

## FINRA Bars Raymond James Compliance Associate for Doctoring Branch Audit Forms

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The Financial Industry Regulatory Authority has barred a former Raymond James & Associates Inc. compliance associate for allegedly falsifying firm branch audit data to avoid follow-up work, which caused the firm to maintain inaccurate books and records.

While at Raymond James, Storms' primary responsibility was to audit the firm's branch offices and perform any necessary follow-up work that resulted from the audits.



As part of the audits, the firm sent an email to each registered representative with a questionnaire that asked whether the representative had any undisclosed outside business activities, undisclosed securities accounts at other broker-dealers, LinkedIn profiles, and whether the branch used third-party vendors to store data.

Depending on the responses, Storms was required to follow up. For example, if a representative stated that he or she had an undisclosed outside business activity, Storms determined the nature of the activity and ensured that the firm had approved it before completing the audit.

Raymond James used a software program to store the representatives' answers to the questionnaire which generated a numerical valuation for each response. A valuation of "1" or "3" did not require Storms to follow up, while a score of "2" required that he engage in additional steps before the audit could be considered complete.

To process the answers collected, compliance associates, including Storms, exported the data stored by the software to a master spreadsheet that recorded the representatives' responses.

Although the data in the software program itself could not be altered, Storms was able to change the valuations recorded on the master spreadsheet, thereby avoiding any follow-up work. He changed valuations of "2" on the spreadsheet (which required follow-up) to "1" or "3" (which did not require follow-up).

According to FINRA, from March through November 2016, Storms altered answers to 524 questions from 145 registered representatives, affecting 60 branch audits.

In March 2017, Storms' supervisor confronted him about the altered data, and in order to hide his misconduct, tried unsuccessfully to correct it.

In addition to falsifying data, the complaint alleges that Storms failed to timely appear for on-the-record testimony requested by FINRA. For these violations, he was barred from associating with any FINRA member firm in any capacity.

Storms entered the securities industry as a compliance intern with Raymond James in 2005, and later served as a compliance associate. He was registered as a general securities representative and general securities principal from November 2015 to March 2017, when he was terminated. After leaving Raymond James, he was briefly associated with Ameriprise for three months before being terminated.

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