or request an alternate time. Barry Decl. ¶ 58, Ex. 58, at 1; Div. Statement ¶ 52. The Division also served a copy of the May ABD on Chew via FedEx, which confirmed that the May ABD was delivered to Chew's Residential Address and signed for on May 31, 2021. Barry Decl. ¶ 59, Ex. 59; Div. Statement ¶ 52.

The Division confirmed that two emails sent to Chew's Personal Email Address with instructions regarding her testimony were received on May 27, 2021, but Chew failed to respond to the Division to either confirm her availability on June 14, 2021, or request an alternative date for her testimony. Collings Decl. ¶¶ 7, 9; Div. Statement ¶¶ 53-54.

The Division sent a follow-up email to Chew's Personal Email Address on June 8, 2021, explaining that Chew's testimony remained scheduled for June 14, 2021, and asking her to confirm that she would attend. Barry Decl. ¶ 60, Ex. 60, at 1; OIP ¶ 46. The Division's email attached another copy of the May ABD. Barry Decl. ¶ 60, Ex. 60; Div. Statement ¶ 55.

Chew did not respond to the Division's June 8, 2021, correspondence regarding the May ABD and the testimony scheduled for June 14, 2021. Collings Decl. ¶ 9; OIP ¶ 47; Div. Statement ¶ 56.

At the time scheduled for Chew's testimony on June 14, 2021, Division staff and a court reporter logged into the videoconference platform and dialed into the audioconference

number for Chew's testimony, but Chew did not appear. The Division sent an email to Chew's Personal Email Address reminding her that her testimony had begun and asking whether she was having technical difficulties connecting to the videoconference platform. Despite repeated efforts by the Division to contact Chew, an hour after the scheduled start of Chew's testimony, she still had not logged into the videoconference platform, joined the audioconference by dialing in, or contacted the Division. Collings Decl. ¶¶ 10-11; OIP ¶ 48; Barry Decl. ¶ 61, Ex. 61, at 1; Div. Statement ¶ 57.

When Chew did not appear for her scheduled testimony on June 14, 2021, Division staff made a statement on the record referencing the Division's various attempts to contact Chew regarding her testimony and her failure to appear, and terminated the testimony. Collings Decl. ¶ 11; Barry Decl. ¶ 62, Ex. 62; OIP ¶ 49; Div. Statement ¶ 58.

All of the Division's email communications to Chew were sent to her Personal Email Address. After initially corresponding with the Division using her Personal Email Address on a number of occasions, Chew never indicated to the Division that it should cease using that email address to contact her, or that the Division should address correspondence to Chew to a different email (or physical) address. Collings Decl. ¶ 13. None of the Division's emails to Chew's Personal Email Address were ever returned as undeliverable. *Id.* ¶ 12; Div. Statement ¶ 59.

III. CHEW VIOLATED THE ACT AND PCAOB RULES AND STANDARDS

The evidence submitted by the Division in support of the Default Motion establishes that Chew failed to cooperate with a Board inspection. PCAOB Rule 4006, *Duty to Cooperate with Inspectors*, requires that "every associated person of a registered public accounting firm, shall cooperate with the Board in the performance of any Board inspection." Cooperation

under this rule includes an obligation not to provide improperly altered documents or misleading information in connection with the Board's inspection processes. *See, e.g., Kabani & Co., Inc.*, Rel. No. 34-80201, 2017 WL 947229, at *12 (SEC Mar. 10, 2017) ("Implicit in [Rule 4006's] cooperation requirement is that auditors provide accurate and truthful information."), *petition for review denied, Kabani & Co., Inc. v. SEC*, 733 F. App'x 918 (9th Cir. 2018); *Ryan J. Collins, CPA*, PCAOB Rel. No. 105-2020-009 (July 21, 2020) (sanctioning senior manager who made misleading statements to, and prepared a misleading document provided to, DRI inspectors); *Hyun Seung Lee*, PCAOB Rel. No. 105-2019-027 (Oct. 31, 2019) (sanctioning partner who backdated work papers, and was aware of the improper alteration of other work papers, in advance of a DRI inspection); *Seul Hyang Wee*, PCAOB Release No. 105-2019-026 (Oct. 31, 2019) (same).

