

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 84055 / September 7, 2018

ACCOUNTING AND AUDITING ENFORCEMENT
Release No. 3969 / September 7, 2018

ADMINISTRATIVE PROCEEDING
File No. 3-17628

In the Matter of _____ : ORDER GRANTING APPLICATION FOR
SARAH E. ADAMS, CPA : REINSTATEMENT 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

On October 18, 2016, Sarah E. Adams, CPA (“Adams”) was denied the privilege of appearing or practicing before the Commission as an accountant as a result of settled public administrative proceedings instituted by the Commission against her pursuant to Rule 102(e)(1) of the Commission’s Rules of Practice.¹ This order is issued in response to Adams’s application for reinstatement 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.

The Commission found that Adams caused Weatherford International Ltd.’s (“Weatherford”) violations of Section 13(a) of the Securities Exchange Act of 1934 and Rules 12b-20, 13a-1, and 13a-13 thereunder, and engaged in improper professional conduct under Rule 102(e)(1) of the Commission’s Rules of Practice between 2007 and the third quarter of 2010. The Commission’s findings related to her work as a tax partner on the audits and reviews of Weatherford’s financial statements. During the relevant period, Weatherford improperly inflated its earnings and materially understated its effective tax rate and tax expense through the use of deceptive intercompany tax accounting. The Commission found that Adams and others failed to comply with Public Company Accounting Oversight Board standards related to due professional care, professional skepticism, supervision, staffing, training, and documentation.

In her capacity as a preparer or reviewer, or as a person responsible for the preparation or review, of financial statements of a public company to be filed with the Commission, Adams

¹ See Accounting and Auditing Enforcement Release No. 3814 dated October 18, 2016. Adams was permitted, pursuant to the order, to apply for reinstatement after one year upon making certain showings.

attests that she will undertake to have her work reviewed by the independent audit committee of any company for which she works, or in some other manner acceptable to the Commission, while practicing before the Commission in this capacity. Adams is not, at this time, seeking to appear or practice before the Commission as an independent accountant. If she should wish to resume appearing and practicing before the Commission as an independent accountant, she will be required to submit an application to the Commission showing that she has complied and will comply with the terms of the original suspension order in this regard. Therefore, Adams's suspension from practice before the Commission as an independent accountant continues in effect until the Commission determines that a sufficient showing has been made in this regard in accordance with the terms of the original suspension order.

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 This "good cause" determination is necessarily highly fact specific.

On the basis of information supplied, representations made, and undertakings agreed to by Adams, it appears that she has complied with the terms of the October 18, 2016 order suspending her from appearing or practicing before the Commission as an accountant, that no information has come to the attention of the Commission relating to her character, integrity, professional conduct or qualifications to practice before the Commission that would be a basis for adverse action against her pursuant to Rule 102(e) of the Commission's Rules of Practice, and that Adams, by undertaking to have her work reviewed by the independent audit committee of any company for which she works, or in some other manner acceptable to the Commission, in her practice before the Commission as a preparer or reviewer of financial statements required to be filed with the Commission, 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 Sarah E. Adams, 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.

By the Commission.

Brent J. Fields
Secretary

² Rule 102(e)(5)(i) provides:

"An 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).