

Connecticut State Board of Accountancy  
April 2, 2007  
Minutes

Chairman Reynolds called the meeting to order at 8:35 A.M. in the Office of the Board at, 30 Trinity Street, Hartford, Connecticut and by telephone conference call.

Present via telephone conference call:

Thomas F. Reynolds, CPA, Chairman  
Richard P. Bond  
James S. Ciarcia  
Philip J. DeCaprio Jr., CPA  
Richard H. Gesseck, CPA  
Leonard M. Romaniello, Jr., CPA  
Richard L. Sturdevant  
Michael Weinschel, CPA

Staff Members Present:

David L. Guay, Executive Director  
Rebecca E. Adams, Esquire, Board Counsel

Motion made by Michael Weinschel and seconded by Richard Bond to accept and approve the Minutes of the March 6, 2007 State Board of Accountancy meeting.

Voting in favor:

Thomas F. Reynolds  
Richard P. Bond  
Philip J. DeCaprio  
Richard H. Gesseck  
Leonard M. Romaniello  
Richard L. Sturdevant  
Michael Weinschel

Abstentions:

James S. Ciarcia

No votes against.

In a review of Board operations Executive Director Guay briefed the Board on the operations of the Board by providing a written summary.

**April 2, 2007 Executive Director's Operations Update and Review**

**CPA Exam**

- Attorney Adams and Exec. Guay participated in a AICPA Board of Examiners Conference Call on March 8, 2007
- Exec. Guay had telephone call with Lorraine Sachs of NASBA & Dan Dustin, Exec. Dir. Of New York Board
- Cut and paste issue before the Board

#### **Licensing Database**

- Exec. Guay continues testing
- CPE Ethics Questions before the Board
- Live Testing of Credit Card transaction completed
- Revenue procedures drafted and being reviewed
- Updates to licensing back end ready for testing

#### **2007 Renewal & 2006 CPE Reporting**

- Renewal cycle completed on March 23, 2007
- CPE reporting issues have been handed over for enforcement action

#### **Monthly Licensing**

- Angel receiving OJE on application process
- Processing procedures and standards being re-developed and captured

#### **Peer Review**

- Data files updated in renewal process
- Currently processing backlog of reports received

#### **Website**

- Reviewing the other State Board sites for ideas
- Have begun upgrade effort

Following up on discussion of the cut and paste issue with CPA Exam, the Board reviewed the letter provided by the American Institute of Certified Public Accountants (AICPA) Board of Examiners (BOE) and the draft letter from the Board to the Chair of the AICPA BOE.

After discussion Philip DeCaprio made a motion, seconded by Michael Weinschel to approve the draft letter to be sent to the Chair of the AICPA BOE asking for all Connecticut CPA Exam candidates who completed the written communication portion of the Uniform CPA Examination and had results recorded in the instance file that were not transferred to the response file for grading in the second, third, and fourth quarters of 2006 have their Exam rescored.

Voting in favor:

Thomas F. Reynolds  
Richard P. Bond  
James S. Ciarcia  
Philip J. DeCaprio  
Richard H. Gesseck  
Leonard M. Romaniello

Richard L. Sturdevant  
Michael Weinschel

No votes against and no abstentions.

In review of the list of individual applicants Richard Sturdevant made a motion to table the application of Ms. Netsai Zvovushe, for an initial CPA Certificate and CPA License seconded by Philip DeCaprio, pending further information. Ms. Zvovushe's experience is under her father's former firm, which went out of existence due to his passing away.

Motion made by Michael Weinschel and seconded by Philip DeCaprio to approve the April 2, 2007 list of individual applications for CPA Certificate, Registrations and CPA Licenses, with the exception of Ms. Zvovushe's application, which was tabled by the previous motion and vote.

Voting in favor:

Thomas F. Reynolds  
Richard P. Bond  
James S. Ciarcia  
Philip J. DeCaprio  
Richard H. Gesseck  
Leonard M. Romaniello  
Richard L. Sturdevant  
Michael Weinschel

No votes against and no abstentions.

Motion made by Philip J. DeCaprio and seconded by Leonard M. Romaniello to approve the March 6, 2007 list of Firm Permit to Practice applications including Sotherland & Associates, which had been tabled at the previous Board meeting on March 6, 2007.

