

Connecticut State Board of Accountancy
September 01, 2009
Minutes

Chairman Thomas F. Reynolds called the meeting to order at 08:30 A.M. at the State Board of Accountancy, 30 Trinity Street, Conference Room 2B, Hartford, CT 06106.

Present:

Thomas F. Reynolds, CPA, Chairman
Richard P. Bond
James S. Ciarcia
Philip J. DeCaprio, Jr., CPA/ABV/CFF, Cr.FA, CVA
Richard H. Gesseck, CPA
Leonard M. Romaniello, Jr., CPA, CITP, MST
Richard L. Sturdevant
Martha S. Triplett, Esq.
Michael Weinschel, CPA

Staff Members Present:

David L. Guay, Executive Director
Rebecca E. Adams, Esq.
Angel D. Acevedo, Office Assistant

A motion was made by James Ciarcia and seconded by Philip DeCaprio to approve the minutes of the July 07, 2009 Board Meeting. All voted in favor; no votes against and no abstentions.

Executive Director's Operations Update and Review:

Budget

- Auditor's of Public Accounts audit of the Agency continues
- Budget negotiations between the Governor and Legislature continue
- July and August 2009 Allotment of \$500 each month for a total of \$1000.00
- No word on September funding

Information Technology

- Continuing to work with DoIT on our main database issues and online renewal system, completed overview communication to DoIT and met with DoIT

Personal

- I was away at Boy Scout camp for 20 hours during the week of July 13-17, 2009 and away August 12-14, 2009 taking the Boy Scouts to Gettysburg

A motion was made by Richard Sturdevant and seconded by Richard Bond to approve the proposed meeting dates for the 2010 calendar year. All voted in favor; no votes against and no abstentions.

Meeting Dates for 2010:

- Tuesday, January 5, 2010- 8:30 AM 2nd floor conference Rm.- 30 Trinity St. Hartford, CT
- Tuesday, February 2, 2010- 8:30 AM 2nd floor conference Rm.- 30 Trinity St. Hartford, CT
- Tuesday, March 2, 2010- 8:30 AM 2nd floor conference Rm.- 30 Trinity St. Hartford, CT
- Wednesday, April 7, 2010*- 8:30 AM 2nd floor conference Rm.- 30 Trinity St. Hartford, CT
- Tuesday, May 4, 2010- 8:30 AM 2nd floor conference Rm.- 30 Trinity St. Hartford, CT
- Tuesday, June 1, 2010- 8:30 A.M. Cyrenius H. Booth Library, 25 Main St., Newtown, CT
- Wednesday, July 7, 2010**- 8:30 AM 2nd floor conference Rm.- 30 Trinity St. Hartford, CT
- Tuesday, August 3, 2010- 8:30 AM 2nd floor conference Rm.- 30 Trinity St. Hartford, CT
- Wednesday, September 8, 2010***- 8:30 AM 2nd floor conference Rm.-30 Trinity St. Hartford, CT
- Tuesday, October 5, 2010- 8:30 AM 2nd floor conference Rm.- 30 Trinity St. Hartford, CT
- Tuesday, November 9, 2010- 8:30 AM 2nd floor conference Rm.- 30 Trinity St. Hartford, CT
- Tuesday, December 7, 2010- 8:30 AM 2nd floor conference Rm.- 30 Trinity St. Hartford, CT

*Possible conference call because of tax season, Tuesday, April 6, 2010 Last Day of Passover

**Independence Day State Holiday Observed Monday, July 5, 2010

***Labor Day State Holiday Observed Monday, September 6, 2010

NASBA Eastern Regional Meeting June 9-11, 2010 Charleston, SC

NASBA Annual Meeting October 24-27, 2010 San Antonio, TX

The Board reviewed and noted, for the record, CPA Certificate Registration, CPA License & Firm Permit applications approved by the Executive Director July 07, 2009 through August 31, 2009.

A motion was made by Michael Weinshel and seconded by Philip DeCaprio to approve Mr. Lewis G. Pace's request for a waiver of seven outstanding CPE Hours, for the period of July 01, 2008 through June 30, 2009, due to ongoing medical circumstances. All voted in favor; no votes against and no abstentions.

A request for an extension of the CPA Examination Notice to schedule until 03/25/2012, made by Mr. Felix Okhiria, was tabled by the Board while the Executive Director reaches out to Mr. Okhiria, in order to request more information as to the particulars of his circumstances. All voted in favor; no votes against and no abstentions.

The following PCAOB Inspection Reports were received and noted, for the record, by the Board:

- 2008 Inspection of Grant Thornton, LLP

- 2008 Inspection of BDO Seidman, LLP
- 2009 Inspection of Whittlesey & Hadley, P.C.

