

Figure: 22 TAC §519.9(a)

No.	Violation	Citation	Administrative Penalty Range
1	Failure to follow Generally Accepted Auditing Standards; Yellow Book Auditing Standards; AICPA Auditing Standards; and other auditing standards.	22 TEX. ADMIN. CODE §§501.60 & 501.74; TEX. OCC. CODE §§901.502(6) & 901.502(11)	Minor: \$0 to \$25,000 per violation. Moderate: \$25,000 to \$75,000 per violation. Major: \$75,000 to \$100,000 per violation.
2	Failure to follow Generally Accepted Accounting Principles	22 TEX. ADMIN. CODE §§501.53, 501.61 & 501.74; TEX. OCC. CODE §§901.502(6) & 901.502(11)	Minor: \$0 to \$25,000 per violation. Moderate: \$25,000 to \$75,000 per violation. Major: \$75,000 to \$100,000 per violation.
3	Failure to follow other Professional Standards (e.g. Compilation Standards)	22 TEX. ADMIN. CODE §§501.62 & 501.74; TEX. OCC. CODE §§901.502(6) & 901.502(11)	Minor: \$0 to \$25,000 per violation. Moderate: \$25,000 to \$75,000 per violation. Major: \$75,000 to \$100,000 per violation.
4	Lack of independence	22 TEX. ADMIN. CODE §§501.70 & 501.73 TEX. OCC. CODE §§901.458, 901.502(6) & 901.502(11)	Minor: \$0 to \$25,000 per violation. Moderate: \$25,000 to \$75,000 per violation. Major: \$75,000 to \$100,000 per violation.
5	Violation of rules regarding receipt of commission, compensation, or other benefit	22 TEX. ADMIN. CODE §501.71; TEX. OCC. CODE §§901.502(6) & 901.502(11)	Minor: \$0 to \$25,000 per violation. Moderate: \$25,000 to \$75,000 per violation. Major: \$75,000 to \$100,000 per violation.
6	Violation of rules regarding contingency fees	22 TEX. ADMIN. CODE §501.72; TEX. OCC. CODE	Minor: \$0 to \$25,000 per violation. Moderate: \$25,000 to \$75,000 per violation. Major: \$75,000 to \$100,000 per violation.

		§§901.502(6) & 901.502(11)	
7	Lack of integrity and objectivity	22 TEX. ADMIN. CODE §501.73; TEX. OCC. CODE §§901.502(6) & 901.502(11)	Minor: \$0 to \$25,000 per violation. Moderate: \$25,000 to \$75,000 per violation. Major: \$75,000 to \$100,000 per violation.
8	Incompetence	22 TEX. ADMIN. CODE §501.74; TEX. OCC. CODE §§901.502(6) & 901.502(11)	Minor: \$0 to \$25,000 per violation. Moderate: \$25,000 to \$75,000 per violation. Major: \$75,000 to \$100,000 per violation.
9	Breach of confidential client communications	22 TEX. ADMIN. CODE §501.75; TEX. OCC. CODE §§901.502(6) & 901.502(11)	Minor: \$0 to \$25,000 per violation. Moderate: \$25,000 to \$75,000 per violation. Major: \$75,000 to \$100,000 per violation.
10	Failure to return client records or client's portion of work papers	22 TEX. ADMIN. CODE §501.76; TEX. OCC. CODE §§901.502(6) & 901.502(11)	\$0 to \$25,000 per violation.
11	Acting through others	22 TEX. ADMIN. CODE §501.77 (AND THE RULE VIOLATED BY THE ACTOR); TEX. OCC. CODE §§901.502(6) & 901.502(11)	Minor: \$0 to \$25,000 per violation. Moderate: \$25,000 to \$75,000 per violation. Major: \$75,000 to \$100,000 per violation.
12	Practicing without a license	22 TEX. ADMIN. CODE §501.80; TEX. OCC. CODE §§901.401, 901.453, 901.456, 901.502(6) & 901.502(11)	\$0 to \$25,000 per violation.

