



1666 K Street NW
Washington, DC 20006

Office: 202-207-9100
Fax: 202-862-8430

www.pcaobus.org

Order Instituting Disciplinary Proceedings, Making Findings, and Imposing Sanctions

*In the Matter of PricewaterhouseCoopers Auditing
Company SA,*

Respondent.

PCAOB Release No. 105-2023-027

November 14, 2023

By this Order Instituting Disciplinary Proceedings, Making Findings, and Imposing Sanctions (“Order”), the Public Company Accounting Oversight Board (“Board” or “PCAOB”) is:

- (1) censuring PricewaterhouseCoopers Auditing Company SA (“Respondent,” “PwC Greece,” or the “Firm”);
- (2) imposing a civil money penalty in the amount of \$3,000,000 on Respondent; and
- (3) requiring the Firm to undertake certain remedial actions as described in Section IV of this Order.

The Board is imposing these sanctions on the basis of its findings that Respondent violated PCAOB rules and standards in connection with its audit of the December 31, 2016 financial statements of Aegean Marine Petroleum Network Inc. (“Aegean” or the “Company”).

I.

The Board deems it necessary and appropriate, for the protection of investors and to further the public interest in the preparation of informative, accurate, and independent audit reports, that disciplinary proceedings be, and hereby are, instituted against Respondent pursuant to Section 105(c) of the Sarbanes-Oxley Act of 2002, as amended (the “Act”), and PCAOB Rule 5200(a)(1).

II.

In anticipation of the institution of these proceedings, and pursuant to PCAOB Rule 5205, Respondent has submitted an Offer of Settlement (the “Offer”) that the Board has determined to accept. Solely for the purpose of these proceedings and any other proceeding brought by or on behalf of the Board, or to which the Board is a party, and without admitting or denying the findings contained herein, except as to the Board’s jurisdiction over Respondent and the subject matter of this proceeding, which is admitted, Respondent consents to the entry of this Order as set forth below.¹

III.

On the basis of Respondent’s Offer, the Board finds that:

A. Respondent

1. **PricewaterhouseCoopers Auditing Company SA** is a corporation organized under the laws of Greece. PwC Greece is a member of the PricewaterhouseCoopers International Limited network (“PwC Global”). The Firm registered with the Board on June 10, 2004, pursuant to Section 102 of the Act and PCAOB rules. PwC Greece is, and at all relevant times was, a “registered public accounting firm” as that term is defined by Section 2(a)(12) of the Act and PCAOB Rule 1001(r)(i). PwC Greece was first appointed as Aegean’s independent auditor in June 2016, and thereafter served as the principal auditor for the integrated audit of Aegean’s 2016 financial statements and internal control over financial reporting (the “Audit”).

B. Issuer

2. **Aegean Marine Petroleum Network Inc.** was, at all relevant times, a Marshall Islands corporation, headquartered in Greece, and traded on the New York Stock Exchange from 2006 to 2018. It was, at all relevant times, an “issuer” as that term is defined by Section 2(a)(7) of the Act and PCAOB Rule 1001(i)(iii). In its Form 20-F filing for the year ended December 31, 2016, Aegean described itself as an “international marine fuel logistics company that markets and physically supplies refined marine fuel and lubricants to vessels in port, at sea and on rivers.”

¹ The findings herein are made pursuant to Respondent’s Offer and are not binding on any other person or entity in this or any other proceeding.

C. Summary

3. This matter concerns PwC Greece’s violations of PCAOB rules and standards in connection with the Audit and specifically with its audit procedures concerning transactions between Aegean and four counterparties that management represented were located in Fujairah, United Arab Emirates (each a “Counterparty,” together the “Four Counterparties”). Aegean’s records indicated that it both purchased fuel from and sold fuel to the Four Counterparties, often on or about the same date and in similar quantities. However, Aegean recorded that it sold fuel to the Four Counterparties at a much higher price than the price it paid to the Four Counterparties for its purchases. The sales to the Four Counterparties accounted for \$543 million of Aegean’s 2016 revenue (13% of revenue), and the accounts receivable (“A/R”) from those transactions at year-end 2016 totaled \$172 million (11% of Aegean’s total assets).

4. During its acceptance procedures for the 2016 Audit, PwC Greece had considered publicly available information indicating that a long-time member of Aegean’s executive leadership team who had a significant degree of control over the company (“Aegean Executive”) had been criminally convicted in 2014 for fuel smuggling, and accused of a variety of other criminal activity. That information indicated that the Aegean Executive’s fuel smuggling conviction involved “virtual invoicing,” which the Audit engagement partner² understood to mean the creation of false documents relating to fuel purchases/sales in the years 1993-1995. As a result, the Firm’s engagement team for the Audit assessed during the Audit that there was significant risk of material misstatement due to fraud, related to concerns about the ethics of management.

5. During the Audit, the engagement team encountered evidence that raised concerns about the transactions and outstanding balances associated with the Four Counterparties, including concerns about the collectibility of revenue from the Four Counterparties. Those concerns, among other issues, contributed to the engagement partner delaying the completion of the Audit, which was originally scheduled for late April 2017, so that the engagement team could gather additional audit evidence.

6. In response to the delay, Aegean requested a meeting with members of PwC Greece’s senior leadership so that the Aegean Executive could register his complaints about the delay. Prior to the meeting, the engagement partner briefed a member of PwC Greece leadership on the bases for the delay, including that Aegean had not provided audit evidence in several areas and that, as of the end of April 2017, there had been no cash collections or

² See *Nicos George Komodromos, CPA*, PCAOB Rel. No. 105-2023-028 (Nov. 14, 2023).

payments on any of the sales or purchases between Aegean and the Four Counterparties recorded in 2016. During the meeting, which occurred on May 3, 2017, the Aegean Executive discussed the Four Counterparties' transactions with the PwC Greece leaders and, more broadly, complained to them that PwC Greece was doing too much audit work.³

7. Over the next two weeks, the engagement team uncovered significant inconsistent audit evidence concerning the Four Counterparties, which the engagement team should have viewed as red flags that raised substantial doubt about management's assertions in Aegean's financial statements relating to the Four Counterparties' transactions and balances.

