

Connecticut State Board of Accountancy
Meeting Minutes
Tuesday, September 1, 2015 – 10:00 A.M.
Second Floor Conference Room
30 Trinity St., Hartford, CT 06106
Hartford, CT 06106
860-509-6179
sboa@ct.gov

Pro Tem Chairwoman Marcia L. Marien, 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:

Marcia L. Marien, CPA (Pro Tem Chairwoman)
Timothy F. Egan, CPA
Dannell R. Lyne, CPA
Martha S. Triplett, Esq.
Karla H. Fox, Esq.
Mark Aronowitz
Peter J. Niedermeyer, CPA

BOARD MEMBERS ABSENT:

John H. Schuyler, CPA, Chairman

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
Bruce Blasnik, CPA, President of CT Society of CPA (2015-2016)

ACTION REQUIRED – Approve Minutes of the August 4, 2015 board meeting.

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

INFORMATION REPORTS – Administrative Updates

PROPOSED 2016 BOARD MEETING DATES

Attorney Asare asked board members to review the proposed 2016 meeting dates and inform her of any potential schedule conflict.

CPE AUDIT UPDATES

Attorney Asare stated that 234 licensees were audited, 17 were exempt from CPE; 170 licensees have passed the audit; 15 cases have been opened and 32 licensees have not responded or asked for an extension. Attorney Asare reiterated that uploading certificates during renewal period increased the efficiency of the audit for both the staff and licensees.

CT CPA CERTIFICATE CEREMONY DATES

Attorney Asare informed board members that the CTCPA Certificate ceremonies will be held on Thursday, January 28, 2016 and Tuesday, May 31, 2016. Attorney Asare encouraged board members to attend.

RENEWAL 2016

Attorney Asare notified board members that the office will be sending renewal notices via emails on September 30, 2015. Reminder notices will be mailed and emailed on October 15, 2015. On November 15 and December 15, 2015, another reminder emails will be sent. On-line renewals will begin on October 1, 2015.

TRAVEL POLICY UPDATES

Attorney Asare distributed a revised travel guideline to board members for their review.

NASBA COFERENCE UPDATES

Attorney Asare confirmed that Mr. Aronowitz and she will attend NASBA's 108th Annual Meeting at Dana Point, CA on October 25 – 28, 2015. Attorney Asare informed board members about the Eastern Regional Conference to be held at Ashville, North Carolina on June 7 – 9, 2016, and requested that members interested in attending should notify her so travel arrangements can be initiated.

PUBLIC COMMENT – Opportunity for members of the public to address the Board

Mr. Art Renner, CPA, Executive Director of CT Society of CPA, introduced Mr. Bruce Blasnik, CPA, as the 2015-2016 President of the Society of CTCPA.

EXAM AND LICENSING

OLD BUSINESS

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

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. Tabled August 4, 2015 meeting.

Mr. Lyne made a motion to table the request as applicant has not provided any new information.

Mr. Egan 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. Tabled August 4, 2015 meeting.

Mr. Egan made a motion to table the request as applicant has not provided any new information.

Mr. Niedermeyer 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. Tabled August 4, 2015 meeting.

Mr. Niedermeyer made a motion to table the request as applicant has not provided any new information. Mr. Aronowitz 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. Tabled August 4, 2015 meeting.

Mr. Lyne made a motion to table the request as applicant has not provided any new information.

Ms. Fox 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. Tabled August 4, 2015 meeting.

Mr. Egan made a motion to table the request as applicant has not provided any new information

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

Stephen Elia, Jr. – Requesting extension for CPE. Tabled August 4, 2015 meeting.

Mr. Aronowitz made a motion to table the request as applicant has not provided any new information. Ms. Fox seconded the motion. All present board members voted in favor.

NEW BUSINESS:

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

Elwood Nesser - Initial CPA Certificate & initial license, Industry Experience

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

Michael Moriarty - Initial CPA Certificate & initial license, Industry Experience

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

Laurie Weitz - Initial CPA Certificate & initial license, Industry Experience

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

REVIEW FIRM PERMITS FOR APPROVAL

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

PCAOB Inspection Reports Received – None

EXAMINATION AND CPE EXTENSION - None

OTHER BUSINESS

Enforcement Cases

Withdrawn:

2014-58: Jaikishin Daswani v. Roy K. Lewis, Complainant withdrew the matter on August 10, 2015.

2014-13: Elizabeth Lee Kemon Boudreau vs. James W. Persano, Complainant withdrew the matter on July 27, 2015.

