

Connecticut State Board of Accountancy
Meeting Minutes
Tuesday, June 2, 2015 – 10:00 A.M.
Marcum LLP
City Place II, 185 Asylum Street
Hartford, CT 06106
860-509-6179
sboa@ct.gov

Chairman John H. Schuyler, CPA, called the meeting to order at 10:00 A.M. at Marcum LLP, City Place II, 185 Asylum Street, Hartford, Connecticut.

BOARD MEMBERS PRESENT:

John H. Schuyler, CPA, Chairman
Marcia L. Marien, CPA
Dannell R. Lyne, CPA
Mark Aronowitz
Peter J. Niedermeyer, CPA
Karla H. Fox, Esq.
Martha S. Triplett, Esq.

BOARD MEMBERS ABSENT:

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
Suzanne Jolicoeur, NASBA, Senior Manager, State Regulation & Legislation
Christopher Gust, Special Agent, Treasury Inspector General for Tax Administration
John Sherer, Applicant
Kevin Walker, Applicant
Roman Alexander, Intern

ACTION REQUIRED – Approve Minutes of the May 5, 2015 board meeting.

Mr. Niedermeyer made a motion to approve the minutes as amended. Mr. Lyne seconded the motion. Ms. Marien and Ms. Fox abstained. Ms. Triplett was not present at the time of voting. Remaining board members voted in favor.

INFORMATION REPORTS

AICPA – SUZANNE JOLICOEUR, SENIOR MANAGER, STATE REGULATION & LEGISLATION

Ms. Jolicoeur distributed informational packets to board members and gave a PowerPoint presentation regarding AICPA's initiatives including, state regulation and legislation, professional ethics, peer review and the code of professional conduct.

TREASURE INSPECTOR GENERAL FOR TAX ADMINISTRATION (TIGTA) – CHRISTOPHER GUST, SPECIAL AGENT

Mr. Gust spoke to the board regarding the functions of the three divisions of TIGTA. Mr. Gust stated that TIGTA was established in 1998 and has three divisions that promote accountability and efficiency, safeguard the integrity and advance the oversight of the America’s tax system. TITGA investigates threats to IRS employees, Certified Public Accountants misusing the CPA title and protect the IRS’s ability to collect tax revenue.

**ADMINISTRATIVE UPDATES
MUTUAL RECOGNITION AGREEMENT**

Attorney Asare proposed that the board consider accepting IQEX examinations for initial applicants. Attorney Asare stated that she will have to make changes to the regulations if the board accepts the IQEX examination. Mr. Lyne made a motion that the board accepts IQEX examinations and amend the necessary regulations. Ms. Marien seconded the motion. All present board members voted in favor.

PEER REVIEW CONCEPT STATEMENT

The board did not have any comments at this time.

LEGISLATIVE AND REGULATORY UPDATES

Attorney Asare stated that the Definition of Attest was passed by the legislature. Personal Data and Technical Error Amendment regulations have been posted onto the EREGS and it is at the Attorney General’s office waiting to be approved.

BUDGET PROPOSAL UPDATES/STATUS OF THE BOARD

Deputy Secretary Spallone stated that he and Secretary Merrill are monitoring the budget and hope that the Board of Accountancy remains with the Secretary of State’s office. The Appropriation Committee’s budget does leave the board with the Secretary of the State.

IMPACT ON RECENT LAWS

Attorney Asare provided the board with a copy of AICPA’s white paper discussing potential issues facing CPAs who provide services to marijuana distributors. Attorney Asare stated that she has received questions from the public inquiring if it is ethical for a CPA to provide accounting services to marijuana distributors.

INTERNATIONAL PATHWAYS

Attorney Asare gave board members a copy of a PowerPoint presentation that was presented at the NASBA Conference in Florida and asked board members to review it. NASBA is considering provisions for changes in standards for providing licensure to international candidates.

SUPREME COURT

Attorney Asare stated that her goal is to have the legal intern research and provide a presentation outlining the potential challenges for the board as a result of the North Carolina Dental Board Commission Supreme Court case.