8. Most significantly, at the engagement team's instruction, staff from a PwC Global member firm in Dubai, United Arab Emirates ("PwC Dubai") attempted to visit the office addresses for the Four Counterparties that Aegean had provided to the engagement team, but found no evidence that the Four Counterparties were located there and reported that fact to the engagement team.⁴ However, the engagement team failed to respond with due professional care and appropriate professional skepticism. Instead, the engagement team disregarded that, and other contradictory audit evidence concerning the Four Counterparties, without appropriately resolving the inconsistencies. As a result, the Firm violated PCAOB standards when, on May 16, 2017, the Firm issued an audit report containing an unqualified opinion on Aegean's financial statements, because it had not obtained sufficient appropriate audit evidence to support that opinion.

9. PwC Greece also violated PCAOB standards because the engagement team failed to document in its work papers various procedures performed during the Audit relating to the Four Counterparties, including PwC Dubai's visits to the Four Counterparties' asserted addresses. The engagement team further failed to identify the issues with the Four Counterparties' transactions in its engagement completion document for the Audit, a document in which PCAOB standards required the Firm to identify all significant findings or issues.

10. After the 2016 Audit, both the PwC Greece engagement team and Aegean's Audit Committee continued to raise questions about the collectibility of the A/R from the Four

³ During the May 3, 2017 meeting, the PwC Greece leaders informed the Aegean Executive that the audit would be complete only when the engagement team had received the necessary requested material and had finished its audit testing.

⁴ At the time PwC Dubai reported the results of its visits to the engagement team, only three of the visits had been attempted. The engagement team then instructed PwC Dubai to cancel the fourth visit.

Counterparties. In connection with the never-completed audit of Aegean’s 2017 financial statements, the engagement team discovered that information it had received from Aegean during the 2016 Audit appeared to have been falsified. PwC Greece shared that information with Aegean’s Audit Committee and Aegean later announced in 2018 that, based on an internal investigation, it believed that the Four Counterparties were shell companies, with no material assets or operations, owned or controlled by former employees or affiliates of the Company. Aegean’s Audit Committee and Board of Directors further concluded that the transactions with the Four Counterparties recorded from 2015 to 2017 lacked economic substance, and that the resulting A/R were uncollectible.

D. Background

11. In connection with the preparation or issuance of an audit report, PCAOB rules require that registered public accounting firms comply with the Board’s auditing standards.⁵ Under these standards, an auditor may express an unqualified opinion on an issuer’s financial statements only when the auditor has formed such an opinion on the basis of an audit performed in accordance with PCAOB standards.⁶ Among other things, those standards require that an auditor exercise due professional care, exercise professional skepticism, and obtain sufficient appropriate audit evidence to afford a reasonable basis to support the opinion expressed in the auditor’s report.⁷ The exercise of professional skepticism requires a “questioning mind and a critical assessment of audit evidence.”⁸

12. PCAOB standards provide that the auditor should properly plan the audit.⁹ “Planning the audit includes establishing the overall audit strategy for the engagement and developing an audit plan, which includes, in particular, planned risk assessment procedures and planned responses to the risks of material misstatement.”¹⁰ When developing the audit strategy and audit plan, the auditor should evaluate, among other things, whether risks

⁵ See PCAOB Rule 3100, *Compliance with Auditing and Related Professional Practice Standards*; PCAOB Rule 3200, *Auditing Standards*. All references to PCAOB rules and standards in this Order are to the versions of those rules and standards, and to their organization and numbering, in effect at the time of the Audit.

⁶ See AS 3101.07, *Reports on Audited Financial Statements*.

⁷ See AS 1015, *Due Professional Care in the Performance of Work*; AS 1105, *Audit Evidence*.

⁸ AS 1015.07.

⁹ See AS 2101.04, *Audit Planning*.

¹⁰ *Id.* at .05.

identified in the client acceptance process are important to the company's financial statements and internal control over financial reporting and, if so, how they will affect the auditor's procedures.¹¹ The auditor must also design and implement audit responses that specifically address the identified and assessed risks of material misstatement, including assessed risks of material misstatement due to fraud ("fraud risks").¹²

13. Planning is not a discrete phase of an audit but, rather, a continual and iterative process that continues until the completion of the audit.¹³ The auditor should modify the overall audit strategy and the audit plan as necessary if circumstances change significantly during the course of the audit.¹⁴

14. Ultimately, the auditor must plan and perform the audit to obtain sufficient appropriate evidence to support the audit opinion.¹⁵ Among other things, "[t]he auditor should obtain corroboration for management's explanations regarding significant unusual or unexpected transactions, events, amounts, or relationships. If management's responses to the auditor's inquiries appear to be implausible, inconsistent with other audit evidence, imprecise, or not at a sufficient level of detail to be useful, the auditor should perform procedures to address the matter."¹⁶

15. To be appropriate, evidence must be both relevant and reliable.¹⁷ "If the auditor has not obtained sufficient appropriate audit evidence about a relevant assertion or has substantial doubt about a relevant assertion, the auditor should perform procedures to obtain further audit evidence to address the matter."¹⁸ In forming an opinion, the auditor should take into account all relevant audit evidence, regardless of whether it appears to corroborate or to contradict the assertions in the financial statements.¹⁹ "If audit evidence obtained from one source is inconsistent with that obtained from another, or if the auditor has doubts about the

¹¹ See *id.* at .07.

¹² See AS 2301.08, .13, *The Auditor's Responses to the Risks of Material Misstatement*.

¹³ See AS 2101.05.

¹⁴ See *id.* at .15.

¹⁵ See AS 1105.04; AS 2810.33, *Evaluating Audit Results*.

¹⁶ AS 2810.08.

¹⁷ See AS 1105.04-.08.

¹⁸ AS 2810.35.

¹⁹ See *id.* at .03.

reliability of information to be used as audit evidence, the auditor should perform the audit procedures necessary to resolve the matter and should determine the effect, if any, on other aspects of the audit.”²⁰

16. As discussed in Sections III.E-F below, PwC Greece failed to comply with these and other PCAOB rules and standards during the Audit.

i. The Firm Identified a Fraud Risk for the Aegean Audit

17. The 2016 Audit was PwC Greece’s first audit of Aegean. As a result, before beginning the Audit, the Firm first performed procedures regarding the acceptance of the client relationship.²¹

18. During the client acceptance procedures, the Firm considered the criminal allegations that had been made against the Aegean Executive over an extended period of years. On June 16, 2016, two members of PwC Greece’s leadership and the three Firm partners who would be assigned to the Audit all met to discuss whether to accept Aegean as an audit client. During the meeting, the participants discussed the Aegean Executive’s role at Aegean and his criminal history, including, specifically, a conviction for fuel smuggling accomplished through “virtual invoicing,” which the Firm’s engagement partner on the Audit understood meant the creation of false documents relating to purchases/sales of fuel.

