

Casino Operator Sands Says Auditor Resigns

Written by Administrator
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By [ALEXANDRA BERZON](#) and [MICHAEL RAPOPORT](#)

Casino operator [Las Vegas Sands](#) Corp. said on Friday that its auditor, PricewaterhouseCoopers LLP, resigned this week after a 25-year relationship with Sands Chief Executive [Sheldon Adelson](#).

The resignation comes as Sands faces ongoing legal issues. The Las Vegas-based casino giant is under investigation by U.S. federal agencies for possible violations of anti-money laundering and antibribery laws.

A person familiar with the situation said the legal and regulatory scrutiny of Las Vegas Sands was "the overriding issue" behind PwC's resignation. Personal tension between Mr. Adelson and the accounting firm also played a role, the person said.

In a Securities and Exchange Commission filing, Sands didn't cite the reason for the resignation but said the company's longtime auditor hasn't had major substantive disagreements in recent years over accounting and disclosure issues that would have required disclosure in the company's financial statements.

Las Vegas Sands spokesman Ron Reese said there was nothing in Sands' discussions with PwC that would indicate that its decision not to continue as auditor relates to any nonpublic information about litigation or investigations.

Mr. Adelson's challenging demeanor and demands on the auditors led to a deterioration in the relationship, according to people familiar with the matter.

"These are relationships that evolve over time," Mr. Reese said, declining to comment on the reason for PricewaterhouseCooper's resignation. "In business, these types of situations are a fact of life."

Sands has had a turbulent few years because it is in the midst of U.S. Justice Department and

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SEC investigations.

The company has denied wrongdoing in the money-laundering investigation and denied that it bribed public officials. It disclosed recently that the board's audit committee had advised the company and its accountants that it had reached a preliminary finding that there were likely violations of books and records and internal control provisions of the antibribery laws.

Auditors resign from clients from time to time over simple matters such as personality disagreements, but it can be a red flag when coupled with an investigation and is something investors should pay attention to, said Lynn Turner, a former chief accountant of the SEC, speaking generally.

PwC received about \$5.9 million in audit, tax and other fees in 2012 from Sands, according to a Sands filing.

The accounting firm has had a relationship with Mr. Adelson through Sands and Mr. Adelson's previous company, a conference organizer, since about 1988, according to Mr. Reese, the spokesman.

Sands stock was off 93 cents at \$56.17 at 4 p.m. on Friday. It disclosed the auditor's resignation after 4 p.m.

PwC will complete its review of the company's first quarter financial statements, due out on Wednesday, and the company is in the process of selecting a new auditor, it said in a filing.

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