TAX PREPARERS

Attorney Asare stated that there is a potential for the board to regulate non-CPA tax preparers, as there is a growing number of complaints being filed in the office. Attorney Asare also stated that additional staff and regulation changes will be needed if the board decides to propose legislation to expand its jurisdiction to regulate.

OFFICE UPDATES AND REQUEST

The board discussed technological opportunities to send meeting materials.

SBA-12 INDUSTRY EXPERIENCE

Chairman John Schuyler, Mr. Lyne and Ms. Marien, agreed to form a sub-committee to discuss the SBA-12 form's requirements for industry experience.

EXAM PREPARATION FOR COURSE CREDIT

Attorney Asare stated that she contacted NASBA and was informed that NASBA does not accept the CPA exam preparation credits towards the 120 hour requirement.

TOPICS FOR NEWSLETTER

Mr. Niedermeyer agreed to assist in producing next year's newsletter. Attorney Asare asked board members to submit any subjects they want to be included in the newsletter.

AICPA CODE OF PROFESSIONAL CONDUCT ADOPTION

Attorney Asare stated that a subcommittee is needed to cross-check the AICPA Code of Professional Conduct and the CT State Board of Accountancy regulations and make recommendations to the board.

ERISA AUDIT UPDATES

Attorney Asare gave copies of the Department of Labor's Newsletter regarding ERISA audits.

REGULATIONS/LEGISLATIVE

Commission and Contingency Fees – Vote requested

The board agreed to adopt the AICPA's Code of Conduct regarding Commission and Contingency Fees. Mr. Niedermeyer made a motion to adopt the language. Ms. Triplett seconded the motion. All present board members voted in favor.

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

Mr. Art Renner, CPA, Executive Director of CT Society of CPA, asked Attorney Asare to relate what transpired at the Certificate Ceremony at the Aqua Turf. Attorney Asare stated that a citation was presented to Mr. Mark Cannolly for his esteemed accomplishment as a recipient of the Elijah Watt Sells Award.

Ms. Marien made a motion to go on recess at 12:00 p.m. and return at 12:30 p.m. Mr. Lynn seconded the motion. All present board members voted in favor.

**EXAM AND LICENSING
OLD BUSINESS**

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

Kevin Walker - Non conforming experience, tabled at the May 2, 2015.

Mr. Walker gave a Power Point presentation summarizing his career in accounting from the time he graduated from Central Connecticut State University to present.

Ms. Marien made a motion to deny without prejudice and to ask him to remove the CPA title from his resume until such time he is licensed. Mr. Lyne seconded the motion. All present board members voted in favor.

John Sherer - Requesting for an extension of time to take the audit section of the CPA exam, additional information, tabled at the March 3, 2015 board meeting.

Mr. Sherer briefly explained to the board why he is petitioning the board to allow him to take all four parts of the CPA exams in the first quarter of 2016. Ms. Marien made a motion to grant his request to take all four parts of the exam by March 31, 2016. Ms. Fox seconded the motion. All present board members voted in favor.

Alaina Umbach- Initial application and certificate registration application, non-public experience, tabled at May 5, 2015 board meeting due to lack of quorum.

Mr. Niedermeyer recused himself. Ms. Marien made a motion to approve the application.

Mr. Aronowitz seconded the motion. Remaining board members voted in favor.

Cheri Mazza – Non-conforming experience, tabled at the May 2, 2015 requesting applicant to submit a letter of good standing from the State of Texas. Applicant submitted additional information as requested.

Ms. Marien made a motion to table the request for more 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

Igor Yegoroff - Initial CPA Certificate & Initial License, Government experience, missing 3 credits in accounting.

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

Benjamin Atkins - Initial CPA Certificate & Initial License, non-public experience

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

Russell Pickett - Initial CPA Certificate & Initial License, non-public experience

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

Sanya Ith - Initial CPA Certificate & Initial License, non-public experience

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

Shannon Cavallo - Initial CPA Certificate & Initial License, non-public experience

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

Phyllis Wang - Initial CPA Certificate & Certificate Registration, non-public experience

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

Alex Johnson- Initial CPA Certificate & Initial License, non-public experience

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

REVIEW FIRM PERMITS FOR APPROVAL – List was provided and approved by the board.

