The Accountancy Board met on July 10, 2015 in Room East B 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: Michael Comer, CPA (Chair), James Carroll, CPA (Vice-Chair), Robert Fay, CPA (Immediate Past Chair), W. Michael Fritz, CPA (Past Chair), James Gottfried, CPA (Member), Michael Guinigundo, CPA (Member), Margaret Gilmore, CPA (Member) and Adriana Sfalcin (Public Member). James Gero, CPA (Secretary) was not present.

Representing the Board staff was John E. Patterson, Executive Director, Tracey F. Fithen, Assistant Executive Director and Nick Chucales, Investigative Supervisor. Board counsel present was Rachel Huston, Esq., representing the office of the Attorney General.

Present in the audience was Laura Hay, Executive Vice President of the Ohio Society of Certified Public Accountants (OSCPA), Gary D. Zeune, Managing Director of “The Pros & The Cons, LLC.”

Mr. Comer called the meeting to order at 10:00 a.m., and welcomed the guests in the audience. Mr. Comer opened the meeting with the Pledge of Allegiance.

FORMAL HEARINGS

Formal Hearing: Terry Mack, CPA/Mack & Mack, CPAs (Case# 2015-50)

Mr. Comer opened a disciplinary hearing at 10:00am, pursuant to Chapter 119 of the Ohio Revised Code. The Board charged Terry Mack and his Firm, Mack & Mack, CPAs, with violation of sections 4701.16(A) (1) and (11); of the Revised Code, concerning failure to comply with firm registration requirements. Mr. Mack was present and was not represented by legal counsel. Mr. Mack was advised of his right to obtain legal counsel and elected to proceed without representation. The Board was represented by Ohio Assistant Attorney General, Rachel Huston.

During the hearing Ms. Huston called Accountancy Board Investigator Jenny Kochensparger as a witness and introduced State’s Exhibit A, 1 through 9 and Exhibit B, 1 through 10. The State’s Exhibits were admitted as evidence. Ms. Mack presented his reasons for failing to have a peer review completed. Both parties were given the opportunity to present closing arguments and the hearing was concluded by Mr. Comer.

Formal Hearing: Faye J. Reiff, CPA (Case# 2015-58)

Mr. Comer opened a disciplinary hearing at 10:27am, pursuant to Chapter 119 of the Ohio Revised Code. The Board charged Faye J. Reiff with violation of sections 4701.16(A) (1); of the Revised Code, concerning fraud and deceit in obtaining an Ohio permit; specifically 4701-15-03 continuing education reporting. Ms. Reiff was present and was not represented by legal counsel. Ms. Reiff was advised of her right to obtain legal counsel and elected to proceed without representation. The Board was represented by Ohio Assistant Attorney General, Rachel Huston.

During the hearing Ms. Huston called Accountancy Board Investigator Jenny Kochensparger as a witness and introduced State’s Exhibit A, 1 through 11 and Exhibit B, 1 through 19. The State’s Exhibits were admitted as evidence. Ms. Reiff presented her reason for not having the required CPE credits. Both parties were given the opportunity to present closing arguments and the hearing was concluded by Mr. Comer.
Formal Hearing: Anthony Pizza, CPA/Pizza & Pizza, CPA (Case# 2015-49) (Goldman Hearing)

Mr. Comer opened a disciplinary hearing at 10:44am, pursuant to Chapter 119 of the Ohio Revised Code. The Board charged Anthony Pizza and his firm, Pizza & Pizza CPA, with violation of section 4701.16(A) (1) and (11); of the Revised Code, concerning failure to comply with firm registration requirements. Mr. Pizza was present and was not represented by legal counsel. Mr. Pizza was advised of his right to obtain legal counsel and elected to proceed without representation. The Board was represented by Ohio Assistant Attorney General, Rachel Huston.

During the hearing Ms. Huston called Accountancy Board Investigator, Jenny Kochensparger, as a witness and introduced State’s Exhibit marked as Exhibit A, 1 through 7 and Exhibit B, 1 through 9. The State’s Exhibits were admitted as evidence. This was a Goldman Hearing; as a result Mr. Pizza was not permitted to address the Board until the conclusion of the hearing.

