

Connecticut State Board of Accountancy
Meeting Minutes
Tuesday, January 6, 2015 – 10:00 A.M.
Second Floor Conference Room
30 Trinity St., Hartford, CT 06106
Hartford, CT 06106
860-509-6179
sboa@ct.gov

Temporary Chairwoman Marcia L. Marien, CPA, called the meeting to order at 10:04 A.M. at the Connecticut State Board of Accountancy, Second Floor Conference Room, and 30 Trinity Street, Hartford, CT.

BOARD MEMBERS PRESENT:

Marcia L. Marien, CPA, Temporary Chairwoman
Dannell R. Lyne, CPA
Timothy F. Egan, CPA
Mark Aronowitz
Peter J. Niedermeyer, CPA
Karla H. Fox, Esq. – Via Conference Call

BOARD MEMBER ABSENT:

John H. Schuyler, CPA, Chairman
Martha S. Triplett, Esq.

STAFF MEMBERS PRESENT:

Sonia Worrell Asare, Legal Counsel
Stephanie Sheff, License and Application Analyst
Constance Sakyi, Paralegal Specialist 1

OTHERS PRESENT:

Mark Zampino, CTCPA Public Affairs Director
Harrison Robbins-Pesce, Legal Intern

ACTION REQUIRED – Approve Minutes of the December 2, 2014 Board Meeting.
Mr. Niedermeyer made a motion to approve the minutes. Mr. Lyne seconded the motion. All present board members voted in favor.

INFORMATION REPORTS – Administrative Updates

TRANSCRIPT EVALUATIONS

Attorney Asare stated that she is waiting to hear from NASBA regarding the process of evaluating transcripts for the board's initial applicants who are willing to pay for the service before submitting their transcripts to the board for licensure.

BOARD MEMBER FEEDBACK REGARDING CT CPA PEER REVIEW PROCESS

Attorney Asare asked board members if they have any comment regarding the CTCPA Peer Review Process, but there was none.

NEWSLETTER REVIEW AND DISTRIBUTION

Attorney Asare distributed a copy of the draft newsletter and asked board members to review and provide any feedback before she presents it to NASBA to print at the end of January 2015.

NAME CHANGE POLICY REGARDING DUPLICATE CERTIFICATES

Attorney Asare stated that in March 2014, the sitting two board members voted to charge \$25.00 for issuing duplicate wall certificates as a result of a name change. Attorney Asare requested board members to revisit the decision during the February 2015 meeting.

RENEWAL UPDATE

Attorney Asare stated that 681 licenses, 369 certificates and 261 firm permits have not been renewed to date. She informed board members that on January 15, 2015, the office will send letters to remind those who have not process their 2015 renewal. Attorney Asare also stated that Licensees who fail to renew by the end of January will have to submit an affidavit, reinstatement application and pay late renewal fees.

JUNE RETREAT DATE AND LOCATION UPDATE

Attorney Asare stated that the June Retreat is scheduled for June 2, 2015 and will be held at the office of Marcum LLP, City Place II, 185 Asylum Street, Hartford. Attorney Asare requested that board members inform her of any suggestions regarding topics to be discussed during the retreat meeting.

CONSIDERATION FOR FIRMS TO SUBMIT PROOF OF MALPRACTICE INSURANCE

Attorney Asare informed board members that the office is considering requesting new firms applying for a permit submit proof of registration and a certificate of good standing from their Secretary of State Business Recording or Town Clerk wherein the business is registered and malpractice insurance. Ms. Karla Fox suggested that the board research how other states handle initial registration process regarding malpractice insurance.

PUBLIC COMMENT – Opportunity for Members of the Public to Address the Board

Mark Zampino, Public Affairs Director, CT Society of CPA, invited board members and staff to the CTCPA Certificate Ceremony to be held on Thursday, January 8, 2015, at the Aqua Turf, 556 Mulberry Street, Plantsville, Connecticut. Board members Marcia L. Marien and Dannell R. Lyne stated that they will attend.

