

## HEARING

### DISCIPLINARY COMMITTEE OF THE ASSOCIATION OF CHARTERED CERTIFIED ACCOUNTANTS

#### REASONS FOR THE DECISION

<b>In the matter of:</b>	<b>Mr Vamshi Krishna Yelugam</b>
<b>Heard on:</b>	<b>Tuesday, 20 September 2022</b>
<b>Location:</b>	<b>Held remotely by video conference</b>
<b>Committee:</b>	<b>Ms Kathryn Douglas (Chair) Mr George Wood (Accountant) Ms Catherine Brown (Lay)</b>
<b>Legal Adviser:</b>	<b>Mr David Marshall</b>
<b>Persons present and capacity:</b>	<b>Ms Ariane Tadayyon (ACCA Case Presenter) Miss Nyero Abboh (Hearings Officer)</b>
<b>Summary:</b>	<b>Allegations 1a), 1b), 1c), 2b), 1d) and 1e) - found proved Removed from the student register</b>
<b>Costs:</b>	<b>£500</b>

#### INTRODUCTION

1. The Committee heard an allegation of misconduct against Mr Yelugam. Ms Tadayyon appeared for ACCA. Mr Yelugam was present and represented himself.

#### ACCA



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2. The Committee had a main bundle of papers containing 111 pages, an additional bundle containing 9 pages, a service bundle containing 24 pages, a completed Case Management Form of 22 pages, a Witness Proforma of 1 page and a Statement of Financial Position of 1 page. At the second stage of the hearing, the Committee was provided with two documents relating to ACCA's costs.

### **ALLEGATIONS/BRIEF BACKGROUND**

3. Mr Yelugam became a student of ACCA on 3 August 2017. He was also undertaking a University course in the UK relevant to accountancy. On 23 September 2020, a request was made to ACCA that Mr Yelugam be granted exemptions from ACCA exams. The application was supported by a document purporting to be a transcript from the University showing the modules Mr Yelugam had passed. ACCA's case (which was not disputed by Mr Yelugam) was that this document was not genuine. ACCA alleged that Mr Yelugam was responsible for the forgery and had submitted the document.
4. Mr Yelugam faced the following allegations:

#### ***Allegations***

1. *Mr Vamshi Krishna YELUGAM, a registered student of the Association of Chartered Certified Accountants ('ACCA'):*
  - (a) *On or before 23 September 2020, amended the contents of, or was concerned in the amendment of, a letter dated 21 September 2020 containing his examination history ("the Amended Letter") at University A.*
  - (b) *His conduct in respect of Allegation 1(a) was:*
    - (i) *Dishonest, in that he:*
      1. *Knew the amendments were false;*
      2. *Intended to use the amended letter to obtain exemptions to which he was not entitled; and/or*
      3. *Intended to mislead ACCA.*

*Or, in the alternative,*

- (ii) Demonstrates a failure to act with integrity.*
- (c) On or about 23 September 2020, submitted, or was concerned in the submission of, the Amended Letter to ACCA.*
- (d) His conduct in respect of Allegation 1(c) was:*
  - (i) Dishonest, in that he knew the Amended Letter was false and/or that he intended to mislead ACCA as to his entitlement to exemptions, or in the alternative;*
  - (ii) Demonstrates a failure to act with integrity.*
- (e) By reason of his conduct in respect of any or all of the matters set out at Allegations 1(a) to (d), Mr Yelugam is guilty of misconduct pursuant to bye-law 8(a)(i).*

#### **DECISION ON FACTS/ALLEGATIONS AND REASONS**

5. All the facts were in issue. ACCA did not call any witnesses but relied on the documents. Mr Yelugam made submissions and gave evidence but did not call any other witnesses.
6. Some facts were clear and not in dispute. ACCA's records showed that there were electronic communications from 21 to 23 September 2020 between ACCA and someone purporting to be Mr Yelugam. These were by both email and by ACCA's chat facility. Therefore, the person concerned must have known Mr Yelugam's log-in details by this time.
7. In an email sent on 21 September 2020 at 13:33, the sender said that he had completed the taught modules for MSc Financial Management and wanted to claim exemptions for ACCA's 'fundamentals level'. The email attached a transcript from the University showing that, for example, he had completed a module 'ACC4260 Managerial Accounting'. There was an email on 23 September at 12:08 asking for an update and then an online chat starting at 19:12. The ACCA employee advised that on the basis of the transcript, Mr Yelugam was not eligible for further exemptions because he had not taken the

right modules.

