

Connecticut State Board of Accountancy
Meeting Minutes
Tuesday, August 4, 2015 – 10:00 A.M.
Second Floor Conference Room
30 Trinity St., Hartford, CT 06106
Hartford, CT 06106
860-509-6179
sboa@ct.gov

Chairman John H. Schuyler, CPA, called the meeting to order at 10:01 A.M. at the Connecticut State Board of Accountancy, Second Floor Conference Room, 30 Trinity Street, Hartford, CT.

BOARD MEMBERS PRESENT:

John H. Schuyler, CPA, Chairman
Marcia L. Marien, CPA
Dannell R. Lyne, CPA
Mark Aronowitz
Peter J. Niedermeyer, CPA

BOARD MEMBERS ABSENT:

Martha S. Triplett, Esq.
Karla H. Fox, Esq.
Timothy F. Egan, CPA

STAFF MEMBERS PRESENT:

Sonia Worrell Asare, Legal Counsel
Stephanie Sheff, License and Application Analyst
Constance Sakyi, Paralegal Specialist

OTHERS PRESENT:

Art Renner, CPA, Executive Director of CT Society of CPA
Roman Alexander, Legal Intern
Alan M. Rothstein, CPA/PFS, Rothstein & Company, LLC
Marisa S. Rothstein, Attorney at Law
Sarah A. Stover, Staff Auditor, O'Connor Davies, LLP

ACTION REQUIRED – Approve Minutes of the June 2, 2015 board meeting.
Ms. Marcia made a motion to approve the minutes as amended. Mr. Lyne seconded the motion.
All present board members voted in favor.

INFORMATION REPORTS – Administrative Updates
PEER REVIEW REGULATIONS CHANGE AND UPDATE

Attorney Asare reminded board members to review the information from NASBA's June Regional Conference.

PRESENTATION BY LEGAL INTERN

Mr. Roman Alexander, Legal Intern, gave a PowerPoint presentation and provided a detailed review of the Supreme Court's decision in North Carolina State Board of Dental Examiners v. Federal Trade Commission.

COMMITTEE MEMBERSHIP

Attorney Asare encouraged board members to volunteer to join one of NASBA's committees. She stated that 3 board members have already joined the following committees: Mr. Lyne - Diversity Committee, Ms. Marien – State Society Relations Committee and Mr. Egan – Standard-Setting Advisory Committee.

NASBA CONFERENCE

Attorney Asare inquired if any board members plan to attend NASBA's 108th Annual Meeting at Dana Point, CA, on October 25 – 28, 2015. Mr. Aronowitz confirmed that he will attend on behalf of the board.

DEPARTMENT OF LABOR (DOL) AUDIT REPORT

Attorney Asare distributed information regarding the DOL Report and asked board members if they have any questions or concerns.

CENTER FOR PUBLIC TRUST

Attorney Asare stated that she has been in contact with NASBA's Center for the Public Trust to determine if a Connecticut Chapter could be established.

INTERNATIONAL PATHWAYS

Attorney Asare distributed information about NASBA's International Pathways policy recommendations.

CPE EXPOSURE DRAFT

Attorney Asare stated that NASBA's Continue Profession Education Committee is examining the CPE policies and are attempting to make recommendations to State Boards about changing the regulation requirements.

PEER REVIEW OVERSIGHT COMMITTEE (PROC) CONFERENCE

Ms. Marien and Ms. Sakyi gave a PowerPoint presentation of the information presented at the PROC conference on July 10, 2015, in Nashville, Tennessee. The board discussed forming a committee to discuss the possibility of establishing a Peer Review Oversight Committee.

CPE AUDIT

Attorney Asare stated that 6 % of active licensees as well as licensees who had fines imposed as a result of the CPE violations in 2014, which totaled 224, were audited and at present 103 licensees have passed; 2 have failed. Enforcement cases will be opened against the ones who fail the audit. Attorney Asare also stated that uploading certificates during renewal period made the audit process more efficient.

POSITION STATEMENT ON RECENT DEVELOPMENTS IN MARIJUANA LAWS

Attorney Asare distributed to board members a report by Mr. Roman Alexander regarding marijuana laws and asked them for their comment or feedback. The board plans to post the information on the board's website.

FOCUS QUESTIONS

Attorney Asare asked board members if they have any feedback regarding her responses to the focus questions from NASBA.