Voting in favor:

Thomas F. Reynolds  
Richard P. Bond  
James S. Ciarcia  
Philip J. DeCaprio  
Richard H. Gesseck  
Leonard M. Romaniello  
Richard L. Sturdevant  
Michael Weinschel

No votes against and no abstentions.

Chairman Reynolds noted that the agenda continues to list inspection reports received from the Public Companies Accounting Oversight Board (PCAOB) and are available for Board member inspection and review. The April 2, 2007 Agenda listed a report received for the firm of Ciuni & Panichi, Inc., Certified Public Accountants.

Chairman Reynolds noted that the agenda continues to list Test center Problem Reports, but no report has been included this month, because March is a non testing month.

Executive Director Guay sought the Board's advice concerning the CPE Ethics requirement, noting that in reviewing the Ethics CPE on-line reporting solution Jamie Gamble provided and after reviewing the 2006 CPE reporting the following questions require Board guidance.

#### Section 20-280-25

(h) Each license holder shall meet an ethics requirement of 4 hours every three years. Such requirement may be met through any course covering ethical behavior and the understanding of State and National Code of Conduct, Professional Conduct and State Licensing Regulations.

#### 1. Can more than one course add up to meeting the ethics requirement?

Board response: Yes.

#### 2. Can more than 4 hours of qualified ethics be reported, and how will the excess be treated? Currently they would just be counted toward the reportable total in an allowable category.

Board response: Yes, should remain the same.

#### 2A. Some will ask and claim that 8 hours reported in one year should cover two cycles (2006 & 2009 in one shot), should this be allowed?

Board response: No.

#### 3. Will portions of a total, say 4 hours of an 8 credit program, count towards the ethics requirement?

Board response: Yes.

#### 4. Will a course on independence required of big 4 partners meet the requirement?

Board response: Yes.

5. Is the language in the regulation too restrictive or open? Could it be interpreted to mean that a course to count must have all elements of or can a course only cover one or more of the following elements?

- Ethical Behavior
- Understanding of State and National Code of Conduct
- Understanding of Professional Conduct
- Understanding State Licensing Regulations

Board response: The language is appropriate. It does mean that any course which covers even just one of the elements of ethical behavior, understanding of State and National Code of Conduct, Understanding of Professional Conduct and Understanding of State Licensing Regulations will count.

The Board entertained a request from CPA Exam Candidate Sie Me Sie to extend conditional credit for AUD and FAR. Ms. Sie's credit for AUD and FAR expired on November 30, 2006. Ms. Sie claims the reason she was unable to take and pass the remaining BEC section was due to her father's death in Indonesia and her inability to visit him before or after his death due to her application to remain in the United States for political asylum.

Motion made by Richard Sturdevant and seconded by James Ciarcia to approve the request for extension of conditional credit for AUD and FAR until August 31, 2007.

Voting in favor:

Thomas F. Reynolds  
Richard P. Bond  
James S. Ciarcia  
Philip J. DeCaprio  
Richard H. Gesseck  
Leonard M. Romaniello  
Richard L. Sturdevant  
Michael Weinschel

No votes against and no abstentions.

The Board entertained a request from CPA Exam Candidate Mercy Mbindyo for a second or further extension of her Notice to Schedule (NTS). Ms. Mbindyo was granted a first extension of her NTS until December 31, 2006 at the May 24, 2006 Board meeting. A second communication from her Physician was provided to the Board.

Motion made by James Ciarcia and seconded by Philip DeCaprio to extend the NTS for Mercy Mbindyo until August 31, 2007.

Voting in favor:

Thomas F. Reynolds  
Richard P. Bond  
James S. Ciarcia  
Philip J. DeCaprio  
Richard H. Gesseck  
Leonard M. Romaniello  
Richard L. Sturdevant  
Michael Weinshel

No votes against and no abstentions.

The Board reviewed the test center problem of CPA Exam Candidate Ethan Tyminski. A review indicated that even with the power interruption to his testing computer Mr. Tyminski's exam was correctly captured and scored. The Board reviewed without action.

Attorney Adams reviewed for the Board the Legislative progress so far on the Society's Education proposal SB 1141 and progress on the Board's Exam Fee technical correction.