Mr. Lyne made a motion to approve the 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 May 13, 2015

Anchin Block & Anchin LLP

Arthur F. Bell Jr. & Associates, LLC

EXAMINATION AND CPE EXTENSION

Frederick Henrikson - requesting waiver of late fees for non- renewal of 2013, 2014 and 2015 license and firm permit.

Ms. Marien made a motion for Mr. Henrikson to pay license fee for 2 years, total of \$1,130.00 and 4 hours of ethics courses. Mr. Aronowitz seconded the motion. All present board members voted in favor.

OTHER BUSINESS

Enforcement Cases

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 appeared before the board and provided additional evidence substantiating that he had the requisite courses and certificate in order to satisfy the audit.

Ms. Marien made a motion to dismiss the matter following review of additional evidence submitted by the Respondent and stayed the settlement agreement. Ms. Triplett seconded the motion. All present members voted in favor.

JAMES R. LEVY – RESPONDENT TO THE FOLLOWING 6 CASES

2012009-3757 Holland, Rock Dean; Allegations: § 20-281(k) failure to return client records, §20-281(a) fraud and embezzlement, § 20-280-15(c) discreditable acts, § 20-281(a) acts reflecting adversely on the profession of public accountancy and commingling client funds.

Substantiated Violations: § 20-281(k) failure to return client records, §20-281(a) fraud and embezzlement, §20-280-15(c) discreditable acts, § 20-281(a) acts reflecting adversely on the profession of public accountancy and commingling client funds.

Recommendations: Please see below

2012-103773 Krantz, Mr. & Mrs. Edward; Allegations: § 20-281(k) failure to return client records within a reasonable time, §20-281(a) fraud and embezzlement, § 20-280-15(c)(f) incompetence, § 20-280-15 and § 20-281(a) engaging in actions reflecting adversely on the profession of public accountancy and§ 20-280-15(c) discreditable acts.

Substantiated Violations: § 20-281(k) failure to return client records within a reasonable time, §20-281(a) fraud and embezzlement, § 20-280-15(c)(f) incompetence, § 20-280-15 and § 20-281(a) engaging in actions reflecting adversely on the profession of public accountancy and§ 20-280-15(c) discreditable acts.

Recommendations: Please see below

2012-103777 Darla Henggeler; Allegations: §20-281(a) fraud and embezzlement, § 20-280-15(c) discreditable acts and § 20-281(k) failure to return client records.

Substantiated Violations: §20-281(a) fraud and embezzlement, §20-280-15(c) discreditable acts and § 20-281k failure to return client records.

Recommendations: Please see below

2012-3793 Kerry Wiland; Allegations: § 20-281(k) failure to return client records, §20-281(a) fraud and embezzlement, § 20-280-15(c) discreditable acts and § 20-281(a) acts reflecting adversely on the profession of public accountancy.

Substantiated Violations: § 20-281(k) failure to return client records, §20-281(a) fraud and embezzlement, § 20-280-15(c) discreditable acts and § 20-281(a) acts reflecting adversely on the profession of public accountancy.

Recommendations: Please see below

2012-103778 Niland, David and Mary Ann; Allegations: § 20-281(k) failure to return client records, §20-281(a) fraud and embezzlement, § 20-280-15(e) discreditable acts and § 20-281(a) acts reflecting adversely on the profession of public accountancy.

Substantiated Violations: § 20-281(k) failure to return client records, §20-281(a) fraud and embezzlement, § 20-280-15(c) discreditable acts and § 20-281(a) acts reflecting adversely on the profession of public accountancy.

Recommendations: Please see below

2013-21 Maria Notar; Allegations: § 20-281a (5) negligence in preparation of tax returns; §20-281(a) fraud and § 20-280-15(c) and§ 20-281(a) actions reflecting adversely on the profession of public accountancy.