At the conclusion of the hearing Mr. Pizza was permitted to address the Board and answer any questions they had regarding the matter. Closing arguments were presented and the hearing was concluded by Mr. Comer.

Formal Hearing: Jonathan D. Davey, CPA (Case# 2013-24) (Goldman Hearing)

Mr. Comer opened a disciplinary hearing at 11:01am, pursuant to Chapter 119 of the Ohio Revised Code. The Board charged Jonathan Davey with 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. Davey was not present for the hearing and was not represented by legal counsel. Mr. Davey was advised of his right to obtain legal counsel and elected to proceed without representation. The Board was represented by Ohio Assistant Attorney General, Rachel Houston.

During the hearing Ms. Huston called Mr. Patterson to authenticate the documents, introduced as State’s exhibit marked as Exhibit A, 1 through 3 and Exhibit B, 1 through 12. The State’s Exhibits were admitted as evidence. Closing arguments were presented and the hearing was concluded by Mr. Comer.

Request for Waiver of Late Fees or Renewal Fee Refund

David B. Wilson requested a waiver of $100 of the $150 he submitted for his 2015 – 2017 individual license renewal, which he retired his license June 10, 2015.

Christopher J, Haught requested a waiver of the $300 late fee submitted with his late renewal application received by the Board on June 8, 2015.

Executive Director’s Report

Mr. John E. Patterson, Executive Director for the Accountancy Board, reported that he and Tracey Fithen, Assistant Executive Director for the Accountancy Board, attended the ACAP banquet on June 19, 2015. In addition, Mr. Patterson provided an update on the report the Board received from NASBA regarding firms that had performed audits for the US Department of Labor (DOL). The Board has been very proactive in investigating and disciplining firms that were out of compliance when the audits were completed.
Approval of the June 12, 2015 Board Meeting Minutes

Upon motion by Mr. Comer, seconded by Ms. Sfalcin, the Board voted unanimously to approve the minutes of the June 12, 2015 Board Meeting. Motion carried 8-0.

INFORMATION REPORTS AND UPDATES

Budget and Financial Report

Tracey Fithen, Assistant Executive Director for the Accountancy Board, reported that the Board had a remainder of approximately $76,000 not spent in the fiscal year end; this was mainly due to staff vacancies.

Rules Update – Approval of Chapter 4701-17

Elisabeth Newell, Education Assistance Secretary for the Accountancy Board, provided the Board with a general overview of expenditures/commitments for the Education Assistance Fund ending Fiscal Year 2015.

Investigative Update

Nick Chucales, Investigative Supervisor, updated the Board on the status of the investigations regarding the Department of Labor audits conducted by non-attest firms as reported by NASBA. The Board was also provided with an update on attest firms whose peer review were accepted “subject to” additional requirements and their current status. Finally, the board was presented with newly formatted Investigative Report. The new report is more comprehensive than the previous report. The Board approved of the new format and it will be used going forward.

OLD BUSINESS

Status of Past Hearings

Rachel Huston, Assistant Ohio Attorney General, reported that there are 3 cases currently pending in litigation. The matter on two of the cases will be discussed in executive session; the third case is still pending.

NEW BUSINESS

Upon an inquiry from Board Vice Chair, James Carroll; John E. Patterson, Executive Director for the Accountancy Board, updated the Board on the feedback on the new email CPE notice. Mr. Patterson reported that feedback has been very positive and the Board has received over 20 responses asking questions or notifying the Board of a change of address.

Immediate Past Chair, Robert Fay, inquired as to whether the Office Oversight Committee meeting scheduled to meet at the September 4, 2015 Board meeting being held at The Ohio State University, would be better served by rescheduling the committee meeting for the November 6, 2015 Board meeting in order to allow the entire Board staff to be present. It was agreed that the Office Oversight Committee will be moved to the
November 6, 2015 Board Meeting. The Finance & Audit Committee will now meet during the September 4, 2015 Board Meeting.

Mr. Fay also questioned if there would any reduction in the Board Budget for Fiscal Year 2016, Tracey Fithen, Assistant Executive Director for the Accountancy Board, reported that there would be a reduction of approximately 7% for Fiscal Year 2016 and an additional reduction of approximately 3% for Fiscal Year 2017 but she felt that this would not impact Board operations.

