

State of Rhode Island and Providence Plantations

BOARD OF ACCOUNTANCY

1511 Pontiac Avenue, Bldg. 68-2

Cranston, Rhode Island 02920

MEETING MINUTES

DATE: May 19, 2015

PLACE: Department of Business Regulation (DBR)

1511 Pontiac Avenue, Bldg 68-1 Conference Room

Cranston, RI 02920

MEMBERS PRESENT: Chair Mary F. Bernard, Secretary Kevin Fountain, Treasurer George Tashjian, and Member Kevin P. Tracy

MEMBERS ABSENT: Vice-Chair David Platt

OTHERS PRESENT: Jenna Algee, Esq., DBR Legal Counsel (Present from 2:15 p.m. – 2:32 p.m.)

Dawne Broadfield, Administrative Support Specialist

(1) Call to Order – Chair Bernard called the meeting to order at 1:38 p.m.

(2) Meeting Minutes (Review/Discuss/Take Action)

1. Acceptance of the April 21, 2015 Open Session Meeting Minutes

Member Tracy moved to approve the open meeting minutes of April 21, 2015 as published. Chair Bernard seconded. Motion passed, 3-0, three (3) in favor, one (1) abstained, one (1) absent. Voting in favor were Chair Mary F. Bernard, Secretary Kevin Fountain, and Member Kevin P. Tracy. Treasurer George Tashjian abstained since he was not at the last meeting. Vice-Chair David Platt was absent from this vote.

2. Acceptance of the April 21, 2015 Executive Session Meeting Minutes

Member Tracy moved to approve the executive meeting minutes of April 21, 2015 as published. Chair Bernard seconded. Motion passed, 3-0, three (3) in favor, one (1) abstained, one (1) absent. Voting in favor were Chair Mary F. Bernard, Secretary Kevin Fountain, and Member Kevin P. Tracy. Treasurer George Tashjian abstained since he was not at the last meeting. Vice-Chair David Platt was absent from this vote.

(3) National Association of State Boards of Accountancy (NASBA) matters – (Review/Discuss/Take Action)

Information was sent from NASBA and forwarded to all Board members prior to the meeting to include the following:

a. NASBA – Northeast Peer Review Oversight Committee – Discussion occurred. Massachusetts and Connecticut do their own “Peer Reviews.” New Hampshire is going under Massachusetts.

Chair Bernard will respond to Daniel J. Dustin, CPA, Vice President, NASBA State Board Relations, that the Rhode Island Board will continue to monitor the New England Peer Review (NEPR) and the New England States.

b. NASBA - Wall Certificate and Pocket License Service – The Board requested that NASBA provide Wall Certificate and Pocket License Service for their licenses. NASBA submitted contract for review and signature. It is being reviewed by Attorney Algee.

c. NASBA – Eastern Regional Meeting – Baltimore, MD – June 24 - 26, 2015 – Reservation deadline is May 20, 2015. Member Tracy will contact NASBA.

d. NASBA – 2015 Awards – Call for Nominations – Deadline – June 29, 2015. – None

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e. NASBA – Strategic Issues in Regulation Survey – The Board will report two (2) Regulator Issues as to “International issues” and “Marijuana issues concerning any professional services.”

f. NASBA – State Webpage – Verification of Information listed. – The Board reviewed and noted a minor change that will be reported to NASBA.

(4) American Institute of Certified Public Accountants (AICPA) and Rhode Island Society of Certified Public Accountants (RISCPA)

matters – (Review/Discuss/Take Action)

a. Comments from Robert Mancini, Executive Director, (RISCPA) – (1) Status of Internship Opportunity with Roger Williams University. Finalization of a Job Description is pending. (2) IMARC System to track CPEs, which is a departure from NASBA’S CPE tracking system. Mr. Mancini was not present at this time. Therefore, these items were not discussed.

(5) Public Company Accounting Oversight Board (PCAOB) – (Review/Discuss/Take Action)

a. Review of Notification(s) Received – None at this time.

(6) Consideration of approval of the following initial applications for certification – (Review/Discuss/Take Action)

Andre Malyuta Martin C. McGeehan James Robert O’Reilly Jr.

Secretary Fountain moved to approve the initial applications for Andre Malyuta, Martin C. McGeehan and James Robert O’Reilly Jr. for certification. Member Tracy seconded. Motion passed, 4-0, four (4) in favor, one (1) absent. Voting in favor were Chair Mary F. Bernard, Secretary Kevin Fountain, Treasurer George Tashjian and Member Kevin P. Tracy. Vice-Chair David Platt was absent from this vote.

(7) Consideration of approval of the following reciprocity applications – (Review/Discuss/Take Action)

Jeffrey Robert Kreyssig

Chair Bernard moved to approve the reciprocity application for

Jeffrey Robert Kreyssig for certification. Secretary Fountain seconded. Motion passed, 4-0, four (4) in favor, one (1) absent. Voting in favor were Chair Mary F. Bernard, Secretary Kevin Fountain, Treasurer George Tashjian and Member Kevin P. Tracy. Vice-Chair David Platt was absent from this vote.

