

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 100101 / May 10, 2024

ACCOUNTING AND AUDITING ENFORCEMENT
Release No. 4501 / May 10, 2024

ADMINISTRATIVE PROCEEDING
File No. 3-20117

In the Matter of	ORDER GRANTING APPLICATION FOR
NICHOLAS	: REINSTATEMENT TO APPEAR AND PRACTICE
TORNELLO, CPA	: BEFORE THE COMMISSION AS AN
	: ACCOUNTANT RESPONSIBLE FOR THE
	: PREPARATION OR REVIEW OF FINANCIAL
	: STATEMENTS REQUIRED TO BE FILED WITH
	: THE COMMISSION OTHER THAN AS A MEMBER
	OF AN AUDIT COMMITTEE

On October 5, 2020, the Commission issued a consented Order Instituting Public Administrative Proceedings Pursuant to Rule 102(e) of the Commission’s Rules of Practice, Making Findings and Imposing Remedial Sanctions (the “Suspension Order”) against Respondent Nicholas Tornello, CPA.¹ The Suspension Order denied Tornello the privilege of appearing or practicing before the Commission as an accountant but permitted him, after one year from the date of the Suspension Order, and if certain conditions were met, to request that the Commission consider his reinstatement to resume appearing or practicing before the Commission as (1) a preparer or reviewer, or a person responsible for the preparation or review, of financial statements that are required to be 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 Securities Exchange Act of 1934 (“Exchange Act”); (2) a preparer or reviewer, or a person responsible for the preparation or review, of financial statements that are required to be 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; or (3) an independent accountant.

This order is issued in response to Tornello’s application for reinstatement to appear and practice before the Commission as an accountant responsible for the preparation or review of

¹ See Accounting and Auditing Enforcement Release No. 4184, dated October 5, 2020.

financial statements required to be filed with the Commission, other than as a member of an audit committee.

In the Suspension Order, the Commission found that Tornello had been permanently enjoined 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. In the underlying civil injunctive action before the United States District Court for the Eastern District of Pennsylvania, the Commission alleged, among other things, that Tornello engaged in improper conduct resulting in the improper accounting for certain intercompany transactions involving currency fluctuations which caused his employer, Hill International, Inc., 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 further alleged that Tornello engaged in a number of improper accounting practices that materially increased Hill's Accumulated Other Comprehensive Income on its balance sheet and decreased expenses on its income statement in a departure from generally accepted accounting principles.

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 which determination is necessarily highly fact specific.

Tornello has shown good cause for reinstatement and has met the conditions set forth in the Suspension Order to be reinstated to appear and practice before the Commission as a person responsible for the preparation or review of financial statements required to be filed with the Commission, other than as a member of an audit committee. In his capacity as a person responsible for the preparation or review of financial statements required to be filed with the Commission, other than as a member of an audit committee, Tornello attests that he will 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.

Tornello is not, at this time, seeking to appear or practice before the Commission as a person responsible for the preparation or review of financial statements required to be filed with the Commission *as a member of an audit committee* or as an independent accountant. If, in the future, Tornello should wish to resume appearing and practicing before the Commission in such a capacity, he will be required to submit an application to the Commission showing, among other things, that he has complied and will comply with the terms of the Suspension Order.

² Rule 102(e)(5)(i) provides:

"[a]n application for reinstatement of a person permanently suspended or disqualified under paragraph (e)(1) or (e)(3) of this rule 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).

On the basis of information supplied, representations made, and undertakings agreed to by Tornello, and for the reasons stated immediately above, it appears that he has complied with the terms of the Suspension Order denying him the privilege of appearing or practicing before the Commission as an accountant. 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. As a result, Tornello has shown good cause for reinstatement. Therefore, it is accordingly,

ORDERED pursuant to Rule 102(e)(5)(i) of the Commission's Rules of Practice that Nicholas Tornello, CPA is hereby reinstated to appear and practice before the Commission as an accountant responsible for the preparation or review of financial statements required to be filed with the Commission other than as a member of an audit committee.

By the Commission.

Vanessa A. Countryman
Secretary