2011087-3722 Imogene Fletcher vs. Danh Nguyen. Allegations: §20-281a(1) fraud, theft, and embezzlement, §20-281a(10) actions reflecting adversely on the profession and discreditable acts and §20-281k failure to return client records.

Substantiated Allegations: Respondent does not hold a certificate or license to practice public accountancy. No evidence has been presented that Complainant was of the information or belief that Respondent held a certificate or license to practice public accountancy. Matter has been

referred to Treasury Inspector General for Tax Administration (TIGTA) and IRS's Office of Professional Responsibility (OPR). The services provided which resulted in this complaint were tax services.

Mr. Niedermeyer made a motion to dismiss the matter for lack of jurisdiction. Mr. Lyne seconded the motion. All present board members voted in favor.

2012-103775 John J. Conroy vs. Steven J. Powers. Allegations: §20-281a(5) improper filing of tax returns and §20-281k failure to return client records in a timely manner.

Substantiated Allegations: Respondent holds an inactive license #8654 to practice public accountancy, and an unregistered certificate # 9711. The license has been inactive since 12/31/2012. Matter has been referred to IRS's Office of Professional Responsibility (OPR). The allegations are regarding tax preparation services. Several unsuccessful attempts have been made to contact the Respondent and send Notice of Violations discovering the board does not have a valid means of contacting the Respondent.

Mr. Egan made a motion to dismiss the matter without prejudice. Respondent is unable to renew license and/or certificate until such time the Respondent responds to the Notice of Violation.

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

2013-9 Donna L. Mete vs. John Vancho. Allegations: §20-281a professional misconduct, §20-281k failure to return client records, and §20-281a(5) negligence in the preparation of tax returns

Substantiated Allegations: Respondent holds an unregistered certificate #3263 and an inactive license #3337, inactive as of 12/31/2003. The allegations stem from tax preparation services. The matter has been referred to Treasury Inspector General Office (TIGTA) and IRS's Office of Professional Responsibility (OPR). Several attempts have been made to contact the Respondent at the last known address.

Ms. Triplett made a motion to dismiss the matter without prejudice. Respondent is unable to renew license and/or certificate until such time the Respondent responds to the Notice of Violation.

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

2013-23 Lisa Gehrie Roberts vs. Donald L. Zabel. Allegations: §20-281a(1) fraud, deceit, and embezzlement, §20-281a(10) actions reflecting adversely on the profession of public accountancy, and §20-280-15c(1) discreditable acts.

Substantiated Allegations: Respondent hold an unregistered certificate #6805 to practice public accountancy. Respondent's license is inactive as of December 31, 2011, license #5569. Matter has been referred to Connecticut Department of Banking and the IRS's Office of Professional Responsibility. Complaint stems from tax preparation services and personal loan.

Ms. Triplett made a motion to dismiss the matter without prejudice. Respondent is unable to renew license and/or certificate until such time the Respondent responds to the Notice of Violation.

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

2014-11 Connecticut State Board of Accountancy vs. Scott Koeber. Allegations: §20-281-16(n) false and misleading advertisement, §20-281n engaging in the unauthorized practice of public accountancy, and §20-281g engaging in the unauthorized use of a CPA title.

Substantiated Allegations: Matter was referred to Michigan's Department of Licensing & Regulatory Affairs, which found no violations. Respondent holds a license to practice public accountancy in the State of Michigan. Respondent is permitted under Connecticut law to hold out as a CPA in the State of Connecticut with his Michigan license.

Mr. Egan made a motion to dismiss the matter finding no probable cause to continue. Mr. Lyne seconded the motion. All present board members voted in favor.

2014-18 Connecticut State Board of Accountancy vs. Peter D. Marino. Allegations: §20-281b practice without proper certified public accountancy license; §20-281e failure to obtain a certified public accountant firm permit; § 20-281b engaging in the unauthorized practice of public accountancy; § 20-280-16n false and misleading advertisement and §20-281b failure to undergo and report a peer review.

Substantiated Allegations: Respondent's CPA firm permit #0334 has been inactive since 12/31/2006. Respondent has an unregistered certificate #2133. Respondent's license #2631 has been inactive since 12/31/2006, as a result of revocation by the Board. No additional evidence was submitted that the Respondent was holding out or offering non-tax CPA services.

Ms. Fox made a motion to dismiss the matter without prejudice. Mr. Niedermeyer seconded the motion. All present board members voted in favor.

2014-19 Virginia Hodges vs. Bill Gargano. Allegations: §20-280 incompetence in preparing tax returns; §20-281a negligence in the practice of public accountancy and §20-281k failure to return client records.