19. During that June 16 acceptance meeting, the Firm also considered inquiries that it had made to Aegean’s predecessor auditor, which had audited Aegean since 2006. The engagement team’s documentation of those inquiries indicated that the predecessor auditor communicated to PwC Greece that: (1) there had been negative media and criminal matters relating to the Aegean Executive, but the PwC Greece engagement team did not understand the predecessor auditor to have identified any other matters for PwC Greece’s consideration as bearing on the integrity of management; and (2) the predecessor auditor had communicated to management during the prior audit that there were significant deficiencies in Aegean’s internal control over financial reporting, arising from information technology general controls.

²⁰ AS 1105.29.

²¹ PCAOB quality control standards provide that firms should establish client acceptance and continuance policies and procedures that provide a firm with reasonable assurance that the likelihood of association with a client whose management lacks integrity is minimized. *See* QC § 20.14, *System of Quality Control for a CPA Firm’s Accounting and Auditing Practice*. Such policies and procedures should also provide reasonable assurance that the firm appropriately considers the risks associated with providing services in the particular circumstances. *See* QC § 20.15.

20. The participants in the June 16 acceptance meeting concluded that PwC Greece could accept the audit, but they also determined that the audit client should be classified as “High Risk” for anti-money laundering purposes.

21. At the time PwC Greece accepted the Audit, the Firm understood that the Aegean Executive was a significant Aegean shareholder, occupied “a role adjacent to that of the Company’s CEO/CODM,” and was “heavily involved in a vast spectrum of the daily operations of the Company and makes decisions related with the Company’s operations.” After the Firm accepted the 2016 Audit, but prior to year-end 2016, Aegean entered into an agreement to purchase the Aegean Executive’s shares in the Company. PwC Greece understood that, despite the share buy-out, the Aegean Executive still remained actively engaged in key aspects of Aegean’s business.

22. In light of the Aegean Executive’s criminal history and role at the Company, PwC Greece documented in the Audit work papers that it had identified a risk concerning the integrity and ethics of management, which it linked to the fraud risk of management override of controls.²²

ii. Significant Deficiencies in Aegean’s Accounting System Increased the Risks Around the Four Counterparties’ Transactions and Outstanding Balances

23. At the time of the Audit, the PwC Greece engagement team was aware that there were significant internal control deficiencies in the accounting system for Aegean’s principal operating subsidiary, Aegean Marine Petroleum S.A. (“AMP”), where Aegean recorded most of its revenues. About 70% of Aegean’s year-end consolidated accounts receivable were attributable to AMP’s transactions.

24. The engagement team understood, among other things, that: (1) there was only one Aegean employee with knowledge of the AMP accounting system’s design, and that employee could edit files and reports in the system; (2) the accounting system had no audit log functionality; (3) Aegean’s accounting staff all shared a single login to the accounting system, which provided them with unlimited system access (resulting in a lack of segregation of duties); and (4) there was no means to extract journal entries from the accounting system. These significant deficiencies increased the risk of material misstatement for the transactions and outstanding balances recorded in that system, which included all of Aegean’s transactions and balances with the Four Counterparties.

²² PCAOB standards provide that, in establishing an overall audit strategy, the auditor should take into account the results from risks evaluated as a part of client acceptance. See AS 2101.07-.08.

25. In response to these deficiencies, Aegean, at the urging of the engagement team, adopted and tested a manual matching control for revenue, and the engagement team then performed substantive tests of details on more than 10% of revenue transactions. However, the added matching control did not adequately compensate for the known deficiencies in the AMP accounting system. Nor did the matching control and the extent of substantive testing sufficiently address the increased risk of material misstatement through override of controls for transactions recorded in that system.

iii. The Four Counterparties' Transactions Were Material and Atypical

26. During the Audit, the engagement team understood that the revenues from the Four Counterparties were both significant in size and generated unusually high margins. The Four Counterparties' transactions were Aegean's largest transactions and accounted for \$543 million (13%) of Aegean's 2016 revenue. The sales margins on the revenue transactions with the Four Counterparties—*i.e.*, the difference between the revenue earned on an individual sale and the cost of sale for that transaction—as calculated by the PwC Greece engagement team—were sometimes more than four times Aegean's average sales margin for its 2016 sales.

27. Because of their size and high margins, the Four Counterparties' transactions had a material impact on Aegean's net income. For 2016, the Four Counterparties' transactions generated approximately 38% of Aegean's gross profit, and 240% of its pre-tax income (*i.e.*, the transactions moved Aegean from a gross loss to a gross profit).

28. The engagement team also identified that there were substantial unpaid A/R from the Four Counterparties' transactions. Specifically, the team understood that Aegean had \$172 million in A/R recorded from the Four Counterparties at year-end 2016. Those receivables amounted to 11% of Aegean's total assets as of year-end 2016. The engagement team also understood that, as of the end of April 2017, no cash had been received from the Four Counterparties for any revenues recorded in 2016.

29. Although Aegean had not collected cash for any of its 2016 sales to the Four Counterparties through the end of April 2017, the Firm understood that Aegean had nevertheless accounted for a significant portion of the A/R as having been satisfied in 2016. Specifically, the engagement team identified that Aegean had offset its accounts payable ("A/P") from its fuel purchases from the Four Counterparties against the A/R arising from its fuel sales to the Four Counterparties, which reduced Aegean's liabilities to the Four Counterparties to zero and reduced the outstanding A/R from the Four Counterparties by an equal amount.

30. The engagement team also identified that the transactions with the Four Counterparties, which the engagement team understood had been occurring since at least 2015, were unusual because they often involved Aegean simultaneously contracting with the same counterparty to both sell and purchase fuel in roughly the same quantities but at much different prices. The engagement team's analyses of the transactions revealed that Aegean sometimes sold fuel to the Four Counterparties at more than twice the price that Aegean had purchased fuel from the same Counterparty just days earlier. The engagement team further identified that the records Aegean initially provided to the team appeared to indicate that Aegean was selling and purchasing the same type of fuel from the Four Counterparties in these matched transactions, with no explanation for the much more favorable pricing given to Aegean.