13	Practicing through an unregistered entity	22 TEX. ADMIN. CODE §501.81; TEX. OCC. CODE §§901.401, 901.502(6) & 901.502(11)	\$0 to \$25,000 per violation.
14	False, fraudulent, misleading, or deceptive advertising	22 TEX. ADMIN. CODE §501.82; TEX. OCC. CODE §§901.502(6) & 901.502(11)	Minor: \$0 to \$1,000 per violation. Moderate: \$1,000 to \$50,000 per violation. Major: \$50,000 to \$100,000 per violation.
15	Improper firm name	22 TEX. ADMIN. CODE §501.83; TEX OCC. CODE §§901.502(6) & 901.502(11)	\$0 to \$10,000 per violation.
16	Improper form of practice	22 TEX. ADMIN. CODE §501.84; TEX. OCC. CODE §§901.502(6) & 901.502(11)	\$0 to \$10,000 per violation.
17	Committing discreditable acts (1) fraud or deceit in obtaining a certificate as a CPA or in obtaining registration under the Act or in obtaining a license to practice public accounting	22 TEX. ADMIN. CODE §501.90(1); TEX. OCC. CODE §§901.502(1), 901.502(6) & 901.502(11)	Minor: \$0 to \$25,000 per violation. Moderate: \$25,000 to \$75,000 per violation. Major: \$75,000 to \$100,000 per violation.
18	Committing discreditable acts (2) dishonesty, fraud or gross negligence in the practice of public accountancy	22 TEX. ADMIN. CODE §501.90(2); TEX. OCC. CODE §§901.502(2), 901.502(6) & 901.502(11)	Minor: \$0 to \$25,000 per violation. Moderate: \$25,000 to \$75,000 per violation. Major: \$75,000 to \$100,000 per violation.

19	<p>Committing discreditable acts</p> <p>(3) violation of any of the provisions of Subchapter J or §901.458 of the Act (relating to Loss of Independence) applicable to a person certified or registered by the board</p>	<p>22 TEX. ADMIN. CODE §501.90(3);</p> <p>TEX. OCC. CODE §§901.502(5), 901.502(6) & 901.502(11)</p>	<p>Minor: \$0 to \$25,000 per violation.</p> <p>Moderate: \$25,000 to \$75,000 per violation.</p> <p>Major: \$75,000 to \$100,000 per violation.</p>
20	<p>Committing discreditable acts</p> <p>(4) final conviction of a felony or imposition of deferred adjudication or community supervision in connection with a criminal prosecution of a felony under the laws of any state or the United States</p>	<p>22 TEX. ADMIN. CODE §501.90(4);</p> <p>TEX. OCC. CODE §§901.502(6), 901.502(10), & 901.502(11)</p> <p>TEX. OCC. CODE CHAP. 53</p>	<p>\$0 to \$100,000 per violation.</p>
21	<p>Committing discreditable acts</p> <p>(5) final conviction of any crime or imposition of deferred adjudication or community supervision in connection with a criminal prosecution, an element of which is dishonesty or fraud under the laws of any state or the United States; a criminal prosecution for a crime of moral turpitude; a criminal prosecution involving alcohol abuse or controlled</p>	<p>22 TEX. ADMIN. CODE §501.90(5) & §519.7;</p> <p>TEX. OCC. CODE §§901.502(6), 901.502(10), & 901.502(11)</p>	<p>\$0 to \$100,000 per violation.</p>