An auditor provides misleading information if he or she fails to disclose that documentation presented to inspectors as having existed at the time of the audit was, in fact, subsequently altered or created after the documentation completion date. *See, e.g., Humayoun G. Khan*, PCAOB Rel. No. 105-2019-013 (June 4, 2019) (respondent violated PCAOB Rule 4006 because he improperly altered an archived work paper in advance of a DRI inspection and provided a copy of the altered work paper to inspectors without disclosing the alterations); *Elliot D. Kim, CPA*, PCAOB Rel. No. 105-2018-010 (May 23, 2018) (respondent violated PCAOB Rule 4006 when he remained silent during discussion with DRI inspectors of a document that he had improperly altered); *José Fernando Alves*, PCAOB Rel. No. 105-2016-039 (Dec. 5, 2016) (respondent violated PCAOB Rule 4006 when he failed to disclose during a meeting with DRI inspectors that he had learned that certain documents had been improperly altered); *Renata*

Coelho de Sousa Castelli, PCAOB Rel. No. 105-2016-040 (Dec. 5, 2016) (same).

PCAOB Rule 3100, *Compliance with Auditing and Related Professional Practice Standards*, requires that associated persons of a registered firm “shall comply with all applicable auditing and related professional practice standards.” PCAOB Rule 3200, *Auditing Standards*, similarly requires that “[i]n connection with the preparation or issuance of any audit report, a registered public accounting firm and its associated persons shall comply with all applicable auditing standards adopted by the Board and approved by the SEC.” In turn, the PCAOB’s audit documentation standard require that audit documentation “must not be deleted or discarded after the documentation completion date,” and that any information added to audit documentation after the documentation completion date “must indicate the date the information was added, the name of the person who prepared the additional documentation, and the reason for adding it.” AS 1215.15-16.

Chew violated PCAOB Rules 3100 and 3200, as well as AS 1215. After learning that the Subsidiary Audit had been selected for review by DRI, Chew repeatedly expressed concern to colleagues about the quality of the work conducted during that audit. Chew then proposed, and directly participated in, a plan to improperly alter certain Subsidiary Audit work papers and add them to the hard copy work paper binders. That course of conduct enabled Chew not only to modify the work papers but also to conceal the modifications by employing a method that did not leave behind any “timestamp” or other metadata evidence.

Chew’s modification of workpapers after the documentation completion date in anticipation of a Board inspection, with a clear intent to remedy what Chew believed was deficient audit work in order to mislead DRI’s inspectors, violated PCAOB Rule 4006. *See, e.g.,*

Stan Jeong-Ha Lee, PCAOB File No. 105-2012-001, at 15 (“the falsification of audit documentation to mislead PCAOB inspectors as to the work performed by the firm being inspected is the antithesis of cooperation”).

The evidence also clearly establishes that by failing to respond to two ABDs, Chew failed to cooperate with a Board investigation as required by the Act and the PCAOB’s rules.

IV. SANCTIONS

As sanctions for Chew’s misconduct, the Division requests that Chew be permanently barred from association with any registered public accounting firm, and that Chew be ordered to pay a civil money penalty of \$100,000.

A. Permanent Bar

A failure to cooperate with a Board investigation is serious misconduct warranting strong sanctions. *See* PCAOB Rule 5300(b)(1). Additionally, Chew’s violations of PCAOB rules and auditing standards in connection with DRI’s inspection of KPMG Singapore, as discussed above, were clearly intentional or knowing. This Initial Decision accordingly finds that Chew’s conduct meets the conditions set out in Section 105(c)(5) of the Act, which provides that a temporary or permanent suspension or bar of any person from further association with any registered public accounting firm may only be imposed in the event of intentional or knowing conduct, including reckless conduct, that results in a violation of the applicable statutory, regulatory, or professional standard, or repeated instances of negligent conduct, each resulting in a violation of the applicable statutory, regulatory, or professional standard.