Under Regulatory Activity, Attorney Adams informed the Board the Experience Regulations are on the September 22, 2009 meeting agenda of the Regulations Review Committee.

A motion was made by Philip DeCaprio and seconded by Michael Weinschel to approve the final draft of the NASBA October 16, 2009 Focus Questions with minor revisions instructed by the Board. All voted in favor; no votes against and no abstentions.

A motion was made by Philip DeCaprio and seconded by Leonard Romaniello to approve the draft repeal of regulations, sections 20-280-5 through 20-280-14, superceded by statute. All voted in favor; no votes against and no abstentions.

Under Public Comment, Professor Larry Grambling, University of Connecticut & Arthur Renner, Executive Director of CSCPA, addressed the Board briefly.

PUBLIC SESSION
ENFORCEMENT AGENDA
September 01, 2009

A. REQUESTING SETTLEMENT APPROVAL

2009045-3219 David Cappelletti- failure to renew license.

Request settlement approval for \$500 penalty, lapse in license, and CPE earned by December 31, 2008.

2009088-3262 Sharna Grayson- failure to renew license.

Request settlement approval for \$250 penalty, lapse in license, and CPE earned by June 30, 2008.

2009106-3280 Katherine Slack- failure to renew license.

Request settlement approval for \$250 penalty, lapse in license, and CPE earned by June 30, 2008.

2009115-3289 John Stanise- failure to renew license.

Request settlement approval for \$250 penalty, lapse in license, and CPE earned by June 30, 2008.

2009123-3297 Michael Bolingbroke- failure to renew license.

Request settlement approval for \$250 penalty, lapse in license, and CPE earned by June 30, 2008.

2009124-3298 Steven Dudas- failure to renew firm permit.

Request settlement approval for \$250 penalty.

2009125-3299 Steven Dudas- failure to renew license.

Request settlement approval for \$250 penalty, lapse in license, and CPE earned by June 30, 2008.

2009126-3300 Scott Davis- failure to renew license.

Request settlement approval for \$250 penalty, lapse in license, and CPE earned by June 30, 2008.

2009129-3303 Eric Anton Kreuter- failure to renew license.

Request settlement approval for \$250 penalty, lapse in license, and CPE earned by June 30, 2008.

2009130-3304 Ronald Mangini- failure to renew license.

Request settlement approval for \$250 penalty, lapse in license, and CPE earned by June 30, 2008.

2009132-3306 Valery Dickens- failure to renew license.

Request settlement approval for \$250 penalty, lapse in license, and CPE earned by June 30, 2008.

2009091-3265 David Orticelli- failure to renew license.

Request settlement approval for \$250 penalty, lapse in license, and CPE earned by June 30, 2008.

2009108-3282 Graf Repetti & Co. LLP- failure to renew firm permit.

Request settlement approval for \$250 penalty.

2009119-3293 Lipman & Company, P.C.- failure to renew firm permit.

Request settlement approval for \$250 penalty.

2009122-3296 Marshall Granger & Company, LLP- failure to renew firm permit.

Request settlement approval for \$250 penalty.

A motion was made by Richard Sturdevant and seconded by Richard Bond to approve the settlement agreements in the following cases: 2009045-3219, 2009088-3262, 2009106-3280, 2009115-3289, 2009123-3297, 2009124-3298, 2009125-3299, 2009126-3300, 2009129-3303, 2009130-3304, 2009132-3306, 2009091-3265, 2009108-3282, 2009119-3293, and 2009122-3296. All voted in favor; no votes against and no abstentions.

2009120-3294 Moore Stephens & Lovelace, P.A.- failure to renew firm permit.

This firm believed it was exempt from firm permit renewal under mobility. However, the firm is performing a Connecticut required single audit for a non-profit entity which has an office in Connecticut and was, therefore, required to file. Since single audit act compliance is due shortly, counsel assessed an additional penalty based upon the fact that the licensee is performing one attest engagement which would be in jeopardy if the reinstatement were not retroactive.

Request settlement approval for \$300 penalty, reinstatement as of January 02, 2009; one day lapse in firm permit.

2009121-3295 Dylewsky, Goldberg and Brenner, LLC- failure to renew firm permit.

Has approximately 20-25 attest engagements which would be invalidated in the event that Dylewsky, Goldberg and Brenner, LLC were reinstating as of today. Counsel believes the public is best served by assessing a penalty based upon the amount of attest work being performed while the firm was without a license and reinstating the firm license as of January 02, 2009 so that those attest engagements are not compromised.

Request settlement approval for \$1,270 penalty; one day lapse in firm permit.