8. There was then an email to ACCA sent at 19:55. This was in similar terms to the email of 21 September but a different transcript was attached. This stated that Mr Yelugam had, for example completed module 'ACCT320 Advanced Management Accounting'. There was evidence from ACCA that the relatively minor changes to the wording of the transcript (if accepted) would have entitled Mr Yelugam to three additional exemptions: Performance Management (PM), Financial Reporting (FR) and Financial Management (FM).
9. At 20:05 another chat session started. The correspondent said he would like to claim exemptions from F5, F7 and F9. He was advised that these could not be verified immediately. He would have to send in the final certificate and transcript which would be evaluated by a specialist department.
10. ACCA contacted the University to verify the transcripts. The University replied on 28 September 2020 saying that the transcript sent on 23 September 2020 (referred to as Transcript 1) was 'fraudulent'. The transcript first sent on 21 September 2020 ('Transcript 2') was genuine. The letter confirmed that Mr Yelugam was a genuine student and was studying at the University until lockdown (so about March 2020).
11. ACCA's case was based on inference from these facts: the person who contacted ACCA must have been Mr Yelugam because that person had used Mr Yelugam's email account and log on details. No-one else had a motive to impersonate him or to create false documents designed to advance his career with ACCA. Mr Yelugam's explanations were implausible.
12. Mr Yelugam's case was that he was the person who sent the initial email of 21 September 2020 and started the chat session at 19:12 on the 23 September 2020. He said that once he had been told that he had not taken the right modules, he settled down to taking further exams. He said he was not involved in the later communications and did not create or send the false transcript. He said he knew nothing about them at the time. He said that someone must have gained access to his email account and generated these documents to harm him. He said he had no idea who this person was or why they had acted in this way but he believed it was the only possible explanation since he had not been

involved. He said that he had subsequently changed his password and improved his security arrangements by implementing two factor authentication.

### **Allegation 1**

13. The Committee took into account that ACCA did not have direct evidence of forging or submitting the false document but, subject to one point, ACCA's case was on the face of it a strong one. It was extremely likely that the person who submitted the application for exemptions was the same person who 'amended the contents of or was concerned in the amendment of' the transcript. The only person who would appear to benefit from the forgery was Mr Yelugam. The one weak link in ACCA's chain of inference was the timing of the events. In the online chat starting at 19:12 on the 23 September 2020, Mr Yelugam was told that the transcript he had submitted did not entitle him to further exemptions. Within an hour, someone using Mr Yelugam's email account had submitted a different, false, transcript to support a renewed application for exemptions. This would have been a foolish thing for Mr Yelugam to do. He should have realised that ACCA would compare the two documents and would investigate. Mr Yelugam did not strike the Committee as a foolish person. On the contrary, he seemed intelligent and capable. He was articulate and skilful in presenting his defence.
14. Of course, intelligent and capable people do sometimes do foolish things, but the Committee considered carefully whether there was some credible alternative explanation for the facts that did not lead to the inference that Mr Yelugam had been dishonest.
15. The Committee did not consider Mr Yelugam's suggestion of a malicious third party to be credible for a number of reasons:
  - No such person had been identified or suggested, even though the person would have needed intimate knowledge of Mr Yelugam and his academic career. The person would have had to understand the rules regarding exemptions and exactly what changes would be needed to the transcript to make it appear to support the application. Such a person would surely have been known to Mr Yelugam.

- Mr Yelugam said that he was not aware of any other adverse consequences from the supposed hacking of his account even though the account had been compromised from July to October 2020 and the hacker would have had access to all his account log-ons and also Mr Yelugam's identity documents.
  - No credible motive was suggested. It is far-fetched to suggest that a person intended to damage Mr Yelugam by forging a document to advance his career in the hope that the forgery would be detected. There would be much easier and more obvious ways for a person with access to his passwords, accounts and identity documents to damage him.
  - Mr Yelugam was aware that technical evidence could assist him to show that someone else had accessed his account. He used Gmail and he said that there was a facility to show the devices that had accessed his account at various times, although it was only possible to go back 3 or 4 months or perhaps a little more. Mr Yelugam claimed to have done this but his documents did not stand up to scrutiny. He produced a document showing access to his accounts on various dates but this ended on 21 September 2020. The supposedly hacked communications started on 23 September 2020. Mr Yelugam claimed to have received advice from a software engineer who worked for the same company as him. Mr Yelugam told the Committee that this engineer was able to go back further than 3 or 4 months. He said that the engineer had found evidence that a device located in India had accessed his account while he was in the UK. However, what he produced was various printouts which showed only that certain IP addresses starting '103.217.244. ...' were located near Delhi. He produced no evidence to show that these IP addresses had accessed his account. He produced no evidence to show dates when his account was accessed. He had no written record of any research or findings made by a software engineer.
16. Mr Yelugam was questioned by the Committee about the fact that the evidence seemed not to support his case. On several occasions, he answered that he could produce more evidence if required. He had been notified of the details of the complaint in February 2021 and had had ample opportunity to investigate.

