

**Connecticut State Board of Accountancy  
February 3, 2004  
Minutes**

Chairman Reynolds called the meeting to order at 9:00 a.m. on the second floor conference room in the Office of the Secretary of the State, 30 Trinity St. Hartford CT.

Present :

Thomas F. Reynolds, CPA, Chairman  
Richard P. Bond  
James Ciarcia  
Philip J. DeCaprio Jr., CPA  
Richard Gesseck, CPA  
Leonard M. Romaniello, Jr., CPA  
Richard Sturdevant  
Michael Weinshel, CPA

David L. Guay, Executive Director  
Eric Opin, Board Attorney  
Stephanie Sheff, Board Staff

Newton Buckner III, CPA, President, Connecticut Society of Certified Public Accountants  
Arthur Renner, Executive Director, Connecticut Society of Certified Public Accountants  
Mark Zampino, Connecticut Society of Certified Public Accountants

A motion to approve the minutes of the January 6, 2004 Board meeting was then made by Philip DeCaprio Jr. and seconded by Richard Gesseck, all voted in favor.

The motion to accept the individual list of Certificates, Registrations, and license was moved by Michael Weinshel and seconded by Leonard Romaniello. All members voted in favor.

The motion to accept the firm permit applications was moved by James Ciarcia and seconded by Michael Weinshel. All voted in favor.

The next item on the agenda was the Enforcement docket, which was delivered by Attorney Eric Opin.

Attorney Eric Opin requested the Board table Docket # 2507 until the Respondent, Mr. Sittambalam arrives. The Board agreed without a vote.

Docket # 2407-Thomas Fitzpatrick, CPA - Attorney Opin requested Board Advice for possible settlement.

Board member Philip DeCaprio recused himself from action on this case because he conducted a part of the investigation. Mr. DeCaprio's recusal caused a discussion on what a Board member could do based upon recusal. Richard Bond requested Attorney Opin research the question

Attorney Opin presented the following case synopsis.

Complaint filed by Office of Policy & Management ("OPM") as to substandard audit of Fire District. [Note: OPM oversees and reviews municipal audit reports]. Issues included omission of material disclosure items including:

- Missing pension information in report as required by State of Connecticut, General Standards Accounting Board ("GASB"), and Generally Accepted Accounting Principles ("GAAP");
- Issuing a standard/unqualified opinion in the Independent Auditor's Report when there was missing required supplementary information including schedule of funding progress and schedule of employer contributions;
- No disclosure of Fire District's Federal Depository Insurance Corporation ("FDIC") bank deposits along with no categorization of bank balance credit risks.

Fire district no longer uses his services; CPA is in a Peer Review compliance program.

Michael Weinshel asked Philip DeCaprio whether his investigation had uncovered a sub standard audit. Philip DeCaprio responded yes. Michael Weinshel also asked staff if they new what the result of the Peer Review is. Staff, responded that it did not have an answer prepared on that question and indicated that an unqualified opinion on the latest Peer Review should be part of the settlement. Michael Weinshel suggested continuing education should be part of the settlement, a clean Peer Review and possible monetary fine of \$1000.00. Philip DeCaprio suggested mandatory pre-issuance work review as a safeguard to the public. Leonard Romaniello asked if he currently in compliance with the continuing education requirement. Executive Director Guay responded yes. Leonard Romaniello asked if any other complaints had been filed against Mr. Fitzpatrick. Attorney Opin responded that he did not believe so, but would have to double check. Richard Bond asked why has this case taken two years to get to this point. Executive Director Guay stated he didn't have an answer for that question, explaining part of it is chasing the individual and part of it is the Board did not have an for a year. Philip DeCaprio noted that Mr. Patrick was seriously ill. Executive Director Guay recapped the recommendations of the Board for inclusion in a possible settlement; continuing education in the audit area, a clean Peer Review, pre-issuance review of work, and \$1000.00 in civil penalties.

Docket #2416 – Bailey, Moore, Glazer, Schaeffer & Proto – Attorney Opin requested Board Advice for possible settlement.

Complaint filed by CPA within firm for audit of construction company. Complaint and attached work papers allege that construction company was in violation of Connecticut Public Act 99-153 relating to retainages of subcontractors on the construction of an office building. CPA complainant alleges that co-worker had written comments on work papers before dismissal, Complainant unable to locate the “Construction in Progress” folder, which contained work papers in the file room.

Complainant alleges that despite construction company’s violation, it received a clean audit from CPA firm.

Richard Bond asked if this is a State of Connecticut project. Attorney Opin responded that it was a private project. Richard Gesseck asked if Attorney Opin could advise the Board to what is Public Act 99-153. Attorney Opin indicated it is a statute that lays out construction contract requirements. Both Attorney Opin and Executive Director Guay indicated that they could use some expertise on this case and asked if Richard Gesseck would take a look at the case file. Richard Gesseck agreed to review the file. Philip DeCaprio noted the employment situation of the complainant. Attorney Opin confirmed that the complainant was employed by the firm at the time and was an internal whistleblower, claiming a colleague had the alleged documentation, and the colleague was terminated. Leonard Romaniello asked what year the alleged incident occurred. Attorney Opin responded 2001/2002. Philip DeCaprio expressed an interest in further information on Public Act 99-153. Mr. Bond noted that again this case is two years old and does the firm even know about this. Executive Director Guay noted that Attorney Opin is still transitioning cases from Attorney Kozik, and could not respond that they had been notified yet. Attorney Opin responded that he wanted the Board’s advice on this case before contacting the firm for a response. Chairman Reynolds asked if the file contained enough information for Richard Gesseck to review. Attorney Opin stated yes. Executive Director Guay further explained that Richard Gesseck is looking at the file to see if the allegation has any merit and if it does, what should we look at next. At that point the firm will be sent a 30-day inquiry letter to the firm, which would lay out the allegations and ask for a response.