2009065-3239 CCR, LLP- failure to renew firm permit.

CCR, LLP has approximately 80 attest engagements which would be invalidated in the event that CCR were reinstating as of today. Counsel believes the public is best served by assessing a penalty based upon the amount of attest work being performed while the firm was without a license and reinstating the firm license as of January 02, 2009 so that those attest engagements are not compromised.

Request settlement approval for \$5,120 penalty; one day lapse in firm permit.

A motion was made by Richard Sturdevant and seconded by Richard Gesseck to approve the settlement agreements in the following cases: 2009120-3294, 2009121-3295, and 2009065-3239. In connection with the approval, the Board has also asked Ms. Adams to gather a list of all partners from these three firms to verify they have renewed and are current with their 2009 individual licenses. All voted in favor; no votes against and no abstentions.

B. RECOMMENDING AND REQUESTING DISMISSAL

2007132-3094 Robert Eckert- lack of 2007 and 2008 CPE compliance.

Mr. Eckert sent in all of the underlying supporting documents regarding his 2007 and 2008 license renewals with his 2009 information. He had obtained all required CPE.

Requesting dismissal; no probable cause; no violation found.

2008010-3110 Ed Chamberlain– listed as CPA on yahoo web.

The yahoo web listing categorizes Mr. Chamberlain as a CPA but does not list the letters CPA with his name. Counsel could not find any other instance of the use of the title CPA in connection with him or his accounting business.

Requesting dismissal; no probable cause; no violation found.

2008022-3138 Frank Libro– failure to report QR in 2007

Mr. Libro sent the Board his report and acceptance letter late. However, this was due to the fact that the reviewer did not complete the review until late winter of 2008 and the acceptance letter was not issued until fall of that same year. He notified the Board of the issue in early 2008.

Requesting dismissal.

2008022-3122 Dennis Glynn– negligence/unprofessional conduct.

Mark Floryan complained that Mr. Glynn should have filed paperwork with the IRS pursuant to a settlement Mr. Floryan entered into with the IRS which required Mr. Floryan to amend his tax filings. Mr. Glynn was not ever engaged to provide that service. Mr. Glynn performed the initial tax work and the IRS subsequently took action against Mr. Floryan for failure to report various taxable incomes. This information had not been provided to the licensee.

Requesting dismissal; no probable cause; insufficient evidence.

2008031-3131 PriceWaterhouseCoopers– improper audit of the R&G Corp.

This case was opened after notification pursuant to the Class Action Fairness Act. There does not appear to be any Connecticut nexus to the R&G Corp.

Requesting dismissal WITHOUT PREJUDICE.

2008039-3145 Morris Morganstein– negligence in 2003 tax preparation work.

Complaint was filed by Attorney Edward Gasser on behalf of his clients Mr. and Mrs. Rasik Patel alleging negligence in the preparation of 2003 tax returns causing \$11,129 in penalties and interest and causing the Patels to lose the refund they were due in Connecticut. Attorney Gasser filed a withdrawal stating that Mr. Morganstein had assisted the Patels in their discussions with the IRS and DRS which is what they were seeking when he filed the complaint.

Requesting dismissal; compliant withdrawn.

2008062-3162 Mr. Wang- performing attest work in Connecticut without a firm permit.

Mr. Wang holds a New York license. There was an anonymous complaint that he was performing attest work for a client located in Connecticut but counsel has been unable to obtain any evidence to support that allegation.

Requesting dismissal; no probable cause; insufficient evidence.

2009038-3212 Lanzaro, CPA, LLC- improper use of firm name.

Complaint that the name was being used in conjunction with non-CPA services and an employee of the firm providing non-CPA service. No violation.

Recommend dismissal; No probable cause; no violation found.

2009072-3246 David Fabrizi– failure to verify employee’s experience.

Mr. Fabrizi held up an application for 9 months for failure to verify an employee’s experience in a timely manner. That information has now been provided and the employee has asked to withdraw and dismiss the complaint.

Requesting dismissal; compliant withdrawn.

2009113-3287 Julian Ignatowski(Abacus Accounting)– negligence in tax preparation.

The Board has received 5+ complaints regarding this business. The respondent is not a CPA.

Recommend dismissal; No probable cause due to lack of jurisdiction.

2009100-3274 John Py– failure to renew on time.

The respondent applied to renew late. He is working abroad and chooses not to renew.

Recommend dismissal; No probable cause; no violation found.

A motion made by James Ciarca and seconded by Martha Triplett to dismiss the following enforcement cases: 2007132-3094, 2008010-3110, 2008022-3138, 2008022-3122, 2008031-3131, 2008039-3145, 2008062-3162, 2009038-3212, 2009072-3246, 2009113-3287, and 2009100-3274. All voted in favor; no votes against and no abstentions.

