

Connecticut State Board of Accountancy
March 02, 2010
Minutes

Chairman Thomas F. Reynolds called the meeting to order at 08:40 A.M. via Conference Call at the State Board of Accountancy, 30 Trinity Street 250, Hartford, CT 06106.

Present:

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

Staff Members Present:

David L. Guay, Executive Director
Rebecca A. Adams, Esq., Board Counsel
Angel D. Acevedo, Office Assistant

Motion was made by Michael Weinshel and seconded by Philip DeCaprio to approve the minutes of the February 02, 2010 Board Meeting. All voted in favor; no votes against and no abstentions.

Executive Director's Operations Update and Review:

Budget

- FY10 Other Expenses – \$158,357.00 (with holdbacks and reductions \$37,236) we've spent as of 02/03/10 \$16,663.00 leaving approximately \$20,573 for the remainder of FY2010.
- Governor proposed reduction of \$51,866 from other expenses and \$8,773 from Personnel Services for FY11. Leaving us about \$25,000 to run the place plus short in payroll. This of course doesn't take in account the Gov's further cutting authority in FY11.
- We were not asked to present at the Budget Public Hearing before SUBCOMMITTEE #2: GENERAL GOVERNMENT A of the Appropriations Committee on the afternoon of February 8, 2010.

Information Technology

- Completed another computer inventory for DoIT, last accomplished in June 2009.
- Relationship with DoIT still in question.
- Completing updating of technology plan with DoIT.
- Updating web site.

Licensing

- Draft of new “Steps for Certificate” in progress, 14 pages written so far.
- Late Renewals coming in.

Facilities

- Contacted Department of Public Works Security on February 11, 2010 about replacement Security Badges – new photos may be taken on March 2, 2010.

General Administrative

- Continuing with weekly updating of the Emergency Command Center for the H1N1 Pandemic – trained Denise Diaz as alternate reporter.
- Updated and completed State Register and Manual entry.

Personal

- I was not required to report for Jury Duty February 9, 2010.
- I am requesting Gubernatorial permission to travel to the NASBA Executive Director’s Conference March 21-24, 2010.

The Board reviewed and noted, for the record, CPA Certificate Registration, CPA License & Firm Permit Applications approved by the Executive Director February 03, 2010 through March 01, 2010.

The Board noted, for the record, no new PCAOB Inspection Reports were received.

Motion was made by Martha Triplett and seconded by Richard Sturdevant to table Mr. Daniel L. Marra’s, CPA License # 2904, request for an extension of his 2009 CPE Requirements. Mr. Marra has not provided the Board with a certified letter from his physician. All voted in favor; no votes against and no abstentions.

Motion was made by James Ciarcia and seconded by Martha Triplett to grant Mr. Russell H. Kerwin’s, Firm Permit # 1062, request for a waiver of his Peer Review requirements for 2010. All voted in favor; no votes against and no abstentions.

Motion made by Leonard Romaniello and seconded by Philip DeCaprio to grant Ms. Karen Desautelle an extension of her Notice to Schedule for the CPA Examination. The extension is valid through one more testing period (April thru June 2010.) All voted in favor; no votes against and no abstentions.

Motion was made by Michael Weinshel to approve Mr. James John Sgandurra’s CPA Certificate Experience Verification application in Industry Accounting. Philip DeCaprio seconded the motion. All votes in favor; no votes against and no abstentions.

Motion was made by Martha Triplett and seconded by Leonard Romaniello to approve Ms. Mariela McAllister’s CPA Certificate Experience Verification application in Industry Accounting. All voted in favor; no votes against and no abstentions.

Motion was made by Michael Weinshel and seconded by James Ciarcia to approve Mr. Robert Yong Da’s CPA Certificate Experience Verification application in Industry Accounting. All voted in favor; no votes against and no abstentions.

Motion was made by Philip DeCaprio and seconded Martha Triplett to table Mr. Nishant Patel's CPA Certificate Experience Verification application. The Board has requested to see further details highlighting nature of the experience being claimed. All voted in favor; no votes against and no abstentions.

