

**State of Rhode Island and Providence Plantations**

**BOARD OF ACCOUNTANCY**

**1511 Pontiac Avenue, Bldg. 68-2**

**Cranston, Rhode Island 02920**

**MEETING MINUTES**

**DATE: September 10, 2015**

**PLACE: Department of Business Regulation (DBR)**

**1511 Pontiac Avenue, Bldg 69-2 Conference Room**

**Cranston, RI 02920**

**MEMBERS PRESENT: Chair Mary F. Bernard, Vice-Chair David Platt, Secretary Kevin Fountain, Treasurer George Tashjian, and Member Kevin P. Tracy**

**MEMBERS ABSENT: None**

**OTHERS PRESENT: Robert Mancini, Executive Director, Rhode Island Society of Certified Public Accountants (RISCPA) (Present from 1:39 p.m. – 3:01 p.m.)**

**Dawne Broadfield, Administrative Support Specialist**

**(1) Call to Order – Chair Bernard called the meeting to order at 1:39 p.m.**

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

### **1. Acceptance of the July 21, 2015 Open Session Meeting Minutes**

**Member Tracy moved to approve the open meeting minutes of July 21, 2015 as published. Treasurer Tashjian seconded. Motion passed, 4-0, four (4) in favor, one (1) abstained. Voting in favor were Chair Mary F. Bernard, Vice-Chair David Platt, Treasurer George Tashjian and Member Kevin P. Tracy. Secretary Kevin Fountain abstained since he was not at the meeting.**

### **2. Acceptance of the July 21, 2015 Executive Session Meeting Minutes**

**Member Tracy moved to approve the executive meeting minutes of July 21, 2015 as published. Treasurer Tashjian seconded. Motion passed, 4-0, four (4) in favor, one (1) abstained. Voting in favor were Chair Mary F. Bernard, Vice-Chair David Platt, Treasurer George Tashjian and Member Kevin P. Tracy. Secretary Kevin Fountain abstained since he was not at the meeting.**

## **(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 – 108th Annual Meeting – Dana Point, California – October 25 – 28, 2015 – Chair Bernard will attend.**

**b. NASBA – Focus Questions – Due Monday, October 5, 2015 – Board**

**members reviewed, completed and will return 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 (RWU). The finalization of a Job Description was sent to RWU to review to ensure that it will meet the academic expectations set by the Accounting Department. The Board is waiting for a response. (2) Mr. Mancini indicated that membership day will be held at the Providence Marriott on September 30, 2015. (3) January 21, 2016 is the RISCPA event at the Omni.**

**09/10/15, Page 1 of 6**

**Rhode Island Board of Accountancy Open Meeting  
Minutes/September 10, 2015**

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

**a. Review of Notification(s) Received – PricewaterhouseCoopers LLC, Practice Unit #P12, expires 06/30/2017. So noted.**

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

**Matthew William Floskis Ashley Leonard**

**Travis M. Hampton**

**Amber Legras**

**Vice-Chair Platt moved to approve the initial applications for Matthew William Floskis, Travis M. Hampton, Amber Legras and Ashley Leonard for certification. Member Tracy seconded. Motion passed, 5-0, five (5) in favor, zero (0) absent. Voting in favor were Chair Mary F. Bernard, Vice-Chair David Platt and Secretary Kevin Fountain, Treasurer George Tashjian and Member Kevin P. Tracy.**

**Stephanie Sanford**

**Secretary Fountain moved to not approve the initial application for Stephanie Sanford for certification. Ms. Sanford has 120 education hours but has not demonstrated the 150 education hours for certification. Treasurer Tashjian seconded. Motion passed, 5-0, five (5) in favor, zero (0) absent. Voting in favor were Chair Mary F. Bernard, Vice-Chair David Platt and Secretary Kevin Fountain, Treasurer George Tashjian and Member Kevin P. Tracy.**

**(7) Consideration of approval of the following out-of-state application(s) for certification – (Review/Discuss/Take Action)**