PUBLIC COMMENT – Opportunity for members of the public to address the board
There was no comment at this time.

EXAM AND LICENSING OLD BUSINESS

Action required – Industry, Government, or Self Employed Experience, and Other Applications
None

NEW BUSINESS:

Action required – **Industry, Government, or Self Employed experience, and Other Applications**

Karen Carlson - Initial CPA Certificate & Initial License, Industry Experience

Ms. Marien made a motion to approve the application. Mr. Aronowitz seconded the motion. All present board members voted in favor.

John Richard Miscioscia Jr. - Initial CPA Certificate & Initial License, Industry Experience

Ms. Marien made a motion to approve the application. Mr. Niedermeyer seconded the motion. All present board members voted in favor.

David Musshorn - Initial CPA Certificate & Initial License, Industry Experience

Ms. Marien made a motion approve the application. Mr. Lyne seconded the motion. All present board members voted in favor.

Eti Halim King - Initial CPA Certificate & initial license, Industry Experience

Mr. Niedermeyer made a motion approve the application. Mr. Lyne seconded the motion. All present board members voted in favor.

Christopher Chiaraluce - Initial CPA Certificate & Certificate Registration, Industry Experience

Mr. Niedermeyer made a motion approve the application. Mr. Aronowitz seconded the motion. All present board members voted in favor.

Kehui Fu – Initial CPA Certificate & initial license, Industry Experience

Ms. Marien made a motion approve the application. Mr. Lyne seconded the motion. All present board members voted in favor.

Kevin Cirillo - Initial CPA Certificate & Certificate Registration, Industry Experience

Mr. Niedermeyer made a motion to approve the application. Ms. Marien seconded the motion. All present board members voted in favor.

Usman Shakir- Requesting pre- approval of non-confirming experience

Ms. Marien made a motion to deny as the board declined to approve until application is complete. Mr. Lyne seconded the motion. All present board members voted in favor.

Derek Macri – Initial CPA Certificate & Certificate Registration, Industry Experience
Ms. Marien made a motion to approve the application contingent upon applicant amending supervisor’s position. Mr. Lyne seconded the motion. All present board members voted in favor.

Kinga Czwartosz – Initial CPA Certificate & Certificate Registration, Industry Experience
Mr. Aronowitz made a motion to approve the application. Mr. Niedermeyer seconded the motion. All present board members voted in favor.

Cheri Mazza – Initial CPA Certificate & Initial CPA License Non-conforming experience. Tabled at the May 5, 2015 board meeting. Denied at the June 2, 2015 board meeting.
Ms. Marien made a motion to approve the application. Mr. Lyne seconded the motion. All present board members voted in favor.

Kinga Fiejdasz - Initial CPA Certificate & Certificate Registration, Industry Experience
Mr. Lynne made a motion to approve the application. Mr. Niedermeyer seconded the motion. All present board members voted in favor.

Mary Galphin - Initial CPA Certificate & Initial License, Industry Experience
Ms. Marien made a motion to approve the application. Mr. Aronowitz seconded the motion. All present board members voted in favor.

REVIEW FIRM PERMITS FOR APPROVAL

Ms. Marien made a motion to approve the firm permits. Mr. Niedermeyer seconded the motion. All present board members voted in favor.

PCAOB Inspection Reports Received – member comment on review

- Review date Report on June 5, 2015

RBSM LLP

EXAMINATION AND CPE EXTENSION

Lyn R Meyers - Requesting an extension of time to complete the 40 hour CPE requirement for 2014-2015 reporting year until the end of August 2015.

Ms. Marien made a motion to table the request for September meeting, requesting more information and applicant to provide the timeframe applicant would complete the 40 hours of CPE for the 2014-2015 reporting year. Mr. Aronowitz seconded the motion. All present board members voted in favor.

William J. Farrell - Requesting extension of time to complete 40 hours of CPE for the 2014-2015 reporting year.

Ms. Marien made a motion to table the matter for September meeting, requesting more information and applicant to provide the timeframe applicant would complete the 40 hours of CPE for the 2014-2015 reporting year. Mr. Niedermeyer seconded the motion. All present board members voted in favor.

Theodore Thomas - Requesting an extension of time to complete the 40 hour CPE requirement for 2014-2015 reporting year until December 31, 2015.

