

Connecticut State Board of Accountancy
Meeting Minutes
Thursday, December 5, 2013 – 8:30 A.M.
Second Floor Conference Room
30 Trinity St., Hartford, CT 06106
860-509-6179
sboa@ct.gov

Temporary Chairman Michael Weinshel, CPA called the meeting to order at 8:45 a.m. at the Connecticut State Board of Accountancy, 30 Trinity Street, Hartford, Connecticut.

PRESENT:

Temporary Chairman Michael Weinshel, CPA
Richard L. Sturdevant
Martha S. Triplett, Esq. – Arrived at 10:20 a.m.
James S. Ciarcia
Leonard M. Romaniello, Jr.
Philip J. DeCaprio, Jr.

ABSENT:

Richard H. Gesseck, CPA

STAFF MEMBERS PRESENT:

James F. Spallone, Deputy Secretary
Sonia Worrell Asare, Legal Counsel
Stephanie Sheff, Processing Technician
Constance Sakyi, Paralegal Specialist 1
William Gardella, Intern

STAFF MEMBER ABSENT:

Diane Steir, Interim Manager

OTHERS PRESENT:

Art Renner, CPA, Executive Director of CT Society of CPA
Camille Murphy, President of CT CPA
Daniel Pappalardo, Initial License Applicant

ACTION REQUIRED – Approve Minutes of the November 15, 2013 Board Meeting
Mr. Ciarcia made a motion to approve the October 3, 2013 minutes as amended.
Mr. Sturdevant seconded the motion. All present Board Members voted in favor.

APPROVE 2014 MEETING DATES

Meeting dates for 2014 was adjusted and Mr. Ciarcia made a motion to approve. Mr. Romaniello seconded the motion. All present Board Members voted in favor.

Mr. Weinshel formally acknowledged all CPA Veterans who served and are currently serving in the Armed Forces.

BOARD MEMBERS TO DISCUSS NASBA FOCUS QUESTIONS

Mr. Weinshel stated that the Board would like to instruct Diane Steir, Interim Manager, to complete the NASBA Focus questions and provide it to the Board by December 15, 2013.

ACTION REQUIRED – ALD DISCIPLINARY DECISION

Attorney Sonia Asare gave an overview of the ALD Program and recommended that the Board disclose all closed cases. The Board agreed with Attorney Asare's recommendation and decided to implement the program by February 2014. Mr. Ciarcia made a motion to accept the recommendation for full disclosure. Mr. DeCaprio seconded the motion. Three members of Board voted in favor and two were opposed.

INFORMATION REPORTS

ALD – Date of Birth & last 4 Social Security Number

Mr. Weinshel stated that the Board would like to instruct Diane Steir, Interim Manager, to come up with a plan and time table to collect Date of Birth and last four Social Security Numbers data to include on ALD Program by January, 2014. Mr. Romaniello made a motion. Mr. DeCaprio seconded the motion. All present Board Members voted in favor.

EXAM AND LICENSING

Action required – Industry, Government, or Self Employed experience, and Other Applications

- **Wonjung Hwangbo**- Application for Reciprocal CPA Certificate & Initial CPA License: Public Accounting experience, has **NO** checked off on 2 boxes in section 7 of SBA-12 form. Mr. Sturdevant made a motion to approve. Mr. DeCaprio seconded the motion. All present Board Members voted in favor.
- **Daniel Pappalardo** – Application for Reciprocal CPA Certificate & Initial CPA License; Public and Industry Accounting experience. Application tabled at the September 13, 2013 and October 3, 2013 Board Meetings. The Board invited Mr. Pappalardo to attend the meeting to clarify some questions relating to his experience. Mr. Pappalardo attended the meeting and provided more information regarding his experience. Mr. DeCaprio made a motion to approve. Mr. Sturdevant seconded the motion. All present Board Members voted in favor.
- **Stephanie Henry- Saturne** – Application for Initial CPA Certificate & Initial CPA License; Industry Accounting experience. Mr. Sturdevant made a motion to approve. Mr. DeCaprio seconded the motion. All present Board Members voted in favor.