Substantiated Violations: § 20-281(a) (5) negligence in preparation of tax returns; §20-281(a) fraud and § 20-280-15(c) and§ 20-281(a) actions reflecting adversely on the profession of public accountancy. Respondent has been unresponsive on 2013-21 matter.

Ms. Triplett made a motion to approve the hearing officers' recommendation and settled the matters as follow:

The Connecticut Certified Public Accountant License revoked for a period of 10 years effective the date of the signed agreement;

The Connecticut Certified Public Accountant Certificate is hereby revoked for a period of 10 years effective the date of the signed agreement;
Immediately upon the approval of this Agreement, Respondent shall deliver his physical Connecticut Certificate of Public Accountancy Number 5264 and License Number 5131 or a signed affidavit stating that the certificate, firm permit, and/or license is lost;
The Respondent MAY apply for reinstatement of Respondent's license and certificate 10 years after the date of this signed Settlement Agreement pending satisfaction of the following Orders:
Respondent has complied with the terms of this settlement agreement;
Respondent submits a signed affidavit affirming that the Respondent has not plead guilty or been convicted of any criminal activity constituting a felony or an element of which dishonest or fraud other than those enumerated in the proposed agreement;
Respondent submits 5 letters of recommendation from personal and professional references affirming Respondents rehabilitation;
At the time of reinstatement, Respondent Reports 40 hours of Accounting CPEs in each of the 2 calendar years preceding reinstatement;
At the time of the application for reinstatement, Respondent reports 20 hours of ethics courses in each of the 2 calendar years preceding;
Respondent reports passage of the AICPA ethics exams with a grade of at least 75%; and
The Respondent shall pay \$5,000 in civil penalties, paid via check made payable to the Treasurer of the State of Connecticut, no later than December 31, 2015, which shall be delivered to the Connecticut State Board of Accountancy, 30 Trinity Street, Hartford, Connecticut 06106.
Ms. Marien seconded the motion. All present board members voted in favor.

2015-1 Giamalis & Company, LLC, Respondent; David Jeffrey Strine, Complainant-Withdrawn.

2015-19 Brendan M. Begley, Respondent; Connecticut State Board of Accountancy, Complainant

Alleged Violations: §20-280 (c) engaging in the unauthorized practice of public accountancy by failing to renew license in a timely manner and §20-281(d) failure to report continuing education in a timely manner. Substantiated Violations: None. At all times Respondent held a valid Massachusetts license in good standing, which permitted the Respondent to practice in Connecticut under mobility provisions.

Mr. Aronowitz made a motion to dismiss finding no probable cause. Mr. Niedermeyer seconded the motion. All present members voted in favor.

2015-5 Connecticut State Board of Accountancy v. Brett McGrath, Respondent

Alleged Violations: §20-280(c) engaging in the unauthorized practice of public accountancy in the years 2013 and 2014 by failing to renew license and §20-281(d) failure to report continuing education in the years 2013 and 2014.

Substantiated Violations: Received affidavit admitting administrative oversight as the reason for failing to renew license. Respondent has paid late fees and licensing for the years of 2013 and 2014 and recommending settlement add 4 hours of ethics.

Chairman John Schuyler recused himself. Ms. Marien sat as the acting chair. Ms. Fox made a motion to settle the matter for \$2,330.00 and Respondent shall take and report an additional 4 hours of ethics before December 31, 2015. Mr. Lyne seconded the motion. Remaining board members voted in favor.

2015-17 Lesley A. Taylor-Nappi, Respondent Connecticut State Board of Accountancy, Complainant

Alleged Violations: §20-280 (c) engaging in the unauthorized practice of public accountancy by failing to renew license in a timely manner and §20-281(d) failure to report continuing education in a timely manner.

Substantiated Violations: Received affidavit admitting administrative oversight as the reason for failing to renew license. Respondent has paid late fees and reported the required continuing education courses.

