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Borders over the past two annual checks.

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By Lydia Beyoud, Nicola M. White, and Amanda Iacone, Bloomberg News (TNS)

Donald Trump's social-media company just became the most valuable publicly traded client of an accounting firm that has more experience auditing companies traded over-the-counter and has had a string of regulatory issues, including a 100% deficiency rate on audits reviewed by a U.S. watchdog.

Trump Media & Technology Group Corp. said in recent regulatory filings that it will keep BF Borgers, a Lakewood, Colorado-based accounting firm, as its auditor after starting to trade publicly late last month. A Canadian regulator said last year that BF

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certain improvements.

A representative for BF Borgers didn't respond to multiple requests for comment.

Trump Media said in a statement that articles about BF Borgers's record were partisan and "preemptively attacking our auditors before they've even begun their work for us as a public company."

TMTG has used the firm since 2022 as it sought to go public by merging with Digital World Acquisition Corp., a special purpose acquisition company. PCAOB inspections haven't yet covered BF Borgers's audits of Trump Media.

Trump owns most of TMTG's stock, and its listing on the Nasdaq netted the former president a multibillion-dollar windfall. After a surge in its share price the company is now valued at roughly \$5 billion. Shares in the company fell 10% to \$36.52 at 1:04 p.m. in New York on Monday.

Audit Report Card

Small or foreign audit firms often have high deficiency rates, and are typically only examined every three years by PCAOB inspectors. However, BF Borgers is a prolific auditor with more frequent examinations. Last year, it ranked No. 8 on a list of audit firms with the most publicly traded clients, with just nine fewer clients than midtier firm BDO USA, according to research firm Ideagen Audit Analytics. Among the 10 busiest auditing firms, Withum Smith+Brown had an 80% deficiency rate and BDO had a 66% rate in 2022, according to the audit regulator.

About 84% of BF Borgers's clients were traded over-the-counter, meaning they don't meet the listing requirements of large exchanges. Less than 30 traded on either the Nasdaq or the New York Stock Exchange, according to Ideagen.

The PCAOB said that BF Borgers more than doubled its clients between 2019 and

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sample of client audits. They measure whether auditors had sufficient evidence to back up their assessments of companies' financial statements, providing a performance gauge for corporate directors and investors.

Negative findings from the regulator indicate flawed processes or technical violations of the board's rules.

The Washington-based audit regulator **found** problems with the firm's testing procedures for bedrock measures such as revenue and accounts receivable, among other issues.

In 2022, the PCAOB placed a two-year ban on **one of BF Borgers' audit directors** for failures on the audits of Chineseinvestors.com Inc., United Cannabis Corp. and China Pharma Holdings Inc. China Pharma's shares are down 99% in the past three years.

— *With assistance from Bailey Lipschultz.*

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