

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 her 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. Szeliga, age 46, of Littleton, Colorado, was employed with Qwest Communications International Inc. ("Qwest") from approximately 1997 to August 2003. Szeliga was Qwest's chief financial officer and executive vice president of finance from March 2001 to July 2002. Prior to that, she was Qwest's senior vice president of financial planning and analysis and reporting. Szeliga was a certified public accountant ("CPA") licensed in Colorado at the time of her misconduct.

2. Qwest, based in Denver, Colorado, is a telecommunications and Internet services company. At all relevant times, Qwest's common stock was registered with the Commission pursuant to Section 12(b) of the Securities Exchange Act of 1934 (the "Exchange Act"). Qwest's common stock trades on the New York Stock Exchange.

3. On March 15, 2005, the Commission filed a complaint against Szeliga in SEC v. Joseph P. Nacchio, et al. (Civil Action No. 05-cv-00480-MSK-CBS) in the United States District Court for the District of Colorado. On May 30, 2007, the court entered an order permanently enjoining Szeliga, by consent, from future violations of Section 17(a) of the Securities Act of 1933, Sections 10(b) and 13(b)(5) of the Exchange Act and Rules 10b-5, 13b2-1 and 13b2-2 thereunder, and aiding and abetting violations of Sections 13(a) and 13(b)(2) of the Exchange Act and Rules 12b-20, 13a-1, 13a-11, and 13a-13 thereunder. Szeliga was also ordered to pay \$226,135 in disgorgement of ill-gotten gains, plus \$100,917 in prejudgment interest, and a \$250,000 civil money penalty. The court further ordered that Szeliga be barred permanently from acting as an officer or director of any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act or that is required to file reports pursuant to Section 15(d) of the Exchange Act.

4. The Commission's complaint alleged, among other things, that from at least April 1, 1999 through March 31, 2002, Szeliga and others at Qwest engaged in a massive financial fraud that hid from the investing public the true source of the company's revenue and earnings growth. The complaint alleged that to meet aggressive targets for Qwest's revenue and earnings growth, Qwest fraudulently and repeatedly relied on immediate revenue recognition

from one-time sales of assets known as “IRUs” and certain equipment, while falsely claiming to the investing public that the revenue was recurring. The complaint also alleged that Szeliga fraudulently and materially misrepresented Qwest’s performance and growth to the investing public, failed properly to account for IRU sales transactions in Qwest’s financial statements, and caused the company to report falsely approximately \$3 billion in revenue. The complaint alleged that Szeliga failed to make required accounting disclosures about IRUs to the investing public. In addition, the complaint alleged that, to meet revenue targets, Szeliga caused the manipulation of revenue associated with Qwest Dex, formerly a wholly-owned subsidiary of Qwest. Additionally, the complaint alleged that Szeliga fraudulently lowered liabilities related to employee vacations to increase artificially Qwest’s earnings to meet revenue and growth targets. The complaint further alleged that Szeliga sold Qwest stock knowing that Qwest had issued materially false information to the investing public in violation of the insider trading prohibition of the securities laws.

IV.

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

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

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

By the Commission.

Nancy M. Morris
Secretary