

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 76610 / December 10, 2015

ACCOUNTING AND AUDITING ENFORCEMENT
Release No. 3724 / December 10, 2015

ADMINISTRATIVE PROCEEDING
File No. 3-16996

In the Matter of

ROBIN L. BIGALKE, CPA

Respondent.

**ORDER INSTITUTING PUBLIC
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 4C OF THE
SECURITIES EXCHANGE ACT OF 1934
AND 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 that public administrative proceedings be, and hereby are, instituted against Robin L. Bigalke (“Respondent” or “Bigalke”) pursuant to Section 4C¹ of the Securities Exchange Act of 1934 (“Exchange Act”) and Rules 102(e)(1)(ii) of the Commission’s Rules of Practice.²

¹ Section 4C provides, in relevant part, that:

The Commission may censure any person, or deny, temporarily or permanently, to any person the privilege of appearing or practicing before the Commission in any way, if that person is found . . . (1) not to possess the requisite qualifications to represent others . . . (2) to be lacking in character or integrity, or to have engaged in unethical or improper professional conduct; or (3) to have willfully violated, or willfully aided and abetted the violation of, any provision of the securities laws or the rules and regulations thereunder.

² Rule 102(e)(1)(ii) provides, in pertinent part, that:

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 him and the subject matter of these proceedings, which are admitted, and except as provided herein in Section V, Respondent consents to the entry of this Order Instituting Public Administrative Proceedings Pursuant to Section 4C of the Securities Exchange Act of 1934 and 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 finds³ that:

A. SUMMARY

During 2012, Bigalke falsified and backdated audit documents in an attempt to hide improprieties and documentation deficiencies at the audit firm Peter Messineo, CPA, which is now known as Messineo & Co., CPAs, LLC (“Messineo & Co.”). At the time, Messineo & Co. was subject to a follow-up inspection by the Public Company Accounting Oversight Board (“PCAOB”) and an investigation subpoena from the Commission.

B. RESPONDENT

Robin L. Bigalke, age 50, resides in Gulfport, Florida and currently owns RLB Certified Public Accountant, a PCAOB-registered public accounting firm based in Gulfport, Florida. During 2012, Bigalke was a senior accountant at Messineo & Co., then known as Peter Messineo, CPA. Bigalke has been licensed as a Certified Public Accountant (“CPA”) in Rhode Island since 2001 and in Florida since 2014.

C. OTHER RELEVANT PARTIES

Messineo & Co., CPAs, LLC (“Messineo & Co.”) is registered with the Public Company Accounting Oversight Board (“PCAOB”) as a public accounting firm based in Clearwater, Florida. The limited liability company operated as a sole proprietorship under the

The Commission may . . . deny, temporarily or permanently, the privilege of appearing or practicing before it . . . to any person who is found . . . to have engaged in unethical or improper professional conduct.

³ The findings herein are made pursuant to Respondent's Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.

name Peter Messineo, CPA from 2009 until December 17, 2012, when it effectively merged with Drake & Klein, CPAs PA to form DKM Certified Public Accountants, Inc. (“DKM”). Peter Messineo separated from DKM in April 2013 and resumed operating Messineo & Co., but under its present name and form. During 2012, it performed audit services for over 70 clients, but only had one partner -- sole owner Peter Messineo -- authorized to sign or issue audit reports. In 2012, Messineo & Co. employed Bigalke and paid Joseph E. Mohr to perform engagement quality reviews (“EQRs”).

Joseph E. Mohr, age 49, resides in Spring Hill, Florida and is currently a visiting assistant professor at a Florida university. From 2009 through 2012, Mohr performed engagement quality reviews (“EQRs”) for Messineo & Co. At the time, Mohr lived and worked in Florida, but was not licensed as a CPA in Florida or in any other state.

