

State of Rhode Island and Providence Plantations

BOARD OF ACCOUNTANCY

1511 Pontiac Avenue, Bldg. 68-2

Cranston, Rhode Island 02920

MEETING MINUTES

DATE: December 17, 2015

PLACE: Department of Business Regulation (DBR)

1511 Pontiac Avenue, Bldg 68-1 Conference Room

Cranston, RI 02920

MEMBERS PRESENT: Chair Mary F. Bernard, Vice-Chair David Platt, Secretary Kevin Fountain, and Member Alisa Loiselle

MEMBERS ABSENT: Treasurer George Tashjian

OTHERS PRESENT: Robert Mancini, Executive Director, Rhode Island Society of Certified Public Accountants (RISCPA) (Present from 1:40 p.m. – 2:40 p.m.)

Jenna Algee, Esq., DBR Legal Counsel (Present from 2:14 p.m. – 3:25 p.m.)

Dawne Broadfield, Administrative Support Specialist

(1) Call to Order – Chair Bernard called the meeting to order at 1:35 p.m.

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

1. Acceptance of the November 17, 2015 Open Session Meeting Minutes

Vice-Chair Platt moved to approve the open meeting minutes of November 17, 2015 as published. Member Loiselle seconded. Motion passed, 4-0, four (4) in favor, one (1) absent. Voting in favor were Chair Mary F. Bernard, Vice-Chair David Platt, Secretary Kevin Fountain and Member Alisa Loiselle. Treasurer George Tashjian was not at the meeting.

2. Acceptance of the November 17, 2015 Executive Session Meeting Minutes

Vice-Chair Platt moved to approve the executive meeting minutes of November 17, 2015 as published. Member Alisa Loiselle seconded. Motion passed, 4-0, four (4) in favor, one (1) absent. Voting in favor were Chair Mary F. Bernard, Vice-Chair David Platt, Secretary Kevin Fountain and Member Alisa Loiselle. Treasurer George Tashjian 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 – Exposure Draft – Proposed Changes to the AICPA Standards for Performing and Reporting on Peer Reviews – Improving Transparency and Effectiveness of Peer Review – Response Due – 01/31/2016 – The Board reviewed and Vice-Chair Platt will respond accordingly.

(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 internship opportunity that the Board submitted was approved by the faculty and posted to RWU’s job/internship posting system for student application. The Board received two (2) requests/resumes. Attorney Algee will meet with the DBR Director and Executive Counsel to discuss the next steps. (2) Mr. Mancini will be hosting a tax forum from January to April 2016 on the PBS television station. (3) January 21, 2016 is the networking event and the AICPA Chair will be visiting. (4) There will be a leadership challenge in January 2016.

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

a. Mitchell & Titus, LLP, #P2450 – Expires 06/30/2017 – The Board noted for information only.

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

Joshua Blais Amanda Williams

Secretary Fountain moved to approve the initial applications for Joshua Blais and Amanda Williams for certification. Vice-Chair Platt seconded. Motion passed, 4-0, four (4) in favor, one (1) absent. Voting in favor were Chair Mary F. Bernard, Vice-Chair David Platt, Secretary Kevin Fountain and Member Alisa Loiselle. Treasurer George Tashjian was not at the meeting.

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

John D. Marsh

Vice-Chair Platt moved to accept the out-of-state application for John D. Marsh for certification. Secretary Fountain seconded. Motion passed, 4-0, four (4) in favor, one (1) absent. Voting in favor were Chair Mary F. Bernard, Vice-Chair David Platt, Secretary Kevin Fountain and Member Alisa Loiselle. Treasurer George Tashjian was not at the meeting.

Alaa Ismail

Attorney Algee sent an e-mail to the Institute of Public Accountants to confirm and request the following: (1) that Alaa Ismail is a Chartered Accountant in good standing; (2) that the Institute of Public Accountants is in fact the entity that licenses chartered accountants; (3) if so, that they verify that Alaa Ismail completes continuing

education to keep his license active in Australia and is current; and (4) and that they provide the law governing continuing education. Attorney Algee is waiting for a response.

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

Robert L. G. Batchelor (587)

Chair Bernard moved to approve the reinstatement application for Robert L. G. Batchelor (587) for certification and waive the reinstatement application and fee. Member Loiselle seconded. Motion passed, 4-0, four (4) in favor, one (1) absent. Voting in favor were Chair Mary F. Bernard, Vice-Chair David Platt, Secretary Kevin Fountain and Member Alisa Loiselle. Treasurer George Tashjian was not at the meeting.

(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. Mr. Tracy is no longer a member of this Board. With that being said, the Board tabled this matter to reach out to Kevin Tracy to ask if he would be willing to Chair a "Communications Committee" that the Board would establish. Chair Bernard will follow up with Mr. Tracy.

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. The Board accepted Mat Young’s wording and shall amend its Regulation #5, Section 1.B to add Mr. Young’s #11 after #10. Attorney Algee resubmitted the changes, based on public comment received, to the Office of Regulatory Reform (ORR) today. ORR has up to thirty (30) days to approve/deny the changes. Attorney Algee provided the Board with the final document. ORR approved the changes. The Rules and Regulations were filed with the Rhode Island Secretary of State’s office and will be effective on December 24, 2015. Attorney Algee will process the repealing of the individual regulations. This matter is now closed.

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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 until the internship opportunity is resolved.

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. Attorney Algee drafted the legislation and DBR submitted in it their legislative package to the Governor’s Office. Attorney Algee will follow up. Secretary Fountain found an error in the “Talking Points” that will be corrected. This is continued.

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

a. Any other new business – No new business.

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

a. The next Board meeting is scheduled for Tuesday, January 19, 2016.