REVIEW FORM PERMITS FOR APPROVAL - None

PCAOB Inspection Reports Received – member comment on review

- Review date July 31, 2013 Report on:
 - Hoberman, Goldstein & Lesser, P.C.**
 - KPMG LLP**
 - McGladrey & Pullen, LLP**
 - PricewaterhouseCoopers LLP**
- Review date August 27, 2013 Report on
 - Ernst & Young LLP**
 - Friedman LLP**
 - KPMG LLP**

EXAMINATION AND CPE EXTENSION

- **Stanley L. Cusick**- Requesting waiver of CPE. Mr. DeCaprio made a motion to table the matter for the next Board meeting in January requesting more information. Mr. Romaniello seconded the motion. All present Board Members voted in favor.
- **Louis Sioles** – Requesting waiver of CPE. Mr. Sturdevant made a motion to table the matter for the next Board meeting in January, requesting more information. Mr. Romaniello seconded the motion. All present Board Members voted in favor.

Mr. Sturdevant made a motion to add Rebekka Laskowski's request to the agenda. Mr. Romaniello seconded the motion. All present Board Members voted in favor.

- **Rebekka Laskowski** – Requesting extension. Mr. DeCaprio made a motion to approve the extension for 3 months. Mr. Ciarcia seconded the motion. All present Board Members voted in favor.

Mr. Romaniello made a motion to go into recess at 9:45 a.m. Mr. DeCaprio seconded the motion. All present Board Members voted in favor. At 10:00 a.m. Mr. DeCaprio made a motion to return to regular session. Mr. Ciarcia seconded the motion. All present Board Members voted in favor.

OTHER BUSINESS

Enforcement Cases

- **James R. Levy, Respondent in Following Matters:
Requesting a hearing for all 6 cases.**

2012009-3757 James R. Levy, Respondent; Holland, Rock Dean, Complainant. Allegations: failure to return client records, fraud and embezzlement, discreditable acts, acts reflecting adversely on the profession of public accountancy, and commingling client funds.

2012-103773 James R. Levy, Respondent; Krantz, Mr. & Mrs. Edward, Complainant; Allegations: failure to return client records within a reasonable time, fraud and embezzlement, incompetence, engaging in actions reflecting adversely on the profession of public accountancy, discreditable acts.

2012-103777 James R. Levy, Respondent; Darla Henggeler, Complainant; Allegation: fraud and embezzlement, discreditable acts; and failure to return client records.

2012-3793 James R. Levy, Respondent; Kerry Wiland, Complainant; Allegations: failure to return client records, fraud and embezzlement, discreditable acts, and acts reflecting adversely on the profession of public accountancy, failure to return client records.

2012-103778 James R. Levy, Respondent; Niland, David and Mary Ann, Complainant; Allegations: failure to return client records, fraud and embezzlement, discreditable acts, and acts reflecting adversely on the profession of public accountancy.

2013-21 James R. Levy, Respondent; Maria Notar, Complainant; Allegations: negligence in preparation of tax returns; fraud; and actions reflecting adversely on the profession of public accountancy.

Mr. Decaprio volunteered to review. Respondent has been unresponsive on 2013-21 matter. Respondent is prohibited from renewing license or certificate for 2013-2014 renewal cycle.

Recommending Issuance of formal charges for January Board meeting. Mr. Ciarcia made a motion to issue a formal hearing for January Board meeting. Mr. Sturdevant seconded the motion. All present Board Members voted in favor.

