



SEC discovers 'massive fraud' at Trump Media's recently hired auditing firm

Description

The Securities and Exchange Commission has taken action against auditing firm BF Borgers and its owner, Benjamin F. Borgers, for what they describe as "massive fraud" in over 1,500 audits. Despite being recently hired by Trump Media and Technology Group, the charges do not relate to any work done for the former President Donald Trump's media company. The SEC alleges that BF Borgers failed to follow accounting rules, falsified documentation to cover up their failures, and inaccurately claimed that their audits met standards.

In a settlement with the SEC, BF Borgers agreed to pay a fine of \$12 million, while Benjamin Borgers will pay \$2 million. Both parties have also agreed to permanent suspensions, prohibiting them from handling SEC-related matters as accountants going forward. Trump Media had only appointed BF Borgers as their auditor in March, after cycling through two previous auditors. The company has expressed its intention to work with new auditing partners going forward, in compliance with the SEC order.

The SEC investigation found that BF Borgers engaged in unethical practices such as copying previous year's audit documentation, altering dates, and falsely portraying approval from auditors. Gurbir Grewal, director of the SEC's enforcement division, condemned the actions of Ben Borgers and his firm, calling it one of the "largest wholesale failures" in financial markets. The SEC's efforts have resulted in the shutdown of Borgers' fraudulent audit operation.

Vocabulary List:

1. **fraud** // (noun): Wrongful or criminal deception intended to result in financial or personal gain.
2. **audits** // (noun): Systematic review or analysis of financial records to ensure accuracy and compliance with regulations.
3. **alleges** // (verb): Claim or assert that someone has done something illegal or wrong typically without proof.
4. **falsified** // (adjective): To alter or manipulate (a document or data) so as to mislead.
5. **compliance** // (noun): The action or fact of complying with a wish or command.
6. **ethical** // (adjective): Relating to moral principles or the branch of knowledge dealing with these.

Vocabulary quizzes

Multiple Choice (Select the Correct answer for each question.)



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1. What type of investor typically lacks experience and knowledge in investing?
Option: A) Professional
Option: B) Amateur
Option: C) Expert
Option: D) Novice
 2. What term describes investments that have unpredictable price changes?
Option: A) Steady
Option: B) Stable
Option: C) Volatile
Option: D) Consistent
 3. Which word best describes misleading or falsely attractive investment schemes?
Option: A) Transparent
Option: B) Honest
Option: C) Deceptive
Option: D) Genuine
 4. What term denotes wrongful or criminal deception intended to result in financial gain?
Option: A) Honesty
Option: B) Compliance
Option: C) Fraud
Option: D) Integrity
 5. What does it mean to give someone the authority or power to do something?
Option: A) Constrain
Option: B) Hinder
Option: C) Empower
Option: D) Suppress
 6. What term is used for assertions made without proof against someone?
Option: A) Truths
Option: B) Allegations
Option: C) Confessions
Option: D) Evidence
 7. What term describes the action of taking the first step or move?
Option: A) Inaction
Option: B) Indecision
Option: C) Initiative
Option: D) Hesitation



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8. What word refers to the act of increasing in size or scope?
Option: A) Contraction
Option: B) Reduction
Option: C) Expansion
Option: D) Limitation
9. What term is used to describe following laws rules and regulations?
Option: A) Defiance
Option: B) Nonconformity
Option: C) Compliance
Option: D) Rebellion
10. What term is associated with principles of right and wrong behavior?
Option: A) Unethical
Option: B) Moral
Option: C) Ethical
Option: D) Corrupt

Gap-Fill (Fill in the blanks with the correct word from the vocabulary list.)

11. The _____ of the dispute was reached after lengthy negotiations.
12. The employees showed strong _____ to the new company policy.
13. The company _____ high-quality products for the international market.
14. The organization focuses on the _____ of women in leadership roles.
15. The company diversified its _____ to reduce risk.
16. Failing to meet the deadline will have serious _____ for the project.
17. The attorney _____ that the documents were falsified.
18. The company launched several _____ to improve sustainability.
19. The safety regulations were updated after several serious _____.
20. The success of the project relied on effective _____ between teams.



Matching Sentences (Match each definition to the correct word from the vocabulary list.)

21. The company's new business model proved to be very successful and generated high returns.
22. The reigning champion continued to control the competition with ease.
23. The scam artist's activities were deceitful and designed to trick innocent victims.
24. The conflict between the two nations escalated leading to increased hostilities.
25. The emergency response team was quickly sent to the scene of the accident.
26. The advertisement contained false information and led consumers to wrong conclusions.
27. Through education and support the organization aims to empower marginalized communities.
28. It is essential for professionals to adhere to strict ethical standards in their practices.
29. Diversifying your portfolio is key to minimizing risk and maximizing potential returns.
30. Modernizing the country's infrastructure is crucial for economic growth and development.

Answer

Multiple Choice: 1. B) Amateur 2. C) Volatile 3. C) Deceptive 4. C) Fraud 5. C) Empower 6. B) Allegations
7. C) Initiative 8. C) Expansion 9. C) Compliance 10. C) Ethical

Gap-Fill: 11. settlement 12. resistance 13. manufactured 14. empowerment 15. investments 16.
consequences 17. alleges 18. initiatives 19. incidents 20. collaboration

Matching sentence: 1. Profitable 2. Dominance 3. Fraudulent 4. Tensions 5. Dispatched 6. Misleading
7. Empower 8. Ethical 9. Investment 10. Infrastructure

CATEGORY

- 1. Business - LEVEL6

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