

Accountancy Board of Ohio
Minutes of Board Meeting September 9, 2019

The Accountancy Board met on September 9, 2019 at Miami University's Marcum Conference Center, 951 Withrow Street, Oxford, Ohio, with the following members present: Michael Guinigundo, CPA (Chair), Margaret Gilmore, CPA (Vice-Chair), Kenya Watts, CPA (Secretary), James Gottfried, CPA (Immediate Past Chair), James Redmond, CPA (Member), John Soucie, CPA (Member), Gerald Weinstein, CPA (Member), Brendan Fitzgerald, CPA (Member), and R. Scott Blake (Public 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 A. Karamali, representing the office of the Ohio Attorney General.

Present in the audience was Colleen Conrad, Executive Vice President and Chief Operating Officer, NASBA; Theodore W. Long, Jr., Past Board Chair and past NASBA Chair; W. Michael Fritz, Past Board Chair and current NASBA Board Director and Secretary; Laura Hay, Executive Vice President, and Barbara Benton, Vice President of Government Affairs, of the Ohio Society of Certified Public Accountants (OSCPA). Dr. Andrew B. Reffett, Chair and Professor of Accountancy, Farmer School of Business, Miami University was also present, along with Rick Andrews, Chair and Professor of Accounting at Sinclair Community College. Students from Miami University, University of Dayton, and Sinclair Community College were also in attendance.

Mr. Guinigundo called the meeting to order at 10:00 a.m., and opened the meeting. Mr. Guinigundo introduced and welcomed the guests in the audience.

Dr. Reffett addressed the board regarding Miami University's accounting program and its focus on data analytics and educational coursework to prepare students to meet the challenges of the CPA profession.

Ms. Colleen Conrad, Executive Vice President and Chief Operating Officer, NASBA, spoke to the assembled students and meeting attendees regarding preparing for the CPA exam, the expanded requirements, and CPA Exam Blueprint.

Ms. Laura Hay, Executive Vice President of OSCPAspoke regarding the benefits of membership in a professional association like OSCPAs, and highlighted the various subgroups, including free student membership.

Mr. Guinigundo also invited the Board members to introduce themselves and speak briefly to their background, current areas of practice, and comment on their experience in the CPA profession. The members also answered questions from the audience.

FORMAL HEARING: J. GARY SWORDS / SWORDS & WILLIAMS, CPA

Mr. Guinigundo opened a disciplinary hearing at 11:26 a.m. pursuant to Chapter 119 of the Revised Code. The Board charged Mr. Swords and Swords & Williams, an Ohio public accounting firm, with a violation of sections 4701.16(A)(4) and (A)(11) of the Revised Code, concerning a violation of a rule of professional conduct, specifically 4701-13-11, submission of required peer review reports, and failure of a public accounting firm to comply with section 4701.04 of the Revised Code. Mr. Swords was in attendance, but the firm was not represented by counsel, as required. The hearing proceeded per Ohio case law.

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Ms. Karamali called Ms. Charlene Nortey, Investigator, to testify to the accuracy of the records of the Board, and introduced State's Exhibit A, 1 through 14; B, 1 through 9; and C, 1 through 12.

The Board admitted into evidence all exhibits. Mr. Guinigundo concluded the hearing. The Board then agreed to hear from Mr. Swords following the conclusion of the hearing. Mr. Swords then spoke and was questioned by the Board.

FORMAL HEARING: W. SCOTT MCDORMAN

Mr. Guinigundo opened a disciplinary hearing at 11:51 a.m. pursuant to Chapter 119 of the Revised Code. The Board charged Mr. McDorman with a violation of section 4701.16 (A) (1), concerning fraud and deceit in obtaining a CPA certificate, a PA registration, an Ohio permit, or an Ohio registration. Mr. McDorman was in attendance and was not represented by counsel.

Ms. Karamali gave an opening statement, and called Ms. Charlene Nortey, Investigator, as a witness to testify to the Board's investigation. Ms. Karamali also introduced State's exhibits A, 1 through 14; b, 1 through 6, C, 1 through 6, and D, 1 through 6. Mr. McDorman spoke and was questioned by the Board.

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

FORMAL HEARING: CYRIL J. WYCHE (GOLDMAN)

Mr. Guinigundo opened a disciplinary hearing at 12:38 p.m. pursuant to Chapter 119 of the Revised Code. The Board charged Mr. Wyche with a violation of section 4701.16(A)(4) of the Revised Code, concerning violation of a rule of professional conduct, specifically 4701-11-07, Board communications. Mr. Wyche was in attendance.

Ms. Karamali gave an opening statement, and called Ms. Charlene Nortey, Investigator, as a witness to testify to the Board's investigation. Ms. Karamali also introduced State's Exhibit A, 1 through 7; and B, 1 through 9.

The Board admitted into evidence all exhibits. Mr. Guinigundo concluded the hearing. The Board then agreed to hear from Mr. Wyche following the conclusion of the hearing. Mr. Wyche then spoke and was questioned by the Board.

FORMAL HEARING: BRIDGET A. BRUBECK (GOLDMAN)

Mr. Guinigundo opened a disciplinary hearing at 12:50 p.m. pursuant to Chapter 119 of the Revised Code. The Board charged Ms. Brubeck with a violation of section 4701.16(A)(1) and (A)(4) of the Revised Code, concerning fraud and deceit in obtaining an Ohio permit and violation of a rule of professional conduct, specifically 4701-15-12, continuing education verification. Ms. Brubeck was not in attendance.