EXAM AND LICENSING

IQEX EXAM

Attorney Asare stated that she is waiting to hear from NASBA regarding the IQEX Exam before she presents information to the board during February, 2015 meeting.

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

Jun Fan – Initial CPA 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.

Rati Patel - Initial CPA 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.

EXAMINATION AND CPE EXTENSION

Susan Riegert- Requesting waiver of late fee for non-compliance of accounting and auditing CPEs

Mr. Egan made a motion to grant the request for a waiver. Mr. Niedermeyer seconded the motion. All present board members voted in favor.

James Giordano - Requesting a waiver of the late fee for not completing the 4 hours of ethics CPE

Mr. Lyne made a motion to deny and recommended that Mr. Giordano pay the late fee of \$625.00. Mr. Niedermeyer seconded the motion. Ms. Marien opposed the motion. All present board members voted in favor.

Robert Hines – Requesting an extension on two parts of the CPA exam - REG & BEC

Mr. Aronowitz made a motion to grant the extension based on submission of medical documentation in support of the request. Mr. Egan seconded the motion. All present board members voted in favor.

Donarell Elder – Requesting reconsideration of decision made for request of 3 month extension to complete CPE at the August 5, 2014 board meeting.

Mr. Niedermeyer made a motion to deny the request stating no additional facts have been presented warranting reconsideration of initial decision of the matter. Mr. Aronowitz seconded the motion. All present board members voted in favor.

REVIEW FIRM PERMITS FOR APPROVAL

None

PCAOB Inspection Reports Received – member comment on review

- Review Report Dated **November 4, 2014 Dixon Hughes Goodman LLP**
November 5, 2014 Crowe Horwath LLP
Demetrius Berkower LLC

OTHER BUSINESS

Enforcement Cases

Mr. Lyne made a motion stating that all 2014 CPE cases resulting in civil penalties will be audited again in 2015. Mr. Niedermeyer seconded the motion. All present board members voted in favor.

2010052-3402 Phil DeCocco, Complainant vs. Thomas Rich, Respondent.

Allegations: § 20-281a (5) negligence in the practice of public accountancy and § 20-281a discreditable acts. Mr. Niedermeyer made a motion to settle the matter for \$900.00 in civil penalties and take 4 additional hours in tax preparation CPEs to report by June 30, 2015. Mr. Aronowitz seconded the motion. Mr. Lyne recused himself. All present board members voted in favor.

2014-59 Connecticut State Board of Accountancy vs. Richard Royston, CPA

Allegations: §20-281a failure to renew your CPA certificate and license and engaging in the unauthorized practice of public accountancy in the years 2012, 2013 and 2014.

Mr. Lyne made a motion to settle the matter for 8 hours of CPE ethics to be completed by June 30, 2015; \$1,695.00 in civil penalties of back payment license fees for 3 years; and peer review waiver forms for years 2012, 2013 and 2014 and \$1,800.00 late fees. Mr. Egan seconded the motion. All present board members voted in favor.

2013-48 Paul Rosow vs. Roger S. Bennett, CPA

Allegations: §20-281(l) lack of independence; §20-281(a) professional misconduct; §20-281(a) engaging in actions reflecting adversely on the profession of public accountancy; § 20-281(j) conflict of interest; §20-281(a) incompetence in providing public accounting services; §20-281(a) negligence and §20-281(a) fraud. Mr. Lyne made a motion to approve the recommended settlement in the amount of 8 hours of CPEs in ethics to be completed by June 30, 2015 and \$1,000.00 in civil penalties. Mr. Aronowitz seconded the motion. All present board members voted in favor.

2014-40 Connecticut State Board of Accountancy vs. Jeffrey M. Oller

Allegations: failure to complete continuing education courses as prescribed by Connecticut State Board of Accountancy's regulations, § 20-280-25, and statutes, § 20-281g (f).

