

Connecticut State Board of Accountancy
May 03, 2011
Minutes

Chairman Thomas F. Reynolds called the meeting to order at 08:30 A.M. at the State Board of Accountancy, 30 Trinity Street 250, Hartford, CT 06106.

Present:

Thomas F. Reynolds, CPA, Chairman
James S. Ciarcia
Philip J. DeCaprio, Jr., CPA/ABV/CFF, Cr.FA, CVA
Richard H. Gesseck, CPA
Leonard M. Romaniello, Jr., CPA, CITP, CFE, MST
Lee R. Schlesinger
Richard L. Sturdevant
Martha S. Triplett, Esq.
Michael Weinshel, CPA

Staff Members Present:

David L. Guay, Executive Director
Angel D. Acevedo, Office Assistant

Motion was made by Michael Weinshel and seconded by Philip DeCaprio to approve the minutes of the May 03, 2011 Board Meeting. All voted in favor; no votes against and no abstentions.

The Board reviewed and noted, for the record, the Governor's proposed budget and planned transfer of Board of Accountancy into the Secretary of State's Office with funding for three positions.

In enforcement case # 2008038-3144, against Mr. Michael S. Plude, Mr. Ross H. Garber, esq. presented the following summary of the facts, based on his analysis, in an attempt to have the case against Mr. Plude dismissed. In support of his request, Mr. Garber made the following points:

- To date, no compliance meeting held, although, the file mentions two such meetings held;
- It has been 3 years since the complaint came in to the Board, however, no hearing has ever been scheduled;
- Complainant has withdrawn the claim;
- Criminal Charges were dropped by the State Prosecutor;
- Respondent's attorney claims misinformation was provided by Board Staff to other agencies, which adversely affected Mr. Plude.

A motion was made by Richard Gesseck and seconded by Philip DeCaprio to defer any action/decision until a legal counsel has been consulted; specifically at the Attorney General's Office. Motion carries with Lee Schlesinger abstaining and Michael Weinshel recusing himself.

The Board reviewed and noted, for the record, CPA Certificate Registration, CPA License & Firm Permit Applications approved by the Executive Director March 01, 2011 through April 29, 2011.

The Board noted, for the record, new PCAOB Inspection Reports Received:

- 2010 Inspection of Bernstein & Pinchuk LLP.

A motion was made by Philip DeCaprio and seconded by Leonard Romaniello to deny Ms. Madelyn Sartor's CPA Certificate Experience Verification in Industry Accounting, as her Supervisor does not meet the required length of certification. All voted in favor; no votes against and no abstentions.

A motion was made by Richard Gesseck and seconded by Philip DeCaprio to deny Mr. Michael B. Maher's CPA Certificate Experience Verification in Industry Accounting. All voted in favor; no votes against and no abstentions.

A motion was made by James Ciarcia and seconded by Philip DeCaprio to approve the request submitted by Mr. Jonathan Leone to extend his conditional credit until the end of July 2011. All voted in favor; no votes against and no abstentions.

A motion was made by Leonard Romaniello and seconded by Philip DeCaprio to deny the CPA Certificate Experience Verification in Industry Accounting submitted by Mr. Timothy Tyrrell, Jr. All voted in favor; no votes against and no abstentions.

A motion was made by James Ciarcia and seconded by Michael Weinshel to approve Ms. Nancy L. Ryder's CPA Certificate Experience Verification in Industry Accounting. All voted in favor; no votes against and no abstentions.

A motion was made by Michael Weinshel and James Ciarcia to approve Mr. Rui Zhao's CPA Certificate Experience Verification in Industry Accounting. All voted in favor; no votes against and no abstentions.

A motion was made by Lee Schlesinger and seconded by Richard Sturdevant to add Mr. Hyekyung Shin's CPA Certificate Experience Verification Application to the agenda. All voted in favor; no votes against and no abstentions.

A motion was made by Leonard Romaniello and seconded by Lee Schlesinger to approve the CPA Certificate Experience Verification in Industry Accounting submitted by Mr. Hyekyung Shin. Motion carries with Philip DeCaprio & Michael Weinshel opposed; there were no abstentions.

