

Connecticut State Board of Accountancy
November 04, 2008
Minutes

Chairman Thomas F. Reynolds called the meeting to order at 8:34 A.M. in the second floor conference room, 30 Trinity Street, Hartford, Connecticut 06106.

Present:

Thomas F. Reynolds, CPA, Chairman
Philip J. DeCaprio, Jr., CPA, CrFA, CVA, ABV
Richard H. Gesseck, CPA - via speakerphone
Leonard M. Romaniello, Jr., CPA, CITP, MST
Richard L. Sturdevant
Martha S. Triplett, Esq.
Michael Weinshel, CPA

Absent:

Richard P. Bond
James S. Garcia

Staff Members Present:

David L. Guay, Executive Director
Rebecca E. Adams, Legal Counsel

Motion made by Michael Weinshel and seconded by Philip DeCaprio to approve the minutes of the October 07, 2008 State Board of Accountancy meeting. All voted in favor; no votes against and no abstentions; Martha Triplett not yet in attendance.

Motion made by Richard Sturdevant and seconded by Michael Weinshel to approve the proposed meeting dates for 2009. All voted in favor; no votes against and no abstentions; Martha Triplett not yet in attendance.

Proposed Meeting Dates for 2009:

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| ➤ Tuesday, January 06, 2009 | ➤ Tuesday, July 07, 2009 |
| ➤ Tuesday, February 03, 2009 | ➤ Tuesday, August 04, 2009 |
| ➤ Tuesday, March 03, 2009 | ➤ Tuesday, September 01, 2009 |
| ➤ Tuesday, April 07, 2009 | ➤ Tuesday, October 06, 2009 |
| ➤ Tuesday, May 05, 2009 | ➤ Tuesday, November 10, 2009 |
| ➤ Tuesday, June 02, 2009(In
Newtown, CT) | ➤ Tuesday, December 01, 2009 |

In the Executive Director's Operations Update and Review, David Guay provided the Board with the following information:

- Current Renewal Cycle is taking most of his time.
- Pleased to have begun the renewal process much earlier than in previous years and is hoping to have it wrapped up by the end of the year.

- There were some issues with the online renewal system but progress is being made and licensees are able to get through the system and renew.
- Certificate awardees showed up in record numbers for the CSCPA Award Ceremony on October 21, 2008.
- Finally, Executive Director Guay will be teaching a course with Professor Peck at the CSCPA for the new licensee's orientation.

The Board reviewed and noted for the record the Certificate Registrations, Licenses and Permit applications approved by the Executive Director between October 14, 2008 and November 03, 2008.

Motion made by Richard Sturdevant and seconded by Philip DeCaprio to add to the agenda an application for a name change for the firm of Lagana & Company CPA's Inc., Permit # 4485 to Accounting & Auditing Services Inc., dba Lagana & Company CPA's. All voted in favor; no votes against and no abstentions; Martha Triplett not yet in attendance.

Motion made by Philip DeCaprio and seconded by Leonard Romaniello to accept Attorney Adam's recommendation to deny the application as the firm name is not in compliance with Connecticut statutes and regulations. All voted in favor; no votes against and no abstentions; Martha Triplett not yet in attendance.

In a review of the Crowe Horwath LLP Firm Permit approved during the October 07, 2008 meeting, Michael Weinshel made the point that the name can be seen as deceptive as this is a membership network type of organization. The Board asked Attorney Adams for a summary analysis of the regulations and then the Board will decide if there is a need to hold a revocation hearing.

The Board noted for the record the receipt of the 2007 PCAOB Inspection report of KPMG LLP.

In the Regulation Making Update Attorney Adams provided the Board with a revised draft of the experience regulations. After a brief discussion the Board provided Ms. Adams with a few more edits in the language. A motion was made by Philip DeCaprio and seconded by Michael Weinshel to accept the draft with the new changes. All voted in favor; no votes against and no abstentions.

There was also an initial discussion on the Commission & Contingent Fee Regulations where the Board decided to continue with further discussions on the topic at a later date. There was also a discussion in regards to possible proposed legislation for 2009, particularly firm ownership and names. However, the Board was not prepared to act as further discussion needs to take place.

Michael Weinshel provided a report on the NASBA 101st Annual Meeting in Boston held October 26, - 29, 2008 and the NASBA International Accountancy Regulators held October 28, - 30, 2008 also in Boston.

Under other business Michael Weinshel made a motion seconded by Philip DeCaprio to extend the Notice to Schedule for the CPA Exam for Michael Moriarty until February 28, 2009. All voted in favor, no votes against and no abstentions.

Under other business, the Executive Director was instructed by the Board to let the record show the Board mourns the passing of Bernard Blum, CPA past Chairman of the Board.

Under Public Comment Kevin Courier, Chair of the AICPA UAA Committee addressed the Board. Arthur Renner, Executive Director of the Connecticut Society for Certified Public Accountants also addressed the Board.

