

**Connecticut State Board of Accountancy
September Minutes
Thursday, September 6, 2012 – 8:30 A.M.
Second Floor Conference Room
30 Trinity St., Hartford, CT 06106
860-509-6179
sboa@ct.gov**

Chairman Thomas F. Reynolds called the meeting to order at 8:30 A.M. at the Connecticut State Board of Accountancy, 30 Trinity Street, Hartford, Connecticut.

Thomas F. Reynolds, CPA, Chairman
James S. Ciarcia
Leonard M. Romaniello, Jr., CPA, CITP, CFE, MST
Lee R. Schlesinger
Michael Weinshel, CPA
Martha S. Triplett, Esq.
Richard H. Gesseck, CPA
Richard L. Sturdevant

Staff Members Present:

James F. Spallone, Deputy Secretary of the State
Diane Steir, Interim Manager
Stephanie Sheff, Processing Technician
Sonia Worrell Asare, Legal Counsel

Absent:

Philip J. DeCaprio, Jr., CPA/ABV/CFF, Cr.FA, CVA

OFFICE AND BOARD OPERATIONS AND ADMINISTRATION

Action required - Approve Minutes of the August 2, 2012 Board Meeting

Chairman Reynolds made a motion to approve the minutes as presented. Mr. Ciarcia second the motion. All present Board members voted in favor.

Mr. Ciarcia made motion to continue using respondent's names enforcement matters as listed in the minutes. All present board members voted in favor.

EXAM AND LICENSING

2. Review Certificates, Registrations, Licenses and Permit applications approved by the Interim Manager between dates of August 2, 2012 – September 6, 2012.

- The Board accepted the certificates, registrations, licenses, and permits applications approved by the Interim Manager between the dates of August 2, 2012 – September 6, 2012.

3. PCAOB Inspection Reports Received – member comment on review

- Review August 10, 2012 Report on **Freed Maxick CPAs, P.C. and Whittlesey &**

Hadley, P.C.

Action required – Industry, Government, or self employed experience, and other applications,

Kyle Nemchek application for Initial Certificate & Initial CPA License non-public experience and public experience. Mr. Ciarcia made motion for approval. Mr. Schlesinger second the motion. All present board members voted in favor.

Gary Stephen Farber application for Initial Certificate & Certificate Registration non-public experience. Mr. Weinshel made a motion to table for additional information, seconded by Mr. Romaniello. All present Board members voted in favor.

The Board will create a subcommittee to revise the current SBA-12 application in order to streamline the application process.

REGULATORY ACTIVITY

NASBA Activities- enforcement reform committee: NASBA Enforcement Manual has been created as a guide for State Boards of Accountancy to utilize in investigating complaint and enforcement matters. NASBA has also created a certified investigator program.

NASBA Regional Directors' Focus Questions: The Board reviewed the proposed draft response presented by Interim Manager Diane Steir. The Board request that the draft be revised to reference statutory and regulatory language regarding education requirements.

Enforcement Resources Committee—Report by Len Romaniello

- Dan Dustin to attend our October board meeting. The board will prepare topics for the meeting.

OTHER BUSINESS

Old Business –

Q& A House Bill 5025- Proposed Q& A: The Board provided additional commentary on the proposed Q&A. The Q&A will be revised and published on the Connecticut Board of Accountancy website in order to provide additional clarity regarding the intent of House Bill 5025. The Board discussed address the unattended consequence of the Bill as it may potentially affect smaller firms decision to use the term “CPA” in the firm’s name. The Board will address inquiries as they are presented by the public.

1. Q: What is the purpose of Public Act No. 12-194, “An Act Concerning the Ownership of Public Accounting Firms and the Use of the Title ‘Certified Public Accountant’?

A: Public Act No. 12-194 was designed to permit non-CPA ownership of public accounting firms permitted to practice in Connecticut. The amended statute (Conn. Rev. Stat. § 20-281e(c)) requires that only a simple majority of the partners or members of the firm hold CPA licenses.

2. Q: Are there instances where it is not permissible to use “CPA” in the title, name or designation of the firm?

A: Under Conn. Rev. Stat. § 20-281g(e), if the firm’s name itself includes (1) the title "certified public accountant", (2) the abbreviation "CPA", or (3) another title or designation that indicates the firm is composed of CPAs, then all individuals with an ownership interest in that firm must hold CPA licenses. This is the only situation where there are limitations placed on a firm’s ability to use the new non-CPA statute. Please note that where there is a non-CPA equity owner, the firm name must not contain “CPA” in the firm name.