(8) Old Business: (Review/Discuss/Take Action)

a. Development of Board's Newsletter - Mr. Tracy is still continuing to work with Tom Kenny, NASBA Communications, about what content will be placed in the Board's section of the RISCPA newsletter.

b. Regulations Merger – The Board's Regulations are being merged into one (1) document. "Office of Regulatory Reform (ORR)" approved the document merger. The document was forwarded to the "interested parties," to include NASBA and RISCPA, and the Board members. The Public Hearing was held on Tuesday, April 21, 2015. Attorney Algee will forward a suggested language addition to "Professional Obligation" to "ORR" for review. If approved, the Regulation will be effective twenty (20) days after that date. Comment on the proposed rules pertaining to continuing professional education received from the American Institute of CPAs (AICPA). Secretary Fountain will contact Mat Young, AICPA, Vice-President, State Regulatory & Legislative Affairs, to inquire exactly what his concerns are.

c. 2015 Legislation – Attorney Algee updated the Board and noted the legislation that was introduced in relation to the amendment of the definition of "attest to match the model act adopted by the American

Institute of Certified Public Accountants (AICPA) and NASBA; in relation to reciprocity; and in relation to corporations to obtain Practice Units. The elimination of the two (2) year limitation on suspended licenses was not introduced. Attorney Algee submitted changes that were made to the original bill. The Sub-A bill passed the House and was referred to Senate Commerce.

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d. Renewal Applications – Attestations –

The Board will begin a “Pilot” Continuing Professional Education (CPE) and Peer Review Audit process and will audit 3% plus those CPAs and Practice Units that were not in compliance in the past renewal period and requested an extension for completion. Prior to implementation, an audit process will be developed for Board approval prior to conducting the audit. Secretary Fountain will work with Mrs. Broadfield to develop the Auditing Reporting forms. This matter was continued.

e. Public Accountants (PA) – Eliminating the status

Treasurer Tashjian discussed the history of the PA status. 1976 was the last time that there was a PA status issued by this Board. Treasurer Tashjian suggested that the remaining 12 PAs be

grandfathered and issued a Certified Public Accountant (CPA) status. The Massachusetts statute was obtained which is the “Conversion of Public Accountant License to Certified Public Accountant License.” Discussion occurred and a question arose as to how it would affect reciprocity in other states. Treasurer Tashjian will continue working on this matter. Information will be sent to Attorney Algee for review. This matter is continued until a full Board is present.

(9) New Business: (Review/Discuss/Take Action)

a. Joseph P. Accetturo II (3569)

• Requesting waiver of the \$100 late fee that he was charged when submitting his renewal application on April 20, 2015 after the February 15, 2015 deadline.

Member Tashjian moved to deny the request for the one hundred dollar (\$100) late fee waiver. Secretary Fountain seconded. Motion passed, 4-0, four (4) in favor, one (1) absent. Voting in favor were Chair Mary F. Bernard, Secretary Kevin Fountain, Treasurer George Tashjian and Member Kevin P. Tracy. Vice-Chair David Platt was absent from this vote.

b. Any other new business.

(10) Next Meeting Date: (Review Discuss/Take Action)

a. The next Board meeting scheduled for Tuesday, June 16, 2015

(11) Executive Session

Secretary Fountain moved to convene into Executive Session at 2:55

p.m. pursuant to RI General Laws §42-46-5(a)(4) for investigative proceedings regarding allegations of civil or criminal misconduct. Treasurer Tashjian seconded. Motion passed, 4-0, four (4) in favor, one (1) absent. Voting in favor were Chair Mary F. Bernard, Secretary Kevin Fountain, Treasurer George Tashjian and Member Kevin P. Tracy. Vice-Chair David Platt was absent from this vote.

Secretary Fountain moved to adjourn from Executive Session and to reconvene to an open meeting at 3:09 p.m. pursuant to RI General Laws §42-46-4. Member Tracy seconded. Motion passed, 4-0, four (4) in favor, one (1) absent. Voting in favor were Chair Mary F. Bernard, Secretary Kevin Fountain, Treasurer George Tashjian and Member Kevin P. Tracy. Vice-Chair David Platt was absent from this vote.

Secretary Fountain moved to seal the minutes of the executive session and record the votes taken in Executive Session in accordance with RI General Laws §42-46-4 and §42-46-5. Treasurer Tashjian seconded. Motion passed, 4-0, four (4) in favor, one (1) absent. Voting in favor were Chair Mary F. Bernard, Secretary Kevin Fountain, Treasurer George Tashjian and Member Kevin P. Tracy. Vice-Chair David Platt was absent from this vote.

Secretary Fountain moved to record the votes in Executive Session in accordance with RI General Laws §42-46-4 as follows. Treasurer Tashjian seconded. Motion passed, 4-0, four (4) in favor, one (1) absent. Voting in favor were Chair Mary F. Bernard, Secretary Kevin

Fountain, Treasurer George Tashjian and Member Kevin P. Tracy. Vice-Chair David Platt was absent from this vote.