**Enforcement Brief and Docket Review
November 4, 2008
Public Session**

Requesting Dismissal

2957 2006057A-2957 Levitsky & Berney- Negligent Municipal Audit; No departure from GASB, GAAP or GAAS. West Haven Complaint: Compliance meeting held, thorough document review, and interview with witnesses resulted in lack of evidence to support violation. ***Requesting dismissal; not enough evidence in this case alone to sustain probable cause to find a violation.***

2957 2006057B-2957 Levitsky & Berney- Negligent municipal audit; No departure from GASB, GAAP, GAAS. Meriden municipal audit referred by the Office of Policy and Management (OPM) due to requirement that Levitsky & Berney reissue the 2007 municipal audit. Investigation in conjunction with OPM showed no significant deviation from standards. ***Requesting dismissal; not enough evidence in this case alone to sustain probable cause to find a violation.***

2957 2006057C-2957 Levitsky & Berney- Negligent municipal audit; No departure from GASB, GAAP, GAAS. North Haven municipal audit referred by the Office of Policy and Management (OPM) due to requirement that Levitsky & Berney reissue the 2007 municipal audit. Investigation in conjunction with OPM showed no significant deviation from standards. ***Requesting dismissal; not enough evidence in this case alone to sustain probable cause to find a violation.***

2006057D-2957 Levitsky & Berney- Negligent municipal audit; No departure from GASB, GAAP, GAAS. Sherman municipal audit referred by the Office of Policy and Management (OPM) due to requirement that Levitsky & Berney reissue the 2007 municipal audit. Investigation in conjunction with OPM showed no significant deviation from standards. ***Requesting dismissal; not enough evidence in this case alone to sustain probable cause to find a violation.***

A motion was made by Richard Sturdevant and seconded by Martha Triplett to approve Attorney Adams' recommendation of dismissal in the following cases: 2957200657A-2957; 29572006057B-2957; 29572006057C-2957; 2006057D-2957. All voted in favor; no votes against and no abstentions.

2008041-3100 Caracansi- Negligence in tax preparation failure to return records; Complaint withdrawn. Marilyn Greenberg complained that Mr. Caracansi had failed to file taxes for her company by the extension deadline and had failed to give her records back so that she could have another CPA file. He returned their records and filed the agreed upon terms to her satisfaction so she has withdrawn the complaint. ***Requesting dismissal; no violation, complaint withdrawn.***

A motion was made by Leonard Romaniello and seconded by Martha Triplett to approve Attorney Adams' recommendation of dismissal in the following cases: 2008041-3100. All voted in favor; no votes against and no abstentions.

2008053-3153 KPMG- Notification of settlement of class action; No violation. Counsel for KPMG notified the Board of a settlement with the lead plaintiff for the class, the Arkansas Public Employees Retirement System, pursuant to the Class Action Fairness Act. The case against KPMG was dismissed and the settlement agreement terms were that rather than file an amended complaint, the plaintiffs would give up all claims against KPMG pursuant to KPMG paying the legal costs associated with the claim and its dismissal. ***Requesting dismissal; no violation***

A motion was made by Richard Sturdevant and seconded by Leonard Romaniello to approve Attorney Adams' recommendation of dismissal in the following cases: 2008053-3153. All voted in favor; no votes against and no abstentions.

Requesting Settlement Approval

2008015-3115 Gambardella- Unlicensed firm and individual practice; Requesting settlement. Mr. Gambardella has been engaged in unlicensed practice since January 1, 2008 through present. He did not submit renewals until July 2008. ***Requesting settlement based upon reinstatement application and application fees, admission of unlicensed practice, civil penalties of \$400 (\$150 for firm practice and \$250 for individual), and requirement to renew on time for 2009.***

A motion was made by Philip DeCaprio and seconded by Michael Weinschel to approve Attorney Adams' recommendation of dismissal in the following cases: 2008015-3115. All voted in favor; no votes against and no abstentions.

Hearings Held or Scheduled

2449 2003011 Greenberg -Negligence and fraud in DSS filings; Hearing December 2, 2008

2460 2003018 Tucci -Unauthorized Use of Title; Hearing December 2, 2008

2824 2005019 Gold - Defrauded Client; Decision after evidence entered December 2, 2008

3091 2007128 Gold - Failure to return records; Decision after evidence entered December 2, 2008

2819 2005014 Ariola, Jr. - Pled guilty to misdemeanor charges; Hearing December 2, 2008

Motion made by Leonard Romaniello and seconded by Philip DeCaprio to enter into the executive portion of the meeting at 11:06 A.M. All voted in favor; no votes against and no abstentions.

Motion made by Leonard Romaniello and seconded by Philip DeCaprio to close the executive portion of the meeting at 11:15 A.M. All voted in favor; no votes against and no abstentions.

Motion made by Philip DeCaprio and seconded by Leonard Romaniello to adjourn the November 04, 2008 Board meeting at 11:16 A.M. All voted in favor; no votes against and no abstentions.