**Jeanne Marie Mickel**

**Secretary Fountain moved to approve the out-of-state application for Jeanne Marie Mickel for certification. Treasurer Tashjian seconded. Motion passed, 5-0, five (5) in favor, zero (0) absent. Voting in favor were Chair Mary F. Bernard, Vice-Chair David Platt and Secretary Kevin Fountain, Treasurer George Tashjian and Member Kevin P. Tracy.**

**(8) Consideration of approval of the following reinstatement application(s) for certification – (Review/Discuss/Take Action)**

**Domenic Cappalli (2692) Sandra Del Tredici (2900) Walter E. Edge (738)**

**Vice-Chair Platt moved to approve the reinstatement applications for Domenic Cappalli (2692), Sandra Del Tredici (2900) and Walter E. Edge (738) for certification. Treasurer Tashjian seconded. Motion passed, 5-0, five (5) in favor, zero (0) absent. Voting in favor were Chair Mary F. Bernard, Vice-Chair David Platt and Secretary Kevin Fountain, Treasurer George Tashjian and Member Kevin P. Tracy.**

**(9) Old Business: (Review/Discuss/Take Action)**

**a. Development of Board's Newsletter - Member Tracy is continuing to work with Tom Kenny, NASBA Communications, about what content will be placed in the Board's section of the RISCPA newsletter in an effort to get information out. Mr. Tracy's next communication call with NASBA is on September 17, 2015.**

**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 was received from the American Institute of CPAs (AICPA). Secretary Fountain contacted Mat Young, AICPA, Vice-President, State Regulatory & Legislative Affairs, to inquire exactly what his concerns are.

Secretary Fountain moved to accept the wording of Mat Young, Vice President, State Regulatory & Legislative Affairs, AICPA, in Mr. Young's letter to the Board dated April 21,

09/10/15, Page 2 of 6

Rhode Island Board of Accountancy Open Meeting  
Minutes/September 10, 2015

2015 and that the Board shall amend its Regulation #5, Section 1.B to add Mr. Young's #11 after the Board's #10. Member Tracy seconded. Motion passed, 5-0, five (5) in favor, zero (0) absent. Voting in favor were Chair Mary F. Bernard, Vice-Chair David Platt and Secretary Kevin Fountain, Treasurer George Tashjian and Member Kevin P. Tracy. The amendment approval will be sent to Attorney Algee.

**c. 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 is working with Mrs. Broadfield to develop the Auditing Reporting form. This matter was continued.

**d. 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. Information was sent to Attorney Algee for review. The Board agreed to move forward with the legislation to convert the PAs to the CPAs and is requesting that Attorney Algee draft the legislation.

**e. Continuing Professional Education hours (CPEs) for Board Member Service -** Treasurer Tashjian brought up a topic for discussion to give Board members one (1) year, 40 CPEs, for their service on the Board for compensation. The Board discussed this topic and continued it for further discussion. Chair Bernard will talk about this topic at the national meeting.

**f. Al Ismail – Request for Individual (Public Accountant Member of Australian Institute) PA Certificate only please.** The Board reviewed and denied his request and will notify him via reply to his e-mail that he must strictly comply with the Rhode Island General Laws. Attorney Algee researched that NASBA and AICPA (acting jointly as the U.S. International Qualifications Appraisal Board) have determined through a NASBA Mutual Recognition Agreement that there is substantial equivalence with Australia. The agreement

**provides the “education, examination, and experience are the principal elements considered in granting the CA [chartered accountant in Australia] and CPA designations to perform the attest function. Attorney Algee then recommended responding to the CA stating that he needs to fill out the application and pay the fee. The CA also need to give the Board the name, address, phone number, and e-mail address for a person from the CA’s licensing jurisdiction that can verify the CA’s license status. Furthermore, the CA needs to provide the Board with a copy of the continuing education law that the CA license is subject to, if any. The Board agreed with Attorney Algee and will send, via e-mail, to the CA her recommendation.**

**(10) New Business: (Review/Discuss/Take Action)**

**a. Kathleen G. Estes, RI CPA 1920, expired June 30, 2015 – Requesting a six-month extension on her firm and personal license. The Board approved the six-month extension request from the date of this meeting and that the renewal application and \$375 renewal fee is due at that time.**