## **ENFORCEMENT AGENDA**

### **A. REQUESTING BOARD INPUT AND REVIEW**

#### **John Santella – License Number 8372**

Mr. Santella has been granted a waiver of the CPE regulations each year since 2000 because he has Crohn's disease. His practice is limited to Connecticut resident tax returns. He requests a waiver this year as well. However, counsel is reluctant to approve what appears to be a request for a perpetual waiver. He has not reported any CPE since 2000.

***Attorney Adams requested Board input regarding CPE requirements for Mr. Santella.***

Richard Sturdevant made a motion, seconded by Michael Weinshel to deny Mr. Santella's request for an extension.

Voting in favor:

Thomas F. Reynolds  
Richard P. Bond  
James S. Ciarcia  
Philip J. DeCaprio  
Richard H. Gesseck

Leonard M. Romaniello  
Richard L. Sturdevant  
Michael Weinschel

No votes against and no abstentions.

**B. PROPOSED CPE SETTLEMENTS**

<u>LICENSE</u>	<u>LAST NAME</u>	<u>LATE FEE</u>
3674	Bailey	100
3024	Berlingo	100
5757	Crehan	100
7405	Dooley	100
11708	Heath	100
5871	Lasko	100
2583	Marone	100
3758	McCafferty	100
5947	Passacantando	100
3553	Siclari	200* Credits earned after January 1, 2007
4158	Thibodeau	100
5952	Valentino	100

***Attorney Adams requested approval of standard negotiated CPE settlements.***

Motion made by Leonard Romaniello and seconded by Richard Bond to approve settlement in the matters of:

<u>LICENSE</u>	<u>LAST NAME</u>
3674	Bailey
9002	Benedetto
3024	Berlingo
5757	Crehan
7405	Dooley
11708	Heath
5871	Lasko
2583	Marone
3758	McCafferty
5947	Passacantando
3553	Siclari
4158	Thibodeau
5952	Valentino

Voting in favor:

Thomas F. Reynolds

Richard P. Bond  
James S. Ciarcia  
Philip J. DeCaprio  
Richard H. Gesseck  
Leonard M. Romaniello  
Richard L. Sturdevant  
Michael Weinschel

No votes against and no abstentions.

**C. REQUESTING DISMISSAL**

**2005016-2821 Barbara Halpern- IRS Suspension**

The IRS questioned a deduction on Ms. Halpern's personal tax return. She prepared a response and an amended return addressing the IRS concerns. Counsel for the licensee failed to communicate with the IRS regarding the compliance. That Counsel was convicted of embezzlement and disbarred during the time the IRS matter was pending. In order to dispose of the matter, the licensee consented to a suspension with the IRS on September 4, 2004, under the terms of which she was eligible for reinstatement after 13 months. She has reapplied and was granted reinstatement by the IRS at 13 months - i.e. October 4, 2005.

*Attorney Adams requested dismissal – No violation/no probable cause.*

Motion made by Leonard Romaniello and seconded by Richard Sturdevant to dismiss the matter of 2005016-2821 Barbara Halpern.

Voting in favor:

Thomas F. Reynolds  
Richard P. Bond  
James S. Ciarcia  
Philip J. DeCaprio  
Richard H. Gesseck  
Leonard M. Romaniello  
Richard L. Sturdevant

Voting against:

Michael Weinschel

No abstentions.

Under other business, Leonard Romaniello asked Attorney Adams to provide a full accounting of all open cases. Chairman Reynolds spoke about a recent article in the Journal of Accountancy on mobility that he will be forwarding to the members.



Michael Weinshel announced that he would be seeking a position as a member of the Board of Director's of the National Association of State Board's of Accountancy.

Richard Bond made a motion, seconded by Leonard Romaniello to support Michael Weinshel for the NASBA Board of Directors.

Voting in favor:

Thomas F. Reynolds  
Richard P. Bond  
James S. Ciarcia  
Philip J. DeCaprio  
Richard H. Gesseck  
Leonard M. Romaniello  
Richard L. Sturdevant  
Michael Weinshel

No votes against and no abstentions.

Under public comment, Arthur Renner, Executive Director of the Connecticut Society of Certified Public Accountant spoke about the Society's upcoming mid-year conference and the CPA Certificate Award Ceremony coming up on May 16, 2007.

A motion to adjourn the meeting was moved by Michael Weinshel and seconded by Richard P. Bond, all voted in favor. The meeting was adjourned at 10:30 A.M.