31. When the engagement team asked for an explanation of the transactions with the Four Counterparties, the team was told that Aegean was engaged in "blending" transactions at its Fujairah facility whereby: (1) Aegean purchased fuel from the Four Counterparties at a low price because the fuel failed to meet the applicable fuel quality specification ("off-spec" fuel); (2) Aegean reprocessed that low-quality fuel at its Fujairah facility by "blending" it to bring it within the specification ("on-spec"); and (3) Aegean sold on-spec fuel back to the Four Counterparties, which commanded a higher price.²³

32. The transactions with the Four Counterparties were atypical for Aegean. Aegean's Form 20-F indicated that Aegean's typical fuel sales involved loading fuel onto marine vessels. However, both the purchase and sale transactions with the Four Counterparties all involved onshore, inter-tank transfers. More specifically, the transactions with the Four Counterparties all involved Aegean delivering fuel to, or purchasing fuel from, third-party ground storage tanks located nearby Aegean's own tanks in Fujairah.

33. Additionally, the inter-tank transfers with the Four Counterparties did not generate the same types of transaction documents as Aegean's deliveries to and from marine vessels. Aegean's other fuel transactions were generally supported by delivery notes signed by purchasing parties. For the Four Counterparties' transactions, however, the engagement team only obtained from Aegean photocopies of Certificates of Quantity of a third-party surveyor (the "Surveyor"), which appeared to certify the volume of fuel transferred between tanks for

²³ Although Aegean's 2016 Form 20-F described that it had such blending capability at another facility in the Canary Islands, the Form 20-F did not disclose any such capability or activity at the Fujairah facility.

each transaction, but, unlike Aegean's typical delivery notes, did not include the signature of the purchasing party.

iv. PwC Greece Encountered Difficulties in Getting Information About the Four Counterparties, Including from Aegean

34. The engagement team discussed the Four Counterparties' transactions and outstanding balances with a member of PwC Greece's senior leadership, and the Firm determined that those transactions and outstanding balances warranted significant audit testing. However, the engagement team encountered substantial difficulty in obtaining information from Aegean to complete that audit testing.

35. For example, the engagement team encountered substantial difficulties obtaining street addresses for the Four Counterparties from Aegean to be used for confirmation requests about the A/R balances. Initially, Aegean provided the engagement team with only PO Box addresses for each of the Four Counterparties and, for one Counterparty, a "hotmail.com" email address. Although the team initially sent confirmation requests to those addresses and later received responses, the team was unable to locate any publicly available information to corroborate that the PO Box addresses were correct or that the Four Counterparties even existed.²⁴

36. The engagement team therefore insisted that Aegean provide the Firm with street addresses for the Four Counterparties so that it could send them new confirmation requests. The engagement team made repeated requests to Aegean for those street addresses from mid-March to late April, emphasizing that the requests were a high priority. However, Aegean did not provide the street addresses until early May, after the engagement partner had delayed the audit report and informed Aegean that it would not issue an unqualified audit report without additional audit evidence to support the collectibility of the Four Counterparties' outstanding A/R balances or, alternatively, an adjustment relating to the value of those balances.

²⁴ PCAOB standards provide that the auditor "should direct the confirmation request to a third party who the auditor believes is knowledgeable about the information to be confirmed." AS 2310.26, *The Confirmation Process*. "During the performance of confirmation procedures, the auditor should maintain control over the confirmation requests and responses. Maintaining control means establishing direct communication between the intended recipient and the auditor to minimize the possibility that the results will be biased because of interception and alteration of the confirmation requests or responses." *Id.* at .28 (footnote omitted).

37. The engagement team also requested ledger cards from Aegean's accounting system—*i.e.*, system-generated records showing account details for each of the Four Counterparties that would help the engagement team understand how Aegean had calculated the accounts receivable balance for each of the Four Counterparties. However, Aegean explained that it was unable to provide ledger cards because of shortcomings in the AMP system. Instead, Aegean offered to help the engagement team manually re-create the debit and credit history that Aegean purportedly used to track and calculate the payable and receivable balances.

38. The engagement team also requested the Surveyor's Certificates of Quantity and Certificates of Quality for the Four Counterparties' transactions. The former purported to verify the quantity of fuel delivered in each transaction and identified both the receiving and sending tank. The latter purported to provide a chemical analysis of the fuel delivered in each transaction. The engagement team obtained from Aegean photocopies of those certificates, but did not obtain additional audit evidence addressing their reliability.

39. The engagement team also requested a copy of the contract between Aegean and the Surveyor. However, Aegean informed PwC Greece that no such contract existed.

v. In Late April, the Firm Delayed Its Audit Report Because It Lacked Sufficient Appropriate Audit Evidence

40. The Firm originally planned to issue its audit opinion for the 2016 Aegean Audit at the end of April 2017. However, as that deadline approached, the engagement team recognized that it did not have sufficient appropriate audit evidence to support an unqualified audit report because, among other things: (1) the engagement team did not have sufficient appropriate evidence concerning the collectibility of the A/R of the Four Counterparties, and (2) Aegean had not yet provided the engagement team with evidence that it had completed implementation and testing of the new manual internal control for revenue in response to the significant deficiencies in the AMP accounting system.

41. As of the end of April, the engagement team still had not received street addresses for the Four Counterparties so that the team could send out new A/R confirmation requests. There also had not been any cash collections for any of the 2016 revenue transactions involving the Four Counterparties, four full months after year-end. As a result, the engagement team had substantial doubts about the collectibility of the \$172 million A/R balance for the Four Counterparties that remained after Aegean had netted off and eliminated all the A/P balances incurred through purchases from the Four Counterparties.

42. The engagement team informed Aegean in late April that the Firm would not issue an audit report at the end of April because the Firm did not have sufficient appropriate audit evidence concerning certain audit areas, including the collectibility of the Four Counterparties' A/R. The Firm also notified Aegean that, in order to avoid an audit adjustment to the year-end 2016 A/R balances from the Four Counterparties, Aegean would need to collect those balances prior to the Firm issuing the audit report or offer other reliable evidence of those balances' collectibility.

vi. Firm Management Was Aware of the Engagement Team's Difficulties in the Audit Related to the Four Counterparties and Met with the Aegean Executive About the Audit

43. In early 2017, the engagement team notified a member of the Firm's leadership team ("Firm Leader A") about the Four Counterparties' transactions. The engagement team identified for Firm Leader A, among other things: (1) the fact that Aegean was both buying and selling fuel from the same parties; (2) that Aegean purported to be selling on-spec fuel and buying off-spec fuel in the Four Counterparties' transactions; and (3) that Aegean had not collected any cash payments on its 2016 sales to the Four Counterparties. The engagement team informed Firm Leader A in April 2017 that they were still waiting for Aegean to provide significant information, and that they did not yet have adequate evidence on the Four Counterparties' A/R to support an unqualified audit opinion.

