

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C.

SECURITIES EXCHANGE ACT OF 1934
Rel. No. 51435 / March 25, 2005

ACCOUNTING AND AUDITING ENFORCEMENT
Rel. No. 2217 / March 25, 2005

Admin. Proc. File No. 3-11270

In the Matter of
THOMAS C. TRAUGER, CPA
Respondent.

ORDER DISMISSING
ADMINISTRATIVE
PROCEEDING AS TO
THOMAS C. TRAUGER, CPA

On March 10, 2005, the Division of Enforcement moved to dismiss administrative proceedings as to respondent Thomas C. Trauger, CPA, formerly an audit partner with Ernst & Young, LLC (“E&Y”), “on the ground that the Commission has already suspended him from practice in a separate proceeding.” As described below, Trauger was involved in two separate proceedings before the Commission.

On September 25, 2003, the Commission issued an Order Instituting Public Administrative Proceedings (“OIP”) 1/ against Trauger and another individual pursuant to Rule 102(e)(1)(ii) of the Commission’s Rules of Practice. 2/ The OIP alleged that Trauger, among other things, engaged in unethical or improper professional conduct in connection with a 2000 E&Y audit of NextCard, Inc.

1/ Order Instituting Public Administrative Proceedings Pursuant to Rule 102(e) of the Commission’s Rules of Practice, Securities Exchange Act Rel. No. 48543 (Sept. 25, 2003), 81 SEC Docket 439.

2/ 17 C.F.R. § 201.102(e)(1)(ii). Rule of Practice 102(e) authorizes the Commission to censure or suspend (temporarily or permanently) a person who has engaged in unethical or improper professional conduct. Id.

On March 3, 2005, the Commission issued an “Order of Forthwith Suspension Pursuant to Rule 102(e)” against Trauger in a separate proceeding. ^{3/} In that proceeding, Trauger was suspended from appearing or practicing before the Commission pursuant to Rule of Practice 102(e) because of his felony conviction. ^{4/}

The Division asserts that the March 3, 2005 order “provides the maximum relief available against [Trauger] in the instant proceeding - a suspension of practice before the Commission without limitation as to time.” The Division argues that “suspension under one provision of Rule 102(e) would be duplicative of suspension under any other provision of the rule.” The Division further notes that, “[i]n the event that additional disciplinary actions involving Trauger occur in the future, his admissions in the plea agreement, a public document, would provide a record of his activities for the conduct at issue in this proceeding.” Accordingly, the Division requests that the Commission dismiss this proceeding against Trauger “in the interest of justice, and to preserve the Commission’s resources” We conclude that, under the circumstances, it is appropriate to grant the Division’s request. Accordingly,

IT IS ORDERED that the motion of the Division of Enforcement to dismiss administrative proceedings as to respondent Thomas C. Trauger, CPA, be, and it hereby is, granted.

By the Commission.

Jonathan G. Katz
Secretary

^{3/} In the Matter of Thomas C. Trauger, CPA, Exchange Act Rel. No. 51307 (Mar. 3, 2005), ___ SEC Docket ___.

^{4/} See United States v. Thomas C. Trauger, No. CR 03-0308 JSW (N.D. Cal. Feb. 1, 2005).