Under Regulatory Activity, motion was made by Michael Weinshel and seconded by Philip DeCaprio to approve the discussed changes to the Proposed Experience Regulations. Under the Section 20-280-24, subsection (d) Computation of time shall read: "One year of experience shall consist of no fewer than 1820 hours. The two years of experience required under this section shall be earned in no fewer than 24 consecutive months." In addition, subsection (I)(2) shall read, "the individual shall earn 8 hours of the 40 hours of continuing professional education, required pursuant to section 20-280-25 (a) of the regulations of Connecticut State Agencies, in the subject areas of financial statement preparation and reporting." All voted in favor; no votes against and no abstentions.

Motion was made by Martha Triplett and seconded by Philip DeCaprio to add to the agenda the issue of what to do with the current 16 CPE Hour requirement if attest or compilation work is being performed by the licensee. All voted in favor; no votes against and no abstentions.

Motion made by Philip DeCaprio and seconded by Martha Triplett to set aside the requirement for the CPE year ending June 2010 where a licensee who performs or supervises attest or compilation services will have to earn 16 CPE Hours out of the 40 in the subject area of attest or compilation services. Once the proposed changes to the experience requirements are passed the new requirement will ask for 8 CPE Hours out of the 40 in the subject areas of financial statement preparation and reporting. All voted in favor; no votes against and no abstentions.

Motion was made by Richard Sturdevant and seconded by Martha Triplett to endorse Mr. Mark Harris from Louisiana for the position of Vice-Chair for NASBA. The Board asked the Executive Director to draft a letter of support addressed to Mr. Thomas J. Sadler, Chair of the Nominating Committee. All voted in favor; no votes against and no abstentions.

Under Public Comment, Mr. Arthur Renner, Executive Director of CSCPA, Ms. Ann Jevne, CSCPA President, and Marsha Marien addressed the Board briefly. On May 06, 2010 the CSCPA will be hosting an open house at their new location. Also, the CSCPA will be hosting their annual ceremony at the Aqua Turf on May 20, 2010.

Public Session- Enforcement Agenda

A. REQUESTING SETTLEMENT APPROVAL

2008021-3137 Berry Dunn McNeil & Parker– late filing of quality review report/acceptance; *requesting settlement approval for \$250.*

2009148-3324 Susan Reudgen– failure to renew firm permit on time; *requesting settlement approval for \$250 penalty and lapse in firm permit.*

2010010-3359 Gitlin Campise– late filing of quality review reports/acceptances; *requesting settlement approval for penalty of \$500.*

2010024-3372 Costello & Company– late filing of quality review report/acceptance; *requesting settlement approval for \$250.*

2010042-3391 Rayan Moncrieffe– failure to renew firm permit on time; *requesting settlement approval for \$250 penalty and lapse in firm permit.*

2010043-3392 Mark Coles– failure to renew individual license on time; *requesting settlement approval for \$250 penalty and reinstatement with lapse in license.*

2010047-3396 Steven Kaplan– failure to renew individual license on time; *requesting settlement approval for \$250 penalty and reinstatement with lapse in license.*

2010049-3398 Coren Liang– failure to renew individual license on time; *requesting settlement approval for \$250 penalty and reinstatement with lapse in license.*

2010050-3399 Stephen Musante– failure to renew individual license on time; *requesting settlement approval for \$250 penalty and reinstatement with lapse in license.*

2010053-3403 David Lake– failure to renew individual license on time; *requesting settlement approval for \$250 penalty and reinstatement with lapse in license.*

2010059-3409 Kreinik & Company, LLC– failure to renew firm permit on time; *requesting settlement approval for \$250 penalty and lapse in firm permit.*

Motion made by Philip DeCaprio and seconded by Martha Triplett to approve the settlements in the following cases: 2008021-3137, against the firm of Berry Dunn McNeil & Parker; 2009148-3324, against Ms. Susan Reudgen; 2010010-3359, against Ms. Gitlin Campise; 2010024-3372, against the firm of Costello & Company; 2010042-3391, against Mr. Rayan Moncrieffe; 2010043-3392, against Mr. Mark Coles; 2010047-3396, against Mr. Steven Kaplan; 2010049-3398, against Ms. Coren Liang; 2010050-3399, against Mr. Stephen Musante; 2010053-3403, against Mr. David Lake; 2010059-3409, against the firm of Kreinik & Company, LLC. All voted in favor; no votes against and no abstentions.