44. Shortly after the audit report was delayed, an Aegean representative contacted another member of the Firm's leadership team ("Firm Leader B") to inform him that the Aegean Executive was frustrated with the delay of the audit report, and that the Aegean Executive wanted to meet with Firm Leader B to complain. In an email about setting up the meeting with the Aegean Executive, the Aegean representative suggested to Firm Leader B that the absence of cash settlements for the Four Counterparties' transactions had something to do with international sanctions.²⁵ In a follow-up telephone conversation, the Aegean representative indicated that the PwC Greece engagement partner was asking too many questions.

45. Firm Leader A and Firm Leader B met with the Aegean Executive, along with a member of Aegean's senior management. During that meeting Firm Leader A and Firm Leader B urged Aegean to provide the engagement team with the information that the engagement team had previously requested. They also encouraged Aegean to seek payment of the Four

²⁵ Firm Leader B reached out to the engagement partner and confirmed that the engagement team had conducted sanctions-related audit procedures relating to the Four Counterparties and was informed by the engagement partner that those procedures had not found any of the Four Counterparties listed in any international sanctions resources.

Counterparties' A/R balances, since that would be the best evidence that the A/R was collectible and did not need to be written down or written off. Firm Leader A and Firm Leader B informed Aegean that the Audit would be complete only when the engagement team had received the requested material and had completed its audit procedures.

E. The Firm Violated PCAOB Standards by Issuing an Unqualified Audit Opinion Without Gathering Sufficient Appropriate Audit Evidence and Without Adequately Responding to Contradictory Audit Evidence

i. The Engagement Team Failed to Appropriately Design the A/R Confirmation Requests

46. The engagement team failed to appropriately design its A/R confirmation requests, because the team did not tailor them to account for the fact that Aegean had netted A/P from its purchases from the Four Counterparties against recorded A/R for its sales to those same counterparties.²⁶ Aegean's netting of the A/P from the A/R in 2016 eliminated a \$408 million debt from the unpaid purchases Aegean made from the Four Counterparties in 2016. That netting likewise resulted in Aegean recording a reduced A/R balance for the Four Counterparties, totaling only \$172 million, despite \$543 million in unpaid revenue transactions in 2016.

47. The confirmation requests the engagement team made to the Four Counterparties failed to identify that the A/R balance in the confirmation request was net of A/P. As a result, the confirmation responses did not provide reliable audit evidence of whether the Four Counterparties were confirming the net or gross A/R amounts. The engagement team also failed to perform any other procedures to verify that the Four Counterparties had agreed to offset A/P against A/R, or that such offset by Aegean was otherwise legally enforceable. As a result, the team did not obtain sufficient appropriate audit evidence to conclude that no A/P balance existed for Aegean's purchases from the Four Counterparties.

²⁶ See AS 2310.16 ("Confirmation requests should be tailored to the specific audit objectives. Thus, when designing the confirmation requests, the auditor should consider the assertion(s) being addressed and the factors that are likely to affect the reliability of the confirmations."); *id.* at .25 ("The auditor's understanding of the client's arrangements and transactions with third parties is key to determining the information to be confirmed. The auditor should obtain an understanding of the substance of such arrangements and transactions to determine the appropriate information to include on the confirmation request. The auditor should consider requesting confirmation of the terms of unusual agreements or transactions . . . in addition to the amounts.").

ii. **Visits to the Four Counterparties' Addresses Resulted in Significant Contradictory Audit Evidence that Raised a Red Flag of Potential Fraud Concerning the Revenue and A/R from the Four Counterparties**

48. In early May, after Aegean provided the engagement team with street addresses for the Four Counterparties, the team promptly sent confirmation requests to those addresses but had no other information available to corroborate those addresses. As a result, at the same time that it sent the new confirmation requests, the engagement team engaged PwC Dubai to perform site visits at the Aegean-provided street addresses for the Four Counterparties.

49. In its instructions to PwC Dubai, the engagement team explained that it needed help verifying the existence of the Four Counterparties. The team instructed PwC Dubai to visit the Four Counterparties to confirm that the street addresses Aegean provided for them were valid, and to take photographs of each building and the enterprise door or sign with the name of the entity. The engagement team further instructed that, if entrance was not allowed to a building, PwC Dubai should "perform inquiries over the existence of the offices/entities" with the building's reception or doorman. The team stated in its instructions to PwC Dubai in underlined, bold, red, and all capital letter type: "**PLEASE TREAT THIS REQUEST AS BEING OF HIGH URGENCY AS THE CLIENT NEEDS TO FILE THE ANNUAL REPORT BY MAY 8, 2017.**"

50. On May 7, 2017, PwC Dubai attempted to visit the addresses provided for the Four Counterparties. Those efforts resulted in audit evidence contradicting the existence of the Four Counterparties. Upon completing its visits to the first three addresses, PwC Dubai found that one address did not exist, and the other two were residential apartments. PwC Dubai informed the engagement team of its findings, including that the two apartments it located had unmarked doors with no indications that any business existed there, and that workers at those buildings confirmed that the buildings were residential and that they were unaware of any offices in the building.

51. PwC Dubai also emailed the engagement team a summary of its findings from the first three site visits, along with supporting photos. Members of the engagement team, including the engagement partner, reviewed that information from PwC Dubai, including the photos.

52. The results of PwC Dubai's visits should have increased the engagement team's doubt not only about the collectibility of the A/R but also about the existence of the Four Counterparties, and whether the significant unusual revenue and A/R recorded from those Four Counterparties may have been the result of fraud.