Mr. Carroll led a discussion on the consideration of online learning for CPE and whether there should be a limit on the number of hours a licensee can earn online credit. No decision was made at this time.

Mr. Patterson led a discussion on whether the Board should reconsider allowing a candidate to sit for the CPA exam with 120 college credit hours as opposed to the current requirement of 150 college credit hours. No decision was made at this time.

Mr. Patterson led a discussion on modifying Ohio Administrative Code 4701-15-04 (F) regarding the number of hours permitted to be awarded for instructing a classroom program. No decision was made at the time.

Mr. Patterson advised that a representative of the Central Services Agency will be at the November 6, 2015 Board Meeting to allow Board members an opportunity to evaluate Mr. Patterson’s job performance.

CHAIR’S REPORT

Nothing to report at this time.

SUMMARY OF BOARD REQUESTS

No requests from Board members.

BOARD DECISIONS

Late Fee Waiver or Renewal Fee Appeals

Upon the motion by Immediate Past Chair, Robert Fay and seconded by Board Member James Gottfried, the Board voted to deny the appeals of the following licensees for waiver of the late filing fee and/or renewal fee:

- David B. Wilson
- Christopher J. Haught

Motion carried 8-0 on a roll call vote.

Terry Mack, CPA/Mack & Mack, CPAs (Case# 2015-50)

Upon the motion by Board Vice Chair, James Carroll and seconded by Immediate Past Chair, Robert Fay, the Board voted to revoke the CPA certificate of Terry Mack and firm registration of Mack & Mack, CPAs Inc., but stay the revocation subject to the completion of the following conditions by August 31, 2015:
(1) A fine of $1,000.00;
(2) Completion of 6 hours of CPE of Board-approved professional standards and responsibilities courses;
(3) Submission of Ohio permit and firm registration fees, including late and penalty fees (contact the Board office to determine exact fees required).

Additionally, the following condition needs to be met by November 30, 2015:

(4) Completed firm registration requirements and a completed and accepted peer review.

Motion carried 8-0 on a roll call vote.

Faye J. Reiff, CPA (Case# 2015-58)

Upon the motion by Board Vice Chair, James Carroll and seconded by Board Member, Adriana Sfalcin, the Board voted to revoke the CPA certificate of Faye Jeannine Reiff, but to stay the revocation subject to the completion of the following conditions by August 31, 2015:

(1) A fine of $500.00;
(2) Completion of 3 hours of CPE of Board-approved professional standards and responsibilities courses;
(3) Submission of Ohio permit fees, including late fees (contact the Board office to determine exact fees required).
(4) Submission of penalty fee of $5.00 per CPE credit earned in 2015 (120 hours earned in 2015).

Motion carried 8-0 on a roll call vote.

Anthony Pizza, CPA/Pizza & Pizza, CPA (Case# 2015-49)

Upon the motion by Board Vice Chair, James Carroll and seconded by Immediate Past Chair, Robert Fay, the Board voted to revoke the CPA certificate and Firm registration of Anthony Pizza, CPA and the firm Pizza & Pizza, but to stay the revocation subject to the completion of the following conditions by August 31, 2015:

(1) A fine of $2,000.00;
(2) Completion of 6 hours of CPE of Board-approved professional standards and responsibilities courses;
(3) Submission of Ohio permit and firm registration fees, including late and penalty fees (contact the Board office to determine exact fees required).

Additionally, the following condition needs to be met by November 30, 2015:

(4) Completed firm registration requirements and a completed and accepted peer review.

Motion carried 8-0 on a roll call vote.

Jonathan D. Davey, CPA (Case# 2013-24)

Upon the motion by Board Vice Chair, James Carroll and seconded by Immediate Past Chair, Robert Fay, the Board voted to revoke the CPA certificate of Jonathan D. Davey. You may not apply for reinstatement until all court ordered requirements and conditions have been met, including restitution.
Motion carried 8-0 on a roll call vote.

Upon motion by Board Member Adriana Sfalcin and seconded by Board Member Margaret Gilmore the Board voted to adjourn.

Motion carried 8-0.

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Michael S. Comer, Chair               James J. Carroll, Vice Chair