

Accountancy Board of Ohio
Minutes of Board Meeting February 7, 2020

The Accountancy Board of Ohio (Board) met on February 7, 2020 in Room West B & C on the 31st floor of the Vern Riffe Center for Government and the Arts, 77 South High Street, Columbus, Ohio with the following members present: Margaret Gilmore, CPA (Chair), Kenya Watts, CPA (Vice-Chair), James Redmond, CPA (Secretary), Michael Guinigundo, CPA (Immediate Past Chair), Gerald Weinstein, CPA (Member), John Soucie, CPA (Member), Scott Blake (Public Member) and Brendan Fitzgerald, CPA (Member).

Representing the Board staff was John E. Patterson, Executive Director, Tracey F. Fithen, Assistant Executive Director and Donna M. Oklok, Investigations Supervisor. Board counsel present was Jahan S. Karamali, Esq., representing the office of the Attorney General. Charlene Nortey, Board Investigator also was present.

Present in the audience was Laura Hay, Executive Vice President of the Ohio Society of Certified Public Accountants (OSCPA), Trista Turley-Martin, Esq. from the office of the Attorney General, and David Dennis, CPA were in attendance, along with the Board staff.

Ms. Gilmore called the meeting to order at 10:00 a.m. and opened the meeting with the Pledge of Allegiance. She then welcomed the guests in the audience. Mr. Patterson recognized the Board staff for their work during the 2019 renewal cycle and introduced new Board investigator, Sarah Sarnowski. Mr. Patterson also stated a new administrative assistant had been hired and would be starting soon.

DISCIPLINARY HEARING: ROGER D. BUSH / BUSH & ASSOCIATES, CPAs (Goldman)

Ms. Gilmore opened a disciplinary hearing at 10:03 a.m. pursuant to Chapter 119 of the Revised Code. The Board charged Mr. Bush with a violation of section 4701.16 (A)(9) and (A)(11), concerning failure of a public accounting firm to obtain a firm registration; and failure of a public accounting firm to comply with section 4701.04 of the Revised Code. Mr. Bush was not in attendance.

Ms. Karamali did not give an opening statement but called Ms. Nortey as a witness to testify to the Board's investigation. Ms. Nortey was questioned by the Board. Ms. Karamali introduced State's exhibits A, 1 through 11; B, 1 through 4; and C, 1 through 3.

The Board admitted into evidence all exhibits. Ms. Karamali gave a closing statement. Ms. Gilmore concluded the hearing.

DISCIPLINARY HEARING: ANDRE P. LASALLE, CPA (Goldman)

Ms. Gilmore opened a disciplinary hearing at 10:15 a.m. pursuant to Chapter 119 of the Revised Code. The Board charged Mr. LaSalle with a violation of section 4701.16 (A)(3), (A)(9) and (A)(11), concerning violation of any provisions of section 4701.14 of the Revised Code; failure

of a public accounting firm to obtain a firm registration; and failure of a public accounting firm to comply with section 4701.04 of the Revised Code. Mr. LaSalle was in attendance.

Ms. Karamali did not give an opening statement but called Ms. Oklok as a witness to testify to the Board's investigation. Ms. Oklok was questioned by the Board. Ms. Karamali introduced State's exhibits A, 1 through 13; and B, 1 through 14.

The Board admitted into evidence all exhibits. Ms. Karamali gave a closing statement. Ms. Gilmore concluded the hearing.

The Board permitted Mr. LaSalle to address the Board after the conclusion of the hearing.

DISCIPLINARY HEARING: DARRELL CAREY / CAREY & ASSOCIATES, CPA (Goldman)

Ms. Gilmore opened a disciplinary hearing at 10:30 a.m. pursuant to Chapter 119 of the Revised Code. The Board charged Mr. Carey with a violation of section 4701.16 (A)(3), (A)(9) and (A)(11), concerning violation of any provisions of section 4701.14 of the Revised Code; failure of a public accounting firm to obtain a firm registration; and failure of a public accounting firm to comply with section 4701.04 of the Revised Code. Mr. Carey was not in attendance.

Ms. Karamali did not give an opening statement but called Ms. Oklok as a witness to testify to the Board's investigation. Ms. Oklok was questioned by the Board. Ms. Karamali introduced State's exhibits A, 1 through 30; B, 1 through 5; and C, 1 through 16.

The Board admitted into evidence all exhibits. Ms. Karamali gave a closing statement. Ms. Gilmore concluded the hearing.

DISCIPLINARY HEARING: DAVID J. MIDDENDORF (Goldman)

Ms. Gilmore opened a disciplinary hearing at 10:45 a.m. pursuant to Chapter 119 of the Revised Code. The Board charged Mr. Middendorf with a violation of section 4701.16(A)(5), of the Ohio Revised Code for conviction of a felony under the laws of any state or of the United States. Mr. Middendorf was not in attendance.