A motion was made by James Ciarcia and seconded by Leonard Romaniello to add Mr. David J. Chieco's CPA Certificate Experience Verification Application to the agenda. All voted in favor; no votes against and no abstentions.

A motion was made by Lee Schlesinger and seconded by Philip DeCaprio to approve the CPA Certificate Experience Verification in Industry Accounting submitted by Mr. David J. Chieco. All voted in favor; no votes against and no abstentions.

A motion was made by Philip DeCaprio and seconded by Martha Triplett to add Mr. John D. Potvin's CPE extension request to the agenda. All voted in favor; no votes against and no abstentions.

A motion was made by Michael Weinshel and seconded by Lee Schlesinger to approve Mr. Potvin's request for an extension of time to meet the required 40 hours of CPE. All voted in favor; no votes against and no abstentions.

A motion was made by Philip DeCaprio and seconded by Leonard Romaniello to nominate Mr. Michael Weinshel for NASBA Director at large. All voted in favor; no votes against and no abstentions.

Under Public Comment, Mr. Arthur Renner, Executive Director of CSCPA, addressed the Board briefly.

PUBLIC SESSION- ENFORCEMENT AGENDA

2008038-3144 Michael Plude - formal charges approved at the July 7, 2010 meeting.

Petition by Attorney Garber for dismissal

Charges are:

Pursuant to 20-281a(a)(5), negligence in the practice of public accountancy.

Pursuant to Section 20-281a(a)(7), violation of the rules of professional conduct adopted by the board under subdivision (4) of subsection (g) of section 20-280, section 20-280-15c, specifically:

section 20-280-15c(a)(2)(a): lacking independence/conflict of interest;

section 20-280-15c(a)(2)(b): lacking independence/conflict of interest;

section 20-280-15c(b): knowingly misrepresenting the facts in the performance of professional services;

section 20-281-15c(l): behaving in a manner which reflects adversely on his fitness to practice public accountancy; and

section 20-280-15c(m): acting through another in order to carry out acts which would be a violation of the rules if conducted personally.

2009161-3336 Anthony Martini – Executive Director Guay is requesting the Board reopen.

This complaint alleges failure by Mr. Martini to perform agreed upon services for a retainer.

Case had been closed by the Board at the September 8, 2010 meeting. Executive Director Guay is scheduling a compliance meeting on charges of violating:

Sec. 20-280-15c. Rules of conduct

(f) **Competence.** A licensee shall not undertake any engagement for the performance of professional services which he cannot reasonably expect to complete with due professional competence, including compliance, where applicable, with subsections (g) and (h) of this section.

(l) **Discreditable acts.** A licensee shall not commit any act that reflects adversely on his fitness to engage in the practice of public accountancy.

A motion was made by Leonard Romaniello and seconded by Richard Sturdevant to reopen case # 2009161-3336, against Mr. Anthony Martini. All voted in favor; no votes against and no abstentions.

2010018-3368 Firm of Kozlowski & Tancredi - Requesting dismissal, no probable cause to believe a violation has occurred. Staff alleged failure to undergo and file Peer Review for 2007. 2007 Review was completed in 2010 and filed with the Board.

A motion was made by James Ciarcia and seconded by Martha Triplett to dismiss case # 2010018-3368, against the Firm of Kozlowski & Tancredi. All voted in favor; no votes against and no abstentions.

2010114-3464 Anthony Martini – Executive Director Guay is requesting the Board reopen. This complaint alleges failure by Mr. Martini to perform services. Case had been closed by the Board at the September 8, 2010 meeting. Executive Director Guay is scheduling a compliance meeting on charges of violating:

Sec. 20-280-15c. Rules of conduct

(f) **Competence.** A licensee shall not undertake any engagement for the performance of professional services which he cannot reasonably expect to complete with due professional competence, including compliance, where applicable, with subsections (g) and (h) of this section.