	substances; or a criminal prosecution for a crime involving physical harm or the threat of physical harm		
22	<p>Committing discreditable acts</p> <p>(6) cancellation, revocation, suspension or refusal to renew authority to practice as a CPA or a public accountant by any other state for any cause other than failure to pay the appropriate registration fee in such other state</p>	<p>22 TEX. ADMIN. CODE §501.90(6);</p> <p>TEX. OCC. CODE §§901.502(6), 901.502(8), 901.502(9), & 901.502(11)</p>	\$0 to \$100,000 per violation.
23	<p>Committing discreditable acts</p> <p>(7) suspension or revocation of or any consent decree concerning the right to practice before any state or federal regulatory or licensing body for a cause which in the opinion of the board warrants its action</p>	<p>22 TEX. ADMIN. CODE §501.90(7);</p> <p>TEX. OCC. CODE §§901.502(6), 901.502(8), 901.502(9), & 901.502(11)</p>	<p>Minor: \$0 to \$25,000 per violation.</p> <p>Moderate: \$25,000 to \$75,000 per violation.</p> <p>Major: \$75,000 to \$100,000 per violation.</p>
24	<p>Committing discreditable acts</p> <p>(8) a conviction or final finding of unethical conduct by state or federal agencies or boards, local governments or commissions for violations of laws or</p>	<p>22 TEX. ADMIN. CODE §501.90(8);</p> <p>TEX. OCC. CODE §§901.502(6), 901.502(8), 901.502(9), & 901.502(11)</p>	<p>Minor: \$0 to \$25,000 per violation.</p> <p>Moderate: \$25,000 to \$75,000 per violation.</p> <p>Major: \$75,000 to \$100,000 per violation.</p>

	<p>rules on ethics by licensees that engage in activities regulated by those entities including but not limited to: the Public Company Accounting Oversight Board, Internal Revenue Service, U.S. Securities and Exchange Commission, U.S. Department of Labor, U.S. General Accounting Office, U.S. Housing and Urban Development, Texas State Auditor, <u>Texas Comptroller of Public Accounts</u> [Texas State Treasurer], Texas Securities Board, Texas Department of Insurance, and the Texas Secretary of State;</p>		
25	<p>Committing discreditable acts</p> <p>(9) knowingly participating in the preparation of a false or misleading financial statement or tax return</p>	<p>22 TEX. ADMIN. CODE §501.90(9);</p> <p>TEX. OCC. CODE §§901.502(2), 901.502(6) & 901.502(11)</p>	<p>Minor: \$0 to \$25,000 per violation.</p> <p>Moderate: \$25,000 to \$75,000 per violation.</p> <p>Major: \$75,000 to \$100,000 per violation.</p>
26	<p>Committing discreditable acts</p> <p>10 fiscal dishonesty or breach of fiduciary responsibility of any type</p>	<p>22 TEX. ADMIN. CODE §501.90(10);</p> <p>TEX. OCC. CODE §§901.502(6) & 901.502(11)</p>	<p>Minor: \$0 to \$25,000 per violation.</p> <p>Moderate: \$25,000 to \$75,000 per violation.</p> <p>Major: \$75,000 to \$100,000 per violation.</p>

27	Committing discreditable acts (11) failure to comply with a final order of any state or federal court	22 TEX. ADMIN. CODE §501.90(11); TEX. OCC. CODE §§901.502(6) & 901.502(11)	Minor: \$0 to \$25,000 per violation. Moderate: \$25,000 to \$75,000 per violation. Major: \$75,000 to \$100,000 per violation.
28	Committing discreditable acts (12) repeated failure to respond to a client's inquiry within a reasonable time without good cause	22 TEX. ADMIN. CODE §501.90(12); TEX. OCC. CODE §§901.502(6) & 901.502(11)	Minor: \$0 to \$25,000 per violation. Moderate: \$25,000 to \$75,000 per violation. Major: \$75,000 to \$100,000 per violation.
29	Committing discreditable acts (13) intentionally misrepresenting facts or making a misleading or deceitful statement to a client, employer, the board, board staff or any person acting on behalf of the board	22 TEX. ADMIN. CODE §501.90(13); TEX. OCC. CODE §§901.502(6) & 901.502(11)	Minor: \$0 to \$25,000 per violation. Moderate: \$25,000 to \$75,000 per violation. Major: \$75,000 to \$100,000 per violation.
30	Committing discreditable acts (14) giving intentional false sworn testimony or perjury in court or in connection with discovery in a court proceeding or in any communication to the board or board staff, or any other federal or state regulatory or licensing body	22 TEX. ADMIN. CODE §501.90(14); TEX. OCC. CODE §§901.502(6) & 901.502(11)	Minor: \$0 to \$25,000 per violation. Moderate: \$25,000 to \$75,000 per violation. Major: \$75,000 to \$100,000 per violation.
31	Committing discreditable acts	22 TEX. ADMIN. CODE §501.90(15);	Minor: \$0 to \$25,000 per violation. Moderate: \$25,000 to \$75,000 per violation.

