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Auditors Face Charges Related to TierOne Bank Failure

LINCOLN, Neb. (AP) - Two KPMG auditors are facing charges from the Securities and Exchange Commission for failing to find problems at TierOne Bank before it failed in 2010 after concealing real estate losses.

The SEC filed administrative charges against KPMG's John J. Aesoph of Omaha and Darren Bennett of Elkhorn.

KPMG spokesman Tim Connolly says the two look forward to defending their work and presenting facts about the circumstances they faced at TierOne.

The SEC says the two auditors didn't do enough to challenge TierOne's estimates of the value of real estate that the bank had loans on or had repossessed. The Lincoln-based bank understated its losses by millions of dollars in 2008 and 2009.

Federal regulators closed TierOne in June 2010 and sold its assets to Great Western Bank.

Associated Press