Substantiated Violations: Respondent initially reported 60 CPE credits during the renewal cycle. Respondent substantiated 33 of the 60 CPEs during the CPE audit. Respondent submitted supplemental proof of 79.5 CPEs which could have been reported and counted during the 2013 renewal cycle. Respondent admits that the initial reported CPEs included "inadvertent errors in the dates and amount of credits". Mr. Niedermeyer made a motion to approve the settlement in the amount of \$262.40 in civil penalties and 4 hours of ethics courses to be completed and reported by June 30, 2015. Mr. Egan seconded the motion. All present members voted in favor.

2014-47 Connecticut State Board of Accountancy vs. Joseph P. Legge

Allegations: failure to complete continuing education courses as prescribed by Connecticut State Board of Accountancy's regulations, § 20-280-25, and statutes, § 20-281g (f).

Substantiated Violations: Respondent initially reported 41 CPEs during 2013 renewal cycle. Respondent substantiated none of the reported courses. Respondent states that the courses to be verified were taken at an IRS conference, but due to error in electronic sign in, Respondent is unable to obtain proof of attendance. Mr. Aronowitz made a motion to settle the matter for the recommended settlement of \$625.00 pursuant to regulation §20-280-27 for failure to take required

CPEs in specified time, \$1,500.00 in civil penalties for false reporting of CPEs, 4 hours of ethics courses to be completed and reported by June 30, 2015. Mr. Niedermeyer seconded the motion. All present board members voted in favor.

The motion was amended by Mr. Aronowitz to include 40 hours of CPE classes to be completed by June 30, 2015. Mr. Niedermeyer seconded the motion. All present board members voted in favor.

2014-48 Connecticut State Board of Accountancy vs. Scott A. Monroe

Allegations: failure to complete continuing education courses as prescribed by Connecticut State Board of Accountancy's regulations, § 20-280-25, and statutes, § 20-281g (f).

Substantiated Violations: Respondent initially reported 54 CPEs during 2013 renewal cycle.

Respondent substantiated 16 of the reported courses; however, dates did not correspond with reported course dates. Respondent states that the courses to be verified were taken at an IRS conference, but due to error in electronic sign in, Respondent is unable to obtain proof of attendance for 18 reported hours. Mr. Lyne made a motion to settle the matter for the recommended settlement of \$625.00 pursuant to regulation §20-280-27 for failure to take required CPEs in specified time, \$600.00 in civil penalties for false reporting of CPEs and 4 hours of ethics courses to be completed and reported by June 30, 2015. Mr. Niedermeyer seconded the motion. All present board members voted in favor. Mr. Niedermeyer amended the motion to include 18 hours of CPE classes to the settlement to be completed by June 30, 2015. Mr. Lyne seconded the amended motion. All present board members voted in favor.

2014-55 Connecticut State Board of Accountancy vs. Warren M. Johnson

Allegations: failure to complete continuing education courses as prescribed by Connecticut State Board of Accountancy's regulations, § 20-280-25, and statutes, § 20-281g (f).

Substantiated Violations: Respondent initially reported 62 courses during 2013 renewal cycle. The maximum reportable credits are 60. Respondent submitted proof of 22 reported CPEs. Respondent states that a former administrator reported CPE courses based on invoices instead of using appropriate certificates. Respondent requests that the board consider damages suffered by Respondent as a result of Super Storm Sandy and 23 years of good standing as a CPA.

Mr. Lyne made a motion to settle the matter for the recommended settlement \$625.00 pursuant to regulation §20-280-27 for failure to take required CPEs in specified time, \$967.74 in civil penalties for false reporting of CPEs and to take 18 hours of CPE classes, and 4 hours of ethics courses to be completed and reported by June 30, 2015. Mr. Egan seconded the motion. All present board members voted in favor.

PUBLIC COMMENT

There was no public comment at this time.

Ms. Fox made a motion to adjourn the meeting at 11:40 a.m. Mr. Niedermeyer seconded the motion. All present board members voted in favor.

Next scheduled meeting: Tuesday, February 3, 2015 – 10:00 AM - 2nd Floor, 30 Trinity Street, Hartford, CT.