

Accountancy Board of Ohio
Minutes of Board Meeting June 1, 2018

The Accountancy Board of Ohio (Board) met on June 1, 2018 in Rooms West B & C, 31st floor of the Riffe Center, Columbus, with the following members present: James Gottfried, CPA (Chair), James Gero, CPA (Immediate Past Chair), Michael Guinigundo, CPA (Vice-Chair), Margaret Gilmore, CPA (Secretary), Kenya Watts, CPA (Member), James Redmond, CPA (Member), John Soucie, CPA (Member), and Gerald Weinstein, 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 Keith O’Korn, Esq., representing the office of the Ohio Attorney General.

Present in the audience was Laura Hay, Executive Vice President, and Barbara Benton, Vice President of Governmental Affairs, of the Ohio Society of Certified Public Accountants (OSCPA). David Dennis, CPA was also present.

Mr. Gottfried called the meeting to order at 9:59 a.m., and opened the meeting with the Pledge of Allegiance. Mr. Gottfried also welcomed the guests in the audience, and Mr. Patterson took a moment to recognize Board staff for their hard work during eLicense implementation.

FORMAL HEARING: LOUIS H. STACHOWICZ / CULKAR STACHOWICZ, CPAs

Mr. Gottfried opened a disciplinary hearing at 10:02 a.m. pursuant to Chapter 119 of the Revised Code. The Board charged Mr. Stachowicz with a violation of 4701.16(A)(9) & (11), concerning failure of a holder of a CPA certificate or PA registration to obtain an Ohio permit or an Ohio registration, or the 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. Stachowicz was in attendance and was not represented by counsel.

Mr. O’Korn gave an opening statement, and introduced State’s Exhibit(s) A, 1 through 9; and B, 1 through 37. Mr. Stachowicz gave a statement and introduced Respondent’s Exhibit 1, (1). Mr. Stachowicz was questioned by the Board.

The Board admitted into evidence all exhibits. Mr. Gottfried concluded the hearing.

FORMAL HEARING: STEVEN D. TROUTMAN, CPA (GOLDMAN)

Mr. Gottfried opened a disciplinary hearing at 10:23 a.m. pursuant to Chapter 119 of the Revised Code. The Board charged Mr. Troutman with a violation of section 4701.16(A)(5) of the Revised Code, concerning conviction of a felony under the laws of any state or of the United States. Mr. Troutman was not in attendance.

Mr. O’Korn gave an opening statement, and called Ms. Charlene Nortey, Board Investigator, as a witness. Mr. O’Korn called John Patterson, Executive Director, to testify to the accuracy of the records of the Board, and introduced State’s Exhibit A, 1 through 6, and B, 1 through 6. Mr. O’Korn made a closing statement.

The Board admitted into evidence all exhibits. Mr. Gottfried concluded the hearing.

FORMAL HEARING: EDWARD J. RICHARDSON, JR. (GOLDMAN)

Mr. Gottfried opened a disciplinary hearing at 10:34 a.m. pursuant to Chapter 119 of the Revised Code. The Board charged Mr. Richardson with a violation of section 4701.16(A)(8) of the Revised Code, concerning suspension or revocation of the right to practice before any state or federal agency. Mr. Richardson was not in attendance.

Mr. O’Korn gave an opening statement, and called Ms. Charlene Northey, Board Investigator, as a witness. Mr. O’Korn called John Patterson, Executive Director, to testify to the accuracy of the records of the Board, and introduced State’s Exhibit A, 1 through 9, and B, 1 through 37. Ms. Northey was questioned by the Board. Based on the testimony of Ms. Northey and Mr. Patterson, Mr. O’Korn recommended the hearing be continued until service of notice has been perfected.

Upon motion by Mr. Gottfried, the Board voted 8-0 to continue the hearing until service can be perfected. Mr. Gottfried concluded the hearing.