(l) **Discreditable acts.** A licensee shall not commit any act that reflects adversely on his fitness to engage in the practice of public accountancy.

A motion was made by Leonard Romaniello and seconded by Richard Sturdevant to reopen case # 2010114-3464, against Mr Anthony Martini. All voted in favor; no votes against and no abstentions.

2010145-3495 Firm of Donald L. Perlroth & Co., CPAs – Requesting settlement approval for alleged failure to renew firm permit in a timely manner for 2010. Settlement includes a Board order for a penalty payment of \$250.00.

A motion was made by Leonard Romaniello and seconded by Lee Schlesinger to approve the settlement agreement in case # 2010145-3495. All voted in favor; no votes against and no abstentions.

2010152-3502 Robert Angotta, CPA – Requesting settlement approval for alleged failure to renew individual license and to hold a firm permit to practice. Settlement includes a Board order for a penalty payment of \$2380 and order to apply for an individual license reinstatement and a firm permit to practice.

A motion was made by Richard Gesseck and seconded by Martha Triplett to approve the settlement agreement in case # 2010152-3502, against Mr. Robert Angotta provided all the conditions stipulated are met. All voted in favor; no votes against and no abstentions.

2010156-3506 Pearse T. Hussey, CPA - Requesting settlement approval for alleged violation of CPE record keeping. Settlement includes a Board order for a penalty payment of \$500.00.

A motion was made by Leonard Romaniello and seconded by Richard Sturdevant to approve the settlement agreement in case # 2010156-3506, provided all the conditions stipulated are met. All voted in favor; no votes against and no abstentions.

2010167-3517 Firm of Michael A. Belk, CPA – Requesting dismissal, no probable cause to believe a violation has occurred. Staff alleged failure to undergo and file Peer Review for 2008. 2008 Review was completed in 2010 and filed with the Board.

A motion was made by James Ciarcia and seconded by Leonard Romaniello to dismiss case # 2010167-3517. All voted in favor; no votes against and no abstentions.

2010168-3518 Firm of Sulzinski & Company, LLC – Requesting dismissal, no probable cause to believe a violation has occurred. Staff alleged failure to undergo and file Quality Review for 2007; report was received in August of 2010, after very late approval by the CSCPA Peer Review Committee in July 2010.

A motion was made by Leonard Romaniello and seconded by James Ciarcia to dismiss case # 2010168-3518. All voted in favor; no votes against and no abstentions.

2010183-3536 Individual and Firm of Carol A. Wright, CPA – Requesting formal charges for alleged failure to renew the individual license and firm permit for 2010 and alleged unauthorized practice and use of title for 2010.

A motion was made by Lee Schlesinger and seconded by Leonard Romaniello to approve Mr. Guay's recommendations of formal charges in case # 2010183-3536. All voted in favor; no votes against and no abstentions.

2010185-3538 David J. Horn, CPA – Requesting settlement approval for alleged failure to renew individual license for 2010. Settlement includes a Board order for a penalty payment of \$250.00.

A motion was made by Leonard Romaniello and seconded by Lee Schlesinger to add case # 2010185-3538 to the agenda. All voted in favor; no votes against and no abstentions.

A motion was made by Leonard Romaniello and seconded by Richard Sturdevant to approve the settlement agreement in case # 2010185-3538. All voted in favor; no votes against and no abstentions.

2010187-3540 Frederick N. Parmalee, CPA – Requesting settlement approval for alleged failure to hold an individual CPA license for 2009. Settlement includes a Board order for a penalty payment of \$700.00 and the reporting of the CPE that would have been due for the 2009 renewal.

A motion was made by Richard Sturdevant and seconded by Martha Triplett to approve the settlement agreement in case # 2010187-3540. All voted in favor; no votes against and no abstentions.

2010188-3541 Firm of Rubman & Associates – Requesting settlement approval for alleged failure to hold a firm permit between 2002-2010. Settlement includes a Board order for a penalty payment of \$900.00.

A motion was made by Philip DeCaprio and seconded by Martha Triplett to approve the settlement in case # 2010188-3541. All voted in favor; no votes against and no abstentions.