Ms. Marien made a motion to grant the request for extension. Mr. Lyne seconded the motion. All present board members voted in favor.

Anthony F. DeLucia – Requesting an extension of time to complete the 40 hour CPE requirement for 2014-2015 reporting year.

Ms. Marien made a motion to table the matter for September meeting, requesting additional documentation to support the request and applicant to provide the timeframe applicant would complete the 40 hours of CPE for the 2014-2015 reporting year. Mr. Niedermeyer seconded the motion. All present board members voted in favor.

Michael S. Jelormine – Requesting an extension of time to complete the 40 hour CPE requirement for 2014-2015 reporting year until 2/2016.

Ms. Marien made a motion to table the matter for additional documentation to support request and also applicant to request for a shorter time period to complete CPE requirement for 2014-2015 reporting year. Mr. Niedermeyer seconded the motion. All present board members voted in favor.

Norma J. Zwart – Requesting an extension of time to complete the 40 hour CPE requirement for 2014-2015 reporting year until the end of July.

Ms. Marien made a motion to grant the request for extension to complete by September 30, 2015, given the applicant is unable to complete the 40 hours by the end of July. Mr. Aronowitz seconded the motion. All present board members voted in favor.

Leslie Carroll - Requesting an extension of 3 to 4 months to complete the 40 hour CPE requirement for the 2014-2015 reporting year.

Ms. Marien made a motion to table the matter requesting additional documentation to support the request. Mr. Lyne seconded the motion. All present board members voted in favor.

Mark S. Coletta – Requesting the maximum amount of time for an extension to complete the CPE requirement for the 2014-2015 reporting year.

Mr. Niedermeyer made a motion to deny the request. Mr. Lyne seconded the motion. All present board members voted in favor.

Dave Seaman – Requesting an change/amendment to CPE of prior year FY 6/30/2014 from 49 hours to 57 hours also using 8 carry over credits from previous year.

Ms. Marien made a motion to grant the request and allow Mr. Seaman to amend his 2014 CPE record. Mr. Lyne seconded the motion. All present board members voted in favor.

Stephen Elia, Jr. – Requesting extension for CPE.

Ms. Marien made a motion to table the matter for September meeting requesting additional documentation and applicant to provide timeframe to complete the 40 hours of CPE for the 2014-2015 reporting year. Mr. Niedermeyer seconded the motion. All present board members voted in favor.

OTHER BUSINESS

Enforcement Cases

2014-57 George Ferko vs. Rothstein & CO., CPAs.

Allegations: § 20-281a (5) negligence in filing tax returns/in the practice of public accountancy; § 20-280 (4) incompetence and § 20-281a (10) engaging in actions reflecting adversely on the profession of public accountancy.

Case History: February of 2015 the board voted to issue a settlement of 2 hours of CPEs in the area of tax returns. Complainant has indicated that he has no further information to provide. Respondent presented additional evidence that provided Complainant an opportunity to review and sign his tax returns prior to filing. Complainant corrected other errors but did not correct his address.

Mr. Lyne made a motion to vacate the settlement based on additional evidence provided.

Ms. Marien seconded the motion. All present board members voted in favor.

2015-16 Connecticut State Board of Accountancy v. Stephanie K. Hollander

Allegations: § 20-281d, failure to renew license to practice public accountancy in a timely manner and continuing to practice without a valid license.

Substantiated Violations: § 20-281d, Respondent admits that she allowed her Connecticut license to lapse due to an inadvertent oversight. When the Respondent realized her permit had lapsed, she immediately sent her renewal application to the Board the following day. Respondent did not use the CPA designation at any time during the 2015 calendar year. Respondent renewed on 2/26/2015 for the 2015 year. Respondent paid the late fee of 150.00.

Mr. Niedermeyer made a motion dismiss the matter for no probable cause. Ms. Marien seconded the motion. All present board members voted in favor.

2014-61 John Cavanaugh v. Richard J. Rubin

Allegations: § 20-281n (e), engaging in the unauthorized use of a CPA title. § 20-281(k), failure to return client records. § 20-281a, engaging in actions reflecting adversely on the profession of public accountancy. § 20-281(a), incompetence in filing tax returns. § 20-281, fraud and embezzlement.