The PCAOB determines appropriate sanctions by considering “the nature, seriousness, and circumstances of the violations and any potentially aggravating or mitigating factors

supported by the record, to carry out [the Board's] statutory responsibility to protect investors' interests and further the public interest in the preparation of informative, accurate and independent issuer audit reports." See *In the Matter of Melissa K. Koepfel, CPA*, PCAOB File No. 105-2011-007, at 177 (Dec. 29, 2017); *S. Brent Farhang, CPA*, PCAOB File No. 105-2016-001, at 21 (Mar. 16, 2017), *aff'd*, SEC Exch. Act Rel. No. 83494 (June 21, 2018). One of the aggravating factors the PCAOB considers in determining sanctions is a respondent's disregard for the Board's processes. See *Farhang*, PCAOB File No. 105-206-001, at 9. The "inquiry into the appropriate remedial sanction is a flexible one, and no one factor is dispositive." *Cordovano* at 50 (quoting *Chris G. Gunderson*, Exch. Act Rel. No. 61234, 2009 SEC LEXIS 4322, at *20 (Dec. 23, 2009))."

Numerous aggravating factors weigh in favor of significant sanctions for Chew, and no mitigating factors appear to be present. Chew knew that she could not alter work papers after the documentation completion date and in advance of a Board inspection, but nonetheless devised a plan that she believed would allow her to do so without getting caught because altered hard copy work papers had "no timestamp." Chew's goal in altering the work papers was to mislead DRI's inspectors by correcting what she believed were deficiencies in audit work. When asked about the work paper modifications, Chew gave Firm personnel an implausible excuse contradicted by the facts, which she later repeated to the Division in an April 30, 2020, email. And, after initially engaging with the Division during its inquiry, Chew failed to cooperate with the Division's investigation, despite being repeatedly warned about her obligation to respond to the April ABD and the May ABD. Chew's conduct reflects her intent to impede a Board inspection by misleading DRI personnel as well as her intent to hinder the

Division's investigation by initially providing misleading information and thereafter refusing to provide documents and testimony required by the two ABDs.

Accordingly, for her misconduct, Chew is permanently barred from associating with a registered public accounting firm.

B. Civil Monetary Penalty

Sections 105(c)(4)(D) and 105(c)(5) of the Sarbanes-Oxley Act specify maximum civil monetary penalty amounts, and these specified amounts are subject to periodic penalty inflation adjustments as published in the Code of Federal Regulations. *See* Inflation Adjustments to the Civil Monetary Penalties Administered by the Securities and Exchange Commission (as of Jan. 15, 2022), available at www.sec.gov/enforce/civil-penalties-inflation-adjustments.htm. For violations by a natural person after November 3, 2015, that involve intentional or knowing conduct, including reckless conduct, or repeated instances of negligent conduct, the maximum penalty amount is \$1,144,186 per violation. *Id.* Here, the evidence submitted by the Division in support of the Default Motion establishes that Chew acted intentionally or knowingly.

In determining whether a civil monetary penalty is an appropriate sanction and, if so, the amount of the penalty, the Board has stated that it is "guided by the statutorily prescribed objectives of any exercise of [its] sanctioning authority: the protection of investors and the public interest." *Larry O'Donnell, CPA, P.C.*, at 9 (citations omitted). The Board has also stated that it will consider the factors set forth in Section 21B of the Securities Exchange Act of 1934, as amended. Those factors include (1) whether the conduct for which a penalty is assessed involved fraud, deceit, manipulation, or deliberate or reckless disregard for a regulatory

requirement; (2) harm to other persons resulting directly or indirectly from the conduct; (3) the extent to which any person was unjustly enriched; (4) whether the person against whom a penalty is being assessed has been previously found by the Commission or another agency to have violated federal securities laws, state securities laws, or applicable rules, or has been enjoined from such violations or convicted of certain offenses; (5) the need to deter that individual and others from such conduct; and (6) such other matters as justice may require. See *Dube*, PCAOB File No. 105-2014-005, at 6; *Joseph Troche, CPA*, PCAOB File No. 105-2014-007, at 11 (Mar. 6, 2015). Section 21B does not require that all of these factors be present as a condition to imposing a penalty, but rather sets them out as factors to be considered. *Dube*, PCAOB File No. 105-2014-005, at 6; *Troche*, PCAOB File No. 105-2014-007, at 11; see also *Next Financial Group, Inc.*, I.D. Rel. No. 349, 2008 WL 2444775, at *49 (June 18, 2008).