**2449- Ritch, Greenberg & Hassan – Attorney Opin requested subpoena authority for production of all documentary material:**

- Including, but not limited to all letters of engagement, contracts or other agreements and invoices and payments concerning services you or any employee of your firm performed at the direction of or for the benefit of Yorkshire Manor for the years 1991 through 1998 inclusive.
- Including, but not limited to all tax returns, quarterly filings, costs reports, and any other forms of filings you or any employee of your firm presented to a local state or federal government agency at the direction of or for the benefit of Yorkshire Manor for the years 1991 through 1998 inclusive.
- Including, but not limited to all work papers, drafts, notes, and correspondence concerning services you or any employee of your firm performed at the direction or on the behalf of Yorkshire Manor for the years 1991 through 1998 inclusive.

- Including, but not limited to all correspondence, notes, mortgages, loans and deeds concerning any personal business relationship with Yorkshire Manor for the years 1991 through 1998 inclusive.
- Including, but not limited to all letters of engagement, contracts or other agreements and invoices and payments concerning services you or any employee of your firm performed at the direction of or for the benefit of Ms. Camille Frosolone for the years 1991 through 1998, inclusive.
- Including, but not limited to all tax returns, quarterly filings, costs reports, and any other forms of filings you or any employee of your firm presented to a local state or federal government agency at the direction of or for the benefit of Ms. Camille Frosolone for the years 1991 through 1998, inclusive.
- Including, but not limited to all work papers, drafts, notes, and correspondence concerning services you or any employee of your firm performed at the direction or on the behalf of Ms. Camille Frosolone for the years 1991 through 1998, inclusive.
- Including, but not limited to all correspondence, notes, mortgages, loans and deeds concerning any personal business relationship with Ms. Camille Frosolone for the years 1991 through 1998, inclusive.
- Including, but not limited to all letters of engagement, contracts or other agreements and invoices and payments concerning services you or any employee of your firm performed at the direction of or for the benefit of Ms. Dawn Pascale for the years 1991 through 1998, inclusive.
- Including, but not limited to all tax returns, quarterly filings, costs reports, and any other forms of filings you or any employee of your firm presented to a local state or federal government agency at the direction of or for the benefit of Ms. Dawn Pascale for the years 1991 through 1998, inclusive.
- Including, but not limited to all work papers, drafts, notes, and correspondence concerning services you or any employee of your firm performed at the direction or on the behalf of Ms. Dawn Pascale for the years 1991 through 1998, inclusive.
- Including, but not limited to all correspondence, notes, mortgages, loans and deeds concerning any personal business relationship with Ms. Dawn Pascale for the years 1991 through 1998, inclusive.
- Including, but not limited to all letters of engagement, contracts or other agreements and invoices and payments concerning services you or any employee of your firm performed at the direction of or for the benefit of Mr. William Pasquale.
- Including, but not limited to all tax returns, quarterly filings, costs reports, and any other forms of filings you or any employee of your firm presented to a local state or federal government agency at the direction of or for the benefit of Mr. William Pasquale.

- Including, but not limited to all work papers, drafts, notes, and correspondence concerning services you or any employee of your firm performed at the direction or on the behalf of Mr. William Pasquale.
- Including, but not limited to all correspondence, notes, mortgages, loans and deeds concerning any personal business relationship with Mr. William Pasquale.
  
- Including, but not limited to all letters of engagement, contracts or other agreements and invoices and payments concerning services you or any employee of your firm performed at the direction of or for the benefit of Gaylordsville Rest Home for the years 1996 through 1999, inclusive.
- Including, but not limited to all tax returns, quarterly filings, costs reports, and any other forms of filings you or any employee of your firm presented to a local state or federal government agency at the direction of or for the benefit of Gaylordsville Rest Home for the years 1996 through 1999, inclusive.
- Including, but not limited to all work papers, drafts, notes, and correspondence concerning services you or any employee of your firm performed at the direction or on the behalf of Gaylordsville Rest Home for the years 1996 through 1999, inclusive.
- Including, but not limited to all correspondence, notes, mortgages, loans and deeds concerning any personal business relationship with Gaylordsville Rest Home for the years 1996 through 1999, inclusive.
  
- Including, but not limited to all letters of engagement, contracts or other agreements and invoices and payments concerning services you or any employee of your firm performed at the direction of or for the benefit of Mr. John Ramsden for the years 1996 through 1999, inclusive.
- Including, but not limited to all tax returns, quarterly filings, costs reports, and any other forms of filings you or any employee of your firm presented to a local state or federal government agency at the direction of or for the benefit of Mr. John Ramsden for the years 1996 through 1999, inclusive.
- Including, but not limited to all work papers, drafts, notes, and correspondence concerning services you or any employee of your firm performed at the direction or on the behalf of Mr. John Ramsden for the years 1996 through 1999, inclusive.
- Including, but not limited to all correspondence, notes, mortgages, loans and deeds concerning any personal business relationship with Mr. John Ramsden for the years 1996 through 1999, inclusive.
  
