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webcast on accounting ethics. The event, scheduled for June 25, will be hosted by former NASBA chair Gaylen Hansen.

**Isaac M. O'Bannon** • May. 20, 2014



Why do ethical CPAs sometimes do unethical things?

Scott London, a partner at Big 4 accounting firm KPMG, made international news about a year ago when he was [arrested for insider trading](#) on Skechers and Herbalife, two of his clients. He made news again when he admitted his guilt, saying that it was a stupid mistake. Now he's trying to help prevent other financial professionals from tempting their own ethical judgment.

The case against London focused on him providing confidential financial information about the companies to a longtime friend who then traded stock based on that inside knowledge. The friend then gave London gifts, including about

\$25,000 in cash, a Rolex and other items. London was subsequently fined \$100,000

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**Gary Zeune CPA**. Zeune and **Gaylen Hansen CPA** will interview London via video on June 25 at 1:00 pm ET. The webcast will be re-aired on June 27 and 30. Hansen is the former chair of NASBA, the governing authority for continuing professional education requirements for the accounting profession.

This is a unique opportunity for professionals to hear first-hand about ethics from someone who went down the slippery slope and lost it all, including his \$900,000 per year job as a senior partner at one of the largest firms in the world.

London says he's doing the webcast because he wants to help others avoid his mistakes.

Instead of contesting the charges and going to trial, London told *CPA Practice Advisor* that he pleaded guilty and came forth because he didn't want the event to sully the reputation of professional accountants and financial advisors.

"I had to plead guilty," London said. "The impacts on the profession and on KPMG could have led to even further damage if there had been a long investigation and court case. It doesn't take long for bad public perception about accounting firms, like what happened to Arthur Andersen in 2002. So I want to do as much as can to set things right."

"What I did was clearly wrong, and I take full responsibility. However, this is a subject matter that unfortunately may be very prevalent with people who have access to confidential company information, but it's difficult to catch people doing. Even seemingly innocuous conversations with a good friend can lead a person to be tempted and think they won't get caught. I hope that my story can help prevent others from crossing the line."

The webcast is being coordinated by Zeune, a CPA who has taught fraud and ethics courses for 35 years, says he has seen many cases of otherwise honorable and

respectable professionals make a poor choice.

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something that might be happening with one of your clients.

The biggest question Zeune asks professionals who have fallen from ethical grace is, "If you knew the effect on your family, would you do it?" For London, the former KPMG auditor who is heading to federal prison, the answer is a resounding no.

"Never once did I think about what would happen if we got caught," London said. "Of course, I knew there were potentially some very bad things, but I never really thought about the real effects and effect on my family life."

Zeune says this is especially impactful when the person who commits the crime or ethical breach is the primary income provider for his or her family, because the financial impacts can be disastrous.

"We want to help professionals pay more attention to their own behavior, and to look at some of the warning signs. Because the consequences don't just affect you, they can affect the ones you love."

London will report to a federal minimum security prison in California on July 18. Although his sentence is for 14 months, federal guidelines make it possible that he may only have to serve six to eight months in the facility, with the remaining time spent either in a half-way house or, more likely, on home confinement.

To register for the webcast, which is eligible for 4 hours of CPE credit, visit <http://cpe.cpacrossings.com/GZSLI1?leadsource=GaryZeune>.

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