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By Nate DiCamillo, Quartz (TNS)

At a time when the crypto industry is trying to rebuild trust, auditors who help crypto companies report their financials are backing out of the industry.

Without reliable auditors, investors who were once enthusiastic about digital currencies may stay on the sidelines.

After [performing](#) a proof-of-reserves assessment for crypto exchange Binance earlier in December, auditing firm Mazars [announced](#) it was withdrawing the assessment that its South African arm had put out, and its work with crypto firms in general. The

audit was [quickly criticized](#) by regulatory experts for being insufficient and creating

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Trump Organization.

Michael Burry, who started Scion Asset Management and predicted the financial crisis of 2008, said in December auditors who work with crypto firms are “learning on the job.”

Also in December, *Forbes* [reported](#) Armanino is closing its crypto audit practice and dropping its crypto clients. Armanino [was named](#) in a class-action lawsuit last month because it didn't note problems at FTX.US when the firm audited the exchange last year.

In its apology to investors over being duped by FTX, Venture capital firm Sequoia Capital [said](#) it would hire one of the Big Four firms (EY, PwC, KPMG, and Deloitte) to audit early stage investments in the future.

Sequoia may have a tough time getting the Big Four to sign on to this new policy. In a response to Quartz about its proof-of-reserves audit, [Binance said](#) it had reached out to each of these auditing firms for an audit but had been denied.

This refusal could have been because Binance was searching for a proof-of-reserves audit, which entails telling the auditor what to do versus allowing a regular audit to take place. KPMG declined to comment, and the other Big Four auditors did not answer requests for comment by press time.

If the Big Four also leave the crypto space, crypto companies will have very few options. Grant Thornton confirmed to Quartz in an email it is still serving the industry, and BDO has also served the digital asset space in the past.

Crypto has a terrible history with auditors

Multiple auditors were burned in the FTX collapse. The fallen exchange used two

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“There are always going to be, even among accountants, people who are entrepreneurial and willing to take on more risk,” McKenna said. “The smaller the audit firm, the less rules they have in terms of member firms getting approval from an umbrella firm.”

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