- Including, but not limited to all letters of engagement, contracts or other agreements and invoices and payments concerning services you or any employee of your firm performed at the direction of or for the benefit of Ms. Suzanne Ramsden for the years 1996 through 1999, inclusive.
- Including, but not limited to all tax returns, quarterly filings, costs reports, and any other forms of filings you or any employee of your firm presented to a local

- state or federal government agency at the direction of or for the benefit of Ms. Suzanne Ramsden for the years 1996 through 1999, inclusive.
- Including, but not limited to all work papers, drafts, notes, and correspondence concerning services you or any employee of your firm performed at the direction or on the behalf of Ms. Suzanne Ramsden for the years 1996 through 1999, inclusive.
  - Including, but not limited to all correspondence, notes, mortgages, loans and deeds concerning any personal business relationship with Ms. Suzanne Ramsden for the years 1996 through 1999, inclusive.
  
  - Including, but not limited to all letters of engagement, contracts or other agreements and invoices and payments concerning services you or any employee of your firm performed at the direction of or for the benefit of Mr. Jeffrey Ramsden for the years 1996 through 1999, inclusive.
  - Including, but not limited to all tax returns, quarterly filings, costs reports, and any other forms of filings you or any employee of your firm presented to a local state or federal government agency at the direction of or for the benefit of Mr. Jeffrey Ramsden for the years 1996 through 1999, inclusive.
  - Including, but not limited to all work papers, drafts, notes, and correspondence concerning services you or any employee of your firm performed at the direction or on the behalf of Mr. Jeffrey Ramsden for the years 1996 through 1999, inclusive.
  - Including, but not limited to all correspondence, notes, mortgages, loans and deeds concerning any personal business relationship with Mr. Jeffrey Ramsden for the years 1996 through 1999, inclusive.
  
  - Including, but not limited to all letters of engagement, contracts or other agreements and invoices and payments concerning services you or any employee of your firm performed at the direction of or for the benefit of Mr. John Ramsden, Jr. for the years 1996 through 1999, inclusive.
  - Including, but not limited to all tax returns, quarterly filings, costs reports, and any other forms of filings you or any employee of your firm presented to a local state or federal government agency at the direction of or for the benefit of Mr. John Ramsden, Jr. for the years 1996 through 1999, inclusive.
  - Including, but not limited to all work papers, drafts, notes, and correspondence concerning services you or any employee of your firm performed at the direction or on the behalf of Mr. John Ramsden, Jr. for the years 1996 through 1999, inclusive.
  - Including, but not limited to all correspondence, notes, mortgages, loans and deeds concerning any personal business relationship with Mr. John Ramsden, Jr. for the years 1996 through 1999, inclusive.
  
  - Including, but not limited to all letters of engagement, contracts or other agreements and invoices and payments concerning services you or any employee of your firm performed at the direction of or for the benefit of Newfield Manor,

- Inc. doing business as (“d/b/a”) Tidelawn Manor for the years 1996 through 1999, inclusive.
- Including, but not limited to all tax returns, quarterly filings, costs reports, and any other forms of filings you or any employee of your firm presented to a local state or federal government agency at the direction of or for the benefit of Newfield Manor, Inc. d/b/a/ Tidelawn Manor for the years 1996 through 1999, inclusive.
  - Including, but not limited to all work papers, drafts, notes, and correspondence concerning services you or any employee of your firm performed at the direction or on the behalf of Newfield Manor, Inc. d/b/a Tidelawn Manor for the years 1996 through 1999, inclusive.
  - Including, but not limited to all correspondence, notes, mortgages, loans and deeds concerning any personal business relationship with Newfield Manor, Inc. d/b/a Tidelawn Manor for the years 1996 through 1999, inclusive.
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- Including, but not limited to all letters of engagement, contracts or other agreements and invoices and payments concerning services you or any employee of your firm performed at the direction of or for the benefit of Mr. Matthew Katz for the years 1996 through 1999, inclusive.
  - Including, but not limited to all tax returns, quarterly filings, costs reports, and any other forms of filings you or any employee of your firm presented to a local state or federal government agency at the direction of or for the benefit of Mr. Matthew Katz for the years 1996 through 1999, inclusive.
  - Including, but not limited to all work papers, drafts, notes, and correspondence concerning services you or any employee of your firm performed at the direction or on the behalf of Mr. Matthew Katz for the years 1996 through 1999, inclusive.
  - Including, but not limited to all correspondence, notes, mortgages, loans and deeds concerning any personal business relationship with Mr. Matthew Katz for the years 1996 through 1999, inclusive.
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- Including, but not limited to all letters of engagement, contracts or other agreements and invoices and payments concerning services you or any employee of your firm performed at the direction of or for the benefit of Ms. Amy Katz for the years 1996 through 1999, inclusive.
  - Including, but not limited to all tax returns, quarterly filings, costs reports, and any other forms of filings you or any employee of your firm presented to a local state or federal government agency at the direction of or for the benefit of Ms. Amy Katz for the years 1996 through 1999, inclusive.
  - Including, but not limited to all work papers, drafts, notes, and correspondence concerning services you or any employee of your firm performed at the direction or on the behalf of Ms. Amy Katz for the years 1996 through 1999, inclusive.
  - Including, but not limited to all correspondence, notes, mortgages, loans and deeds concerning any personal business relationship with Ms. Amy Katz for the years 1996 through 1999, inclusive.