Ms. Fox made a motion to settle the matter for \$150.00 and Respondent shall take and report an additional 4 hours of ethics before December 31, 2015. Ms. Marien seconded the motion. All present board members voted in favor.

2015-13 Frederick D. Henrikson, Respondent; Connecticut State Board of Accountancy, Complainant

Alleged Violations: §20-281(e) failure to renew your firm in the year 2013, 2014 and 2015; §20-281(e) failure undergo and report peer reviews or submit a waiver for the year 2013, 2014, and 2015; §20-281(b) failure to renew your license in the years 2013, 2014, and 2015; §20-281(d) failure to submit continuing education courses in the years 2013; 2014, and 2015; §20-280(c) engaging in the unauthorized practice of public accountancy in years 2013, 2014, and 2015; and §20-281(b) engaging in the unauthorized use of “CPA title” in the years 2013, 2014, and 2015.

Substantiated Violations: Received affidavit admitting administrative oversight as the reason for failing to renew license and firm permit. Respondent submitted written evidence requesting a waiver from late fees, stating that he practiced on a limited basis providing tax return services. Respondent did continue to take and submitted proof of CPEs for the appropriate licensing years. Mr. Aronowitz made a motion to settle the matter for \$1,130.00 and Respondent shall take and report an additional 4 hours of ethics before December 31, 2015. Ms. Fox seconded the motion. All present members voted in favor.

2015-11 Mario J Enxuto, Respondent; Connecticut State Board of Accountancy, Complainant

Alleged Violations: §20-280 (c) engaging in the unauthorized practice of public accountancy in year 2014 and 2015 by failing to renew license in a timely manner; §20-281(d) failure to report continuing education in a timely manner in years 2014 and 2015; §20-280(e) engaging in the unauthorized use of CPA title.

Substantiated Violations: Received affidavit admitting the failure is a result of an “inadvertent error” as the reason for failing to renew license. Respondent indicates not receiving the notice, which may have been the result of an address change. Respondent continuing education courses are current and have been adequately reported. During lapse license period respondent provided internal consulting services on technical issues to firm’s auditing professionals. Respondent appropriately paid the late fees and licensing fees in the amount of \$1,215.00, however, Respondent shall pay an additional \$665.00 in fees.

Mr. Aronowitz made a motion to settle the matter for \$1,880.00 and Respondent shall take and report an additional 4 hours of ethics before December 31, 2015. Ms. Fox seconded the motion. All present board members voted in favor.

2015-23 Michaud Accavallo Woodbridge & Cusano, LLC, Respondent; Connecticut State Board of Accountancy, Complainant

Alleged Violations: §20-281(e) failure to renew firm in a timely manner and continuing to practice without a proper firm permit.

Substantiated Violations: Firm peer review is current and has reported in a proper manner. Firm provided tax and audit services during lapse period. Firm paid late fee of \$150.00.

Ms. Marien made a motion that Respondent shall take and report 4 hours of ethics before December 31, 2015. Mr. Niedermeyer seconded the motion. All present board members voted in favor.

2015-18 David Alfano, Respondent; Connecticut State Board of Accountancy, Complainant
Alleged Violations: § 20-281 (d) engaging in the unauthorized practice of public accountancy by failing to renew licensed in a timely manner; § 20-281(d) failure to report continuing education in a timely manner.

Substantiated Violations: Received affidavit admitting the failure is a result of a “good faith effort” as he assumed he renewed his license at the same time he renewed his firm permit utilizing the online system. During lapsed license period, Respondent provided tax preparation and book keeping services. Respondent appropriately paid the late fees and licensing fees in the amount of \$565 + \$150 for the year 2015.

Mr. Niedermeyer made a motion to settle the matter for \$715 and Respondent shall take and report an additional 4 hours of ethics before December 31, 2015. Ms. Fox seconded the motion. All present members voted in favor.

PUBLIC COMMENT

Opportunity for members of the public to address the board - None

Next scheduled meeting: Tuesday, August 4, 2015 -10:00 AM- 2nd Floor, 30 Trinity Street, Hartford, CT