Mr. Weinshel made motion to post the Q&A as amended. The motion was seconded by Ms. Triplett. All present board members voted in favor, none opposed.

Penalty Fees – Attorney Asare request a vote to create administrative fee schedule, which will be published on the Board’s website for public view. Failure to renew license, certificates, failure to submit report of peer reviews, and firm permits will no longer be addressed as an enforcement matter.

Mr. Romaniello emphasized that not undergoing peer review is very egregious and would like this matter to remain an enforcement matter.

Mr. Weinshel made a motion to set a \$150 fee for failure for the first 3 months and \$50 for each additional month for failure to renew firm permit, an individual license, and/or an individual certificate in a timely matter. The motion was second by Ms. Triplett. All present Board members voted in favor, Mr. Ciarcia opposed.

Enforcement Cases:

Recommending Dismissal:

- 2009035-3209 Adiletta- Dispute regarding tax returns. Unable to locate complainant. Mr. Weinshel made motion to dismiss without prejudice permitting the complainant to reopen matter. Mr. Gesseck second the motion. All present Board members voted in favor.

- 2009155-3331 Totilo- Dispute regarding potential fraud in tax preparation. Unable to locate complainant. Mr. Sturdevant made a motion to dismiss without prejudice permitting the complainant to reopen the matter; Motion was seconded by Mr. Romaniello. All present Board members voted in favor.

- 2012003-3745 Miranda, Joseph P.C- Complaint was withdrawn by complainant.

Recommending Settlement:

- 2007056-3056 Faraci, Cecilia – Matter involving unauthorized use of a CPA title. Mr. Weinshel made motion to settle matter for \$350.00, cease and desist use of CPA title unless respondent obtains a certificate. Mr. Romaniello second motion. All present Board members voted in favor.

- 2008002-3659 Delucia, Anthony F- Matter regarding false and misleading advertisement. Mr. Weinshel made motion to settle matter requiring complainant to cease and desist use of said advertisement. Mr. Romaniello second the motion. All present Board members voted in favor.
- 2010186-3539 Witts, Peter – Matter regarding failure to renew license in a manner prescribed by the Board. Mr. Sturdevant made a motion to settle the matter for \$250.00. The motion was seconded by Mr. Romaniello. All present Board members voted in favor.

Recommending Hearing/ETC:

- 2012011-3760 Ciccarelli, Dale K.; BOA. Criminal conviction regarding conspiracy to commit bank fraud. See United State District Court vs. Dale K. Ciccarelli, Case No. 3:12CR28. Mr. Weinshel made a motion to hold a hearing. Mr. Sturdevant second the motion. All present Board members voted in favor.
- 2012010-3758 Crawford, Larry Lee; BOA received notification from AICPA regarding membership revocation pursuant to SEC violation. Membership suspended for 3 years. See Securities and Exchange Commission vs. Escala Group, Inc., Gregory Manning, and Larry Lee Crawford, CPA. Mr. Sturdevant made a motion to hold a hearing. Mr. Romaniello second the motion. All present Board members voted in favor.

Applications Tabled: None

Other: None

New certificate production: The Board decided to continue to review certificate options.

PUBLIC COMMENT

7. Opportunity for members of the public to address the Board: None

EXECUTIVE SESSION:

A motion was made by Chairman Reynolds to call the meeting into Executive Session at 11:10 A.M. The motion was seconded by Mr. Weinshel. Board invited Attorney Sonia Worrell Asare and Deputy James Spallone. All present Board Members voted in favor.

- Personnel Matters

Next two scheduled meetings:

- Thursday, October 4, 2012, 2012 - 8:30 AM – 2nd floor conference Rm. – 30 Trinity St. Hartford, CT
- Thursday, November 1, 2012 – 8:30 AM – 2nd floor conference Rm. – 30 Trinity St. Hartford, CT

Respectfully Reviewed by:
Tom Reynolds,
Chairman of the Board

Respectfully Submitted by:
Sonia Worrell Asare,
Agency Counsel