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COSO Report on Stock Fraud Validates asensio.com's Own Experience and findings.

A study released this past May by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) on fraudulent financial reporting by U.S. public companies, which examined financial statement fraud allegations investigated by the U.S. Securities and Exchange Commission ("SEC") over a ten-year period, found that all of the 347 fraudulent firms in the study received an unqualified opinion from their auditors on the last set of fraudulently misstated financial statements.

The COSO study also found that the severity of the penalties associated with financial fraud may not be a sufficient deterrent and that stock-price declines resulting from initial news of an alleged fraud were over two times greater than those resulting from announcements of SEC or Department of Justice investigations.

The most common fraudulent schemes were inflated revenues, which accounted for over 60 percent of the cases, followed by overstated assets, which in the experience of asensio.com, results from having to inflate assets instead of recognizing a cost or expense, and is a common component of fraudulently overstated profits.

The COSO report listed motives for fraud including the need to meet earnings expectations and the desire to increase management compensation.

The COSO report is available at http://www.coso.org/FraudReport.htm

COSO was formed in 1985 to sponsor the National Commission on Fraudulent Financial Reporting, an independent private-sector initiative studying the factors that lead to fraudulent financial reporting. It also developed recommendations for public companies, auditors, the SEC and other regulators, and educational institutions.