PwC Faces Largest-Ever Auditor Malpractice Damages Verdict



Image by Bjørn Erik Pedersen

MarketWatch **is reporting** that the Federal Deposit Insurance Corp. could collect the largest damage award ever against a global public accounting firm when a federal judge decides what to award the agency after a verdict against PricewaterhouseCoopers.

The judge in the case has already ruled that PwC had been professionally negligent in not detecting the criminal fraud that led to the failure of Colonial Bank Group in 2009, according to reporter **Francine McKenna**.

The FDIC has asked Judge Barbara Rothstein to award it $625 million in compensation for the bank's alleged net losses from a fraud with mortgage originator Taylor Bean and Whitaker, which also failed in 2009.

Even PwC's estimate of damages based on the judge's decision, per court filings, of $306 million would result in the largest-ever final judgment or jury verdict for accounting malpractice, MarketWatch reports.

Read the MarketWatch article.