B. RECOMMENDING DISMISSAL

2009030-3202 Robert Pfrommer– performing discreditable acts; Mr. Pfrommer has been providing his office as the meeting location for Joseph Reilly and his clients. Mr. Reilly's clients believed that Mr. Reilly was a licensed CPA; he has not held a CPA license since 1991. The clients have stopped in repeatedly attempting to retrieve tax records because Mr. Reilly has not completed their returns as he has possession of all their supporting documents. Mr. Pfrommer says that Mr. Reilly is very difficult to reach on the phone because he doesn't clear his voice mail (which has been full since November). He states that he did not know that any of the clients thought that Mr. Reilly was a CPA and he has attempted to have Mr. Reilly contact the Board. *Recommending dismissal– no violation/no probable cause.*

2009117- 3291 David Purdy– failure to return records; Leslie Mitchell complained that Mr. Purdy's estate refused to tell him the location of his files or return any of his records. A Board subpoena was served on the estate. The estate's attorney called and wrote in response to the subpoena stating a notice that went out in September asking all clients to retrieve records. Mr. Mitchell picked up his records at that time. *Recommending dismissal– complaint is moot.*

2009118-3334 Eric Zielinsky– failure to return records; Mr. Zielinsky purchased part of the client list from Mr. Purdy’s estate. None of the complaining entities were part of the purchase and sale agreement and he never had custody of any records of those entities. Counsel reviewed the agreement and his statements are true. His agreement to purchase part of the client list was specific to a small number of clients and none of them meet the criteria for response to the subpoena. ***Recommending dismissal– no violation/no probable cause.***

2009127-3301 Thomas Rich, CPA– failure to undergo and report quality review; Mr. Rich submitted the appropriate quality review waiver paperwork. He is not performing and has not performed any attest work. ***Recommending dismissal– no violation/no probable cause.***

2009141-3317 Scott Bower– failure to renew in 2009; Mr. Bower was not practicing in Connecticut in 2009 or thus far in 2010. He is not required to hold a CPA license but wishes to reinstate. He has submitted a notarized affidavit stating that he has not used the title CPA or practiced public accountancy in the State of Connecticut since December 31, 2008 (when he last held a Connecticut CPA license). ***Recommending dismissal– no violation/no probable cause.***

2009165-3343 David Devin– fraudulent billing; Mr. Devin and his clients, the Papas, did not have a clear arrangement regarding fees for services for business and individual tax work. The first bill submitted was \$6,000 over what the clients had been paying their previous CPA and did not include an itemization of the work or the fees. The parties worked out a satisfactory solution among themselves. ***Recommending dismissal– no violation/no probable cause.***

2009166-3344 Paul Depietro– failure to provide investment advice/tax implication information John Morgan complains that Mr. Depietro was responsible for advising him regarding his removal of monies from an IRA which he deposited in a savings account resulting in income recognition for the year. Mr. Depietro states that he was not informed about the plan to place the IRA into a savings account until after it happened or he would have given his client a “heads up” regarding the tax implications of the transaction even though that was not part of his engagement. ***Recommending dismissal– no violation/no probable cause.***

Motion was made by Philip DeCaprio and seconded by Martha Triplett to dismiss the following enforcement cases: 2009030-3202, against Mr. Robert Pfrommer; 2009117-3291, against Mr. David Purdy; 2009118-3334, against Mr. Eric Zielinsky; 2009127-3301, against Mr. Thomas Rich; 2009141-3317, against Mr. Scott Bower; 2009165-3343, against Mr. David Devin; 2009166-3344, against Mr. Paul Depietro. All voted in favor; no votes against and no abstentions.

A Motion was made by Michael Weinshel and seconded by Philip DeCaprio to adjourn the March 02, 2010 Board Meeting of the Connecticut State Board of Accountancy at 09:36 A.M. All voted in favor; no votes against and no abstentions.