**b. David Cartwright, RI CPA 3392 – Requesting Waiver of \$100 late fee to renewal license that expired on June 30, 2015. Vice-Chair Platt moved to approve the waiver of the \$100 late fee that was due with the renewal application due to hardship. Treasurer Tashjian seconded. Motion passed, 5-0, five (5) in favor, zero (0) absent. Voting in favor were Chair Mary F. Bernard, Vice-Chair David Platt and Secretary Kevin Fountain, Treasurer George Tashjian and Member Kevin P. Tracy.**

**c. Election of Officers – Member Tracy moved to keep the officers “as is.” Vice—Chair Platt seconded. Motion passed, 5-0, five (5) in favor, zero (0) absent. Voting in favor were Chair Mary F. Bernard, Vice-Chair David Platt and Secretary Kevin Fountain, Treasurer George Tashjian and Member Kevin P. Tracy.**

**09/10/15, Page 3 of 6**

**Rhode Island Board of Accountancy Open Meeting  
Minutes/September 10, 2015**

**d. Any other new business.**

**(11) Next Meeting Date: (Review Discuss/Take Action)**

**a. The next Board meeting is scheduled for Tuesday, October 20, 2015.**

**(12) Executive Session**

**Secretary Fountain moved to convene into Executive Session at 3:08 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, 5-0, five (5) in favor, zero (0) absent. Voting in favor were Chair Mary F. Bernard, Vice-Chair David Platt and Secretary Kevin Fountain, Treasurer George Tashjian and Member Kevin P. Tracy.**

**Secretary Fountain moved to adjourn from Executive Session and to reconvene to an open meeting at 3:45 p.m. pursuant to RI General**

**Laws §42-46-4. Member Tracy seconded. Motion passed, 5-0, five (5) in favor, zero (0) absent. Voting in favor were Chair Mary F. Bernard, Vice-Chair David Platt and Secretary Kevin Fountain, Treasurer George Tashjian and Member Kevin P. Tracy.**

**Secretary Fountain moved to record and seal the minutes of the executive session in accordance with RI General Laws §42-46-4 and §42-46-5. Member Tracy seconded. Motion passed, 5-0, five (5) in favor, zero (0) absent. Voting in favor were Chair Mary F. Bernard, Vice-Chair David Platt and Secretary Kevin Fountain, Treasurer George Tashjian and Member Kevin P. Tracy.**

**Secretary Fountain moved to record the votes in Executive Session in accordance with RI General Laws §42-46-4 as follows. Member Tracy seconded. Motion passed, 5-0, five (5) in favor, zero (0) absent. Voting in favor were Chair Mary F. Bernard, Vice-Chair David Platt and Secretary Kevin Fountain, Treasurer George Tashjian and Member Kevin P. Tracy.**

**Record of Votes taken in Executive Session:**

### **PENDING MATTERS**

- One (1) complaint alleges that the Public Accountant (PA) defrauded the complainant.**

**Complaint alleges that the licensee defrauded the complainant. On the tax forms, there are many charges to the business account in**

which the complainant was never made aware of. In addition to all of the irrelevant charges, the complaint is alleging that the PA is skimming the rents from the complainant's business. The Board will not take any action until such time as the civil matter is resolved and closed and will send the parties a letter indicating such. The complainant sent an e-mail to the Board indicating that there was currently no litigation pending against the licensee and requested that the Board investigate. The DBR Attorney was in communication with the complainant who indicated that the Board closed this complaint because of pending litigation in which the complainant said there was no litigation. The Board will send a letter to the complainant that the Board does not have the capacity to conduct a criminal or civil investigation into a matter. The Board can take issue when a decision is made and removed this from the agenda. The complainant again requested help from the Board since there is no pending litigation. The Board referred this matter to the DBR Attorney. The Board will send an e-mail response to the complainant per the DBR Attorney's recommendation, explaining that the Board did delegate a Board Member to investigate this matter by interviewing both parties and that it was determined that the complainant did not prove fraud under R.I. Gen. Laws § 5-3.1-12(b)(2).