	(15) threats of bodily harm or retribution to a client	TEX. OCC. CODE §§901.502(6) & 901.502(11)	Major: \$75,000 to \$100,000 per violation.
32	Committing discreditable acts (16) public allegations of a lack of mental capacity of a client which cannot be supported in fact	22 TEX. ADMIN. CODE §501.90(15); TEX. OCC. CODE §§901.502(6) & 901.502(11)	Minor: \$0 to \$25,000 per violation. Moderate: \$25,000 to \$75,000 per violation. Major: \$75,000 to \$100,000 per violation.
33	Committing discreditable acts (17) voluntarily disclosing information communicated to the person by an employer, past or present, or through the person's employment in connection with accounting services rendered to the employer, except: (A) by permission of the employer; (B) pursuant to the Government Code, Chapter 554 (commonly referred to as the "Whistle Blowers Act"); (C) pursuant to: (i) a court order signed by a judge; or (ii) a summons: (I) under the provisions of the Internal Revenue Code of 1986 and its subsequent amendments, (II) the Securities Act	22 TEX. ADMIN. CODE §501.90(17); TEX. OCC. CODE §§901.502(6) & 901.502(11)	Minor: \$0 to \$25,000 per violation. Moderate: \$25,000 to \$75,000 per violation. Major: \$75,000 to \$100,000 per violation.

	<p>of 1933 (15 U.S.C. §77a et seq.) and its subsequent amendments, or</p> <p>(III) the Securities Exchange Act of 1934 (15 U.S.C. §78a et seq.) and its subsequent amendments;</p> <p>(D) in an investigation or proceeding by the board;</p> <p>(E) in an ethical investigation conducted by a professional organization of CPAs;</p> <p>(F) in the course of a peer review under §901.159 of the Act (relating to Peer Review); or</p> <p>(G) any information that is required to be disclosed by the professional standards for reporting on the examination of a financial statement.</p>		
34	<p>Committing discreditable acts</p> <p>(18) breaching the terms of an agreed consent order entered by the board or violating any Board Order</p>	<p>22 TEX. ADMIN. CODE §501.90(18);</p> <p>TEX. OCC. CODE §§901.502(6), 901.502(11) & 901.502(12)</p>	<p>Minor: \$0 to \$25,000 per violation.</p> <p>Moderate: \$25,000 to \$75,000 per violation.</p> <p>Major: \$75,000 to \$100,000 per violation.</p>
35	<p>Failure to report reportable events</p>	<p>22 TEX. ADMIN. CODE §501.91</p> <p>TEX. OCC. CODE §§901.502(6) & 901.502(11)</p>	<p>Minor: \$0 to \$25,000 per violation.</p> <p>Moderate: \$25,000 to \$75,000 per violation.</p> <p>Major: \$75,000 to \$100,000 per violation.</p>

36	Filing a frivolous complaint	22 TEX. ADMIN. CODE §501.92 TEX. OCC. CODE §§901.502(6) & 901.502(11)	\$0 to \$10,000 per violation.
37	Failure to respond to Board communications	22 TEX. ADMIN. CODE §501.93 TEX. OCC. CODE §§901.502(6) & 901.502(11)	Minor: \$0 to \$1,000 per violation. Moderate: \$1,000 to \$50,000 per violation. Major: \$50,000 to \$100,000 per violation.
38	Failure to satisfy peer review requirements	22 TEX. ADMIN. CODE §527.4 TEX. OCC. CODE §§901.502(11) & 901.502(12)	Minor: \$0 to \$1,000 per violation. Moderate: \$1,000 to \$50,000 per violation. Major: \$50,000 to \$100,000 per violation.