53. However, in violation of PCAOB standards, the engagement team did not take adequate steps to resolve the contradictory audit evidence uncovered by PwC Dubai.²⁷ Instead, the team instructed PwC Dubai to cancel its site-visit to the remaining Counterparty address. The engagement team then disregarded the results of the PwC Dubai procedures based on uncorroborated representations received from a member of Aegean’s senior management that street addresses are not commonly used in Fujairah, and that business locations in Fujairah are often informal.

iii. Telephone Inquiries Concerning the A/R Were Inadequate and Did Not Resolve Doubts Raised by the Site Visits

54. Although the engagement team received written responses to the original confirmation requests that were sent to the PO Box addresses, prior to the Audit’s conclusion the team did not receive written responses to the confirmation requests that it sent to the street addresses. And, as described above, the engagement team was unable to independently verify either the PO Box or the street addresses that Aegean provided for the Four Counterparties. Those circumstances, along with the other difficulties that the team encountered in obtaining documents and information relating to the Four Counterparties and the significant and unusual nature of the Four Counterparties’ transactions, warranted the exercise of increased professional skepticism.²⁸

55. In the final days of the audit, the engagement team determined to make telephone inquiries to the Four Counterparties concerning the A/R confirmation requests. Between May 11 and May 15, the team called Aegean-provided telephone numbers for the Four Counterparties to verbally verify the A/R balances, which the telephone respondents confirmed.

²⁷ See AS 1105.29.

²⁸ See AS 2310.27 (providing that an auditor may encounter circumstances in which it should exercise increased professional skepticism about the confirmation respondent’s competence, knowledge, motivation, ability, or willingness to respond, or about the respondent’s objectivity and freedom from bias with respect to the audited entity, and that, “[i]n these circumstances, the auditor should consider whether there is sufficient basis for concluding that the confirmation request is being sent to a respondent from whom the auditor can expect the response will provide meaningful and appropriate evidence.”); see also AS 2401.13 *Consideration of Fraud in a Financial Statement Audit* (professional skepticism requires an ongoing questioning of whether the information and evidence obtained suggests that a material misstatement due to fraud has occurred); AS 2810.C1.c(1) & (4) (denial of access to records and unusual delays from management in providing information may affect assessment of fraud risk).

56. Despite the need for heightened professional skepticism, the engagement team failed to exercise due professional care and obtain information that would provide a sufficient basis for concluding that the individuals they called could provide meaningful and appropriate evidence about the Four Counterparties' transactions. For example, the engagement team did not solicit any information from the telephone respondents that would enable the team to resolve the doubts raised by PwC's unfruitful searches for public information on the Four Counterparties and PwC Dubai's problematic site visits to their purported street addresses. Nor did the engagement team solicit information that would cure the defective design of the written confirmation requests. Instead, the team sought and received the verbal agreement from the telephoned individuals that they had received the confirmation requests and agreed with the information in the original responses, including the outstanding A/R balance amounts.²⁹ The engagement team did not obtain any information that would allow the team to independently verify either the existence of the Four Counterparties or that the individuals with whom they spoke were the intended recipients at the Four Counterparties. Nor did the engagement team clarify that it had sought to confirm the A/R balance net of any A/P balances.

iv. Aegean-Provided Evidence of Cash Collections Included Additional Contradictory Audit Evidence that PwC Greece Did Not Resolve

57. As discussed above, at the time it delayed the audit report, PwC Greece informed Aegean that, to avoid an audit adjustment relating to the value of the Four Counterparties' year-end 2016 A/R balances, Aegean needed to make cash collections on those outstanding balances prior to the issuance of the audit report. Thus, PwC Greece had previously determined that evidence of cash collections would be critical to any conclusion that the Four Counterparties A/R balances were correctly stated.

58. On May 15 or 16, Aegean provided the engagement team with a document that Aegean claimed was an extract of May 7 to May 14 transaction information from one of its bank accounts, showing cash collections from two of the Counterparties. The extract was not a periodic bank statement generated by a bank in the ordinary course; the engagement team instead understood that it was an extract from an electronic bank account record. The engagement team members did not observe the bank information directly, because they understood the relevant bank information could be accessed only in Fujairah.

59. Despite the foregoing circumstances concerning the extract and the critical importance of the cash collections evidence to the Audit, the engagement team took no steps

²⁹ The telephone respondents indicated that they had received the mailed confirmations and would return them. However, the engagement team did not receive any additional written confirmation responses during the Audit.

to assess the extract's reliability as audit evidence.³⁰ Instead, the team relied on the extract as evidence of the collectibility of the Four Counterparties' A/R balances and the Firm issued the audit report within a day of receiving the extract. However, as discussed below, the extract: (1) provided little to no evidence of collectibility for three of the Counterparties' A/R; (2) left substantial questions about the collectibility of more than half of the A/R balance for the fourth Counterparty; and (3) indicated that Aegean might have unrecorded liabilities to the Four Counterparties.³¹

60. The extract did not evidence any payments from two of the Counterparties. For another Counterparty, the extract indicated a single payment amounting to less than half of the year-end 2016 A/R balance that Aegean had recorded for that Counterparty in its year-end 2016 A/R balance.

61. For the remaining Counterparty, the extract appeared to show that, between May 7 and May 13, Aegean and the Counterparty made offsetting payments to one another. As a result, the payments reflected only a net cash flow to Aegean amounting to less than 6% of the year-end 2016 A/R balance that Aegean had calculated for that Counterparty.

62. The offsetting payments that Aegean had made to one of the Counterparties in May 2017 were, themselves, contradictory audit evidence that should have raised doubts for the engagement team about all of the Four Counterparties' A/R and A/P balances. As described above, prior to receiving the extract, PwC Greece understood that Aegean had no outstanding A/P balances with the Four Counterparties, because Aegean had offset all those A/P balances against the Four Counterparties' larger A/R balances. In 2016 alone, Aegean had purportedly incurred \$408 million in A/P, all of which it had eliminated through offsets to A/R. Based on that offset, Aegean had no recorded A/P for the Four Counterparties as of year-end 2016, and Aegean reported a significantly reduced A/R balance than it would have absent the offset.

63. The engagement team specifically understood that the May 2017 payments to one of the Four Counterparties were payments on purchases from that Counterparty. The cash payments were therefore an indication that Aegean's offsets of the A/P against A/R may have been invalid, and that Aegean may have had substantial unrecorded liabilities to the Four Counterparties and substantially higher A/R balances for the Four Counterparties as of year-end

³⁰ See AS 1105.06 ("To be appropriate, audit evidence must be both relevant and reliable in providing support for the conclusions on which the auditor's opinion is based.").

³¹ As PwC Greece would later learn when it began work on the audit of Aegean's 2017 financial statements, the extract also appears to have been a forgery.

