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# SEC Uncovers 'Massive Fraud' at Trump Media's Recently Hired Auditing Firm

## Description

The Securities and Exchange Commission (SEC) recently charged auditing firm BF Borgers and its owner, Benjamin F. Borgers, with "massive fraud" in over 1,500 audits. This action was not related to their recent work for Trump Media and Technology Group, despite being hired just over a month ago. The charges against BF Borgers included failures to follow accounting rules, falsifying documentation to cover up their mistakes, and falsely claiming that their work met audit standards. As part of the settlement, BF Borgers agreed to pay a \$12 million fine, while Benjamin Borgers agreed to pay \$2 million. Both also agreed to permanent suspensions from handling SEC-related matters.

Trump Media had appointed BF Borgers as their auditor on March 28, as disclosed in their recent annual report. Prior to this, the company had changed auditors multiple times, with one resigning in July 2023 and another being terminated in March, just as BF Borgers was re-hired. In response to the SEC charges, Trump Media stated that they will be seeking new auditing partners.

The SEC investigation revealed that BF Borgers had taken shortcuts, including copying previous audit documentation, altering dates, and falsifying approvals. Gurbir Grewal, director of the SEC's enforcement division, described Borgers' actions as one of the largest failures by financial market gatekeepers. Following the investigation, BF Borgers and Benjamin Borgers have been permanently banned from handling SEC matters.

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## Vocabulary List:

1. **Fraud** // (noun): Wrongful or criminal deception intended to result in financial or personal gain.
2. **Auditing** // (noun): The official financial inspection of individual or business accounts.
3. **Documentation** // (noun): Material that provides official information or evidence.
4. **Settlement** // (noun): An official agreement intended to resolve a dispute or conflict.
5. **Resigning** // (verb): Voluntarily leave a job or position.
6. **Terminated** // (verb): Ended the employment or contract of someone.

## Vocabulary quizzes

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



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1. What is the process of ensuring compliance with laws and regulations?

- Option: A) Scrutinized
- Option: B) Enforcement
- Option: C) Stagnation
- Option: D) Fraud

2. Which term refers to the rate at which the general level of prices for goods and services rise eroding purchasing power?

- Option: A) Indications
- Option: B) Inflation
- Option: C) Dip
- Option: D) Settlement

3. What term relates to or affecting the policy of a government towards the value of its currency?

- Option: A) Milestone
- Option: B) Monetary
- Option: C) Relief rally
- Option: D) Gatekeepers

4. Which term describes a policy stance that advocates raising interest rates to keep inflation in check?

- Option: A) Explicitly
- Option: B) Hawkish
- Option: C) Fraud
- Option: D) Suspended

5. What refers to wrongful or criminal deception intended to result in financial or personal gain?

- Option: A) Enforcement
- Option: B) Fraud
- Option: C) Documentation
- Option: D) Imminent

6. Which term refers to the necessary paperwork or evidence that supports a transaction or decision?

- Option: A) Settlement
- Option: B) Documentation
- Option: C) Streak
- Option: D) Clarity

7. What term describes a situation that has increased in intensity scope or scale?

- Option: A) Indicators
- Option: B) Escalated
- Option: C) Imminent
- Option: D) Relief rally

8. Which term denotes a significant event or stage in a process or development?

- Option: A) Robust
- Option: B) Milestone
- Option: C) Settlement
- Option: D) Gatekeepers

9. What term refers to the act of temporarily barring someone or something from an official position or privilege?

- Option: A) Anticipated
- Option: B) Suspension
- Option: C) Relief rally
- Option: D) Fraud

10. What term describes the act of looking forward to or expecting something with pleasure or excitement?

- Option: A) Robust
- Option: B) Anticipation
- Option: C) Monetary
- Option: D) Gatekeepers

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

11. The economy experienced prolonged \_\_\_\_\_ leading to a decrease in business activity.

12. The instructions were \_\_\_\_\_ stated in the manual leaving no room for confusion.

13. Investors are eagerly \_\_\_\_\_ news of the company's quarterly earnings report.

14. The company enjoyed a period of \_\_\_\_\_ growth expanding its market share

significantly.

15. After the positive economic data was released the stock market experienced a \_\_\_\_\_

16. The compliance officers acted as \_\_\_\_\_ ensuring that all regulatory requirements were met.

17. The natural disaster had a \_\_\_\_\_ impact on the infrastructure of the region.

18. The demand for the new product \_\_\_\_\_ following a successful marketing campaign.

19. Early \_\_\_\_\_ suggest a downturn in consumer confidence for the upcoming quarter.

20. The employee was terminated for \_\_\_\_\_ company records to cover up financial discrepancies.

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

21. The financial statements were carefully examined and reviewed for accuracy and compliance.

22. Rising prices of essential goods and services contribute to the country's overall inflation rate.

23. The weather forecast warned of an thunderstorm approaching the region.

24. The new regulations were to ensure compliance by all businesses operating within the sector.

25. An independent was hired to conduct a thorough review of the company's financial records.

26. The legal dispute between the two parties was resolved through a negotiated agreement.

27. The revised policy provided greater on reporting requirements for the employees.

28. The IT security team acted as the of the organization ensuring data privacy and protection.

29. The conflict showed signs of when negotiations broke down between the two parties.

30. The regulatory authorities initiated an investigation into potential cases of within the banking sector.

**Answer**

**Multiple Choice:** 1. B) Enforcement 2. B) Inflation 3. B) Monetary 4. B) Hawkish 5. B) Fraud 6. B) Documentation 7. B) Escalated 8. B) Milestone 9. B) Suspension 10. B) Anticipation

**Gap-Fill:** 11. stagnation 12. explicitly 13. anticipating 14. robust 15. relief rally 16. gatekeepers 17. devastating 18. surged 19. indications 20. falsifying

**Matching sentence:** 1. scrutinized 2. inflation 3. imminent 4. enforced 5. auditor 6. settlement 7. clarity 8. gatekeepers 9. escalation 10. financial fraud



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## CATEGORY

1. Business - LEVEL4

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