

Connecticut State Board of Accountancy
February 03, 2009
Minutes

Chairman Thomas F. Reynolds called the meeting to order at 08:34 A.M. in the second floor conference room, 30 Trinity Street, Hartford, Connecticut 06106.

Present:

Thomas F. Reynolds, CPA, Chairman

Richard P. Bond

Philip J. DeCaprio, Jr., CPA, CrFA, CVA, ABV, arrived at 8:43 A.M.

Richard H. Gesseck, CPA

Leonard M. Romaniello, Jr., CPA, CITP, MST

Richard L. Sturdevant

Martha S. Triplett, Esq., arrived at 8:36 A.M.

Michael Weinshel, CPA

Staff Members Present:

David L. Guay, Executive Director

Rebecca E. Adams, Legal Counsel

Angel D. Acevedo, Office Assistant

Absent:

James S. Ciarcia

Motion made by Richard Bond and seconded by Leonard Romaniello to approve the minutes of the January 06, 2009 State Board of Accountancy meeting. All voted in favor; no votes against and no abstentions.

Executive Director David Guay provided the Board with the following Operations Update and Review:

Budget

- Governor's Budget to be presented Wednesday, February 4, 2009
- Responded to OPM Questions concerning licensing fees
- Responded to OFA Questions concerning licensing fees
- Preparing for less than good news

On-line Renewal

- 4332 Licenses have renewed so far – 92% of 4700 eligible
- 2263 Certificate Registrations have renewed so far – 90% of 2508 eligible
- 1516 Firms have renewed so far – 94% of 1614 eligible

Information Technology

- Implementing DoIT required new internet filter

Personnel

- I will be taking the Governor's requested furlough day on February 13, 2009

Licensing

- CPE audit prep begun
- Responded to Arkansas online questionnaire concerning how cpe is reported
- Responded to Exam Review Board Survey
- NASBA 2008 Edition of the CPA Candidate Performance on the Uniform CPA Examination has been received in the office and is available for review
- Scheduled to attend by telephone the January 23, 2009 AICPA Peer Review Board meeting, conflicting work prevented attendance – meeting material is available for review by Board members

General

- Responded to State Leadership Directories Questionnaire
- Finalized and signed the Memorandum of Understanding for services with DAS
- I attended the Governor's January 13, 2009 Commissioner's meeting

CPA Certificate Ceremony

- Society has informed us that the next ceremony will be June 9, 2009

The Board reviewed and noted, for the record, CPA Certificate Registration, CPA License & Firm Permit applications approved by the Executive Director between January 05, 2009 and February 02, 2009.

Motion made by Michael Weinshel and seconded by Richard Sturdevant to approve the Reciprocal CPA Certificate & Initial CPA License application submitted by Mr. William E. Caswell. All voted in favor; no votes against and no abstentions.

Motion made by Philip DeCaprio and seconded by Leonard Romaniello to table the application for a Firm Permit submitted by Maria Marrocco for use of the firm name Accountants on Call, LLC. The Board will await as more information is still being submitted to the Board. All voted in favor; no votes against and no abstentions.

Motion made by Richard Sturdevant and seconded by Philip DeCaprio to deny the application for a Firm Permit submitted by Ryan LaQuerre for the firm of LaQuerre, Michaud & Company, LLC. All voted in favor; no votes against and no abstentions.

Motion made by Philip DeCaprio and seconded by Leonard Romaniello to table the Firm Permit submitted by James A. Lagana for the Firm of Accounting & Auditing Services, Inc. All voted in favor; no votes against and no abstentions.

Motion made by Martha Triplett and seconded by Leonard Romaniello to approve the request for waiver of the late CPE fee for Kathleen Wallace due to a death in the family. All voted in favor; Philip DeCaprio recused himself; Michael Weinshel opposed and no abstentions.

The Board noted a letter from Gregory K. Tharp in regards to issues he had with special accommodation while taking the Uniform CPA Examination. The Board will await NASBA's resolution of the issue.

A motion made by Richard Gesseck and seconded by Leonard Romaniello to allow Philip DeCaprio to act as an agent of the Board in regards to Michael Mingione's request for acceptance of his firm's peer review.

Motion made by Richard Gesseck and seconded by Leonard Romaniello to table any action on Mr. Mingione's request for acceptance of his firm's peer review. All voted in favor; no votes against and no abstentions.

In an update the Experience Regulations, Attorney Adams informed the Board she will be sending a package over the Attorney General's Office for approval. Once Regulations are approved by the AG's Office they will then be forwarded to the Regulations Review Committee.

Motion made by Michael Weinshel and seconded by Philip DeCaprio to go on record as opposing bills: S.B. No. 305 An Act Concerning Accountants And Continuing Education Late Fess & S.B. No. 311 An Act Concerning The State Board of Accountancy And Continuing Education Requirements. Attorney Adams was asked to draft a letter in opposition of these proposals. All voted in favor; no votes against and no abstentions.

Under Public Comment: Arthur Renner, Executive Director of the Connecticut Society for Certified Public Accountants briefly addressed the Board. Andrew Rossman, & Lou Kaufmann, Professors at UCONN, also addressed the Board briefly.

Enforcement Brief - Public Session

Case Number- Name- Primary Complaint-Status

A. REQUESTING SETTLEMENT APPROVAL

Capella 2008063-3163

The Board previously rejected settlement condition of \$100 and copy of review and acceptance letter for late QR, due 2006. The respondent signed the agreement and paid the \$500 fine but is requesting reconsideration based upon his contention that he did not disregard the Board and he did send a letter in 2006 regarding the QR. No matter the number of times staff contacted him, the respondent did not furnish full compliance until the end of 2008, after staff and counsel contacted him.

