

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 90089 / October 5, 2020

ACCOUNTING AND AUDITING ENFORCEMENT
Release No. 4184 / October 5, 2020

ADMINISTRATIVE PROCEEDING
File No. 3-20117

In the Matter of

**NICHOLAS TORNELLO,
CPA,**

Respondent.

**ORDER INSTITUTING PUBLIC
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 Nicholas Tornello, CPA (“Respondent” or “Tornello”) pursuant to Rule 102(e)(3)(i) of the Commission’s Rules of Practice.¹

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

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.

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 Public 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. Tornello, age 33, is and has been a certified public accountant licensed to practice in the State of New Jersey and Commonwealth of Pennsylvania. He served in various positions in the accounting group of Hill International, Inc. ("Hill") from 2009 until March 2017.

2. Hill was, at all relevant times, a Delaware corporation. During the relevant period of time, Hill's principal place of business was located in either Marlton, New Jersey or Philadelphia, Pennsylvania. Hill is in the project and construction management consulting business, and has operations worldwide. Since 2006, Hill has been registered pursuant to Section 12(g) and then 12(b) of the Securities Exchange Act of 1934 ("Exchange Act"). Hill has been quoted on the NYSE since 2008 under the ticker "Hill."

3. On January 16, 2020, the Commission filed a complaint against Tornello in SEC v. Hill International, Inc., et al. (No. 1:20-cv-00447-PAE) in the United States District Court for the Southern District of New York. Subsequently, the case was transferred to the United States District Court for the Eastern District of Pennsylvania and assigned a new civil action number, SEC v. Hill International, Inc., et al., (No. 2:20-cv-02143-TJS). On October 1, 2020, the court entered an order permanently enjoining Tornello, by consent, from future violations of Section 13(b)(5) of the Exchange Act and Rule 13b2-1 thereunder and from aiding and abetting violations of Sections 13(a) and 13(b)(2)(A) of the Exchange Act and Rules 12b-20, 13a-1, 13a-11, and 13a-13 thereunder. Tornello was also ordered to pay a \$25,000 civil money penalty.

4. The Commission's complaint alleged, among other things, that Tornello engaged in improper conduct resulting in the improper accounting for certain intercompany transactions involving foreign currency fluctuations, which caused Hill to materially overstate its net income in the company's annual report on Form 10-K for each of the years ended December 31, 2014, 2015, and 2016 and in the company's quarterly reports on Form 10-Q for each of the quarters ended March 31, June 30, and September 30 in 2015 and 2016, and for the quarter ended March 31, 2017. The Complaint alleged that Tornello engaged in a number of improper accounting practices that materially increased Hill's Accumulated Other Comprehensive Income ("AOCI") on its balance sheet and decreased expenses on its income statement in a departure from generally accepted accounting principles ("GAAP").

IV.

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

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

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

B. After one year from the date of this order, Tornello 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 (other than as a member of an audit committee, as that term is defined in Section 3(a)(58) of the Exchange Act). Such an application must satisfy the Commission that Tornello's work in his practice before the Commission as an accountant 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. 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 as a member of an audit committee, as that term is defined in Section 3(a)(58) of the Exchange Act. Such an application will be considered on a facts and circumstances basis with respect to such membership, and the applicant's burden of demonstrating good cause for reinstatement will be particularly high given the role of the audit committee in financial and accounting matters; and/or
3. an independent accountant.

Such an application must satisfy the Commission that:

- (a) Tornello, 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) Tornello, 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 Respondent's

or the firm's quality control system that would indicate that Tornello will not receive appropriate supervision;

- (c) Tornello 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) Tornello acknowledges his responsibility, as long as he 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 Tornello 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 Tornello's character, integrity, professional conduct, or qualifications to appear or practice before the Commission as an accountant. Whether an application demonstrates good cause will be considered on a facts and circumstances basis with due regard for protecting the integrity of the Commission's processes.

By the Commission.

Vanessa A. Countryman
Secretary