- **2013-44 Adams, Scott L., Respondent;** CT State Board of Accountancy, Complainant: Allegation: failure to complete continuing education courses in the year 2012. Failure to respond to CPE audit. Substantiated Violations: None. Recommendation: Dismissal. Ms. Triplett made a motion dismiss for no probable cause. Mr. Ciarcia seconded the motion. All present Board Members voted in favor.
- **2013-35 Naigle, Judith A., Respondent;** CT State Board of Accountancy, Complainant: Allegation: failure to complete continuing education courses in the year 2012. Substantiated Violations: Respondent admits falsifying CPE report. Respondent states she was undergoing personal matters and relocating, as such did not complete the courses in the specified time frame. Respondent is requesting leniency by the Board. Respondent also included proof of compliance from 2009-2012. Reported courses were taken on:
6/30/2013- 20 hours counted; 7-1-2013- 20- leading to violation of regulations.
Recommendation: Settlement of: \$315.00 pursuant to regulation Sec. 20-280-27 for failure to take required CPEs in specified time, \$1000.00 in civil penalties for false reporting of 4 hours of ethics courses to be completed and reported by December 31, 2014, and to take and report 20 hours of delinquent required courses by March 15, 2014. Ms. Triplett made a motion of affirm settlement. Mr. Sturdevant seconded the motion. All Board members voted in favor.
- **2012-103779 Financial Directions, Inc., Respondent;** CT Board of Accountancy, Complainant. Matter Tabled due to lack of quorum at the August Board meeting. Allegations: failure to obtain a firm permit, engaging the unauthorized practice of public accountancy, including issuing compilation reports with financial statements and footnotes for businesses; and failure to undergo peer reviews. Substantiated Violations: failure to obtain a firm permit, engaging the unauthorized practice of public accountancy, including issuing compilation reports with financial statements and footnotes for businesses; and failure to undergo peer reviews Mr. Weinshel reviewed the matter, required to be recused. 11/2012 Settlement Recommendation: Cease and desist issuance of compilations; recall all compilation statements issued in the past two years; provide copies of all compilations letters issued in the past two years; civil penalties in the amount of \$1200.00; and a list of all reports issued in the last two years. Tabled in August, due to lack of quorum. Tabled in September at the request of Mr. DeCaprio. Proposed Settlement: Cease and desist issuance of compilations with reports as provided for in Statement on Standards for Accounting and Review No. 1 (SSARS 1), as amended; recall all issued in the past two years to the management, and replace them with management use only letters; Submit to the Board copies of all compilation letters issued to third parties in the past two years, if none state so separately, civil penalties in the amount of \$1200.00. Respondent letters to management should include the following language as provided by Rule 14-2 Safe harbor language: Non-licensees may use the following disclaimer language in connection with financial statements to not be in violation of the Act: "I (we) have prepared the accompanying (financial statements) of (name of entity) as of (time period) for the (period) then ended. This presentation is limited to preparing in the form of financial statements information that is the representation of management (owners). I (we) have not audited or reviewed the accompanying financial statements and accordingly do not express an opinion or any other form of assurance on them." Mr. DeCaprio made a motion to amend November Settlement agreement. Mr. Romaniello seconded the motion. Mr. Weinshel recused himself. All remaining Board Members voted in favor of the agreement as amended.
- **2013-26 Vance, Robert A., Respondent;** CT State Board of Accountancy, Complainant: Allegation: Engaging in any conduct reflecting adversely upon the licensee's fitness to engage in the practice of public accountancy; engaging in discreditable acts; incompetence in the practice of public accountancy, improper filing of tax returns; dishonesty, fraud or negligence in the practice of public

accountancy or in the filing or failure to file his own income tax returns; and conviction of a felony, or of any crime an element of which is dishonesty or fraud, under the laws of the United States, of this state, or of any other state if the acts involved would have constituted a crime under the laws of this state, subject to the provisions of section 46a-80. Substantiated Violations: None.

Recommendation: Dismissal. Mr. Ciarcia made a motion to dismiss finding no probable cause. Ms. Triplett seconded the motion. All present Board Members voted in favor.

