

Connecticut State Board of Accountancy
Meeting Minutes
Tuesday, August 5, 2014 – 10:00 A.M.
Second Floor Conference Room
30 Trinity St., Hartford, CT 06106
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 the Connecticut State Board of Accountancy, Second Floor Conference Room, 30 Trinity Street, Hartford, CT.

BOARD MEMBERS PRESENT:

John H. Schuyler, CPA
Marcia L. Marien, CPA
Dannell R. Lyne, CPA
Timothy F. Egan, CPA
Mark Aronowitz
Martha S. Triplett, Esq.

BOARD MEMBER ABSENT:

Peter J. Niedermeyer, CPA

STAFF MEMBERS PRESENT:

Denise W. Merrill, Secretary of the State
James F. Spallone, Deputy Secretary of the State
Moriah Moriarty, Special Assistant to the Chief of Staff
Sonia Worrell Asare, Legal Counsel
Stephanie Sheff, License and Application Analyst
Constance Sakyi, Paralegal Specialist 1
Joshua Thompson, Legal Intern

OTHERS PRESENT:

Art Renner, CPA, Executive Director of CT Society of CPA
Brian Kelleher, CPA, President, CTCPA
Paul Rohan, CPA, Director of Financial Reporting and Quality Control, UHY LLP

ACTION REQUIRED – Approve Minutes of the June 24, 2014 Board Meeting.
Ms. Marien made a motion to approve the minutes. Mr. Aronowitz seconded the motion. All present board members voted in favor.

EXAM AND LICENSING

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

Lyndon Laemmerhirt – Requesting confirmation if current experience would meet licensure requirements prior to taking the CPA exam. Ms. Marien made a motion to deny for inadequate supervision to qualify for licensure. Mr. Lyne seconded the motion. All present board members voted in favor.

Patrick Milnamow – Initial CPA certificate and initial CPA license, providing industry experience
Ms. Marien made a motion to approve the application. Mr. Egan seconded the motion. All present board members voted in favor.

Ashley Cousins - Initial CPA certificate and initial CPA license, providing industry experience
Ms. Marien made a motion to approve the application. Mr. Egan seconded the motion. All present board members voted in favor.

Anthony Spinnato - Initial CPA certificate and initial CPA license, providing industry experience
Mr. Egan made a motion to approve the application. Ms. Marien seconded the motion. All present board members voted in favor.

Peter Rovello - Initial CPA certificate and initial CPA license, providing industry experience
Ms. Marien made a motion to approve the application. Mr. Lyne seconded the motion. All present board members voted in favor.

Alexa-Leigh Cognetta - Initial CPA certificate and initial CPA license, providing industry experience
Ms. Marien made a motion to approve the application. Mr. Egan seconded the motion. All present board members voted in favor.

Aaron Michael Heger - Initial CPA certificate and initial CPA license, providing industry experience
Mr. Aronowitz made a motion to approve the application. Mr. Egan seconded the motion. All present board members voted in favor.

David Danzak Jr. - Initial CPA certificate and initial CPA license, providing industry experience
Ms. Marien made a motion to table the matter to request for additional information. Mr. Lyne seconded the motion. All present board members voted in favor.

Review firm permits for approval

Mr. Egan made a motion to approve the firm permits as presented. Mr. Lyne seconded the motion. All present board members voted in favor.

PCAOB Inspection Reports Received

- Review date - July 1, 2014 **Insero & Company CPA's P.C.**
ParenteBeard LLC(2011)
ParenteBeard LLC (2012)
PricewaterhouseCoopers LLP

Prior Administration Address of PCAOB Reports

Attorney Asare asked the board if they would accept the electronic submission of PCAOB reports. Ms. Marien made a motion to accept and Mr. Lyne seconded the motion. All present board members voted in favor.

MULTIPLE CPE AUDIT OF LICENSEES CONSIDERATIONS

Attorney Asare gave an update on the status of the 2014 audit of licensees. Attorney Asare stated that 6% of all active licensees (280) were audited, the board is waiting for 170 licensees to respond to the notice of audit.

Attorney Asare stated that she has received a request from a licensee who was audited last year and this year. The licensee is requesting the board to make a policy to exempt licensees from being audited in 2 consecutive years. Mr. Aronowitz made a motion to keep the existing policy in order to maintain integrity of a random selection. Ms. Triplett seconded the motion. All present board members voted in favor.

EXAMINATION AND CPE EXTENSION

Theodore J. Thomas – Requesting an extension in CPE requirements for 6 months.

Ms. Marien made a motion to table the matter to request for additional information. Ms. Triplett seconded the motion. All present board members voted in favor.

John F. Korn – Requesting a 3 month extension to complete CPEs.