2010190-3545 Joseph A. Castellano, CPA – Requesting settlement approval for alleged failure to renew and hold an individual CPA License for 2010. Settlement includes a Board order for a penalty payment of \$250.00.

A motion was made by Michael Weinshel and seconded by Philip DeCaprio to approve the settlement in case # 2010190-3545. All voted in favor; no votes against and no abstentions.

2010191-3546 Firm of DeLeo & Co. – Requesting dismissal. Staff alleged failure to undergo and file Peer Review for 2009. 2009 Review was completed and filed with the Board on April 19, 2011. The firm had assumed incorrectly from the Peer Review correspondence from the Connecticut Society that Connecticut was participating in the AICPA facilitated access program.

A motion was made by Philip DeCaprio and seconded by Leonard Romaniello to dismiss case # 2010191-3546. All voted in favor; no votes against and no abstentions.

2011001-3549 – Individual and firm of William P. Suprono, CPA – Requesting settlement approval for alleged failure to renew individual license and firm permit for 2010 and alleged failure to file a Quality Review Report and appropriately file a waiver from Quality Review. Settlement includes a Board order for \$765.00, filing of Quality Review report, reporting CPE and filing a Quality Review waiver form.

A motion made by Leonard Romaniello and seconded by Martha Triplett to approve settlement agreement in case # 2011011-3549. All voted in favor; no votes against and no abstentions.

2011002-3550 – Firm of Legge, Monroe & Company, LLC – Requesting settlement approval for alleged failure to hold a firm permit in 2006 and 2007 and alleged failure to file a Quality Review report and acceptance letter for 2009. Settlement includes a Board order for \$3000.00, and immediate scheduling of a Quality Review.

A motion made by James Ciarca and seconded by Leonard Romaniello to approve the settlement agreement in case # 2011002-3550. All voted in favor; no votes against and no abstentions.

2011003-3551 Firm of James E. Neilsen, CPA – Requesting settlement approval for alleged failure to undergo and file a Peer Review for 2010, settlement includes a Board order to immediately undergo a Peer Review and a penalty payment of \$250.00

A motion made by Michael Weinshel and seconded by Richard Sturdevant to approve the settlement in case # 2011003-3551. All voted in favor; no votes against and no abstentions.

2011010-3558 – Ryan C. Sheppard, CPA – Requesting settlement approval for alleged failure to renew and hold an individual CPA License for 2010. Settlement includes a Board order for a penalty payment of \$250.00.

A motion was made by Leonard Romaniello and seconded by Lee Schlesinger to approve the settlement in case # 2011010-3558. All voted in favor; no votes against and no abstentions.

2011013-3561 Bagge, Cennamo & Company, LLP – Requesting dismissal, no probable cause to believe a violation has occurred. Staff alleged possible failure to undergo and file Peer Review for 2010 and possible failure to renew the firm permit. 2010 Review was completed and filed with the Board on February 28, 2011 and the firm did not renew due to a name change.

A motion was made by Philip DeCaprio and seconded by Leonard Romaniello to dismiss case # 2011013-3561. All voted in favor; no votes against and no abstentions.

2011014-3562 Firm of Katharine Hughes, CPA – Requesting dismissal, no probable cause to believe a violation has occurred. Staff alleged possible failure to renew and hold a Firm Permit for 2010. After compliance meeting and investigation it has been determined that Ms. Hughes was not required to hold a Firm Permit for 2010.

A motion made by James Ciarcia and seconded by Leonard Romaniello to dismiss case # 2011014-3562. All voted in favor; no votes against and no abstentions.

2011017-3565 Chelsea Jacobson, CPA – Requesting dismissal, no probable cause to believe a violation has occurred. Staff alleged possible failure to renew and hold an individual license for 2010. After compliance meeting and investigation it has been determined that Ms. Jacobson was not required to hold an individual license.

A motion was made by James Ciarcia and seconded by Philip DeCaprio to dismiss case # 2011017-3565. All voted in favor; no votes against and no abstentions.