- Including, but not limited to all letters of engagement, contracts or other agreements and invoices and payments concerning services you or any employee of your firm performed at the direction of or for the benefit of Marotta Manor for the years 1993 through 1999, inclusive.
  - Including, but not limited to all tax returns, quarterly filings, costs reports, and any other forms of filings you or any employee of your firm presented to a local state or federal government agency at the direction of or for the benefit of Marotta Manor for the years 1993 through 1999, inclusive.
  - Including, but not limited to all work papers, drafts, notes, and correspondence concerning services you or any employee of your firm performed at the direction or on the behalf of Marotta Manor for the years 1993 through 1999, inclusive.
  - Including, but not limited to all correspondence, notes, mortgages, loans and deeds concerning any personal business relationship with Marotta Manor for the years 1993 through 1999, inclusive.
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- Including, but not limited to all letters of engagement, contracts or other agreements and invoices and payments concerning services you or any employee of your firm performed at the direction of or for the benefit of Ms. Amelia Marotta for the years 1993 through 1999, inclusive.
  - Including, but not limited to all tax returns, quarterly filings, costs reports, and any other forms of filings you or any employee of your firm presented to a local state or federal government agency at the direction of or for the benefit of Ms. Amelia Marotta for the years 1993 through 1999, inclusive.
  - Including, but not limited to all work papers, drafts, notes, and correspondence concerning services you or any employee of your firm performed at the direction or on the behalf of Ms. Amelia Marotta for the years 1993 through 1999, inclusive.
  - Including, but not limited to all correspondence, notes, mortgages, loans and deeds concerning any personal business relationship with Ms. Amelia Marotta for the years 1993 through 1999, inclusive.
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- Including, but not limited to all letters of engagement, contracts or other agreements and invoices and payments concerning services you or any employee of your firm performed at the direction of or for the benefit of Mr. John Marotta for the years 1993 through 1999, inclusive.
  - Including, but not limited to all tax returns, quarterly filings, costs reports, and any other forms of filings you or any employee of your firm presented to a local state or federal government agency at the direction of or for the benefit of Mr. John Marotta for the years 1993 through 1999, inclusive.
  - Including, but not limited to all work papers, drafts, notes, and correspondence concerning services you or any employee of your firm performed at the direction or on the behalf of Mr. John Marotta for the years 1993 through 1999, inclusive.

- Including, but not limited to all correspondence, notes, mortgages, loans and deeds concerning any personal business relationship with Mr. John Marotta for the years 1993 through 1999, inclusive.
  
- Including, but not limited to all letters of engagement, contracts or other agreements and invoices and payments concerning services you or any employee of your firm performed at the direction of or for the benefit of Garden View Manor for the years 1994 through 2003, inclusive.
- Including, but not limited to all tax returns, quarterly filings, costs reports, and any other forms of filings you or any employee of your firm presented to a local state or federal government agency at the direction of or for the benefit of Garden View Manor for the years 1994 through 2003, inclusive.
- Including, but not limited to all work papers, drafts, notes, and correspondence concerning services you or any employee of your firm performed at the direction or on the behalf of Garden View Manor for the years 1994 through 2003, inclusive.
- Including, but not limited to all correspondence, notes, mortgages, loans and deeds concerning any personal business relationship with Garden View Manor for the years 1994 through 2003, inclusive.
  
- Including, but not limited to all letters of engagement, contracts or other agreements and invoices and payments concerning services you or any employee of your firm performed at the direction of or for the benefit of Ms. Susan Taylor for the years 1994 through 2003, inclusive.
- Including, but not limited to all tax returns, quarterly filings, costs reports, and any other forms of filings you or any employee of your firm presented to a local state or federal government agency at the direction of or for the benefit of Ms. Susan Taylor for the years 1994 through 2003, inclusive.
- Including, but not limited to all work papers, drafts, notes, and correspondence concerning services you or any employee of your firm performed at the direction or on the behalf of Ms. Susan Taylor for the years 1994 through 2003, inclusive.
- Including, but not limited to all correspondence, notes, mortgages, loans and deeds concerning any personal business relationship with Ms. Susan Taylor for the years 1994 through 2003, inclusive.
  
- Including, but not limited to all letters of engagement, contracts or other agreements and invoices and payments concerning services you or any employee of your firm performed at the direction of or for the benefit of Mr. John Boyle for the years 1994 through 2003, inclusive.
- Including, but not limited to all tax returns, quarterly filings, costs reports, and any other forms of filings you or any employee of your firm presented to a local

- state or federal government agency at the direction of or for the benefit of Mr. John Boyle for the years 1994 through 2003, inclusive.
- Including, but not limited to all work papers, drafts, notes, and correspondence concerning services you or any employee of your firm performed at the direction or on the behalf of Mr. John Boyle for the years 1994 through 2003, inclusive.
  - Including, but not limited to all correspondence, notes, mortgages, loans and deeds concerning any personal business relationship with Mr. John Boyle for the years 1994 through 2003, inclusive.
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- Including, but not limited to all letters of engagement, contracts or other agreements and invoices and payments concerning services you or any employee of your firm performed at the direction of or for the benefit of Ms. Angela Boyle for the years 1994 through 2003, inclusive.
  - Including, but not limited to all tax returns, quarterly filings, costs reports, and any other forms of filings you or any employee of your firm presented to a local state or federal government agency at the direction of or for the benefit of Ms. Angela Boyle for the years 1994 through 2003, inclusive.
  - Including, but not limited to all work papers, drafts, notes, and correspondence concerning services you or any employee of your firm performed at the direction or on the behalf of Ms. Angela Boyle for the years 1994 through 2003, inclusive.
  - Including, but not limited to all correspondence, notes, mortgages, loans and deeds concerning any personal business relationship with Ms. Angela Boyle for the years 1994 through 2003, inclusive.
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- Including, but not limited to all letters of engagement, contracts or other agreements and invoices and payments concerning services you or any employee of your firm performed at the direction of or for the benefit of Lyndee Manor for the years 1995 through 1999, inclusive.
  - Including, but not limited to all tax returns, quarterly filings, costs reports, and any other forms of filings you or any employee of your firm presented to a local state or federal government agency at the direction of or for the benefit of Lyndee Manor for the years 1995 through 1999, inclusive.
  - Including, but not limited to all work papers, drafts, notes, and correspondence concerning services you or any employee of your firm performed at the direction or on the behalf of Lyndee Manor for the years 1995 through 1999, inclusive.
  - Including, but not limited to all correspondence, notes, mortgages, loans and deeds concerning any personal business relationship with Lyndee Manor for the years 1995 through 1999, inclusive.
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- Including, but not limited to all letters of engagement, contracts or other agreements and invoices and payments concerning services you or any employee