Ms. Karamali did not give an opening statement but called Ms. Oklok as a witness to testify to the Board's investigation. Ms. Oklok was questioned by the Board. Ms. Karamali introduced State's exhibits A, 1 through 8; and B, 1 through 27.

The Board admitted into evidence all exhibits. Ms. Karamali gave a closing statement. Ms. Gilmore concluded the hearing.

REQUEST FOR WAIVER OF LATE FEES

ERIC LIN

Mr. Lin requested a waiver of the \$300 late fee due to non-renewal of his Ohio registration.

MICHAEL DIX

Mr. Dix requested a waiver of the \$400 fine due to non-compliance with the Board's annual CPE credit requirement.

LONNIE SLOAN

Mr. Sloan requested a waiver of the \$1,200 late fee due to non-renewal of his Ohio permit.

SEAN KWIAT

Mr. Kwiat requested a waiver of the \$50 late fee due to non-renewal of his Ohio registration.

MARYANN BOYER

Ms. Boyer requested a waiver of the \$370 fine due to non-compliance with the Board's annual CPE credit requirement.

GEOFFREY FARMER

Mr. Farmer requested a waiver of the \$400 fine due to non-compliance with the Board's annual CPE credit requirement.

CAMERON STALF

Mr. Stalf requested a waiver of the \$130 fine due to non-compliance with the Board's annual CPE credit requirement.

CATRINA LATTEN

Ms. Latten requested a waiver of the \$160 fine due to non-compliance with the Board's annual CPE credit requirement.

PAMELA SAGANICH

Ms. Saganich requested a waiver of the \$50 late fee due to non-renewal of her Ohio permit.

FRANK HOTLOSZ

Mr. Hotlosz requested a waiver of the \$135 fine due to non-compliance with the Board's annual CPE credit requirement.

JAMES PETERS

Mr. Peters requested a waiver of \$400 late/back fees due to non-renewal of his Ohio registration.

ROBERT FUHRMANN

Mr. Fuhrmann requested a waiver of the \$105 fine due to non-compliance with the Board's annual CPE credit requirement.

TAMMIE RICHEY

Ms. Richey requested a waiver of the \$100 late fee due to non-renewal of her Ohio permit.

PAUL HOAG

Mr. Hoag requested a waiver of the \$200 late fee due to non-compliance with the Board's annual CPE credit requirement.

REQUESTS FOR RECONSIDERATION

Martin Logies: Mr. Logies requested the Board review Mr. Patterson's decision to close complaint against Troyer & Associates, CPAs.

QUASI-JUDICIAL DELIBERATIONS

Upon Ms. Gilmore's direction, the Board went into quasi-judicial deliberations to discuss the formal hearings, requests for waivers of late fees, and requests for reconsideration. After discussion, the Board returned to general session.

BOARD DECISIONS

Roger D. Bush / Bush & Associates, CPA (Case #2019-7639)

Upon the motion by Board Secretary Mr. Redmond, and seconded by Mr. Fitzgerald, the Board voted to revoke the CPA certificate of Mr. Bush and the firm registration of Bush & Associates, CPA, but stay the revocation pending completion of the following conditions by March 31, 2020:

- (1) Payment of a fine of \$2,000;
- (2) Completion and submission of three credits of continuing professional education in professional standards and responsibilities, approved by the Board and specific to Ohio laws and Board rules; and
- (3) Payment of all firm registration fees and late fees.

Motion carried 8-0 on a roll call vote.

Andre P. LaSalle, CPA (Case #2019-10435)

Upon the motion by Board Secretary Mr. Redmond, and seconded by Mr. Guinigundo, the Board voted to revoke the CPA certificate of Mr. LaSalle and the firm registration of Andre P. LaSalle, CPA, but stay the revocation pending completion of the following conditions:

- (1) Payment of a fine of \$1,000;
- (2) Submission of a letter of acceptance showing completion of an approved peer review;
- (3) Completion and submission of three credits of continuing professional education in professional standards and responsibilities, approved by the Board and specific to Ohio laws and Board rules; and
- (4) Payment of all firm registration fees and late fees.

Motion carried 8-0 on a roll call vote.

Darrell Carey / Carey & Associates, CPAs (Case #2019-10348)

Upon the motion by Board Secretary Mr. Redmond, and seconded by Ms. Watts, the Board voted to revoke the CPA certificate of Mr. Carey and the firm registration of Carey & Associates, CPAs, but stay the revocation pending completion of the following conditions:

- (1) Payment of a fine of \$1,000;
- (2) Submission of a letter of acceptance showing completion of an approved peer review;
- (3) Completion and submission of three credits of continuing professional education in professional standards and responsibilities, approved by the Board and specific to Ohio laws and Board rules; and
- (4) Payment of all firm registration fees and late fees.