2011018-3566 Frank E. Coppola, CPA – Requesting dismissal, no probable cause to believe a violation has occurred. Staff alleged possible failure to renew and hold an individual license for 2010. After compliance meeting and investigation it has been determined that Mr. Coppola was not required to hold an individual license.

A motion was made by James Ciarcia and seconded by Philip DeCaprio to dismiss case # 2011018-3566. All voted in favor; no votes against and no abstentions.

2011019-3567 Michael J. Cosentino, CPA – Requesting settlement approval for alleged failure to renew and hold an individual CPA License for 2010. Settlement includes a Board order for a penalty payment of \$250.00

A motion was made by Leonard Romaniello and seconded by Martha Triplett to approve the settlement in case # 2011019-3567. All voted in favor; no votes against and no abstentions.

2011020-3568 Kislay Shah, CPA – Requesting dismissal, no probable cause to believe a violation has occurred. Staff alleged possible failure to renew and hold an individual license for 2010. After compliance meeting and investigation it has been determined that Mr. Shah was not required to hold an individual license.

A motion was made by Leonard Romaniello and seconded by Lee Schlesinger to add case # 2011020-3568, against Kislay Shah, CPA. All voted in favor; no votes against and no abstentions.

A motion was made by Leonard Romaniello and seconded by Richard Sturdevant to dismiss case # 2011020-3568. All voted in favor; no votes against and no abstentions.

2011022-3573 Henry Barron, CPA – Requesting dismissal, no probable cause to believe a violation has occurred. Staff alleged possible failure to renew and hold an individual license for 2009. After compliance meeting and investigation it has been determined that Mr. Barron did make a valid attempt to renew his license for 2009.

A motion was made by Philip DeCaprio and seconded by Leonard Romaniello to dismiss case # 2011022-3573. All voted in favor; no votes against and no abstentions.

2011021-3569 Michael R. Prescott, CPA – Requesting settlement approval for alleged failure to renew an individual CPA License for 2010. Settlement includes a Board order for a penalty payment of \$250.00.

A motion was made by Leonard Romaniello and seconded by Martha Triplett to approve the settlement in case # 2011021-3569. All voted in favor; no votes against and no abstentions.

2011036-3653 Firm of Sam S. Pappas, CPA – Requesting settlement approval for alleged failure to have and report Quality Review since 2005. Settlement includes a Board order for a penalty payment of \$500.00, filing of the 2006 and 2009 Quality Review and Acceptance letters, and the filing of a reschedule form to allow change to the Massachusetts's schedule for the firm.

A motion was made by Richard Sturdevant and seconded by Lee Schlesinger to approve the settlement in case # 2011036-3653 provided all the stipulated conditions are met. All voted in favor; no votes against and no abstentions.

2011037-3654 Firm of Peter J. Simon, CPA, CFP – Requesting dismissal, no probable cause to believe a violation has occurred. Staff alleged possible failure to have and report a Quality Review since 2005. After compliance meeting and investigation it has been determined that Mr. Simon does not perform any engagements that would require a Quality Review. Staff assisted Mr. Simon in filing the appropriate waiver form for the years 2005-2011.

A motion was made by Martha Triplett and seconded by Leonard Romaniello to dismiss case # 2011037-3654. All voted in favor; no votes against and no abstentions.

A motion was made by Philip DeCaprio and seconded by Martha Triplett at 10:06 A.M. to enter into Executive Session with the Executive Director Mr. David Guay to review the pending enforcement docket. All voted in favor; no votes against and no abstentions.

The Board came out of Executive Session at 10:20 A.M., with the following:

A motion was made by Martha Triplett and seconded by Richard Sturdevant to schedule and hold a hearing on September 08, 2011. The motion carries with Lee Schlesinger & Michael Weinshel recusing themselves.

A motion was made by Philip DeCaprio and seconded by Richard Sturdevant to adjourn the May 03, 2011 Board Meeting of the Connecticut State Board of Accountancy at 10:23 A.M. All voted in favor; no votes against and no abstentions.