2016. Nevertheless, in violation of AS 1105.29, the engagement team did not perform audit procedures necessary to resolve the matter.

v. PwC Greece Improperly Issued an Audit Report Containing an Unqualified Audit Opinion

64. PCAOB standards provide that, if the auditor has not obtained sufficient appropriate audit evidence about a relevant assertion or has substantial doubt about a relevant assertion, the auditor should perform procedures to obtain further audit evidence to address the matter.³² If the auditor is unable to obtain sufficient appropriate audit evidence to have a reasonable basis to conclude whether the financial statements as a whole are free of material misstatement, the auditor should express a qualified opinion or a disclaimer of opinion.³³ An unqualified audit opinion may be expressed only when the auditor has formed such an opinion on the basis of an audit performed in accordance with the standards of the PCAOB.³⁴

65. PwC Greece violated these standards when, on May 16, 2017, it released an audit report containing an unqualified audit opinion on Aegean's financial statements. Despite the heightened risks associated with the significant and unusual Four Counterparties' transactions and outstanding balances, the engagement team did not plan and perform procedures with due professional care to obtain sufficient appropriate evidence concerning those transactions and outstanding balances. Most critically, PwC Greece violated PCAOB standards by failing to resolve significant contradictory audit evidence concerning the Four Counterparties and the revenue, A/R, and A/P that Aegean attributed to the Four Counterparties.³⁵ As a result, PwC Greece did not obtain sufficient appropriate audit evidence to support an unqualified audit opinion, and it violated AS 1105, AS 2810, and AS 3101 when it issued its audit report.

F. The Firm Violated PCAOB Standards When the Engagement Team Failed to Document the Significant Audit Issues and Inconsistent Audit Evidence Concerning the Four Counterparties

66. PwC Greece also violated PCAOB standards because the engagement team:
(1) did not document in its work papers the contradictory audit evidence resulting from the

³² See AS 2810.35.

³³ See *id.*

³⁴ See AS 3101.07.

³⁵ See AS 1105.29.

PwC Dubai attempted site-visits to the Four Counterparties; (2) did not document other critical procedures that the engagement team performed concerning the Four Counterparties; and (3) did not include any discussion of the Four Counterparties in the engagement completion document, despite the fact that the transactions with the Four Counterparties raised significant issues for the Audit.

67. PCAOB standards provide that the auditor must document the procedures performed, evidence obtained, and conclusions reached with respect to relevant financial statement assertions.³⁶ Audit documentation must contain sufficient information to enable an experienced auditor, having no previous connection with the engagement, to understand the nature, timing, extent, and results of the procedures performed, evidence obtained, and conclusions reached.³⁷

68. “The auditor must document significant findings or issues, actions taken to address them (including additional evidence obtained), and the basis for the conclusions reached in connection with each engagement.”³⁸ “The auditor must identify all significant findings or issues in an *engagement completion document*. . . . This document, along with any documents cross-referenced, should collectively be as specific as necessary in the circumstances for a reviewer to gain a thorough understanding of the significant findings or issues.”³⁹

69. “In addition to the documentation necessary to support the auditor’s final conclusions, audit documentation must include information the auditor has identified relating

³⁶ See AS 1215.06, *Audit Documentation*.

³⁷ See *id.*

³⁸ *Id.* at .12. Significant findings or issues are substantive matters that are important to the procedures performed, evidence obtained, or conclusions reached, and include, but are not limited to: (i) results of auditing procedures that indicate a need for significant modification of planned auditing procedures; (ii) circumstances that cause significant difficulty in applying auditing procedures; (iii) significant changes in the auditor’s risk assessments, including risks that were not identified previously, and the modifications to audit procedures or additional audit procedures performed in response to those changes; and (iv) risks of material misstatement that are determined to be significant risks and the results of the auditing procedures performed in response to those risks. See *id.*

³⁹ *Id.* at .13 (italics in original).

to significant findings or issues that is inconsistent with or contradicts the auditor's final conclusions."⁴⁰

70. Most significantly, PwC Greece violated AS 1215.08 because the engagement team failed to mention or reference in its audit documentation the procedures that PwC Dubai performed to attempt to visit the Aegean-provided addresses for the Four Counterparties, the results of those procedures, or why the engagement team later dismissed those results. Indeed, the audit documentation contains no mention at all of the concerns about the Four Counterparties' existence.

71. Additionally, in violation of AS 1215.06, the engagement team omitted any reference in the audit documentation to its examination of why Aegean was making both purchases and sales of fuel from the Four Counterparties, often at roughly the same time and in similar quantities, but at significantly different prices. The engagement team did not document its initial concerns about those transactions and the unusually high margins Aegean achieved on them. Nor did it document that Aegean explained those transactions as "blending" transactions, or that the team then attempted to verify management's blending explanation by examining Certificates of Quality for both the purchases and sales.

72. Finally, although the Four Counterparties' transactions were a significant issue for the audit, the engagement team failed to document them as such in the engagement completion document, in violation of AS 1215.12-13. In fact, the engagement completion document for the Audit makes no reference to the Four Counterparties' transactions at all.

73. The failure to adequately document the significant auditing issues, the related audit procedures and results, and the inconsistent audit evidence uncovered concerning the Four Counterparties deprived the engagement quality reviewer for the Audit of important information for his required evaluation of the significant judgments and related conclusions made by the engagement team in the Audit.⁴¹

⁴⁰ *Id.* at .08.

⁴¹ PCAOB standards provide that the engagement quality reviewer should review the engagement completion document as part of the required evaluation of the significant judgments made by the engagement team and the related conclusions reached in forming the overall conclusion on the engagement and in preparing the engagement report. *See* AS 1220.09, .10(e), *Engagement Quality Review*.

IV.