of your firm performed at the direction of or for the benefit of Ms. Madeline Proto for the years 1995 through 1999, inclusive.

- Including, but not limited to all tax returns, quarterly filings, costs reports, and any other forms of filings you or any employee of your firm presented to a local state or federal government agency at the direction of or for the benefit of Ms. Madeline Proto for the years 1995 through 1999, inclusive.
- Including, but not limited to all work papers, drafts, notes, and correspondence concerning services you or any employee of your firm performed at the direction or on the behalf of Ms. Madeline Proto for the years 1995 through 1999, inclusive.
- Including, but not limited to all correspondence, notes, mortgages, loans and deeds concerning any personal business relationship with Ms. Madeline Proto for the years 1995 through 1999, inclusive.

In all cases, Mr. Paul Greenberg and/or employees of the firm prepared and submitted the Annual Cost Reports for all of these facilities to the Department of Social Services (“DSS”). In addition Mr. Greenberg and/or employees of the firm prepared the business tax returns and personal tax returns of the owners and related parties. Additionally, Mr. Greenberg, individually, is alleged to have entered into loan agreements with several of the individuals.

Each facility was audited by DSS with significant irregularities with DSS identified through audit. Irregularities identified by DSS included, but were not limited to, misrepresentation of a related party purchase of a facility, inclusion of costs for personal expenses not related to resident care, inclusion of costs for personal expenses not related to resident care, inclusion of salary and wages paid to related parties for hours never worked. All irregularities resulted in inflated reimbursement to DSS.

Action taken by DSS as a result of identified irregularities resulted in a criminal conviction, several civil monetary agreements, exclusions from DSS programs, sales or foreclosures of facilities and recoupment of overpayments.

Acquisition of the business and personal tax returns is a key component of this subpoena. A reasonable suspicion that Mr. Greenberg and/or members of the firm knowingly participated in the preparation of possibly fraudulent Annual Cost Reports when he had the knowledge and intimacies of the finances of the facilities and the related individuals.

Subpoena authority requested pursuant to C.G.S. §20-280(f) to investigate matter further, then review, report and follow-up to Board.

Richard Bond asked if there were any indictments. Attorney Opin responded no. Richard Bond asked if the Board was subpoenaing just the individual or the firm. Attorney Opin indicated the firm.

Philip DeCaprio made a motion to issue a subpoena to the firm of Ritch, Greenberg & Hassan in the matter of case number 2449; Leonard Romaniello seconded the motion, all voted in favor.

2461- Edmond DiClemente, CPA – Attorney Opin requested Board Advice.

CPA and commercial realty firm (“LLC”) involved in separation. LLC board members included complainant, Peter D’Addeo Edmond DiClemente, CPA, who represented LLC, and additional member, Zak Nathan, who is an individual client of Mr. DiClemente.

On July 26, 2002, DiClemente removed as accountant by LLC, paperwork signed by Nathan, DiClemente remains as Nathan’s individual CPA. DiClemente also removed as LLC Board member effective 1/1/03. DiClemente is replaced by James Lagana, CPA. Lagana is D’Addeo’s personal CPA, and current LLC CPA.

Complaint filed by D’Addeo that DiClemente refused to return LLC tax records upon termination, and that DiClemente refused to return records used to file 2002 tax returns. Request made by D’Addeo to DiClemente on August 18, 2003 to return files via Quick Books. Allegation by D’Addeo that DiClemente’s delay caused him harm, specifically, lost of financial aid for son in college and hiring of law firm to resolve matter.

DiClemente’s response is that charges are baseless, and that he did provide appropriate tax records, that D’Addeo’s management company maintains its own QuickBooks files, claims that D’Addeo realized that his books were inaccurate and that this caused the delay in 2002 returns.

Also, e-mails indicate dispute between DiClemente continued to deal with D’Addeo after termination of CPA services. E-mail correspondence indicates that DiClemente considered, but did not, file tax return for LLC after termination. Correspondence also indicates dispute between DiClemente and D’Addeo as to amount of income due on 1099 for 2002.

Key questions include:

- Were the 2002 records inappropriately withheld?
- Why did the 2002 records take so long to file?
- Did complainant suffer harm as alleged from delay of filing 2002 return?
- Issue of objectivity/independence of being both board member and CPA?
- Is it inappropriate to follow-up on work after termination?
- Did CPA violate any parts of Code?

Seeking board review and advice on this matter.

Philip DeCaprio offered that this might be a records matter. Executive Director Guay explained that the only way to get to the bottom of a records matter is to issue a subpoena for the records in question.