Ms. Marien made a motion to grant the extension. Mr. Egan seconded the motion. All present board members voted in favor.

Donarell Elder- Requesting an extension of time to complete CPEs. Initial request was denied at the June 24, 2014 board meeting. Ms. Marien made a motion to deny the request for extension. Ms. Triplett seconded the motion. All present board members voted in favor.

Donald R. Sotherland – Requesting an extension of time to complete CPEs. Ms. Marien made a motion to deny the request for extension. Mr. Lyne seconded the motion. All present board members voted in favor.

Glen J. Belush – Requesting an extension of 60 days until August 31, 2014.

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

Scott Williams – Requesting an extension till September 30, 2014 and waiver of fee for late completion of CPE. Ms. Marien made a motion to deny the request for extension. Mr. Aronowitz seconded the motion. All present board members voted in favor.

Bernard Teig – Requesting waiver of penalty for completing CPE requirements late.

Ms. Triplett made a motion to grant the waiver. Mr. Lyne seconded the motion. All present board members voted in favor.

Michael DesRoches – Requesting 30 day extension of time to complete CPEs. Mr. Lyne made a motion to table the request for extension. The board requested that Mr. DesRoches provide more information. Ms. Triplett seconded the motion. All present board members voted in favor.

OLD BUSINESS

Northeast Regional Meeting Recap and Considerations

The Department of Labor Audit Report was discussed during the conference and it was emphasized that states are conducting an internal audit of all registered firms. The office has started pulling peer reviews of the firms listed on the Department of Labor Audit Report and determining if the firms are in compliance with peer review requirements. The report will be presented to the board during the next meeting in September.

Attorney Asare stated that Ms. Bonnie Olivieri, Practice Programs Manager, CT Society of CPA, will give a brief presentation regarding the Peer Review Program at the November board meeting.

Attorney Asare informed board members of the NASBA's National Conference in November of 2014 in Washington, DC.

New Appointments Considerations

Attorney Asare stated that the office is awaiting notice of appointments for the vacant public member openings on the board.

Statutory Changes

Attorney Asare proposed changes to the following statutes:

Licensing Status; Definition of Attest and Mobility; Reference to AICPA, PCAOB, NASBA model rules; Borrowing Client Funds and Loans; Additional Definitions from UAA; Recusal Requirement; Safe Harbor Language UAA; 45 Day Rule Return of Client Records AICPA Model Rules; 50 State Survey Results; Reissue/ Duplicate Application and Interstate Exchange Fees

Policy & Initiatives - Criminal Background Checks

Ms. Sheff is researching for an efficient way of conducting criminal background checks of initial and reciprocal applicants.

CT CPA Society Intern Collaboration - Attorney Asare stated that the State Board of Accountancy's Internship Application is on the board's website and the CT Society of CPA's website. Attorney Asare thanked Mr. Art Renner, CPA, Executive Director of CT Society of CPA for his contribution to the initiative. The board hopes to attract interns interested in becoming a CPA.

NEW BUSINESS

AICPA OPEN INVITATION TO ATTEND A BOARD MEETING

Attorney Asare informed the board members that a member of AICPA staff is willing to attend a future board meeting and give a presentation regarding peer review.

OTHER BUSINESS

Enforcement Cases

2010151-3501- Gurdev S. Kaura v. Uday K. Patel – Complaint was withdrawn on March 26, 2014.

2013-15 – Norma Cotrona v. Roland West - Complaint was withdrawn on April 17, 2014.

2014-4 – Susan Garvey v. Michael P. Kroll

The potential violations include fraud and embezzlement, per §20-281a., engaging in actions reflecting adversely on the profession of public accountancy, per §20-281a., negligence in the practice of public accountancy, per §20-281a., having a conflict of interest, per §20-281i; and failure to return client records, per §20-280-16(q). Substantiated Violation: None Ms. Marien made a motion to dismiss finding no probable cause. Mr. Aronowitz seconded the motion. All present board members voted in favor.

2014-8 – Connecticut State Board of Accountancy v. Peter Rich

Allegations: The potential violations include §20-281 failure to renew firm permit in a timely manner in the years 2012 and 2013; §20-281 failure to renew license in a timely manner; §20-281 failure to undergo and report quality/peer review for the firm; §20-280-16 false and misleading advertisements; §20-280-16 misrepresentation; practicing without a license and firm permit. Substantiated Violation: Respondent self-reported. Respondent did in fact renew in a timely manner in the year's 2012. Respondent admits to failing to renew in a timely manner in the year 2013. Respondent's peer reviews are current and in good standing. Expedited settlement in the amount of \$150.00 for late renewal for 3 months and \$150.00 registration, which has been paid by Respondent, who has submitted payment in the amount of \$300.00. Mr. Egan made a motion to dismiss, finding respondent is in compliance and has corrected the issue by appropriately paying the late renewal fees. Mr. Lyne seconded the motion. All present board members voted in favor.

