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# SEC Creates Dedicated Financial Reporting and Accounting Unit Within Enforcement Division


**WRITTEN BY**

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## KEY POINTS

- The SEC established the Financial Reporting and Accounting Unit within its Division of Enforcement to pursue accounting and financial reporting fraud, as well as misconduct by accountants and auditors.
- The unit will be staffed by attorneys and accountants with specialized skills in financial reporting, accounting, and auditing in the context of federal securities regulation.
- Timothy Zimmerman, a former deputy general counsel at an international accounting and professional services firm, will lead the new unit.
- Division of Enforcement Director David Woodcock stated the unit expands on the SEC's historical efforts to address misconduct in the accounting and auditing profession.
- Public companies, audit firms, and their advisors should review financial reporting practices and internal controls in light of the SEC's renewed enforcement focus.

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On August 5, the Securities and Exchange Commission (SEC) announced the establishment of a new specialized unit within its Division of Enforcement focused exclusively on accounting and financial reporting fraud, as well as misconduct in the accounting and auditing professions. The Financial Reporting and Accounting Unit signals a renewed emphasis on this historically significant area of SEC enforcement.

## WHAT THE NEW UNIT WILL DO

The Financial Reporting and Accounting Unit will pursue cases involving:

- Accounting and financial reporting fraud;
- Misconduct by accountants and auditors; and
- Violations of federal securities laws in the financial reporting context.

The unit will work in close collaboration with staff across all relevant SEC divisions and offices to ensure enforcement efforts are consistent with the SEC's broader policy goals. It will be staffed by both attorneys and accountants with specialized expertise in financial reporting, accounting, and auditing in the context of securities regulation.

## LEADERSHIP

The unit will be led by Timothy Zimmerman, who joined the SEC's Division of Enforcement in May 2026 as a senior advisor to the director. Prior to joining the SEC, Zimmerman spent 12 years at an international law firm and most recently served as deputy general counsel at an international accounting and professional services firm.

Enforcement Division Director David Woodcock noted that the new unit “expands on the Division’s current and historical efforts to crack down on bad actors in the accounting and auditing profession” and will be “critical in our efforts to pursuing financial reporting fraud, as well as accounting and auditor misconduct more generally.”

## TAKEAWAY

The establishment of the Financial Reporting and Accounting Unit reflects the SEC’s view that accounting and financial reporting integrity remains a core enforcement priority. Public companies, audit firms, and their advisors should take note of this development and ensure that their financial reporting practices and internal controls are robust and well-documented.

For more information about how these developments may affect your organization, please contact Jay A. Dubow, Ghillaine A. Reid, or another member of Troutman Pepper Locke’s Securities Investigations + Enforcement Practice Group.

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