In this case, the Division seeks a \$100,000 civil monetary penalty against Chew. The Division is correct that Chew's conduct was sufficiently egregious to warrant a significant monetary penalty. As the Board has made clear, refusals to cooperate with inspections and investigations, and inappropriate alterations of audit work papers, will be met with significant sanctions. Such misconduct causes at least indirect harm to investors that may be impossible to quantify, and also thwarts the PCAOB's ability to identify and rectify violations of statutes, rules, and standards that the PCAOB is charged with enforcing. See *Larry O'Donnell, CPA, P.C.; Davis Accounting Group, P.C. and Edwin R. Davis, Jr., CPA*, PCAOB File No. 105-2009-004 (Mar. 29, 2011), *app. for review dismissed*, SEC Rel. No. 34-65581, 2011 WL 4954239 (Oct. 18, 2011); *R.E. Bassie & Co.*, PCAOB Rel. No. 105-2009-001 (Oct. 6, 2010), *aff'd*, Rel. No. 3354, 102 S.E.C. Docket 2932, 2012 WL 90269 (SEC Jan. 10, 2012).

Chew's conduct involved fraud and deceit. Initially, she intended to deceive DRI inspectors about the work performed during the Subsidiary Audit and devised a plan that she believed would conceal improper alterations to work papers in anticipation of an inspection. When questioned about those modifications during the Firm's internal investigation, and later in an informal request sent by DEI, Chew asserted the false excuse that the changes to the work papers were part of the local statutory audit of Issuer A's Asian subsidiary. Chew's misconduct continued when she disregarded her regulatory obligation to respond to the April ABD and the May ABD.

There is a significant need to deter conduct like Chew's by any similarly situated parties in the future. For the PCAOB to discharge its statutory duties, it must rely on associated firms and their registered persons to be cooperative and candid during inspections and investigations.

In recent litigated orders concerning noncooperation with either a DRI inspection or an investigation by the Division, the PCAOB has imposed significant civil monetary penalties. *See, e.g., Freddy*, PCAOB File No. 105-2017-001, *Order Summarily Affirming Initial Decision* at 5 (Nov. 2, 2017) (\$50,000 civil money penalty for noncooperation with a PCAOB investigation); *Farhang*, PCAOB File No. 105-2016-001, *Final Decision* at 28 (Mar. 16, 2017) (same); *Kabani*, PCAOB File No. 105-2012-002, at 19 (\$100,000 civil monetary penalty for noncooperation with a DRI inspection).

Taking all of the relevant factors into consideration, the \$100,000 penalty sought by the Division is appropriate to accomplish the Board's remedial objectives in this proceeding without being excessive or oppressive. While \$100,000 is well below the maximum penalty that could

be imposed, it nonetheless reflects the seriousness of the violations and will send a sufficiently strong message to Chew and others who are similarly situated of the consequences of deliberately choosing not to cooperate with a Board inspection, a Board investigation, or otherwise failing to comply with the Board's rules.

V. RECORD CERTIFICATION

Pursuant to PCAOB Rule 5202(d), I certify that the record includes the items set forth in the Record Index issued by the PCAOB Secretary and served on the parties on July 13, 2022.

VI. ORDER

For the foregoing reasons, to protect the interests of investors and the public interest, it is **ORDERED**, pursuant to Section 105(b)(3) of the Sarbanes-Oxley Act and PCAOB Rule 5300(b), that, Respondent Hui Yi Chew is barred from associating with a registered public accounting firm, and Respondent Hui Yi Chew is assessed a civil monetary penalty of \$100,000.

This Initial Decision will become final in accordance with PCAOB Rule 5204(d)(1) upon issuance of a notice of finality by the Secretary. Any party may obtain Board review of this Initial Decision by filing a petition for review in accordance with PCAOB Rule 5460(a), or the Board may, on its own initiative, order review, in which case this Initial Decision will not become final.

Dated: August 10, 2022

Marc Dorfman

Marc B. Dorfman
Chief Hearing Officer