Should the Respondent provide additional proof that the licensee knowingly recorded false information on the tax return, the Board will further investigate.

- 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. The Board reviewed for information purposes only and so noted. This matter was tabled until a resolution/settlement comes in. Notification of a proposed class action settlement was received for review. The Board noted for informational purposes only, closed

09/10/15, Page 4 of 6

Rhode Island Board of Accountancy Open Meeting  
Minutes/September 10, 2015

and removed from the agenda.

- 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. The Board Member faxed the "internet ad" to the person advertising. The person advertising indicated that that person will fix it. The Board member will continue investigating and will indicate to the person advertising that findthebest.com is reporting the person as a Certified Public Accountant (CPA) and to notify the person. There is no advertisement from the "street view." The investigating Board member updated the Board. The Board member went to the location. There are multiple services offered at the location but nothing that advertises CPA. As of the last meeting, there was no change on the internet. The internet sill shows CPAs. The Board will send a letter to the person advertising. Therefore, the matter is continued.

- 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. The Board Member faxed the “internet ad” to the person advertising. The person advertising indicated that the person will fix it. The Board member will continue investigating and will indicate to the person advertising that findthebest.com is reporting the person as a Certified Public Accountant (CPA) and to notify the person. There is no advertisement from the “street view.” The investigating Board member updated the Board. The Board member went to the location. There are multiple services offered at the location but nothing that advertises CPA. As of the last meeting, there was no change on the internet. The internet sill shows CPAs. The Board will send a letter to the person advertising. Therefore, the matter is continued.

#### **NEW BUSINESS:**

- One (1) matter alleging that a person maintains that he/she is an “accountant.” That person holds himself/herself out as an accountant on Ethics Commission statements the person’s website claims that the person is a member of the National Society of Accountants when the person is not and has never been a member. The Board referred this matter to the DBR Attorney. The DBR Attorney did not believe there is a violation. The DBR Attorney indicated that the complainant is also noting that the accountant was arrested for filing a false police report (irrelevant) and that he is claiming to be part of accountancy organizations that he is not a part of (deceptive trade practices act issue § 6-13.1-1(6)(iii) Causing likelihood of confusion or of misunderstanding as to affiliation,

connection, or association with, or certification by, another). The Board instructed the DBR Attorney Algee to send a response to the complainant based on her recommendation, to close and remove from the agenda.

- One (1) matter alleging that the complainant gave the Certified Public Accountant (CPA) and staff a guardian accounting for probate.

The CPA said that the CPA did he not like the lawyer and promised that the accounting would be done and the work was never done. Based on the information received from both parties, the Board will issue a letter to licensee notifying the licensee that the Board will monitor any complaints going forward. If there are further complaints, the Board will review this complaint. The Board will issue no sanctions at this time. The Board will also issue a letter to the complainant indicating that after reviewing the facts, the Board has taken the appropriate action with the licensee.

- One (1) matter of notification received from a Practice Unit who entered into a Stipulation and Order. This was informational only, closed and removed from the agenda.

- One (1) matter of notification received from a Practice Unit who entered into a Stipulated Settlement and Disciplinary Order. This was informational only, closed and removed from the agenda.

#### **OLD MATTERS:**

- No old matters

**(13) Adjournment**

**Secretary Fountain moved to adjourn at 3:45 p.m. Vice-Chair Platt seconded. Motion passed, 5-0, five (5) in favor, zero (0) absent. Voting in favor were Chair Mary F. Bernard, Vice-Chair David Platt and Secretary Kevin Fountain, Treasurer George Tashjian and Member Kevin P. Tracy.**

**09/10/15, Page 5 of 6**

**Rhode Island Board of Accountancy Open Meeting  
Minutes/September 10, 2015**

**Respectfully submitted,**

**Kevin M. Fountain, CPA**

**Secretary**

**KMF/dmb**

**• Posted on October 21, 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.**

**09/10/15, Page 6 of 6**