C. RECOMMENDING CLASSIFYING AS INACTIVE IN DATABASE

The following individuals applied for renewal outside the renewal time frame or for reinstatement without a completed application. They have all been notified and offered the opportunity to come into compliance but have not done so as of this date. Counsel requests that their licensure status be made “inactive” in the database.

2009079-3253 **Katrine Cohen #10671**
2009080-3254 **John Desmond #14054**
2009081-3255 **Lori Bonaldi #4191**
2009082-3256 **Kenneth Brewer #4457**
2009083-3257 **Lucian Centanni #11970**
2009084-3258 **David Cohen #9479**
2009085-3259 **Matthew Glazner #13906**
2009086-3260 **Anthony DeLucia #9055**
2009087-3261 **Joan Kelly #6461**
2009089-3263 **Diane Larsen #11691**
2009090-3264 **Georganne Walters #12954**
2009092-3266 **James Martell #7939**
2009093-3267 **Susan Reudgen #9948**
2009094-3268 **Melissa Maroney #12204**
2009095-3269 **David Matthew Shurberg #9525**
2009096-3270 **Lisa Roller #11961**

A motion was made by Philip DeCaprio and seconded by Richard Bond to dismiss the incomplete reinstatement applications for the individuals listed above without prejudice in the following enforcement cases: 2009079-3253, 2009080-3254, 2009081-3255, 2009082-3256, 2009083-3257, 2009084-3258, 2009085-3259, 2009086-3260, 2009087-3261, 2009089-3263, 2009090-3264, 2009092-3266, 2009093-3267, 2009094-3268, 2009095-3269, and 2009096-3270. All voted in favor; no votes against and no abstentions.

D. REQUESTING DISMISSAL OR COMPLIANCE MEETING

2008027-3127 Frank McPike– inflation of the stock price of Competitive Technologies. Mr. McPike entered into a stipulated settlement with the SEC, pursuant to which he paid \$60,000 in penalties and was enjoined from further securities violations but did not admit any of the allegations against him regarding inflating the stock price of this Connecticut company between July 1998 and June 2001. Documents from the SEC do not provide any proof of the allegations and the settlement does not provide the Board with an automatic basis for discipline. ***Requesting dismissal or compliance meeting.***

A motion was made by Richard Gesseck and seconded by Philip DeCaprio to give Attorney Adams' the authority to schedule a compliance meeting and issue a subpoena in respect to all documents in the SEC case regarding enforcement case# 2008027-3127 against Mr. Frank McPike. All voted in favor; no votes against and Mr. Thomas Reynolds abstained.

2008049-3149 Deloitte, LLP– issues regarding GM's financial statements. This case was opened after a referral pursuant to the Federal Class Action Fairness Act. Deloitte notified the Board that the court has accepted the proposed settlement for payment of attorneys' fees. ***Requesting dismissal or compliance meeting.***

A motion was made by Philip DeCaprio and seconded by Leonard Romaniello to dismiss enforcement case# 2008049-3149 against Deloitte, LLP. All voted in favor; no votes against and no abstentions.

E. RECOMMENDING SCHEDULING COMPLIANCE MEETING

2009030-3202 Robert Pfrommer– unprofessional conduct.

Mr. Pfrommer has allowed Mr. Reilly, a former CPA, to utilize his office to meet with clients who believe he is an active CPA. Mr. Pfrommer knew that Mr. Reilly was claiming to be a CPA but was not currently licensed. Mr. Reilly has disappeared with client records and will not return calls.

Recommending compliance meeting.

A motion was made by Richard Bond and seconded by Leonard Romaniello to schedule a compliance meeting in the matter of Mr. Robert Pfrommer, enforcement case# 2009030-3202. All voted in favor; no votes against and no abstentions.

Chairman Thomas Reynolds called for a recess at 09:54 A.M.; the meeting was called back to order at 10:06 A.M.

A motion was made by Richard Bond and seconded by Leonard Romaniello to enter into the Executive Session of the Board Meeting at 10:07 A.M. to review cases where litigation is pending. All voted in favor; no votes against and no abstentions.

A motion was made by Philip DeCaprio and seconded by Richard Gesseck to close out the Executive Session of the Board Meeting at 10:38 A.M. All voted in favor; no votes against and no abstentions.

Motion made by Philip DeCaprio and seconded by Richard Gesseck to adjourn the September 01, 2009 Board Meeting of the Connecticut State Board of Accountancy at 10:39 A.M. All voted in favor; no votes against and no abstentions.