In view of the foregoing, and to protect the interests of investors and further the public interest in the preparation of informative, accurate, and independent audit reports, the Board determines it appropriate to impose the sanctions agreed to in PricewaterhouseCoopers Auditing Company SA's Offer. Accordingly, it is hereby ORDERED, effective immediately, that:

- A. Pursuant to Section 105(c)(4)(E) of the Act and PCAOB Rule 5300(a)(5), PricewaterhouseCoopers Auditing Company SA is hereby censured.
- B. Pursuant to Section 105(c)(4)(D) of the Act and PCAOB Rule 5300(a)(4), a civil money penalty in the amount of \$3,000,000 is imposed on PricewaterhouseCoopers Auditing Company SA.
 1. All funds collected by the PCAOB as a result of the assessment of this civil money penalty will be used in accordance with Section 109(c)(2) of the Act.
 2. Respondent shall pay the civil money penalty within ten days of the issuance of this Order by (a) wire transfer in accordance with instructions furnished by PCAOB staff; or (b) United States Postal Service money order, bank money order, certified check, or bank cashier's check (i) made payable to the Public Company Accounting Oversight Board, (ii) delivered to the Office of Finance, Public Company Accounting Oversight Board, 1666 K Street, N.W., Washington D.C. 20006, and (iii) submitted under a cover letter, which identifies PricewaterhouseCoopers Auditing Company SA as a respondent in these proceedings, sets forth the title and PCAOB release number of these proceedings, and states that payment is made pursuant to this Order, 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.
 3. If timely payment is not made, additional interest shall accrue at the federal debt collection rate set for the current quarter pursuant to 31 U.S.C. § 3717. Payments shall be applied first to post-Order interest.
 4. With respect to any civil money penalty amounts that Respondent shall pay pursuant to this Order, Respondent shall not, directly or

indirectly, (a) seek or accept reimbursement or indemnification from any source including, but not limited to, any current or former affiliated firm or professional or any payment made pursuant to any insurance policy (except Respondent may seek or accept reimbursement or indemnification of any civil money penalty amounts from self-insurance provided through a captive insurer owned by Respondent and/or other firms within the network of which Respondent is a member that provides insurance solely to Respondent and other firms within that network); (b) claim, assert, or apply for a tax deduction or tax credit in connection with any federal, state, local, or foreign tax; nor (c) seek or benefit by any offset or reduction of any award of compensatory damages, by the amount of any part of Respondent's payment of the civil money penalty pursuant to this Order, in any private action brought against Respondent based on substantially the same facts as set out in the findings in this Order.

5. Respondent understands that failure to pay the civil money penalty described above may result in summary suspension of Respondent's registration, pursuant to PCAOB Rule 5304(a), following written notice to Respondent at the address on file with the PCAOB at the time of the issuance of this Order.
- C. Pursuant to Section 105(c)(4)(F)-(G) of the Act and PCAOB Rule 5300(a)(6) & (9), the Board orders that:
1. **Training.** Within 120 days after entry of this Order, PricewaterhouseCoopers Auditing Company SA shall ensure that it provides additional training to each of its associated persons who participates in the planning or performing of any audit services (as defined in PCAOB Rule 1001(a)(vii)) that are required to be performed under PCAOB standards, for a total of 20 additional hours for each associated person, covering the following topics:
 - a. Requirements under PCAOB auditing standards relating to contradictory or inconsistent audit evidence, including requirements under AS 1105.29, *Audit Evidence*, AS 2805.04, *Management Representations*, and AS 2810.03, .08, *Evaluating Audit Results*.

- b. Requirements under PCAOB auditing standards relating to the assessment of risks of material misstatement due to fraud, including requirements under AS 2110.52, .68, *Identifying and Assessing Risks of Material Misstatement*.
 - c. Requirements under PCAOB auditing standards relating to the consideration of fraud, including requirements under AS 2401, *Consideration of Fraud in a Financial Statement Audit*. Such training should include: (i) consideration of whether to confirm with customers certain relevant contract terms and the absence of side agreements (see AS 2401.54); (ii) evaluation of significant unusual transactions (see AS 2401.66-.67A); and (iii) identification of fraud risk factors (see AS 2401.85).
 - d. Requirements under PCAOB auditing standards relating to the confirmation process, including requirements under AS 2310.08, .15, .24-.29, .33, *The Confirmation Process*.
 - e. Requirements under PCAOB auditing standards for audit documentation, including requirements under AS 1215.06, .08, .12-.13, *Audit Documentation*.
2. **Third-Party Review.** For a period of two years from the date of this order, PricewaterhouseCoopers Auditing Company SA shall arrange for one or more third parties to perform the following reviews for each issuer audit in which the Firm prepares or issues an audit report or plays a substantial role in the preparation or issuance of an audit report (“PCAOB engagement”):
- a. **Risk Assessment and Planned Responses to Significant Risks.** A third party shall review and evaluate the engagement team’s identification and assessment of the significant risks, including fraud risks, for the PCAOB engagement, and the planned responses to those risks. In connection with the review described in this paragraph, the engagement partner and the senior-most engagement manager (or equivalent) for the PCAOB engagement must discuss the steps that they took to satisfy the requirements of AS 2110.52-.53, *Identifying and Assessing Risks of Material Misstatement*, including the

substance and results of the brainstorming discussion required by AS 2110.52. The review described in this paragraph must occur sufficiently in advance of the completion of fieldwork for the audit to allow any feedback from the review to be taken into account during the performance of the audit procedures for the PCAOB engagement.

- b. **Pre-Issuance Review.** A third party shall conduct a pre-issuance quality control monitoring review for the PCAOB engagement. The purpose of such pre-issuance review shall be to support the Firm in identifying deficiencies, if any, in the application of PCAOB rules or standards, and adequately addressing those deficiencies prior to the issuance of the audit report. The review described in this paragraph must be in addition to the Engagement Quality Review required by AS 1220, *Engagement Quality Review*.

The third parties performing the reviews must be experienced in and knowledgeable about the application of PCAOB standards, including experience in quality and risk management and/or forensic services, and may not be a current or former Firm partner or employee (or equivalent). The third party must also have a level of knowledge and competence as would be required to serve as the engagement quality reviewer for the PCAOB engagement.

3. Respondent shall certify in writing to the Director of the Division of Enforcement and Investigations, Public Company Accounting Oversight Board, 1666 K Street, N.W., Washington D.C. 20006, the Firm's compliance with paragraphs IV.C.1 and IV.C.2, within 30 days of completing those undertakings.
4. For good cause shown, the PCAOB staff may extend any of the procedural dates relating to these undertakings. Deadlines for procedural dates shall be counted in calendar days, except that if the last day falls on a weekend or federal holiday, the next business day shall be considered the last day.

5. Respondent understands that the failure to satisfy these undertakings may constitute a violation of PCAOB Rule 5000 that could provide a basis for the imposition of additional sanctions in a subsequent disciplinary proceeding.

ISSUED BY THE BOARD.

/s/ Phoebe W. Brown

Phoebe W. Brown
Secretary

November 14, 2023