Philip DeCaprio made a motion to issue a subpoena to Edmond DiClemente, all documents available as of July 26, 2002 and to Peter D’Addeo all documents available as of as of July 26, 2002 in the matter of case number 2461; Richard Bond seconded the motion, all voted in favor.

2466 – William Sears, CPA – Attorney Opin requested subpoena authority for all documentary material related to:

- Revocation of Certified Financial Planner (“CFP”) license.
- Voluntary surrender of New York CPA license on November 5, 1999.
- Conviction on tax evasion charges in 1998.

Also, recommendation to forward file to Attorney General’s Office for review and follow-up (i.e. seeking possible injunction).

Complaint alleges that CPA practices in CT without a license. Evidence filed by complainant confirms this; mail label lists as “CPA” and “CFP”. Not a CT licensee, but a NY licensee. Evidence also indicates that respondent’s CFP license was revoked in January 1999, and gave up New York CPA license on November 5, 1999 after tax fraud conviction.

Subpoena authority requested pursuant to C.G.S. §20-280(f) to investigate matter further, then review, report and follow-up to Board.

Chairman Reynolds asked Attorney Opin how this came to the Board’s attention. Attorney Opin indicated the complaint originated from an anonymous CPA in the Danbury area. Richard Sturdevant asked if the office was in Danbury. Attorney Opin responded yes.

Philip DeCaprio made a motion to issue a subpoena in the matter of case number 2466; James Ciarcia seconded the motion, all voted in favor.

**2509- Mark Makuch – Attorney Opin recommend dismissal with note to file**

Accountant is ancillary to dispute. Dispute concerns restriction placed on trust fund against complainants. CPA was hired by law firm to perform tax returns and accountings for estate. Complainants primarily focus on the difficulty they are having with the law firm handling the actual estate itself, and the trust firm that the law firm set up.

Complainants complain that they have asked for and not received original accounting report. CPA’s response indicates that, to his recollection, the case involved disagreements between beneficiary and trustee that ended up in court. CPA’s role is to audit trust fund, and he is not responsible for handling estate funds or whether wrongdoing might exist in ongoing legal dispute

No indication that accountant has violated Code. No evidence that complainants ever asked accountant for right to see the accounting.

Philip DeCaprio made a motion to Dismiss with a note to the file case number 2509; Leonard Romaniello seconded the motion, all voted in favor.

**2515 – Barry Smith, CPA – Attorney Opin requesting subpoena authority for production of all documentary material related to preparation of complainant’s 2002 tax records.**

Since October 15, complainants have been unable to reach CPA via telephone or letter. Complainants provided tax information to file 2002 tax returns, and return was not filed.

Subpoena authority requested.

Richard Sturdevant made a motion to issue a subpoena in the matter of case number 2515; Philip DeCaprio seconded the motion, all voted in favor.

By consensus the Board recessed at 9:30 A.M.

Chairman Reynolds called the Board back to order at 9:40 A.M.

Chairman Reynolds noted the receipt of a Letter from the Connecticut Society of Certified Public Accountants communicating that the Board of Governors of the Connecticut Society has agreed to withdraw its request that the Board support a change in the accountancy statutes to allow candidates to take the Uniform CPA Examination with a bachelor’s degree education level. The Connecticut Society of Certified Public Accountants also thanked the State Board for its consideration of the issue.

Chairman Reynolds introduced the next agenda item a discussion and consideration of the 5 in 10 Reciprocity Rule, which is being raised at the suggestion of the Connecticut Society of Certified Public Accountants. Chairman Reynolds noted that every member should have a position paper supplied by the Connecticut Society of Certified Public Accountants.

Chairman Reynolds asked Arthur Renner, Executive Director of the Connecticut Society of Certified Public Accountants to add to the written position paper provided to the Board members. Mr. Renner believes that the current statute stems from the 1992 revision of the Statutes and contends that a lot has transpired since 1992. In particular Mr. Renner noted the uneven application of the 150-hour requirement among neighboring states, with New York’s implementation date set for 2009. Secondly, and according to Mr. Renner maybe more importantly, in July 2002 Sarbanes-Oxley came into effect, requiring larger firms in the public company arena to move CPA’s around the country to comply with auditor rotation requirements. Mr. Renner pointed out that most individuals utilizing the 5 in 10 reciprocity provision are individuals with substantial careers and experience in public accounting. Mr. Renner characterized the requirement of where the experience can be obtained as arbitrary and what was required is a more even landscape for people to be able to obtain in a fairly straightforward fashion the credentials necessary to serve the client base the firms may have. The change in the 5 in 10 reciprocity profession eliminating the requirement for the experience to be obtained only out of state would be a major step in the right direction. Mr. Renner characterized this change as relatively

straightforward, and again focusing on the arbitrary nature of requiring experience to be gathered only outside of the state.

Chairman Reynolds noted that the position statement of the Connecticut Society of Certified Public Accountants was well written and to the point and noted that there are a lot of compelling reasons to consider experience in the state as well as out of state.

Chairman Reynolds asked Executive Director David Guay to provide his insight into this issue. Executive Director Guay noted that as discussed in brief last month there are three paths towards reciprocity and the reason we are coming to address this issue today, the by a circular route; we began with a discussion about the 150-hour requirement and we had this meeting with Board's from our neighboring state's dealing with the issues of substantial equivalency and reciprocity. Executive Director Guay emphasized that all of these issues; the 150-hour requirement, substantial equivalency, then reciprocity as the overview all deal with the ability to transfer the credential from state to state, a practice credential that is.

