

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 58023 / June 25, 2008

ACCOUNTING AND AUDITING ENFORCEMENT
Release No. 2842 / June 25, 2008

ADMINISTRATIVE PROCEEDING
File No. 3-12065

In the Matter of	:	ORDER GRANTING APPLICATION FOR
	:	REINSTATEMENT TO APPEAR AND PRACTICE
William E. Caswell, CPA	:	BEFORE THE COMMISSION AS AN ACCOUNTANT
	:	
	:	

On September 30, 2005, William E. Caswell (“Caswell”) was denied the privilege of appearing or practicing as an accountant before the Commission as a result of settled public administrative proceedings instituted by the Commission against Caswell pursuant to Rule 102(e) of the Commission's Rules of Practice.¹ Caswell consented to the entry of the September 30, 2005 order without admitting or denying the findings therein. This order is issued in response to Caswell’s application for reinstatement to practice before the Commission as an accountant.

Caswell was found to have engaged in improper professional conduct with respect to the audits of Adelphia Communications Corporation’s (“Adelphia”) financial statements for the year ended December 31, 2000 by Deloitte & Touche LLP (“Deloitte”). During this time Caswell served as a director and held the most senior, non-partner position on Deloitte’s Adelphia engagement. The Commission found that Adelphia’s 2000 financial statements were materially false and misleading and failed to comply with Generally Accepted Accounting Principles (“GAAP”). In its Form 10-K for the year ended December 31, 2000, Adelphia understated its co-borrowing debt by \$1.6 billion and improperly netted related party receivables and payables between Adelphia and certain entities owned or controlled by Adelphia’s controlling shareholders. Adelphia also failed to disclose the nature and extent of thousands of related party transactions between Adelphia and these shareholders. Caswell reasonably should have known that Adelphia’s 2000 financial statements had not been prepared in conformity with GAAP. He

¹ See Accounting and Auditing Enforcement Release No. 2326 dated September 30, 2005. Caswell was permitted, pursuant to the order, to apply for reinstatement after two years upon making certain showings.

nonetheless failed to object to the issuance by Deloitte of its audit report containing an unqualified opinion. Caswell also failed to comply with Generally Accepted Auditing Standards during the audit of Adelphia's 2000 Financial Statements and engaged in improper professional conduct within the meaning of Rule 102(e)(1)(ii) of the Commission's Rules of Practice.

Caswell has met all of the conditions set forth in the original order and, in his capacity as an independent accountant, has stated that he will comply with all requirements of the Commission and the Public Company Accounting Oversight Board, including, but not limited to all requirements relating to registration, inspections, concurring partner reviews and quality control standards. In his capacity as a preparer or reviewer, or as a person responsible for the preparation or review, of financial statements of a public company to be filed with the Commission, Caswell attests that he will undertake to have his work reviewed by the independent audit committee of any company for which he works, or in some other manner acceptable to the Commission, while practicing before the Commission in this capacity.

Rule 102(e)(5) of the Commission's Rules of Practice governs applications for reinstatement, and provides that the Commission may reinstate the privilege to appear and practice before the Commission "for good cause shown."² This "good cause" determination is necessarily highly fact specific.

On the basis of the information supplied, representations made, and undertakings agreed to by Caswell, it appears that he has complied with the terms of the September 30, 2005 order denying him the privilege of appearing or practicing before the Commission as an accountant, that no information has come to the attention of the Commission relating to his character, integrity, professional conduct or qualifications to practice before the Commission that would be a basis for adverse action against him pursuant to Rule 102(e) of the Commission's Rules of Practice, and that Caswell, by undertaking to have his work reviewed by the independent audit committee of any company for which he works, or in some other manner acceptable to the Commission, in his practice before the Commission as a preparer or reviewer of financial statements required to be filed with the Commission, and that Caswell, by undertaking to comply with all requirements of the Commission and the Public Company Accounting Oversight Board, including, but not limited to, all requirements relating to registration, inspections, concurring partner reviews and quality control standards, in his practice before the Commission as an independent accountant has shown good cause for reinstatement. Therefore, it is accordingly,

² Rule 102(e)(5)(i) provides:

"An application for reinstatement of a person permanently suspended or disqualified under paragraph (e)(1) or (e)(3) of this section may be made at any time, and the applicant may, in the Commission's discretion, be afforded a hearing; however, the suspension or disqualification shall continue unless and until the applicant has been reinstated by the Commission for good cause shown." 17 C.F.R. § 201.102(e)(5)(i).

ORDERED pursuant to Rule 102(e)(5)(i) of the Commission's Rules of Practice that William E. Caswell, CPA is hereby reinstated to appear and practice before the Commission as an accountant.

By the Commission.

Florence E. Harmon
Acting Secretary