Substantiated Allegations: Respondent does not hold a CPA certificate or license. Matter has been referred to IRS's Office of Professional Responsibility and Connecticut Department of Revenue Services. The complaint stems from tax preparation services. There is no evidence that Respondent held out or offered non CPA tax services.

Mr. Egan made a motion to dismiss the matter for lack of jurisdiction. Ms. Fox seconded the motion. All present board members voted in favor.

2014-20 Connecticut State Board of Accountancy vs. Roger S. Bennett. Allegations: §20-281a(4) Revocation, limitation or suspension of the right to practice before any state or federal agency or the Public Company Accounting Oversight Board under the Sarbanes-Oxley Act of 2002, or any of the following actions taken by any such state or federal agency or said board against a licensee or individual who qualifies for the practice privilege: (A) Suspension of or barring a licensee from serving as a corporate officer or director, (B) requiring such individual or licensee to disgorge funds, or (C) suspension or barring such individual or a licensee from association with a public accounting firm.

Substantiated Allegations: The Board's records reveal that in October of 2006 the Board voted to dismiss this matter under case number 2004007-2524. This matter was opened in duplication with no new facts presented. Matter has been referred to Treasury Inspector General for Tax Administration (TIGTA) and the IRS's Office of Professional Responsibility.

Ms. Fox made a motion to dismiss the matter without prejudice. Ms. Triplett seconded the motion. All present board members voted in favor.

2014-63 Connecticut State Board of Accountancy vs. Carole A. Ramey. Allegations: §20-281b include failure to renew license for the years 2010, 2012, 2013 and 2014; §20-280c engaging in the unauthorized practice of public accountancy and §20-280-16(c) false or misleading advertisement. Substantiated Allegations: This matter appears to be opened in duplication under matter number 2015-6.

Ms. Triplett made a motion to dismiss as the matter was opened in duplication, see case number 2015-6. Mr. Egan seconded the motion. All present board members voted in favor.

2014-38 Wilson Lagueux vs. Norman M. Maryland. Allegations: § 20-281g engaging in the unauthorized use of CPA title and §20-281a fraud and embezzlement.

Substantiated Allegations: Matter has been referred to the Securities Exchange Commission and the Connecticut Department of Banking. The matter stems from a sell of a non-publicly traded entity. Respondent does not hold a license or certificate to practice public accountancy. No evidence has been presented that the Complainant was of the information or belief that Respondent was a CPA. Ms. Triplett made a motion to dismiss the matter for lack of jurisdiction. Mr. Niedermeyer seconded the motion. All present board members voted in favor.

2015-3 Dana D. DiCorpo vs. Theodore H. Kreinik. Allegations: §20-281a(10) engaging in actions reflecting adversely on the profession of public accountancy; §20-281k failure to return client records; §20-281a(5) negligence in the practice of public accountancy and §20-281a(5) fraud. Substantiated Allegations: Respondent holds an unregistered certificate #3698. Respondent's license #4428 has been inactive since 12/31/2013. The matter involves the Respondent's actions as a Trustee. The matter was previously presented under case number 2010-3531 before the Board at the August 2013 meeting with the same facts and parties. **Ms. Triplett recused herself.**

Ms. Fox made a motion to dismiss the matter for finding no probable cause to continue. Mr. Lyne seconded the motion. Remaining board members voted in favor.

2015-37 Connecticut State Board of Accountancy vs. BDO USA, LLP. Allegations: §20-280-15c(h) departure from generally acceptable auditing standards; §20-281a(10) engaging in actions reflecting adversely on the profession of public accountancy; §20-281a(4) suspension of license by a state accountancy board and §20-281a(5) negligence in the practice of public accountancy. Substantiated Allegations: Texas Board of Accountancy referred the matter to our office for informational purposes only. Texas Board of Accountancy clarified that the actions involving the matter took place in Texas and have no legal nexus to Connecticut.

Mr. Aronowitz made a motion to dismiss the matter for finding no probable cause to continue. Ms. Fox seconded the motion. All present board members voted in favor.

2013-29 Connecticut State Board of Accountancy vs. Mark B. Bushka. Allegations: failure to complete continuing education courses in the year 2012 as prescribed by Connecticut State Board of Accountancy's regulations, §20-280-25, and statutes, §20-281d(f).

Substantiated Allegations: Respondent holds an unregistered certificate #4892 to practice public accountancy. Respondent's license #4115 has been inactive since December 31, 2013. Respondent has been unresponsive to both the notice of audit and notice of violation.