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Record of Votes taken in Executive Session:

PENDING MATTERS

• One (1) complaint alleging the person did not complete her taxes properly and that she now owes \$4300 to the IRS. This person is advertising boldly on his signboard at his business location that he is a Certified Public Accountant (CPA). The person's CPA license expires June 30, 1998. The Board sent a letter similar to the letter that was previously sent to the person that is advertising as a CPA citing the law where the Board could take the person to court for holding himself/herself out as a CPA. As a result, the CPA credential was covered. Secretary Fountain to close and to send a closure letter to the complainant. Member Tracy seconded. Motion passed, 4-0, four (4) in favor, one (1) absent. Voting in favor were Chair Mary F. Bernard, Secretary Kevin Fountain, Treasurer George Tashjian and Member Kevin P. Tracy. Vice-Chair David Platt was absent from this vote.

• One (1) CPA license reinstated that was "inactive." It came to the Board's attention that the CPA license was previously suspended.

The Board requested a written explanation of that suspension and all related documents for Board review. The DBR Attorney told that Board that a search of the Board's records indicates a decision with no authentication of suspension, since the decision is not signed. Based on lack of documentation, Secretary Fountain moved to close with no action. Treasurer Tashjian seconded. Motion passed, 4-0, four (4) in favor, one (1) absent. Voting in favor were Chair Mary F. Bernard, Secretary Kevin Fountain, Treasurer George Tashjian and Member Kevin P. Tracy. Vice-Chair David Platt was absent from this vote.

- One (1) complaint alleging that the Certified Public Accountant (CPA) was retained with a \$1000 to help settle back taxes owed after Chapter 7 bankruptcy was filed. The CPA then proceeded to question the Complainants as to whether or not they were current with their 2014 taxes at which time they were not. At that point, the CPA indicated that he could not help them. The Complainants requested a refund of the retainer fee and only got \$500 back. A Board member was assigned to investigate the complaint and is still investigating. The matter was continued.**

- One (1) matter CAFA notification received pursuant to the Class Action Fairness Act, 28, U.S.C. §1715(b) in inform the Board of a proposed class action settlement involving a Practice Unit. This matter was tabled until a resolution/settlement comes in.**

- One (1) complaint alleging that the Certified Public Accountant (CPA) completed tax returns for his corporation in September 2014 and advised him that he would then prepare his personal tax returns.**

Beginning in October 2014, he called the CPA's office requesting copies of his corporate tax returns as well as the completion of his personal tax returns. He called in October, November, December 2014 and January and February 2015. His attorney dropped by his office and left a card requesting a telephone call regarding this matter. In addition his attorney forwarded the attached letter requesting the same information. All these inquiries have been ignored. He noted that he paid for the corporate tax returns as well as for the preparation of his personal taxes. A Board member was assigned to investigate the complaint. Secretary Fountain moved to close and to send a closure letter indicating that the matter was closed due to both parties mutually resolving the matter. Treasurer Tashjian seconded. Motion passed, 4-0, four (4) in favor, one (1) absent. Voting in favor were Chair Mary F. Bernard, Secretary Kevin Fountain, Treasurer George Tashjian and Member Kevin P. Tracy. Vice-Chair David Platt was absent from this vote.

- One (1) complaint in regard to the bill issued by a Certified Public Accountant (CPA) / Practice Unit for their responding to an Internal Revenue Service (IRS) audit due to an error in their initial reporting on end of year federal tax filings. Complainant attempted to resolve the problem to no avail. A Board member was assigned to investigate the complaint and is still investigating. The matter was continued.

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NEW BUSINESS:

- **One (1) matter of a person advertising on the internet as a CPA. The Board's records indicate no record found. A Board member was assigned to investigate.**
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OLD MATTERS:

- **One (1) CPA was indicted on sixty-six (66) counts and charged with stealing identities of the terminally ill and elderly. The CPA plead guilty to two (2) of the charges. This matter was tabled for an update from Attorney Balasco. The DBR Attorney will inquire as to the status and report back to the Board. The CPA did not renew his license to date and it scheduled to expire on June 30, 2015.**

(12) Adjournment

Member Tracy moved to adjourn at 3:11 p.m. Treasurer Tashjian seconded. Motion passed, 4-0, four (4) in favor, one (1) absent. Voting in favor were Chair Mary F. Bernard, Secretary Kevin Fountain, Treasurer George Tashjian and Member Kevin P. Tracy. Vice-Chair

David Platt was absent from this vote.

Respectfully submitted,

Kevin M. Fountain, CPA

Secretary

KMF/dmb

- **Posted on June 16, 2015 electronically on Secretary of State's Office website. Pursuant to the Open Meetings Law, R.I. Gen. Laws Sec. 42-46-6(b), business not included in this notice may be considered with the consent of the majority of the members, and/or may convene into Executive (closed) Session pursuant to R.I. Gen. Laws Sec. 42-46-5.**

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