



SEC uncovers 'massive fraud' at auditing firm recently hired by Trump Media

Description

The Securities and Exchange Commission has charged auditing firm BF Borgers and its owner, Benjamin F. Borgers, with "massive fraud" for deliberate failures in over 1,500 audits. Despite being hired by Trump Media and Technology Group just 37 days prior, the charges do not pertain to their work with the former President Donald Trump's media company. The firm allegedly failed to comply with accounting rules, fabricated documentation to cover up deficiencies, and falsely claimed their audits met standards. To settle the charges, BF Borgers agreed to pay a \$12 million fine, while Benjamin Borgers agreed to pay \$2 million. Both have been permanently suspended from handling SEC-related matters.

Trump Media had appointed BF Borgers as its auditor on March 28, as disclosed in its recent annual report filing. The company had previously changed auditors twice, with one resigning in July 2023 and another being terminated in March. Trump Media stated that it looks forward to working with new auditing partners following the SEC's order.

The SEC found that BF Borgers engaged in shortcuts such as copying audit documentation from previous years, altering dates, and falsely representing approvals. Gurbir Grewal, director of the SEC's enforcement division, highlighted the severity of the situation, referring to it as one of the largest failures in financial markets. Thanks to the SEC's intervention, Borgers and his firm have been permanently shut down.

Vocabulary List:

1. **Fraud** // (noun): Deception with the intent to gain an unfair advantage or benefit.
2. **Compliance** // (noun): Act of following rules or regulations.
3. **Fabricated** // (adjective): Made or produced to deceive or mislead.
4. **Deficiencies** // (noun): Lack of something that is necessary or required.
5. **Settle** // (verb): Resolve or reach an agreement about an argument or dispute.
6. **Terminated** // (verb): Ended abruptly or dismissed from employment or job.

Vocabulary quizzes

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

1. What is a deliberate deception to secure unfair or unlawful gain?



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- Option: Compliance
Option: Fabricated
Option: Fraud
Option: Settle
2. What term refers to the income generated from normal business operations?
Option: Interventions
Option: Revenue
Option: GDP
Option: Speculation
3. Which term describes prolonged public dispute or debate?
Option: Settle
Option: Transparent
Option: Controversy
Option: Hindering
4. What is the quality of design and work shown in something made by hand?
Option: Overcapacity
Option: Craftsmanship
Option: Transition
Option: Terminated
5. What action involves officially bringing a product back to the manufacturer?
Option: Recall
Option: Refunds
Option: Contaminated
Option: Enhance
6. To improve the quality or value of something is to _____ it.
Option: Sanitation
Option: Jeopardizing
Option: Enhance
Option: Commitment
7. What are taxes on imported or exported goods and services?
Option: Tariffs
Option: Undercutting
Option: Solidarity
Option: Traction
8. What term refers to operating in a way that is easy for others to see what actions are performed?
Option: Streamline



- Option: Recall
- Option: Transparency
- Option: Refund

9. What is the term for putting something or someone into a situation of danger?

- Option: Settle
- Option: Speculation
- Option: Jeopardizing
- Option: Fabricated

10. What term refers to unity or agreement of feeling or action among individuals?

- Option: Contaminated
- Option: Solidarity
- Option: Terminated
- Option: Fraud

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

11. Adhering to rules and standards is known as _____.
12. When an employment contract is ended by the employer it is said to be _____.
13. When customers return a product they often request _____.
14. To resolve a dispute or argument by reaching an agreement is to _____.
15. To make a process more efficient by eliminating unnecessary steps is to _____ it.
16. Actively creating obstacles or difficulties is known as _____.
17. Gross Domestic Product is commonly referred to as _____.
18. When supply exceeds demand it results in _____ in the market.
19. Engaging in risky financial transactions based on guessing future market trends is called _____.
20. The act of calling off or stopping an event or service is a _____.



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

21. The evidence presented in court was deemed to be false and artificially created.
22. The quality control report highlighted several weaknesses and shortcomings in the production process.
23. Government actions were taken to prevent a financial meltdown in the banking sector.
24. The new advertising campaign gained momentum and popularity among consumers.
25. The customers were reimbursed for the faulty products they had purchased.
26. The food chain issued a recall due to potential health risks from harmful substances found in the product.
27. The company made a promise to support environmental causes through sustainable practices.
28. The rival company reduced its prices significantly to gain a competitive edge in the market.
29. The risky investment had the potential to endanger the financial stability of the entire company.
30. The organization underwent a period of change from traditional methods to modern innovative approaches.

Answer

Multiple Choice: 1. Fraud 2. Revenue 3. Controversy 4. Craftsmanship 5. Recall 6. Enhance 7. Tariffs 8. Transparency 9. Jeopardizing 10. Solidarity

Gap-Fill: 11. Compliance 12. Terminated 13. Refunds 14. Settle 15. Streamline 16. Hindering 17. GDP 18. Overcapacity 19. Speculation 20. Cancellation

Matching sentence: 1. Fabricated 2. Deficiencies 3. Interventions 4. Traction 5. Refunded 6. Contaminated 7. Commitment 8. Undercutting 9. Jeopardizing 10. Transition

CATEGORY

- 1. Business - LEVEL5

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Author

aimeeyoung99