Ms. Karamali gave an opening statement, and called Ms. Charlene Nortey, Investigator, as a witness to testify to the Board's investigation. Ms. Karamali also introduced State's Exhibit A, 1 through 13; and B, 1 through 8.

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

FORMAL HEARING: JEFFREY P. BUTTELWERTH (Goldman)

Mr. Guinigundo opened a disciplinary hearing at 1:01 p.m. pursuant to Chapter 119 of the Revised Code. The Board charged Mr. Buttelwerth 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. Buttelwerth was not in attendance.

Ms. Karamali gave an opening statement, and called Ms. Charlene Nortey, Investigator, as a witness to testify to the Board's investigation. Ms. Karamali also introduced State's Exhibit A, 1 through 15; and B, 1 through 5.

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

REQUESTS FOR RECONSIDERATION

None.

REQUEST FOR WAIVER OF LATE FEES

None.

EXECUTIVE DIRECTOR'S REPORT

Mr. Patterson reported on a request received from the IRS Department of Criminal Investigations, regarding the issuance of CPA credentials to undercover IRS agents. He stated that he is unaware of any state board which has issued such a license and does not plan at this time to take action on the request.

Mr. Patterson outlined the history and progression on the case of a CPA who, as a school treasurer, was accused of a breach of fiduciary duty in that role. However, the Auditor of State did not file charges against the licensee, and the Ohio Department of Education accepted the voluntary surrender of his school treasurer's license without admission of wrongdoing. The Ohio Attorney General's assertion that the licensee was liable for the financial impact incurred by the state was struck down in United States Bankruptcy Court. Mr. Patterson said that because of the challenges of proving a clear instance of acts discreditable, the Board's cases on the matter would be closed.

Finally, Mr. Patterson spoke on the updated education assistance fund application and notification letter prepared for those who have failed to sit for the CPA exam within two years of receiving funds.

INFORMATION REPORTS AND UPDATES

Budget/Financial Report

Education Assistance Report

Investigations Report

Rules Update

Ms. Oklok reported that the 2019 rule updates are in effect at this time. Additionally, she stated that 2020 rule review and revision is underway and those changes will be ready for discussion at the October Board meeting.

Approval of July 19, 2019 Board Meeting Minutes

Upon motion by Mr. Weinstein and seconded by Mr. Gottfried, the Board voted 9-0 to approve the minutes of the July 19, 2019 Board meeting.

OLD BUSINESS

Status of Past Hearings

Ms. Karamali stated that no new appeals have been filed.

NEW BUSINESS

None.

CHAIR'S REPORT

Executive Committee

Mr. Guinigundo called to order a meeting of the Executive Committee at 1:38 p.m. to recommend approval of travel costs for those attending the NASBA annual meeting. The committee voted unanimously to approve those costs, and the meeting adjourned at 1:38 p.m.

QUASI-JUDICIAL DELIBERATIONS

Upon Mr. Guinigundo's direction, the Board went into quasi-judicial deliberations to discuss the formal hearings. After discussion, the Board returned to general session.

BOARD DECISIONS

J. Gary Swords / Swords & Williams CPAs (Case #2019-9749)

Upon the motion by Board Secretary Ms. Watts, and seconded by Mr. Redmond, the Board voted to revoke the firm registration of Swords & Williams, CPAs, but to stay the revocation subject to completion of the following conditions by November 30, 2019:

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- (1) Submission of a fine of \$1,000
- (2) Payment of late fees from October 31, 2016 to notice of peer review acceptance.

Motion carried 9-0 on a roll call vote.

W. Scott McDorman (Case 2019-2782)

Upon the motion by Ms. Watts, and seconded by Ms. Gilmore, the Board voted to revoke the CPA certificate of Mr. McDorman, but to stay the revocation subject to the completion of the following conditions by November 30, 2019:

- (1) Submission of a fine of \$250
- (2) Completion of the remaining 60.5 CPE credits necessary for compliance
- (3) Payment of a fine of \$10 per CPE credit deficient
- (4) Completion of three (3) credits in board-approved, Ohio-based professional standards and responsibilities

Motion carried 9-0 on a roll call vote.

Cyril J. Wyche (Case 2018-3161)

Upon the motion by Ms. Watts, and seconded by Mr. Blake, the Board voted to revoke the CPA certificate of Mr. Wyche, but to stay the revocation subject to the completion of the following conditions by November 30, 2019:

- (1) Submission of a fine of \$2,000
- (2) Submission of proof that copies of the information at issue and a refund of the fees have been provided to the client that issued the complaint

Motion carried 9-0 on a roll call vote.

Bridget A. Brubeck

Upon the motion by Ms. Watts, and seconded by Mr. Weinstein, the Board voted to revoke Ms. Brubeck's CPA certificate.

Motion carried 9-0 on a roll call vote.

Jeffrey P. Buttelwerth

Upon the motion by Ms. Watts, and seconded by Mr. Redmond, the Board voted to revoke Mr. Buttelwerth's CPA certificate. He cannot apply to the Board for reinstatement until completion of all court-ordered requirements, including financial restitution.

Motion carried 9-0 on a roll call vote.

SUMMARY OF BOARD REQUESTS

Staff will send an email to the heads of departments of accountancy at Ohio colleges and universities, informing them of the implementation of Board rule 4701-3-06, permitting conditional application for the CPA examination.

Upon motion by Mr. Weinstein and seconded by Ms. Gilmore, the Board voted 9-0 to adjourn.

MICHAEL M. GUINIGUNDO, CHAIR

KENYA Y. WATTS, SECRETARY