
From: deepsea23@optonline.net

Sent: Sunday, November 19, 2006 6:45 PM

To: EBSA, E-ORI - EBSA

Subject: FR Doc: E6-14913];[Page 53348-53351]; Employee Retirement Income Security Act: Independence of employee benefit plan accountants

In re: comments concerning the advisability of amending Interpretive Bulletin 75-9 relating to guidelines on independence of accountants retained by employee benefit plans:

3) I absolutely believe an accounting firm should be prohibited from auditing an employee benefit plan of a plan sponsor that employs a relative of any partner of the firm.

As a staff accountant assigned to the audit of a 401(k) plan, I found definite bias on the part of the firm in favor of the plan sponsor -- and to the detriment of the plan participants -- when I encountered extreme problems in the audit and one of the partners had a close cousin who was a HCE of the plan sponsor.

I am opposed to limiting any restrictions on familial relationships to "immediate" family. In this particular case, the partner was unmarried with no children, but very close to their extended family.

7) I do not believe that an accounting firm should be permitted to audit an employee benefit plan of a plan sponsor when the firm performs nonaudit services for the company.

Again, as staff assigned to 401(k) audits, I have repeatedly found bias on the part of my firm in favor of the plan sponsor -- and to the detriment of the plan participants -- that have quite obviously stemmed from close personal relationships with the sponsors' management and dependence on accounting fees from other work performed for those companies.

10) I believe accounting firms that perform audits of employee benefit plans should be prohibited from referring the plan sponsors of those companies to any form of investment advisor/TPA with whom the accounting firm has a business relationship such that there are referral fee arrangements, etc.

Again, I speak from experience in having been assigned to the audit of a 401(k) plan where the TPA ultimately lacked integrity, and yet my firm "looked the other way" on various issues of significant import due to their involvement in referring the plan sponsor to the TPA.