D. BACKDATING ENGAGEMENT QUALITY REVIEW DOCUMENTS

1. In 2012, Mohr performed EQRs for Messineo & Co. for its audits and interim reviews. To document Mohr’s EQRs in compliance with auditing standards, Messineo & Co. used a “Concurring Review Questionnaire,” otherwise known as a “Form 4.2,” in connection with each audit. *See* PCAOB Auditing Standard No. 7 (“AS 7”).
2. After completing an EQR, Mohr was supposed to answer the questions on the Concurring Review Questionnaire and then sign and date the Questionnaire. The date on the form was to indicate when Mohr provided concurring approval of the issuance of the audit report. *See* AS 7.
3. Mohr then emailed the signed forms to Messineo & Co. where the executed Concurring Review Questionnaires were included in the firm’s audit files. *See* PCAOB Auditing Standard No. 3 (“AS 3”) & AS 7.
4. In April 2012, the PCAOB issued a report following its inspection of Messineo & Co.’s audit files. The PCAOB’s inspection addressed Messineo & Co.’s practices, policies and procedures related to audit quality. The report stated that Messineo & Co. needed to address any defects in its quality control system within 12 months or the nonpublic portion of the PCAOB’s report would be made public.
5. Following the PCAOB’s inspection report, in August 2012, Messineo & Co. began to conduct a review of its audit files to identify any deficiencies and identified different engagements for which either:
 - i. it was missing a Concurring Review Questionnaire signed by Mohr; or
 - ii. the signed Concurring Review Questionnaire was dated after the audit report had been issued by Messineo & Co., indicating that Messineo & Co. had issued the audit report prior to Mohr’s completion of his EQR.

6. As a result, Bigalke requested Mohr backdate his signature on Concurring Review Questionnaires for multiple public company audit clients. Bigalke even requested Mohr backdate documents responsive to an investigation subpoena served by the Commission on Messineo & Co.
7. Mohr complied with many -- if not all -- of Bigalke's requests. He knowingly misrepresented the dates that he completed his EQRs.
8. Bigalke then inserted the backdated Questionnaires into Messineo & Co.'s audit files, including into files which were -- pursuant to auditing standards -- putatively "locked-down" because the audit report had been issued more than 45 days previously. *See* PCAOB AS 3.

E. FALSIFICATION OF AUDIT DOCUMENTS

9. In 2012, Bigalke completed various audit checklists and forms, including "Audit Documentation Checklists" and "Supervision, Review, and Approval Forms," on behalf of Messineo & Co. in connection with various engagements, including two specific issuers.
10. On the audit forms for those two issuers, Bigalke signed Peter Messineo's name and initials on his behalf. By signing Messineo's name, she represented that the EQR was adequately performed, timely, and that the audit files contained documentation of the EQRs.
11. The representations on the forms were false. As of the date indicated on the respective forms, neither Mohr -- nor anyone else -- had performed the EQRs for those issuers and no corresponding documentation existed in Messineo & Co.'s audit files. These false documents were then inserted into Messineo & Co.'s audit files.

F. BIGALKE'S FAILED TO EXERCISE PROFESSIONAL DUE CARE WHEN SHE PARTICIPATED IN A SCHEME TO BACKDATE DOCUMENTS IN VIOLATION OF PCAOB STANDARDS.

15. PCAOB Interim Auditing Standard AU 230 (*Due Professional Care in the Performance of Work*) "requires the independent auditor to plan and perform his or her work with due professional care. Due professional care imposes a responsibility upon each professional within an independent auditor's organization to observe the standards of field work and reporting." *See* PCAOB AU 230.02.
16. Bigalke violated AU 230 when she requested Mohr backdate his signature on the Concurring Review Questionnaires (Form 4.2s) to a date before the issuance of the audit report when he had not, in fact, concluded his review and provided concurring approval of issuance by that date.