Recommend rejection of reconsideration and requesting approval of settlement

Motion made by Richard Sturdevant and seconded by Martha Triplett to approve settlement in case # 2008063-3163, against Mr. Capella. All voted in favor; no votes against and no abstentions.

Neilsen 2004108-2637

Mr. Neilsen entered into a settlement agreement with the Board in 2004. However, upon application for renewal of his 2007 license and firm permit to practice, counsel could not find a record of his compliance with the terms of that settlement. Counsel redrafted the settlement to reflect the licensing fees which would be due in addition to the original penalty for failure to comply with QR and CPE requirements. Mr. Neilsen has supplied counsel with documentation of compliance with the original settlement as well as proof of compliance with all cpe and QR requirements to date.

Requesting approval of amended and updated settlement, including payment of \$1,700 total penalties and back licensing fee.

Motion made by Richard Bond and seconded by Leonard Romaniello to approve the amended and updated settlement agreement in case # 2004108-2637, against Mr. Neilsen. All voted in favor; no votes against and no abstentions.

B. RECOMMENDING DISMISSAL

Clark 2008058-3158 – failure to provide copies of records

The complainant is in litigation with his former business partners and claimed that the respondent would not provide him with tax documents relating to the LLC. However, evidence, including certified mail receipts and copies, provided by the licensee show that the licensee has provided copies of all documents requested.

Requesting dismissal – No probable cause/ no violation

Motion made by Leonard Romaniello and seconded by Philip DeCaprio to dismiss case # 2008058-3158 against Mr. Clark. All voted in favor; no votes against and no abstentions.

Lewis 2008059-3159 - negligence in tax preparation

Complaint from Kathryn Mathers regarding her 2005 taxes. He advised that she and her husband could deduct approximately 11,000 in work travel related expenses for her husband's work as a contractor. The IRS disallowed the deduction and Mr. Lewis did not assist them. Mr. Lewis is a non-CPA tax preparer. He stated that he did not know that the couple had not maintained any receipts and was surprised that the IRS completely disallowed the deduction after the couple produced records.

*Requesting dismissal **No probable cause – No Jurisdiction***

Motion made by Philip DeCaprio and seconded by Richard Sturdevant to dismiss case # 2008059-3159 against Mr. Lewis. All voted in favor; no votes against and no abstentions.

C. REQUESTING CLOSE OF HEARING, DISMISSAL OF FORMAL CHARGES, AND SETTLEMENT APPROVAL

Tucci 2003018-2460 – unauthorized practice and use of the title CPA

In the years 2000, 2001 and 2002 Mr. Tucci filed state and federal tax returns for over 100 clients using the appellation, Peter Tucci, CPA. Mr. Tucci has not used the title in any manner since 2002. The Board opened a hearing at its regular meeting in November 2008 and continued the matter without taking any evidence. *Recommending closure of the Board hearing, dismissing the formal charges, and approval of a settlement admitting to the unauthorized practice and use of title, imposing a cease and desist order and penalties of \$4,000.*

Motion made by Philip DeCaprio and seconded by Martha Triplett to approve settlement stipulating closure of the Board hearing, dismissing the formal charges, and approval of a settlement agreement admitting to the unauthorized practice and use of title, imposing a cease and desist order and penalties of \$4,000. All voted in favor; no votes against and no abstentions.

Ariola 2005014-2819

Mr. Ariola pled guilty to felony counts involving bribery in receiving federal funds on behalf of the City of Waterbury knowing that the contracts did not meet federal guidelines, felony counts regarding receiving campaign contributions outside federal standards, and non-felony counts

involving dishonesty in failing to report income to the IRS. He has not been sentenced and may avoid any criminal penalties due to his cooperation with federal and state authorities on Waterbury cases.

Recommending closure of the Board hearing, dismissing the formal charges, and approval of a settlement admitting to the guilty pleas, suspending the respondents certificate for 15 years (10 prospective, 5 retrospective) and penalties and costs of \$3,000. The respondent would not have any automatic right to reinstatement. Any application for reinstatement would be under terms set by the Board in 2019 and would include items specified in the settlement agreement including demonstration of 40 hours of cpe for all years of the suspension, letters of recommendation regarding character and fitness to practice, payment of all licensing fees during that period, and cpe in the area of ethics.

Motion made by Philip DeCaprio and seconded by Richard Gesseck to approve settlement stipulating closure of the Board hearing, dismissing the formal charges, and approval of a settlement agreement admitting to the guilty pleas, suspending the respondents certificate for 15 years (10 prospective, 5 retrospective) and penalties and costs of \$3,000. The respondent would not have any automatic right to reinstatement. Any application for reinstatement would be under terms set by the Board in 2019 and would include items specified in the settlement agreement including demonstration of 40 hours of CPE for all years of the suspension, letters of recommendation regarding character and fitness to practice, payment of all licensing fees during that period, and CPE in the area of ethics. All voted in favor; Leonard Romaniello recused himself; no votes against and no abstentions.

D. PETITION FOR REINSTATEMENT OF CERTIFICATE

Philip Madonna Certificate 7554 – has never held a license
Request to schedule hearing for March 3, 2009

Noted by the Board: Richard Gesseck recused himself.

E. REQUEST FOR REINSTATEMENT AND REISSUANCE OF LICENSE PURSUANT TO SETTLEMENT

Kenneth Wilchfort Certificate 6888 License 5674
Marc Rabinowitz Certificate 8173 License 7107
Request to include on the March 3, 2009 agenda.

Noted by the Board; Richard Gesseck recused himself.

Motion made by Richard Sturdevant and seconded by Richard Gesseck to adjourn the February 03, 2009 Board meeting at 10:23 A.M. All voted in favor; no votes against and no abstentions.