(12) Executive Session

Secretary Fountain moved to convene into Executive Session at 2:40 p.m. pursuant to RI General Laws §42-46-5(a)(4) for investigative proceedings regarding allegations of civil or criminal misconduct. Vice-Chair Platt seconded. Motion passed, 4-0, four (4) in favor, one (1) absent. Voting in favor were Chair Mary F. Bernard, Vice-Chair David Platt, Secretary Kevin Fountain and Member Alisa Loiselle. Treasurer George Tashjian was not at the meeting.

Secretary Fountain moved to adjourn from Executive Session and to reconvene to an open meeting at 3:25 p.m. pursuant to RI General Laws §42-46-4. Member Loiselle seconded. Motion passed, 4-0, four (4) in favor, one (1) absent. Voting in favor were Chair Mary F. Bernard, Vice-Chair David Platt, Secretary Kevin Fountain and Member Alisa Loiselle. Treasurer George Tashjian was not at the meeting.

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 Loiselle seconded. Motion passed, 4-0, four (4) in

favor, one (1) absent. Voting in favor were Chair Mary F. Bernard, Vice-Chair David Platt, Secretary Kevin Fountain and Member Alisa Loiselle. Treasurer George Tashjian was not at the meeting.

Secretary Fountain moved to record the votes in Executive Session in accordance with RI General Laws §42-46-4 as follows. Member Loiselle seconded. Motion passed, 4-0, four (4) in favor, one (1) absent. Voting in favor were Chair Mary F. Bernard, Vice-Chair David Platt, Secretary Kevin Fountain and Alisa Loiselle. Treasurer George Tashjian was not at the meeting.

Record of Votes taken in Executive Session:

PENDING MATTERS

- 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 the person a letter indicating that it has come to the Board's attention that the person is advertising on the Internet as a CPA

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without holding a license. The Board is requesting that the person remove the person's listing and provide the documentation that the person requested this action to occur. 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 the person a letter indicating that it has come to the Board's attention that the person is advertising on the Internet as a CPA without holding a license. The Board is requesting that the**

person remove the person's listing and provide the documentation that the person requested this action to occur. Therefore, the matter is continued.

Secretary Fountain moved to send a letter to the people in question in the above two (2) matters that the Board found that they did not post ads on the internet and further found that they made attempts to remove the CPA designation from said site and to close. Vice-Chair Platt seconded. Motion passed, 4-0, four (4) in favor, one (1) absent. Voting in favor were Chair Mary F. Bernard, Vice-Chair David Platt, Secretary Kevin Fountain and Member Alisa Loiselle. Treasurer George Tashjian was not at the meeting.

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 Attorney Algee to send a response to Attorney Lombardo based on her recommendation, to close and remove from the agenda. Based on the response from Attorney Lombardo, the Board will continue investigating. Member Loiselle went to the location and provided a picture of the sign at the location. Secretary Fountain moved to send a letter to the complainant that the Board found on this day, December 17, 2015, based on review of the picture supplied by Member Loiselle to the Board, the sign is not in violation of the Board's current statute and the Rules and Regulations in the Board's jurisdiction and to close. Vice-Chair Platt seconded. Motion passed, 4-0, four (4) in favor, one (1) absent. Voting in favor were Chair Mary F. Bernard, Vice-Chair David Platt, Secretary Kevin Fountain and Member Alisa Loiselle. Treasurer George Tashjian was not at the meeting.

NEW BUSINESS:

- **One (1) matter pertaining to a concluded review of an independent qualified public accountant's (IQPA) audit report and financial statements for a company that disclosed deficiencies. Secretary Fountain moved to act upon the November 10, 2015 letter received from the U.S. Department of Labor ("DOL") to schedule a disciplinary hearing for the CPA to appear before the Board to address the issues at the February 16, 2016 meeting.. Vice-Chair Platt seconded. Motion passed, 4-0, four (4) in favor, one (1) absent. Voting in favor were Chair Mary F. Bernard, Vice-Chair David Platt, Secretary Kevin Fountain and Member Alisa Loiselle. Treasurer George Tashjian was**

not at the meeting.

- **One (1) matter of a person advertising on the internet as a CPA. The Board's records indicate no record found. Advertising on the internet on the PTIN directory as a CPA. The Board's records indicate no record found. The Board will send the Rhode Island licensed CPA the same internet inquiry letter as sent to others that it has come to the Board's attention that a person, who does not hold a current CPA license, is advertising on the internet under the licensed CPA's advertisement. The Board is requesting that the listing of the person who is not a licensed CPA be removed from the advertisement and that the Rhode Island licensed CPA provide documentation that the requested action occurred. This matter is continued.**

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- **One (1) matter of lawsuit against an ex-accounting firm on accusations of corruption and mismanagement – Complaint 2015-12 - Secretary Fountain moved to have the Board's Legal Counsel review the pleadings of the case, reply back to the Board and continue. Vice-Chair Platt seconded. Motion passed, 4-0, four (4) in favor, one (1) absent. Voting in favor were Chair Mary F. Bernard, Vice-Chair David Platt, Secretary Kevin Fountain and Member Alisa Loiselle.**

Treasurer George Tashjian was not at the meeting.

OLD MATTERS:

- **No old matters**

(13) Adjournment

Secretary Fountain moved to adjourn at 3:27 p.m. Member Loiselle seconded. Motion passed, 4-0, four (4) in favor, one (1) absent. Voting in favor were Chair Mary F. Bernard, Vice-Chair David Platt, Secretary Kevin Fountain and Alisa Loiselle. Treasurer George Tashjian was not at the meeting.

Respectfully submitted,

Kevin M. Fountain, CPA

Secretary

KMF/dmb

- **Posted on January 20, 2016 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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