2012-103782- Marie & George Bongirone vs. Michael Weinshel

Allegation: §20-281k failure to return client records, §20-281a(10) actions reflecting adversely on the practice of public accountancy and §20-280-15c discreditable acts.

Substantiate Violation: Complainants have not expressed an interest in continuing the investigation. Ms. Marien made a motion to dismiss finding no probable cause. Mr. Egan seconded the motion. Ms. Triplett recused herself. Former board member Mr. Phil Decaprio and Mr. Michael Weinshel recused themselves during their tenure with the board. All remaining board members voted in favor.

2013-14 – Robert A. Kramer v. Martin Goldberg

Allegations: negligence in the practice of public accountancy under §20-281a(5); engaging in the unauthorized practice of public accountancy, §20-280-16 misrepresentation; §20-281a(10) actions reflecting adversely on the profession of public accountancy and dishonesty and fraud or negligence in the practice of public accountancy under §20-281a(5). Respondent does not and has not held a CT CPA license or certificate. Substantiated Violation: Respondent was engaged in tax preparation on behalf of client. Client/complainant was not under the reason or belief that respondent is or was a CPA. Client/Complainant was aware that respondent was not an employee of CPA firm and that respondent had no contractual employment relationship with the firm. Ms. Triplett made a motion

to dismiss for lack of jurisdiction. Mr. Aronowitz seconded the motion. Mr. Lyne recused himself. All remaining board members voted in favor.

2014-6 – Robert Maiolo v. Alfano & Co, LLC

Allegations: § 20-280-15c(f) incompetence in the practice of public accountancy and § 20-281a(10) engaging in actions reflecting adversely on the profession of public accountancy. Substantiated Violations: Respondent has remitted the preparation fee to client/complainant. Ms. Marien made a motion to dismiss finding no probable cause. Mr. Egan seconded the motion. All present board members voted in favor.

2014-5 – Community Health Network

Allegations: Abuse of Authority. Substantiated Violations: Community Health Renewal is not a CT licensee or firm permit holder. The matter is not under the jurisdiction of the Board's statutory authority. The allegations have no nexus to the practice of public accountancy. Ms. Marien made a motion to dismiss finding no jurisdiction. Ms. Triplett seconded the motion. All present board members voted in favor.

2014-2 - Helen Grysman v. Meyers, Harrison & PIA, LLC

Allegation: engaging in actions reflecting adversely on the profession of public accountancy, per §20-281a(10), and fraud and deceit in the practice of public accountancy, per §20-281a. Substantiated Violations: Client engagement letter indicating Respondent was contracted to provide services and form of payment. Mr. Egan made a motion to dismiss finding no probable cause and no jurisdiction this matter appears to be a fee dispute. Mr. Aronowitz seconded the motion. All present board members voted in favor.

2010-833536 – Connecticut State Board of Accountancy v. Carol Wright

Allegations: The potential violations include §20-281 failure to renew firm permit in a timely manner in the year 2010; §20-281 failure to renew license in a timely manner; §20-281 failure to undergo and report quality/peer review for your firm; §20-280-16 false and misleading advertisements; §20-280-16 misrepresentation; practicing without a license and firm permit. Substantiated Violation: Respondent admits to failing to renew license in a timely manner. Respondent is a sole practioner who also failed to renew firm permit. Respondent entered into pre-settlement negotiations with former board, but never received officially agreement. Respondent made payment based on negotiations or settlement of the matter. Ms. Marien made a motion to officially settle the matter in the amount of \$600.00. Mr. Lyne seconded the motion. All present board members voted in favor. Motion by Ms. Triplett. Seconded by Mr. Lyne. All present voted in favor.

2014-1 – Connecticut State Board of Accountancy v. Raymond J. Wright

Allegations: The potential violations include §20-281 failure to renew firm permit in a timely manner in the year 2013; §20-281 failure to renew license in a timely manner; §20-281 failure to undergo and report quality/peer review for your firm; §20-280-16 false and misleading advertisements; §20-280-16 misrepresentation and practicing without a license and firm permit. Substantiated Violation: Respondent's peer reviews are current. Respondent has an active and a good standing Massachusetts firm permit and license. Respondent states he did not receive 2013 renewals from Connecticut, which is why he did not renew in a timely manner. Respondent did not renew individual and firm license in Connecticut. Connecticut firm and license are now in good

standing. Ms. Marien made a motion to settle the matter in the amount of \$600.00. Mr. Lyne seconded the motion. All present board members voted in favor.