Substantiated Violations: Respondent admits he performed detailed tax preparation for Complainant and Complainant's business. Respondent has a current and active Florida CPA license. UPS tracking demonstrates clients records were not returned until March 2015 after notice of violation was sent to Respondent. Evidence submitted demonstrating Respondent was unresponsive to communication from Complainant. Extensions were not complied with after extension request were filed.

Ms. Marien made a motion to settle the matter for the amount of \$200.00 as civil penalties representing a percentage of the disputed amount and Respondent take 4 hours of tax preparation courses to be reported by December 31, 2015. Mr. Aronowitz seconded the motion. All present board members voted in favor.

2015-12 Marcia L. Marien v. Todd Koscinski

Allegations: § 20-280e, engaging in the unauthorized use of the CPA title. § 20-281(g), engaging in the unauthorized practice of public accountancy. § 20-281, practicing without a firm permit. § 20-28, failing to undergo and report peer review or waiver request.

Ms. Marien recused herself.

The matter was tabled for September, 2015 meeting due to lack of quorum.

2015-25 Connecticut State Board of Accountancy v. Ceasar Anquillare

Allegations: § 20-281a (5) dishonesty, fraud, or negligence in filing tax returns; § 20-281a (8), conviction of a felony, or of any crime in which an element includes fraud or dishonesty. § 20-281a (9), performance of a fraudulent act while holding a license. § 20-281a (10), engaging in actions reflecting adversely on the profession of public accountancy. § 20-280-15c, discreditable acts, actions reflecting adversely on the profession of public accountancy.

Substantiated Violations: Respondent, in a separate legal action brought against him by the U.S. government; plead guilty to federal bribery charges. Respondent has agreed to make restitution payments totaling \$291,033.91. Respondent, on July 20, 2015 informed the Board that he is voluntarily surrendering his Connecticut Certified Public Accounting license #0243 and certificate #0564 in lieu of enforcement.

The board acknowledged that Respondent surrendered Certificate Number 0564 and License Number 0243 in lieu of enforcement.

2015-27 Connecticut State Board of Accountancy v. Fiorita, Kornhass & Company LLP.

Allegations: § 20-281d, failure to renew firm permit to practice public accountancy in a timely manner and continuing to practice without a valid license.

Substantiated Violations: § 20-281d, firm admits that it inadvertently allowed their firm's permit to lapse. Respondent claims it did not receive renewal notification through email as a result of the firm's spam filter or new email server. Respondent claims that upon discovery of the oversight, the firm immediately filled out an application to renew its permit. Respondent submitted affidavit affirming that the firm did provide attest and audit services during period firm permit was not in good standing.

Ms. Marien made a motion to settle the matter requiring Respondent to take 4 hours of ethics CPEs to be completed and reported by December 31, 2015 and acknowledge that license fee of \$150.00 has been paid (sole practitioner). Ms. Marien amended her motion to include additional late fee of \$200.00. Mr. Niedermeyer seconded the motion. All present board members voted in favor.

2015-29 Connecticut State Board of Accountancy v. Eugene F. Prentiss

Allegations: § 20-281d, failure to renew license to practice public accountancy in a timely manner and continuing to practice without a valid license.

Substantiated Violations: § 20-281d, Respondent submitted a sworn affidavit admitting that he allowed his Connecticut license to lapse due to an administrative oversight by his office manager. Upon discovering the lapse, Respondent immediately ceased all current accounting work and stopped using the CPA designation. Prior to realizing his CPA license had lapsed, Respondent did hold himself out to be a CPA; however, Respondent worked on a compilation report but did not issue one in the year 2015. Respondent has paid late fees and renewal fees. Late Renewal/Reinstatement application was submitted on March 7, 2015.

Mr. Niedermeyer made a motion to settle the matter requiring Respondent to take 4 hours of ethics CPEs to be completed and reported by December 31, 2015 and acknowledge that late fee and license fee of \$150.00 has been paid. Mr. Aronowitz seconded the motion. All present board members voted in favor.

2015-30 Connecticut State Board of Accountancy v. Wayne A. Huskes CPA LLC

Allegations: § 20-281d, failure to renew firm permit to practice public accountancy in a timely manner. §. 20-281, failing to undergo and report/request for a waiver of peer review. Records indicate the firm was operating without a valid permit for the years of 2012, 2013, and 2014.