FORMAL HEARING: JOHN E. STRANGE (GOLDMAN)

Mr. Gottfried opened a disciplinary hearing at 10:34 a.m. pursuant to Chapter 119 of the Revised Code. The Board charged Mr. Strange with a violation of section 4701.16(A)(7) of the Revised Code, concerning cancellation, revocation, suspension, or refusal to renew authority to practice as a certified public accountant, a public accountant, or a public accounting firm by any other state, for any cause other than failure to pay registration fees in that other state. Mr. Strange was not in attendance.

Mr. O’Korn gave an opening statement, and called Ms. Charlene Northey, Board Investigator, as a witness. Mr. O’Korn called John Patterson, Executive Director, to testify to the accuracy of the records of the Board, and introduced State’s Exhibit A, 1 through 6, and B, 1 through 6. Mr. O’Korn made a closing statement.

The Board admitted into evidence all exhibits. Mr. Gottfried concluded the hearing.

REQUEST FOR WAIVER OF LATE FEES

JOSEPH MARGINIAN

Mr. Marginian requested a waiver of the \$200 late fee due to non-renewal of his Ohio registration.

WOON (SERENA) TOH

Ms. Toh requested a waiver of the \$200 late fee due to non-renewal of her Ohio registration.

DUANE L. DONALDSON

Mr. Donaldson requested a waiver of the \$550 late fee due to non-renewal of his Ohio permit.

TABITHA B. ANDERSON

Ms. Anderson requested a waiver of the \$100 fee due to late payment of her initial licensing fee.

JEFFERY E. BROOKS

Mr. Brooks requested a waiver of the \$500 late fee due to non-renewal of his Ohio permit.

QUASI-JUDICIAL DELIBERATIONS

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

BOARD DECISIONS

Louis H. Stachowicz / Culkar Stachowicz, CPAs (Case #2018-39)

Upon the motion by Ms. Gilmore, and seconded by Mr. Gero, the Board voted to defer action on this hearing until the July 20, 2018 Board meeting.

Motion carried 8-0 on a roll call vote.

Steven D. Troutman (Case #2018-51)

Upon the motion by Ms. Gilmore, and seconded by Mr. Gero, the Board voted to revoke the CPA certificate of Mr. Troutman. He may not apply for reinstatement of his CPA certificate and firm registration prior to full compliance with all requirements of the Common Pleas Court of Montgomery County, Ohio related to the felony conviction at issue in this case.

Motion carried 8-0 on a roll call vote.

John E. Strange (Case #2018-60)

Upon the motion by Ms. Gilmore, and seconded by Mr. Gero, the Board voted to revoke the CPA certificate of Mr. Strange. He cannot apply for reinstatement until after his Kentucky CPA certificate has been reinstated.

Motion carried 8-0 on a roll call vote.

LATE FEE WAIVER REQUESTS

Upon the motion by Ms. Gilmore and seconded by Mr. Weinstein, the Board voted to deny the requests for waiver for Joseph Marginian, Serena Toh, Duane Donaldson, Tabitha Anderson, and Jeffery Brooks.

Motion carried 8-0 on a roll call vote.

REQUEST FOR RECONSIDERATION

Mr. Patterson discussed the closed case review of Kimberly A. Hensley, CPA, submitted by Susan Davenport. The Board voted 8-0 to take no action.

EXECUTIVE DIRECTOR'S REPORT

Mr. Patterson addressed the revenue and expense report, and the operating budget is in good shape. The educational assistance fund will require more funding due to the number of applicants, and in the future, the Board may need to restrict award amounts or increase revenues into the fund. Mr. Patterson asked the Board to discuss at the July meeting and make a recommendation as to how to proceed. NASBA has entered into a mutual recognition agreement with Australia at this time, Mr. Patterson remarked. Mr. Patterson noted he will be speaking at the Dayton CPA solo practitioner group on June 21; attending the ACAP meeting on June 22, and invited Board members to attend this meeting as well. Mr. Gottfried and Mr. Patterson will meet with Thomas Calderone at University of Akron to discuss the September Board meeting at the University. Mr. Patterson requested one or two Board members speak at the September meeting, and at the October meeting as well, to speak to the students about the first year of being a CPA. A Facebook page will be created for the Accountancy Board of Ohio, to get more students interested and attending the college meetings in September and October. Mr. Patterson passed around a thank you letter from former board member Adriana Sfalcin.