Ms. Triplett made a motion to settle the matter requiring Respondent to take 4 hours of Ethics courses; Respondent is prohibited from renewing license until such time Respondent has communicated regarding the matter to the Board; Respondent shall submit evidence as required by the original audit; Respondent shall pay \$1,500.00 in civil penalties for failure to pass the audit; Respondent shall pay \$625 in late CPE fee; Respondent shall pay \$250.00 for failure to respond to the audit; Respondent shall take and report unsubstantiated 40 CPE credits for the 2013 CPE year. Mr. Egan seconded the motion. All present board members voted in favor.

2013-33 Connecticut State Board of Accountancy vs. Deborah A. Dudzik. Allegations: failure to complete continuing education courses in the year 2012 as prescribed by Connecticut State Board of Accountancy's regulations, §20-280-25, and statutes, §20-281d(f).

Substantiated Allegations: Respondent's license #4126 has been inactive since 12/31/2014.

Respondent has an unregistered certificate #5209. Respondent has been unresponsive to several

communications from the Board regarding the matter. Respondent has been unable to substantiate 8 hours of CPE and 20 hours of carryover, 2011-2012 CPE 2013 renewal year. Respondent indicated that the necessary documents would be submitted but to date the specified documentation has not been received.

Mr. Lyne made a motion to settle the matter requiring Respondent to pay \$1,050.00, Respondent to take 4 hours of Ethics courses to be reported by December 31, 2015, and Respondent prohibited from renewing license until such time Respondent has communicated regarding the matter to the Board. Respondent shall take or substantiate the reported 8 hours of CPE, which were reported at the time of licensure renewal in the year 2013, no later than June 30, 2016.

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

2015-6 Connecticut State Board of Accountancy vs. Carole A. Ramey. Allegations: §20-280c engaging in the unauthorized practice of public accountancy in the years 2010, 2011, 2012, 2013 and 2014 by failing to renew license and §20-281d failure to report continuing education in the years 2010, 2011, 2012, 2013 and 2014.

Substantiated Allegations: Respondent filed a late reinstatement application for license and firm permit in February of 2015. At the time the application was received the board discovered that Respondent had not renewed individual license in the years 2010, 2011, 2012, 2013 and 2014. Respondent submitted a sworn affidavit indicating that she renewed her firm permit and did not realize that her license needed to be renewed as well. Respondent stated she prepared federal, state, sales, and payroll tax returns and signed as a CPA, during non-renewal status. Respondent affirms that she has not performed audits, financial statements, reviews or compilations during the non-renewed licensure period. Respondent's license has been reinstated for the year 2015.

Ms. Triplett made a motion to settle the matter requiring Respondent to take 4 hours of Ethics to be reported by March 31, 2016; Respondent shall take 200 hours of CPE reporting a minimum of 50 hours for each year for the next four years, and all completed by September 31st, 2019.

Acknowledge that Respondent has paid the licensing fee for 2010. Respondent shall pay the late fees of \$2,400.00. Mr. Aronowitz seconded the motion. All present board members voted in favor.

2015-8 Connecticut State Board of Accountancy vs. Jeffrey C. Solomon. Allegations: §20-281a failure to renew certificate to practice in the year 2014; §20-280c engaging in the unauthorized practice of public accountancy in the year of 2014; and §20-281d failure to report continuing education in the year 2014.

Substantiated Allegations: Respondent submitted sworn affidavit stating that due to a misunderstanding he did not upgrade his CPA certificate to a license. Respondent admits he unknowingly let his certificate lapse as of 12/31/14. Respondent admits that he has managed engagement and initiated the process to affix the firm's signature to attest reports, but in all cases another licensed partner or director signed off and approved issuance, as he was not authorized to do so singly. Respondent has attempted to rectify the situation by submitting CPE for the year 2013 and 2014 and applicable license and late fees.

Mr. Niedermeyer made a motion to settle the matter requiring Respondent to take 4 hours of ethics to be reported by March 31, 2016 and acknowledge payment of late fees of \$1,880.00. Ms. Fox seconded the motion. All present board members voted in favor.

2015-20 Connecticut State Board of Accountancy vs. Alfred Popken. Allegations: §20-281d failure to renew license to practice public accountancy in a timely manner and continuing to practice without a valid license to practice public accountancy.

Substantiated Allegations: Respondent indicates that the failure to renew was an oversight. Respondent indicates during the inactive status the Respondent performed duties as a partner, but did not use the CPA license.

Ms. Triplett made a motion to settle the matter requiring Respondent take 4 hours of Ethics by March 31, 2016. Acknowledge payments of license fee \$565.00 and late fee of \$150.00. Mr. Lyne seconded the motion. All present board members voted in favor.