The Committee did not consider it plausible that further evidence supporting his assertions existed.

17. The Committee concluded that ACCA had proved its case on the balance of probabilities. It was satisfied that it was more likely than not that it was Mr Yelugam who amended the transcript. The Committee found allegation 1(a) proved.
18. The Committee had no doubt that Mr Yelugam's conduct in forging a document to try to get exemptions to which he was not entitled was dishonest. The Committee found allegation 1(b)(i) proved. It was not necessary to consider the alternative charge in allegation 1(b)(ii).
19. The reasons given in relation to allegation 1(a) applied equally to allegation 1(c). The Committee found allegation 1(c) proved.
20. The reasons given in relation to allegation 1(b)(i) applied equally to allegation 1(d)(i). The Committee found allegation 1(d)(i) proved. It was not necessary to consider the alternative charge in allegation 1(d)(ii).

### **Misconduct**

21. Mr Yelugam dishonestly forged a document and submitted it to ACCA in an attempt to gain exemptions from ACCA examinations to which he was not entitled. The Committee had no doubt that this amounted to misconduct. It was conduct which was likely to bring discredit to him, to ACCA and to the accountancy profession.

### **SANCTIONS AND REASONS**

22. The Committee considered what sanction, if any, to impose in the light of its findings, having regard to ACCA's Guidance for Disciplinary Sanctions.
23. It first sought to identify mitigating and aggravating factors. In mitigation, it noted that Mr Yelugam had no previous disciplinary findings against him, although he had not yet completed his studies and had not had much opportunity to do so. It considered that this was an isolated incident and probably not premeditated given the timings referred to above. He had cooperated with ACCA's investigation.

24. The Committee regarded the finding of dishonesty as very serious but did not identify any particular aggravating factor.
25. The Committee considered the available and relevant sanctions in ascending order having regard to the Guidance for Disciplinary Sanctions. The Guidance makes it clear that dishonesty is a particularly serious matter for an ACCA member or student.
26. The matters found proved were far too serious to conclude this case without making an order. The sanctions of admonishment, and then reprimand, are only suitable where the conduct is of a minor nature and there appears to be no continuing risk to the public. In this case, the misconduct was too serious for these sanctions to be adequate.
27. The sanction of severe reprimand can be appropriate for serious misconduct if there are particular circumstances of the case or mitigation advanced which satisfy the Committee that there is no continuing risk to the public, and there is evidence of the individual's understanding and appreciation of the conduct found proved. There was no such evidence in this case. Mr Yelugam consistently denied that he had done anything wrong and was therefore not able to demonstrate any insight or remorse. Most of the significant factors in the guidance were absent in this case.
28. The next relevant sanction available was removal from the student register. Most of the relevant factors in the Guidance were present. The Committee considered that there was an abuse of trust in this case. ACCA should be able to trust its student to submit genuine qualifications.
29. The Committee concluded that Mr Yelugam's conduct was fundamentally incompatible with student registration. The Committee decided that removal was the minimum sanction it could impose to protect the public and mark proper standards of behaviour for ACCA registrants.
30. The Committee did not see any need to extend the period before which Mr Yelugam could apply for readmission.



## **COSTS AND REASONS**

31. Ms Tadayyon applied for costs totalling £6,691. The Committee was satisfied that the proceedings had been properly brought and that ACCA was entitled in principle to a contribution to its costs.
32. However, Mr Yelugam had submitted a statement of financial position and the Committee was concerned about Mr Yelugam's ability to meet any substantial order for costs. The Committee accepted his evidence regarding his duty to support family members. The Committee decided that a figure of £500 would be reasonable. Any more would cause severe hardship.

## **EFFECTIVE DATE OF ORDER**

33. The Committee did not consider there was any risk to the public which required that the order take effect immediately. Ms Tadayyon did not seek such an order. This order shall take effect at the expiry of the appeal period.

## **ORDER**

34. The Committee ordered as follows:
  - (a) Mr Vamshi Krishna Yelugam shall be removed from the student register.
  - (b) Mr Yelugam shall pay the sum of £500 as a contribution towards ACCA's costs.

**Ms Kathryn Douglas**  
**Chair**  
**20 September 2022**