Motion carried 8-0 on a roll call vote.

David J. Middendorf (Case #2019-9561)

Upon the motion by Mr. Redmond and seconded by Mr. Weinstein, the Board voted to revoke the CPA certificate of Mr. Middendorf.

Motion carried 8-0 on a roll call vote.

LATE FEE WAIVER REQUEST DECISIONS

Upon the motion by Mr. Redmond and seconded by Mr. Blake, the Board voted to approve the request for waiver of the CPE non-compliance fine for MaryAnn Boyer.

Motion carried 6-2 on a roll call vote.

Upon the motion by Mr. Redmond and seconded by Mr. Blake, the Board voted to deny the requests for waiver of the late filing fee for Eric Lin, Lonnie Sloan, Sean Kwiat, Pamela Saganich, James Peters, and Tammie Richey; and requests for waiver of deficient CPE fines of Michael Dix, Geoffrey Farmer, Cameron Stalf, Catrina Latten, Frank Hotlosz, Robert Fuhrmann, and Paul Hoag.

Motion carried 8-0 on a roll call vote.

REQUEST FOR RECONSIDERATION DECISION

Upon motion from Mr. Blake and seconded by Mr. Redmond, the Board voted 8-0 to take no action regarding the request for reconsideration submitted by Mr. Logies.

EXECUTIVE DIRECTOR'S REPORT

Mr. John E. Patterson, Executive Director of the Board spoke regarding NASBA's focus questions and noted the evolution of the CPA exam may eliminate the written communication and state/local tax section and include as of July 2021 Excel and data analytics. He stated that a timeline is important in order to notify educators of these upcoming changes. Mr. Patterson reviewed upcoming agenda items for 2020, including addressing audit issues, especially in cases of a second failed peer review. He also stated that the Board should review the GMAT score requirement and determine if the minimum score of 620 should be increased to 720. Mr. Patterson also pointed out that he expects to see an increase in requests for CPA exam window. due to impending legislation reducing the education required prior to sitting for the exam.

INFORMATION REPORTS AND UPDATES

Budget and Financial Report

Ms. Fithen stated that budget expenditures are steady, and revenues are above expenditures due to moneys coming in through renewal fees.

Education Assistance Report

Ms. Fithen reported that disbursements for education assistance funds are in line with last year, going into the spring semester of the year.

Ms. Fithen updated the Board regarding notification of education assistance recipients who have yet to sit for the CPA exam within two years of receiving funds. The Board asked that a second letter be sent to those who have yet to respond and begin the process of outreach to the Attorney General's office regarding recovery of money for those who are not compliant with scholarship requirements.

Rules Update

Ms. Oklok, investigations supervisor, reviewed the upcoming rule revisions to OAC 4701-3-06, 4701-2, 4701-13, and 4701-17 and requested approval of the proposed rules so that they may be filed with the governor's office and opened for stakeholder review. The Board approved this request.

Investigative Update

Ms. Oklok reported that 490 complaints were opened during the 2019 renewal period related to failure to meet annual CPE minimum credit requirements, with \$63,436 collected to date. Fifty-nine of these complaints remain open, with \$9,107 pending payment. A total of 1,140 renewing licensees were selected for CPE verification, and all those who were due to report CPE based on previous disciplinary action have been notified as well. Regarding attest firms, Mr. Oklok stated 19 firms remain out of compliance, and six have been issued notices of opportunity for hearing. Three firms are in the peer review process, and two are in the process of moving to non-attest status. Firms who are not in compliance with licensing requirements by February 14, 2020 will be issued a notice of opportunity for hearing that day.

Approval of the December 2-3, 2019 Board Meeting Minutes

Upon motion by Mr. Fitzgerald, seconded by Mr. Blake, the Board voted to approve as corrected the minutes of the December 2-3, 2019 meeting. Motion carried 8-0.

OLD BUSINESS

Status of Past Hearings

Assistant Attorney General, Ms. Karamali, reported that there have been no appeals of the Board's actions.

Mr. Patterson stated that changes to the CPA exam will make the exam more challenging, noting the last time the exam was updated the number of candidates decreased by ten percent. Ms. Watts reported that in her NASBA committee role, the exam would remain the same length, with an option to select a subject of concentration, with the other three sections of the exam completed by all candidates.

NEW BUSINESS

None.

CHAIR'S REPORT

Committee assignments have been made, and if any member wishes to change committees, they can make a request.

SUMMARY OF BOARD REQUESTS

Mr. Patterson noted that the Board requested a second letter be sent to scholarship recipients to notify them of the requirement to sit for the CPA exam, and the rule revisions as approved will be submitted to CSI and opened for public comment.

Upon motion by Mr. Guinigundo and seconded by Ms. Watts, the Board voted 8-0 to adjourn.

Margaret A. Gilmore, Chair

James B. Redmond, Secretary