

ADMINISTRATIVE PROCEEDING
File No. 3-17510

SEC Suspends Public Accountant for Deficient Audits

August 29, 2016 – The Securities and Exchange Commission today announced the suspension of Thomas Dulek, a California-based accountant from practicing or appearing before the SEC based on his violations of important auditing standards.

An SEC investigation found that Dulek conducted deficient audits of the fiscal years 2011 and 2012 financial statements of OCZ Technology Group, Inc., a now-bankrupt company that manufactured and sold memory storage and power supply devices. The investigation found that Dulek failed to adequately audit (a) OCZ’s accounting treatment of credits that it provided to customers, purportedly for marketing activities, but which, in fact, were used as a mechanism to provide sales discounts to customers and were improperly recorded as marketing expenses; (b) OCZ’s failure to include labor and overhead costs relating to inventory manufacturing in valuing its inventory, a departure from generally accepted accounting principles (“GAAP”); (c) sales cut-off at the end of the year (OCZ’s policies resulted in the recognition of revenue before it was earned); and (d) OCZ’s GAAP departure in accounting for sales returns. Dulek violated a number of auditing standards, including the requirements that auditors exercise due professional care in conducting audits and that engagement partners properly supervise their teams.

The SEC’s order finds that Dulek engaged in improper professional conduct pursuant to Section 4C of the Exchange Act and Rule 102(e) of the SEC’s Rules of Practice. Without admitting or denying the findings in the Commission’s order, Dulek agreed to be suspended from appearing and practicing before the SEC as an accountant, which includes not participating in the financial reporting or audits of public companies. The SEC’s order permits Dulek to apply for reinstatement after three years.

Previously, the SEC charged [two former top executives at OCZ](#) for making material misstatements, among other things.

The SEC's investigation has been conducted by Ian Dattner, under the supervision of Assistant Director Lisa Deitch. Trial Counsel Kevin Lombardi also participated in the investigation.

See also: [Order](#)