

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 54564 / October 3, 2006

ACCOUNTING AND AUDITING ENFORCEMENT
Release No. 2491 / October 3, 2006

ADMINISTRATIVE PROCEEDING
File No. 3-12450

In the Matter of

MARK P. ABIDE, CPA

Respondent.

**ORDER INSTITUTING ADMINISTRATIVE
PROCEEDINGS PURSUANT TO RULE
102(e) OF THE COMMISSION'S RULES OF
PRACTICE, MAKING FINDINGS, AND
IMPOSING REMEDIAL SANCTIONS**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted against Mark P. Abide (“Abide” or “Respondent”) pursuant to Rule 102(e)(3)(i) of the Commission’s Rules of Practice.¹

¹ Rule 102(e)(3)(i) provides, in relevant part, that:

The Commission, with due regard to the public interest and without preliminary hearing, may, by order, . . . suspend from appearing or practicing before it any . . . accountant . . . who has been by name . . . permanently enjoined by any court of competent jurisdiction, by reason of his or her misconduct in an action brought by the Commission, from violating or aiding and abetting the violation of any provision of the Federal securities laws or of the rules and regulations thereunder.

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in Section III.3. below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Rule 102(e) of the Commission’s Rules of Practice, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

III.

On the basis of this Order and Respondent’s Offer, the Commission finds that:

1. Abide, age 44, was a certified public accountant licensed to practice in the State of Texas from March 1993 through February 28, 2006, when he did not renew his license. He served as Director of Property Accounting at WorldCom, Inc. (“WorldCom”) from January 2000 until he left the company in March 2003.

2. WorldCom was at all relevant times a Georgia corporation with principal offices in Clinton, Mississippi. It provided a broad range of communications services to both U.S. and non-U.S. based businesses and consumers. At all relevant times, WorldCom’s common stock was registered with the Commission pursuant to Section 12(g) of the Securities Exchange Act of 1934 (“Exchange Act”), and traded on the Nasdaq National Market System.

3. On July 27, 2006, the Commission filed a complaint against Abide in Securities and Exchange Commission v. Mark P. Abide, (06 CV 5660 (JSR)). On September 27, 2006, the United States District Court for the Southern District Court of New York entered an order permanently enjoining Abide, by consent, from future violations of Section 17(a) of the Securities Act of 1933 and Sections 10(b) and 13(b)(5) of the Exchange Act and Rules 10b-5, and 13b2-1 thereunder, and aiding and abetting violations of Sections 13(a), 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act and Rules 12b-20, 13a-1 and 13a-13 thereunder. Abide was also ordered to pay \$57,947.22 in disgorgement of ill-gotten gains from his sales of WorldCom stock while participating in the fraud, and \$12,912.20 in prejudgment interest; and a \$57,947.22 civil money penalty.

4. The Commission’s complaint alleged, among other things, the following: at the direction of WorldCom senior management, Abide and other WorldCom employees caused WorldCom to materially overstate its earnings in contravention of generally accepted accounting principles (GAAP) from the first quarter of 2001 through the first quarter of 2002. During this time, Abide altered previously prepared quarterly reports, which were routinely provided to WorldCom’s auditors and personnel responsible for preparing WorldCom’s SEC filings, to include improperly capitalized line costs. Abide also made, and directed others to

make, false accounting entries into WorldCom's depreciable asset accounts to conceal improperly capitalized line cost expenses from WorldCom's independent auditors and the investing public. Abide knew, or was reckless in not knowing, that these capitalized line cost entries were made without supporting documentation, were not in conformity with GAAP, were not disclosed to the investing public, and were designed to allow WorldCom to appear to meet Wall Street analysts' quarterly earnings estimates. As a result of Abide's and the other employee's actions, WorldCom understated expenses and overstated pre-tax earnings by approximately \$3.6 billion. Abide further improperly benefited from his knowledge of and participation in the ongoing fraud, when he sold 99% of the WorldCom stock he held in his 401(k) account at the end of January 2002 and the beginning of February 2002, just months before the fraud became public. Abide used the \$57,947.22 of losses avoided to diversify and therefore safeguard his 401(k) holdings.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanction agreed to in Respondent Abide's Offer.

Accordingly, it is hereby ORDERED, effective immediately, that:

A. Respondent is suspended from appearing or practicing before the Commission as an accountant.

B. After five years from the date of this order, Respondent may request that the Commission consider his reinstatement by submitting an application (attention: Office of the Chief Accountant) to resume appearing or practicing before the Commission as:

1. a preparer or reviewer, or a person responsible for the preparation or review, of any public company's financial statements that are filed with the Commission. Such an application must satisfy the Commission that Respondent's work in his practice before the Commission will be reviewed either by the independent audit committee of the public company for which he works or in some other acceptable manner, as long as he practices before the Commission in this capacity; and/or

2. an independent accountant. Such an application must satisfy the Commission that:

(a) Respondent, or the public accounting firm with which he is associated, is registered with the Public Company Accounting Oversight Board ("Board") in accordance with the Sarbanes-Oxley Act of 2002, and such registration continues to be effective;

(b) Respondent, or the registered public accounting firm with which he is associated, has been inspected by the Board and that inspection did not identify any criticisms

of or potential defects in the respondent's or the firm's quality control system that would indicate that the Respondent will not receive appropriate supervision;

(c) Respondent has resolved all disciplinary issues with the Board, and has complied with all terms and conditions of any sanctions imposed by the Board (other than reinstatement by the Commission); and

(d) Respondent acknowledges his responsibility, as long as Respondent appears or practices before the Commission as an independent accountant, to comply with all requirements of the Commission and the Board, including, but not limited to, all requirements relating to registration, inspections, concurring partner reviews and quality control standards.

C. The Commission will consider an application by Respondent to resume appearing or practicing before the Commission provided that his state CPA license is current and he has resolved all other disciplinary issues with the applicable state boards of accountancy. However, if state licensure is dependent on reinstatement by the Commission, the Commission will consider an application on its other merits. The Commission's review may include consideration of, in addition to the matters referenced above, any other matters relating to Respondent's character, integrity, professional conduct, or qualifications to appear or practice before the Commission.

By the Commission.

Nancy M. Morris
Secretary