

August 14, 2003

Office of the Secretary, PCAOB
1666 K Street N.W.
Washington, DC 20006-2803

Shaun F. O'Malley
Chairman of the Board
(703) 903-2090

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Dear Sir or Madam:

**PCAOB Rulemaking Docket
Matter No. 005
Proposed Rules on Investigations and Adjudications**

During 1999 – 2000 I served as chair of the panel on Audit Effectiveness whose report and recommendations were issued on August 31, 2000. The panel agreed that the disciplinary system covering the accounting profession suffered from a number of limitations and was in need of significant improvement. Our recommendations for improvement were dependent upon the establishment of more centralized regulation of the profession. This has now been brought about through the establishment of the PCAOB.

With regard to the Board's proposed approach, I am in general agreement and believe they will bring a more focused, standardized approach to the disciplinary process, an approach which will be viewed as real by the practitioners while affording the public with the satisfaction that an appropriate disciplinary system is in place.

I do believe however, that there needs to be clarification regarding the so-called "coordination" between the SEC and the Board. As presently contemplated, one could assert that there is a type of double jeopardy wherein a firm or an individual agrees to a finding, sanction, or settlement with the Board only to have the SEC set aside that agreement or settlement and begin the process all over.

In addition, referring to the need for an "orderly resolution of the Commission review" page 8 (as well as page 7) of the summary, refer to Rule 5207, but closer examination reveals that there is no Rule 5207.

In any event I think the proposed rules need to be carefully reviewed to ensure that the dual roles of the Board and the SEC do not render the process inefficient or subject individuals or firms to a type of double jeopardy.

Overall I believe the proposals properly address the disciplinary process and should be enacted and implemented without more delay than is absolutely necessary.

Sincerely,


Shaun F. O'Malley