INFORMATION REPORTS AND UPDATES

Budget/Financial Update/Annual Report

Education Assistance Report

Investigations Report

Rules Update

Ms. Oklok reported that rule 4701-11-07, Board communications has been requested.

Approval of April 27, 2018 Board Meeting Minutes

Upon motion by Mr. Guinigundo and seconded by Mr. Redmond, the Board voted 7-0-1 to approve the minutes of the April 27, 2018 Board meeting.

OLD BUSINESS

Status of Past Hearings

EXECUTIVE SESSION

Keith O’Korn, Assistant Attorney General, was in attendance to discuss impending legal issues in the Fidler appeal. Mr. Gottfried called for a roll call vote to go into Executive Session regarding pending legal action with the Board pursuant to Ohio Revised Code 121.22(G). Ms. Gilmore moved, and Mr. Guinigundo seconded. Roll call vote was Mr. Gero, yes; Ms. Gilmore, yes; Mr. Guinigundo, yes; Mr. Redmond, yes; Mr. Soucie, yes; Ms. Watts, yes; Mr. Weinstein, yes; Mr. Gottfried, yes.

After returning from executive session, Mr. Gottfried stated no action was required resulting from the discussion during the executive session.

NEW BUSINESS

Disciplinary Advisory Committee

Mr. Gottfried opened a meeting of the Disciplinary Advisory Committee at 12:41 p.m. to discuss matters before it. The members of the committee in attendance were James Redmond, Chair; and John Soucie. Mr. Redmond asked Ms. Oklok to report on peer review compliance and CPE verification. The eLicense upgrade has pushed CPE verification back, but progress is being made; and although the number of attest firms who had compliance issues was double from recent years, those firms have been able to return to good standing and the Board will handle approximately the same number of hearings. Ms. Laura Hay of the OSCP spoke about the AICPA/OSCPA professional ethics activities. She noted the AICPA and OSCP review technical documents in the course of their investigations, and recommend sanctions based on their analysis. Mr. Guinigundo stated the NASBA enforcement committee is partnering with the Department of Labor to try to get information on non-member and “bad apple” violations. Mr. Patterson stated that other states’ Board structures allow for disciplinary action based on a technical review, but those states have large budgets and staff to hire technical reviewers, expert witnesses, hearing panels, etc. However, Mr. Patterson notes this Board’s statutes and rules contain avenues under which they may act under inquiry. Ms. Hay stated that the Board has been following its statutes and rules with regard to these firms.

Ms. Oklok initiated discussion about the disposition of those licensees whose credentials are not current, and who had submitted a retirement affidavit in lieu of renewing their license. The committee voted, upon motion of Mr. Redmond, to recommend these licensees be allowed to permanently retire via affidavit. The Board voted 8-0 in agreement.

The committee concluded its meeting at 1:17 p.m.

CHAIR’S REPORT

Mr. Gottfried stated there is a dinner scheduled during the NASBA meeting next week. Mr. Gottfried commented on the computer-based testing committee meeting he attended, where NASBA unveiled plans to open new testing centers, specifically in Europe and India. The next Board meeting is July 20, with the educational assistance and finance/audit committees scheduled to meet.

SUMMARY OF BOARD REQUESTS

None.

ADJOURNMENT

Upon motion by Ms. Weinstein and seconded by Ms. Watts, the Board voted to adjourn.

Motion carried 8-0.

JAMES D. GOTTFRIED, CHAIR

MARGARET A. GILMORE, SECRETARY