- **2013-30 Chepovsky, Benjamin M., Respondent;** CT State Board of Accountancy, Complainant: Allegation: failure to complete continuing education courses in the year 2012. Failure to respond to notice of audit. Substantiated Violations: Respondent did not provide a letter of explanation regarding failure to respond to the July letter notifying him of the CPE audit. Respondent did respond to the notice of violation, at which time Respondent sent materials verify 46 hours of the reported CPE credits. Recommendation: Settlement of matter: 4 hours of ethics courses to be completed and reported by December 31, 2014, \$750.00 in civil penalties for failure to respond to the initial notice of audit letter.
Mr. DeCaprio made a motion to approve recommended settlement. Ms. Triplett seconded the motion. Mr. Ciarcia opposed. All remaining Board Members voted in favor.
- **2013-38 Reich, Robert R., Respondent;** CT State Board of Accountancy, Complainant: Allegation: failure to complete continuing education courses in the year 2012. Substantiated Violations: Respondent submitted proof of 38 hours of CPEs, delinquent documentation of 2 hours. Respondent would like to use 2 hours of carryover from prior reporting year. In addition, respondent submitted proof of an additional course, which totals 2 carryovers for the current renewal year. Recommendation: Settlement: 4 hours of ethics courses to be completed and reported by December 31, 2014; \$750.00 in civil penalties for failure to respond to the initial notice of audit letter. Mr. Sturdevant made a motion to affirm the settlement. Mr. DeCaprio seconded the motion. All present Board Members voted in favor.
- **2013-42 Greene, Douglas H., Respondent;** CT State Board of Accountancy, Complainant: Allegation: failure to complete continuing education courses in the year 2012. Failure to respond to initial audit letter. Substantiated Violations: Respondent did not respond to initial audit letter, stating the failure was a result of a now terminated employee, who failed to administratively address the notice. The respondent corrected reported credits, which were in excess of requirements. Originally respondent reported 51.75 hours, respondent clarifies that he left 2 courses early, and would like to correct the record to report only 50.50. Recommendation: Settlement of 4 hours of ethics courses to be completed and reported by December 31, 2014, \$750.00 in civil penalties for failure to respond to the initial notice of audit letter. Mr. Ciarcia made a motion to affirm the settlement. Mr. Romaniello seconded the motion. All present Board Members voted in favor.
- **2013-37 Szczepanik, Stan, Respondent;** CT State Board of Accountancy, Complainant: Allegation: failure to complete continuing education courses in the year 2012. Substantiated Violations: None. Recommendation: Dismissal. Mr. DeCaprio made a motion to dismiss finding no probable cause. Ms. Triplett seconded the motion. All present Board Members voted in favor.
- **2013-36 Bascetta, James J., Respondent;** CT State Board of Accountancy, Complainant: Allegation: failure to complete continuing education courses in the year 2012. Substantiated Violations: Respondent admits the he mistakenly reported a course 6.0 instead of 5.0 credit hours. Based on the foregoing Respondent admits he is delinquent 1 hour of CPE credits. Respondent states that the error was unintentional and was not meant to be in disregard of the CPE

requirement. Respondent states that he has in past years successfully passed the CPE audits. Recommendation: Settlement of: \$625.00 pursuant to regulation Sec. 20-280-27 for failure to take required CPEs in specified time, \$37.50 in civil penalties for false reporting of CPEs =((1500/40 required) *1 number missed), 4 hours of ethics courses to be completed and reported by December 31, 2014, and to take and report 1 hour of CPE by March 15, 2014. Mr. DeCaprio made a motion to affirm the settlement.

Mr. Romaniello seconded the motion. All present Board Members voted in favor.

- **2011005-3553 - Paula V. Borsari, Respondent (See Special Meeting Minutes).**
The Board held a hearing. Respondent did not appear. As such, as provided in Uniform Administrative Procedure Act, the Board took notice that non-responsiveness as admission of guilt. The Board voted to revoke Respondents license and certificate and publicize the Board's decision. Mr. DeCaprio recused himself and left the room.

PUBLIC COMMENT

Mr. Art Renner, CPA, Executive Director of CT Society of CPA, inquired about the status of selecting new Board members. Deputy Secretary Spallone stated that the Office of the Secretary of the State is working with the Governor's Office to fill the vacant positions.

ADJOURNMENT

Mr. Ciarcia made a motion to adjourn the meeting at 12:12 PM. Mr. Romaniello seconded the motion. All present Board Members voted in favor.

Next scheduled meeting:

Monday, January 13, 2014 -8:30 AM- 2nd Floor, 30 Trinity Street, Hartford, CT

Subcommittees did not meet after the regular meeting.