2015-21 Connecticut State Board of Accountancy vs. John J. Mezzanote. Allegations: §20-281d failure to renew license to practice public accountancy in a timely manner and continuing to practice without a valid license to practice public accountancy.

Substantiated Allegations: Respondent indicates that he was of the belief that his firm was filing his license renewal on his behalf.

Ms. Fox made a motion to settle the matter requiring Respondent to take 4 hours of Ethics by March 31, 2016. Acknowledge submission of CPE courses for the years 2013, 2014 and 2015 and pay civil penalties of \$2,680.00. Ms. Triplett seconded the motion. All present board members voted in favor.

2015-34 Connecticut State Board of Accountancy vs. Murphy & Company. Allegations: §20-281(b) failure to obtain a firm permit in a timely manner; §20-281(b) engaging in the unauthorized practice of public accountancy; §20-281(b) failure to undergo and report quality review

Substantiated Allegations: Respondent admits the error was a result of an administrative oversight. Firm permit application was not submitted until July of 2015. Respondent submitted an affidavit that the during the inactive licensure period Respondent prepared tax returns, bookkeeping, compilations, reviews and audits since it began January 1, 2015.

Ms. Fox made a motion to settle the matter requiring firm owner to take 4 hours of Ethics and reported by March 31, 2016. Acknowledge firm permit and late fee of \$450.00.

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

2015-35 Connecticut State Board of Accountancy vs. Thomas E. Pistilli, CPA, LLC.

Allegations: §20-281 failure to undergo and report peer review.

Substantiated Allegations: Respondent states that he was under the impression that peer reviews were required every three years and his firm has not been in business for three years. Respondent is now aware that the first review was required to be completed 18 months from date of first compilation.

Mr. Niedermeyer made a motion to settle the matter requiring firm owner to take 4 hours of Ethics and reported by March 31, 2016. Respondent shall pay \$250.00 in civil penalties for failure to undergo and report peer review in a timely manner. Respondent shall undergo and report peer review by March 31, 2016. Ms. Fox seconded the motion. All present board members voted in favor.

2014-60 Linda Ricciardi vs. Meir Fischer. Allegations: §20-281a fraud and embezzlement; §20-281a(10) engaging in actions reflecting adversely on the profession of public accountancy; §20-281k failure to return client records; §20-281a(5) negligence in the preparation of tax returns and §20-281a(10) discreditable acts.

Substantiated Allegations: Matter arising from a tax preparation services and a personal loan between the parties. Respondent acknowledged taking a personal loan from Complainant.

Respondent claims that returns were delayed as a result of the Complainant failure to submit documents to Respondent needed to complete the returns. Complainant states that the Respondent

did not make request for additional information nor informed the Complainant that the returns were not filed timely. Complainant states that an IRS agent informed Complainant that Respondent made several “frivolous” filings. Respondent states that he provided copies of the returns in September of 2014 and December of 2014.

Ms. Fox made a motion to table the matter requesting for more information. Ms. Triplett seconded the motion. All present board members voted in favor.

Ms. Marien recused herself, by leaving the room, from matter #2015-12 and appointed Mr. Niedermeyer as Chairman Pro Tem.

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.

Substantiated Violations: Respondent denies all allegations and requests that that the case against him be dropped because the Complainant obtained her information in violation of a confidentiality agreement as a result of a nonprofit board activity. Complainant has provided screenshots of multiple pages where Respondent has represented himself as a CPA. Respondent does not hold a valid license in any other jurisdiction. Respondent has applied for reinstatement of license and certificate. Respondent submitted an affidavit affirming that he “unintentionally” engaged in the unauthorized use of the CPA title in the years 2008-2014 and “will pay such fines and penalties related to this said violation.” Respondent attest that he did not engage in the practice of public accountancy, practice without a firm permit, nor failed to undergo or report peer reviews.

Ms. Triplett made a motion acknowledging payment of civil penalties of \$630.00, which was paid on July 9, 2015. Respondent took and reported 4 hours of ethics, which was submitted on June 29, 2015, in anticipation of agreement. Additionally, the board agreed to amend the recommended settlement and imposed a civil penalty of \$1,000.00 for misrepresentation to the board after notice of violation. Ms. Fox seconded the motion. All present board members voted in favor.

Mr. Niedermeyer reappointed Ms. Marien as Chairman Pro Tem.

PUBLIC COMMENT

There was no comment at this time.

Ms. Triplett made a motion to adjourn the meeting at 12:01 P.M. Ms. Fox seconded the motion. All present board members voted in favor.

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

Next scheduled meeting: Tuesday, October 6, 2015 – 10:00 AM – 2nd Floor, 30 Trinity Street, Hartford, CT.