Substantiated Violations: § 20-281d Respondent admits to not renewing his firm permit for the years of 2012, 2013, and 2014. Respondent has since paid late fees for those years. Respondent claims he was not aware that a sole proprietor needed a firm permit. § 20-281, Respondent claims he had undergone quality review in 2011 and the next quality review was not due until March 15, 2015. Peer Review Waivers and report have been reported for the years 2012, 2013, and 2014 indicating that the Respondent does not and has not offered attest or auditing services in the aforementioned years.

Ms. Marien made a motion to settle the matter requiring Respondent to take 4 hours of ethics CPEs be completed and reported by December 31, 2015 and acknowledge payment of late fees of \$600 each year from 2012, 2013, and 2014 for a total of \$1,800.00.

Mr. Niedermeyer seconded the motion. All present board members voted in favor.

2015-31 Connecticut State Board of Accountancy v. Downey & Company LLP.

Allegations: § 20-281d, failure to renew firm permit to practice public accountancy in a timely manner and continuing to practice without a valid license. § 20-281, failing to undergo and report/request for a waiver of peer review.

Substantiated Violations: § 20-281d, Respondent admits that due to an administrative oversight his firm allowed its permit to lapse. Respondent's firm has since renewed its permit. § 20-281, Respondent has submitted documentation that his firm's next quality review is not due until November 30, 2015. Peer reviews are current. Late renewal reinstatement was received on March 4, 2015.

Ms. Marien made a motion to settle the matter requiring Respondent to take 4 hours of ethics CPEs to be completed and reported by December 31, 2015 and acknowledge that late fees of \$150.00 has been paid. Mr. Lyne seconded the motion. All present board members voted in favor.

2015-32 Connecticut State Board of Accountancy v. Joseph M. Dowling, CPA

Allegations: § 20-281d, failure to renew firm permit to practice public accountancy in a timely manner. § 20-281, failing to undergo and report/request for a waiver of peer review. Records indicate the firm was operating without a valid permit for the years of 2010, 2011, 2012, 2013, and 2014.

Substantiated Violations: § 20-281d, Respondent admits he failed to renew his firm permit for the years of 2010, 2011, 2012, 2013, and 2014 due to an "inadvertent omission" after relocation and the resulting change of address. Respondent has submitted a waiver request for quality review for the aforementioned years indicating that he has not offered or performed audit or attest service and good cause because of medical hardship. Respondent as a valid New Jersey CPA license.

Respondent submitted affidavit stating the he is in semi-retirement since 2010. Respondent did in fact pay late fees for 2015 of \$200.00 bringing firm into compliance.

Mr. Niedermeyer made a motion to settle the matter offering a reduction considering semi-retired status during inactive licensure in amount to \$1,500.00, 4 hours ethics CPEs to be completed and reported by December 31, 2015, along with acknowledgement of submission of peer review waivers for appropriate years. Ms. Marien seconded the motion. All present board members voted in favor.

2015-22 Connecticut State Board of Accountancy v. Markowitz, Fenelon & Bank, LLP.

Allegations: §20-281d, failure to renew firm permit to practice public accountancy in a timely manner and continuing to practice without a valid license.

Substantiated Violations: § 20-281d, Respondent admits that it allowed its Connecticut permit to lapse due to an inadvertent oversight.

Ms. Marien made a motion to settle the matter acknowledging late payments and license fees totaling \$300.00 and 4 hours of ethics to be reported by December 31, 2015. Mr. Aronowitz seconded the motion. All present board members voted in favor.

PUBLIC COMMENT

Mr. Art Renner, CPA, Executive Director of CT Society of CPA, stated that he is grateful that the State Board of Accountancy remained under the Office of the Secretary of State. Mr. Renner also made a brief remark regarding the legislature’s proposal to add professional sales tax to CPA services. Mr. Renner stated that the Connecticut Society of CPAs would welcome opportunity to work with the board on the peer review process.

Ms. Marien made a motion to adjourn the meeting at 1:01 P.M. Mr. Lyne seconded the motion. All present board members voted in favor.

Subcommittee Meeting – SBA12 – The committee rescheduled the meeting to the next board meeting in September.

Next scheduled meeting: Thursday, September 1, 2015 – 10:00 AM – 2nd Floor, 30 Trinity Street, Hartford, CT.