17. PCAOB Auditing Standard No. 7 (*Engagement Quality Review*) enumerates the standards for an EQR or concurring review. AS 7 requires an EQR to be performed for every audit and interim review. *See* PCAOB AS 7.1.
18. For both audits and interim reviews, AS 7 prohibits a firm from granting permission to its client to use the engagement report until the engagement quality reviewer provides concurring approval of issuance. *See* PCAOB AS 7.13 & AS 7.18.
19. AS 7 requires that “an engagement quality reviewer must have competence, independence, integrity, and objectivity.” *See* PCAOB AS 7.4.
20. AS 7 requires that documentation of an EQR should “contain sufficient information to enable an experienced auditor, having no previous connection with the engagement, to understand the procedures performed by the engagement quality reviewer...to comply with the provisions of this standard, including information that identifies:
 - * * *
 - c. The date the engagement quality reviewer provided concurring approval of issuance or, if no concurring approval of issuance was provided, the reasons for not providing the approval.”
See PCAOB AS 7.19.
21. Bigalke further violated AU 230 and AS 3 when she inserted the backdated and falsified Concurring Review Questionnaires into Messineo & Co.’s audit files. This violation was compounded by the fact that the addition occurred more than 45 days after the report release date without indication of the date the information was added, the name of the person who prepared the additional documentation, and the reason for adding it. *See* PCAOB AS 3.15.
22. AS 7 states that “[d]ocumentation of an engagement quality review should be included in the engagement documentation” and that “[t]he requirements related to retention of and subsequent changes to audit documentation in PCAOB Auditing Standard No. 3, Audit Documentation, apply with respect to the documentation of the engagement quality review.” *See* PCAOB AS 7.20 and 7.21.
23. PCAOB Auditing Standard No. 3 (*Audit Documentation*) provides the requirements for documentation an auditor should prepare and retain for engagements. Per AS 3, audit documentation must document the nature, *timing*, and results of the procedures performed. *See* PCAOB AS 3.6
24. AS 3 requires an auditor to assemble a complete and final set of audit documentation no more than 45 days of the report release date (“documentation completion date”). Audit documentation may not be deleted or discarded following the documentation completion

date. AS 3 mandates that any documentation added after the document completion date “must indicate the date the information was added, the name of the person who prepared the additional documentation, and the reason for adding it.” See PCAOB AS 3.15 and 3.16.

25. Therefore, Bigalke violated AU 230 and AS 3 when she falsified audit documentation and included it within the audit files.

G. Violations

27. As a result of the conduct described above, Bigalke engaged in improper professional conduct as defined in Rule 102(e)(1)(iv) in that she violated applicable professional standards or committed repeated instances of unreasonable negligent conduct each resulting in a violation of applicable professional standards that indicate a lack of competence to practice before the Commission.

H. Findings

28. Based on the foregoing, the Commission finds that Bigalke engaged in improper professional conduct pursuant to Section 4C(a)(2) of the Exchange Act and Rule 102(e)(1)(ii) of the Commission’s Rules of Practice.

IV.

In view of the foregoing, the Commission deems it appropriate to impose the sanctions agreed to in Bigalke’s Offer.

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

A. Bigalke is denied the privilege of appearing or practicing before the Commission as an accountant.

B. After 3 years from the date of this order, Bigalke may request that the Commission consider her 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. Such an application must satisfy the Commission that Bigalke’s work in her practice before the Commission will be reviewed either by the independent audit committee of the public company for which she works or in some other acceptable manner, as long as she practices before the Commission in this capacity; and/or
2. an independent accountant. Such an application must satisfy the Commission that:

- (a) Bigalke, or the public accounting firm with which she 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) Bigalke, or the registered public accounting firm with which she is associated, has been inspected by the Board and that inspection did not identify any criticisms of or potential defects in Bigalke's or the firm's quality control system that would indicate that Bigalke will not receive appropriate supervision;
 - (c) Bigalke 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) Bigalke acknowledges her responsibility, as long as she 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.
3. The Commission will consider an application by Respondent to resume appearing or practicing before the Commission provided that her CPA license is current and she has resolved all other disciplinary issues with the applicable boards of accountancy. However, if CPA licensure is dependent on reinstatement by the Commission, the Commission will consider an application on its own merits. The Commission's review may include consideration of, in addition to the matters referenced above, any other matters relating to Respondent's character, integrity, professional conduct, or qualifications to appear or practice before the Commission.

By the Commission.

Brent J. Fields
Secretary