2013-28 – Elkin Uribe v. Theodore J. Thomas

Allegations: The potential violations include §20-281a (10) actions reflecting on the profession of public accountancy; §20-281a(5) negligence/incompetence in preparation of tax returns; §20-281a(5) fraud and embezzlement; and §20-281a(10) engaging in actions reflecting adversely on the profession of public accountancy. Substantiated Violation: Respondent created Connecticut and Federal Estate and Gift Tax return on behalf of the complainant, at the direction of complainant's daughter. Respondent did not receive proof of Power of Authority. Ms. Triplett voted to settle the matter for 8 hours of ethics courses to be completed by December 31, 2014 in addition to mandated courses and civil penalty in the amount of \$700.00. Mr. Lyne seconded the motion. All present board members voted in favor.

2010080-3430 – Shapiro & Epstein v. Charles Brush

Allegations: § 20-281k failure to return client records and §20-280-16(q) failure to respond to state board upon receipt of written communication. Respondent has an unregistered certificate and inactive license. Substantiated Violation: Respondent has been very unresponsive, only sporadically responding the board. Respondent was not engaged in the practice of public accountancy, was offering book keeping services to the complainant. Respondent did not hold out as a CPA. Respondent has failed to answer written or verbal communications from the Board. Ms. Marien voted to send Mr. Brush a letter of censure. Mr. Egan seconded the motion. All present board members voted in favor.

2014-16 – Connecticut State Board of Accountancy v. Jean Callan

Allegations: §20-280e unauthorized use of CPA title as a result of failing to renew license in a timely manner. Substantiated Violation: Respondent license has been inactive since 1996, respondent recently registered certificate. Respondent submitted affidavit stating that "I did not realize that my Certificate had lapsed." After it came to respondent's attention, respondent corrected issue by registering certificate. Respondent affirms that necessary steps have been taken to correct all communications presenting the title; until confirmation is received of approved registered certificate (approval was granted.) Respondent affirms that she has not undertaken or provided any public accounting services nor signed off on any public accounting matters. Ms. Marien made a motion to settle the matter in the amount of \$150.00 in civil penalties. Ms. Triplett seconded the motion. All present board members voted in favor.

2014-7 – Connecticut State Board of Accountancy v. Thomas J. Demchak

Allegations: failure to complete continuing education courses in the year 2012-2013, per §20-280-25. Substantiated Violation: Received response from Respondent admitting that course was delayed until 1/16/2014 after receiving notice of violation. Ms. Marien made a motion to settle the matter for \$1375 in civil penalties for failure of CPE audit and 4 hours ethic courses. Ms. Aronowitz seconded the motion. All present board members voted in favor.

2013-47 – Frederick L. Dimella v. American Financial

Allegation: engaging in the unauthorized practice of public accountancy, per §20-279b, false advertisement, per 20-280-16, failure to obtain a Connecticut Firm Permit to practice public accountancy, per §20-281, failure to undergo and report a quality review, per §20-281.

Substantiated Violations: Respondent sent response to notice that he affirmatively denies holding out as a CPA. Respondent states an internet site provided the professional designation in error. Ms. Egan made a motion to issue a cease and desist agreement and submit proof showing attempt to correct listing. Ms. Triplett seconded the motion. All present board members voted in favor.

2013-41- Connecticut State Board of Accountancy v. David J. Fabrizi

Allegation: 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, §20-281gd (f).
Substantiated Violations: Respondent requests to amend the January 2014 settlement agreement and has submitted additional proof of compliance with the CPE audit. Ms. Triplett made a motion to settle for civil penalties of \$775.00 and 4 hours of additional CPE in ethics by December 31, 2014. Ms. Marien seconded the motion. All present board members voted in favor.

PUBLIC COMMENT

Mr. Paul Rohan, CPA, Director of Financial Reporting and Quality Control, UHY LLP, stated that his company is being falsely represented by some individuals who are using UHY LLP's letterhead in order to obtain loans from various banks. Mr. Rohan also stated that he has reported the case to the FBI. Attorney Asare informed Mr. Rohan that the board has begun to investigate the matter and has forwarded the information to various state and federal agencies.

Mr. Art Renner, CPA, Executive Director of CT Society of CPA, stated that some prospective companies are requesting for comfort letters and he would like the board to issue some guidance to the profession. Attorney Asare stated that she would reach out to the Connecticut Department of Banking to discuss the issue further and extend an invitation to a representative to attend a future board meeting.

Ms. Marien made a motion to adjourn the meeting at 12:40 p.m. and Ms. Triplett seconded the motion. All present board members voted in favor.

Next scheduled meeting:

- Thursday, September 4, 2014 – 10:00 AM - 2nd Floor, 30 Trinity Street, Hartford, CT