Executive Director Guay questioned what should be the reasonable requirements to grant a practice credential to an individual who has been credentialed in another jurisdiction. He argued that almost all of it comes down to just that as the real problem we have. He continued to argue that the ongoing discussion the Board has been having has been trying to address that issue in many ways; by the 150-hour requirement proposed adjustment to make the credential portable, so someone who takes the exam would be able meet the requirements in another state as well as the requirements in this state. Executive Director Guay argued that it all comes done to reciprocity.

Executive Director Guay continued that reciprocity in this state is based upon the 1991-1992 model, which were three paths. 1) Meet the requirements that are in place now for an initial Certificate as any other new person coming through. Meet the education, exam, and experience requirement and the ethics requirement. 2) Or, meet the requirement that was in place in Connecticut at the time the individual received their initial certificate in another jurisdiction. 3) The third path, which is what were speaking about, the 5 in 10 rule, was meant, and always meant to be an alternative path. To make reciprocity possible for someone who was truly out there practicing public accountancy has a good credential from somewhere else to come into this state. Executive Director Guay continued by stressing that unfortunately the way language gets drafted in model laws isn't always the best and the brightest, sometimes it's a compromise and sometimes they are not the most closely watched provisions. Executive Director Guay argued that the way the five in ten rule was drafted and adopted here and the way it was originally modeled in 1991-1992 in the model act had a fatal flaw to it. That was to require that experience to be gathered in a jurisdiction other than Connecticut. Executive Director Guay expressed agreement with Arthur Renner of the Connecticut Society of Certified Public Accountants that there is no good public policy reason to require the experience to be gathered only outside of the state of Connecticut. According to Executive Director Guay, experience should be experience should be experience should be experience. He continued, that when we certify someone initially in Connecticut we look for experience

and don't care where that experience is physically gathered. It can be gathered and has been gathered in international locations; all that matters is that the experience requirement Connecticut has set out is met. Executive Director continued to argue that shouldn't the same standard be set for experience required under the 5 in 10 rule for someone who has a good standing credential in another jurisdiction.

Executive Director Guay noted that it is his belief that the current statutory language provides an opportunity to address the question of where experience may be gathered through regulation. He continued, suggesting the Board should propose and pass regulations that say the experience should be the same as required for initial Connecticut Certification, thus able to gather the experience in Connecticut.

Executive Director Guay believes that changing the requirement of where experience can physically be gathered for the 5 in 10 rule is a wonderful solution for all that the Board has been discussing recently; the 150-hour requirement concerns, substantial equivalency, temporary practice permits. All the discussions come down to how do we make a good credential applicable and reasonable here in Connecticut. He believes the Society has hit upon a good solution and is very welcome and that he would support this change.

Philip DeCaprio asked if it would or could be as simple as removing the words "outside of this state" from the Statute. Mr. DeCaprio continued that there are essentially two choices, to make the change by regulation because the statute provides that authority or to remove the words in the Statute. Philip DeCaprio expressed his concerns that if the change is made through regulation, it would be subject to challenge because the language is still in the Statute.

Richard Gesseck characterized the change in Statute as a permanent fix, and questioned what would be a temporary fix. Executive Director Guay indicated seeking regulation change could be considered a temporary fix.

Executive Director Guay pointed out that you can not undo the Statute by Regulation. Thus the question, according to Executive Director Guay, is allowing in state experience an addendum to the Statute or a contradiction to the Statute. Mr. Bond questioned who would challenge the regulation. Executive Director Guay indicated it would probably be the Regulation Review Committee of the Legislature. Philip DeCaprio expressed a desire to go at it from both places, going for a statute change as well as a regulation change.

James Ciarcia asked if Legislation could be proposed this session. Executive Director Guay indicated that it could be possible with the assistance of the Connecticut Society of Certified Public Accountants. Arthur Renner, Executive Director of the Connecticut Society of Certified Public Accountants indicated that Legislation was possible this session.

Chairman Reynolds refocused the discussion from implementation issues to the question of whether the concept of changing the 5 in 10 rule was acceptable. Chairman Reynolds

expressed the opinion that there are compelling arguments to support the contention that it does not matter where the experience is gathered. Richard Bond noted that during the period of five years the individual would need to hold an active license.

Executive Director Guay summarized the new requirement indicating that an individual would have to hold a current and active Certificate from another jurisdiction and since receiving that Certificate have five years within the last ten years experience as currently defined in our regulations. Executive Director Guay argued that a viable alternative path for reciprocity would always be necessary, even after surrounding states match Connecticut in the broad requirement categories. Executive Director Guay argues an alternative path will be necessary because other states will never have exactly the same requirement within the board categories of requirements. Executive Director Guay further argued this alternative path is absolutely necessary to speed reciprocity and to make it work and yet make it fair.

Philip DeCaprio noted that he has long thought that the words “outside of this state” simply exist because we are dealing with certificate holders from other states, and not meant to exclude experience gathered in this state.

Michael Weinshel expressed concern for possible unintended consequences of changing the 5 in 10 rule, arguing that the Board may be creating a loop hole for a candidate resident to take his exam in New York after completing only four years of education, work five years in Connecticut come through the back door, thus bypassing our five year education requirement. Mr. Weinshel wondered whether a residency requirement should be part of the solution.

Executive Director Guay noted that there wouldn't be a back door opportunity, because the applicant would still be required to have a certificate from another jurisdiction.

Chairman Reynolds asked if the Board was prepared for a motion to act upon this. Richard Gesseck expressed a need to assess how concerned the Board is with the issue that Michael Weinshel raised. Executive Director Guay expressed a reluctance to provide the Board with assurance that residency could be required and that the Board needed to understand the risk and be willing to live with it rather than hope it can be mitigated by regulation.

Executive Director Guay noted that in fact Connecticut would be doubling the experience requirement and questioned whether that is enough as an alternative path to gaining a Connecticut Certificate through reciprocity.

Richard Gesseck expressed the opinion that he did not believe that the threat of a possible back door was that big a threat. Chairman Reynolds concurred, expressing the believe that it will be rare for someone to start a career in public accounting by adding to the number of years of experience required.

Richard Bond expressed concern for the time line for submitting legislation.

Philip DeCaprio made a motion to support a change to Section 20-281d(d)(2) C.G.S. to remove the four words “outside of this state” with respect to reciprocity and to draft the appropriate regulations to support that, seconded by James Ciarcia, all voted in favor.

James Ciarcia asked if there were any other additional changes through legislation, that the Connecticut Society of Certified Public Accountants notifies the Board.

**2507- Kumar Sittambalam- Attorney Opin referred the Board to the alleged examination irregularity.**

Attorney Opin noted the attendance at this meeting of Mr. Kumar Sittabalam. On November 18, 2003, an Incident Report (“Incident Report”) was filed by the CPA Examination Services to the Board regarding the Respondent at the November 6, 2003 Connecticut CPA Examination. This Incident Report alleges that the Respondent entered into the examination room with a stack of note cards and a cell phone, and that Respondent was shuffling through the flash cards under his desk during the reading of announcements. An examination proctor approached the Respondent, confiscated first the note cards, then a cell phone which the Respondent pulled from his pocket. This incident took place during the announcements, but before the examination booklets had been distributed. The conduct described hereinabove constitute a violation of subsection 20-281a(1) of the Connecticut General Statutes. Section 20-281a(1) of the Connecticut General Statutes provides that, after notice and hearing pursuant to section 20-280(c) of the Connecticut General Statutes, the Board may revoke, suspend any such certificate, license or permit for fraud or deceit in obtaining a certificate, registration, license or permit.

Respondent has filed response to Board, which was distributed prior to meeting.

Attorney Opin proposed to the Board a negotiated settlement. The settlement would consist of a letter of admonishment to Mr. Sittambalam, including a brief description of the incident, a statement about the seriousness of cheating, including a statement that the respondent inadvertently brought the material into the exam, that no evidence of cheating was found and there is no admission of guilt and this incident would not effect the ability of the respondent to sit for the CPA Exam in the future.

Philip DeCaprio asked to address the respondent about the first time he received instructions that it was inappropriate to bring those items to the exam. Mr. Sittambalam indicated that as part of his current job he travels to Europe on a regular basis and returned from a trip to Europe around the last week of October.

Michael Weinshel moved to approve the proposed settlement agreement, of a letter of admonishment describing the incident, indicating the seriousness of cheating and the potential consequences of cheating, stating no substantive evidence of cheating, no admission of guilt and would not affect the ability of the respondent to sit for future exams, Leonard Romaniello seconded.

James Ciarcia offered an amendment to the motion, noting at the last meeting the Board has reviewed the proposed regulations on cheating; Mr. Ciarcia proposes having the letter

of admonishment expunged from the record after five years. Both the maker of the original motion Mr. Weinshel and the second Mr. Romaniello accepted the amendment as friendly, and without vote. All voted in favor of the amended motion accepting the proposed settlement to Case 2507.

Michael Weinshel reported no update on the continuing education ethics training, other than to report a possible provider has been identified.

Executive Director Guay reported the wrap-up of the renewal cycle.

Michael Weinshel noted that while we are working with regulations he has recently discovered that we have a policy that requires an individual who reinstates a license that has been inactive for over five years to take 32 out of the required 40 hours of continuing education in the accounting and auditing areas. Mr. Weinshel believes it should be changed. Philip DeCaprio noted that it was a concept that predates peer review. Executive Director Guay noted that the Board could change the policy. Mr. Weinshel noted he was simply raising the issue for discussion and possible change in the future.

Chairman Reynolds noted that all Board members should have received an email from Philip DeCaprio on outsourcing; an issue discussed at the previous meeting and handed out to the assembled Board members several articles.

Richard Gesseck raised a question of how should issues be approached if anyone knows about a practice in the profession that is occurring or shouldn't be occurring. Executive Director Guay advised that the Board has always been a forum for any issue about accountancy in this state.

Richard Gesseck related his understanding that in the last three years when changes in auditors occurs, the succeeding auditor is left to contact to the predecessor auditor about such issues as managements integrity, the reason for the change and other items required by the auditing standards. No action taken.

Newton Buckner III, CPA, President, Connecticut Society of Certified Public Accountants addressed the Board with a few comments about outsourcing. Mr. Buckner cautioned the Board about acting only through political correctness, but for the Board to consider what should be the public policy. Both Chairman Reynolds and Philip DeCaprio noted that the Board is in very preliminary discussion on this issue.

Arthur Renner, Executive Director of the Connecticut Society of Certified Public Accountants informed the Board that it is his understanding that the Connecticut Bar Association would be seeking legislative change to last years Corporate Governance, law in two areas; the definition of public company and better define employees for whistle blowers.

Leonard Romaniello made a motion to adjourn, Richard Sturdevant seconded, all voted in favor, the meeting was adjourned at 10:54 A.M.

