

**ACCOUNTANCY BOARD OF OHIO
MINUTES OF JULY 13, 2012 MEETING**

The Accountancy Board met on July 13, 2012 in Rooms West B and C on the 31st floor of the Vern Riffe Center for Government and the Arts, 77 South High Street, Columbus, Ohio with the following members present: Margaret Houston, CPA (Chair), W. Michael Fritz, CPA (Vice Chair), Greta Russell, CPA (Immediate Past Chair), Mark LaPlace, CPA (Past Chair), James Carroll, CPA (Member), Adriana Sfalcin (Public Member) and James Gero, CPA (Member). Robert Fay (Secretary) and Michael Comer, CPA (Member) were absent.

Representing the Board staff was Robert Joseph, CPA, Assistant Director. Board counsel present was John Patterson, Esq., representing the office of the Attorney General.

Present in the audience was Clarke Price, Chief Executive Officer of the Ohio Society of Certified Public Accountants (OSCPA), Barbara Benton, Vice President for Governmental Affairs of the OSCP, and Joseph Skoda, representing the National Society of Accountants. Also present was Kristian Morgan, a summer intern working for the Accountancy Board of Ohio.

Ms. Houston called the meeting to order at 10:00 a.m., and welcomed the guests in the audience.

APPROVAL OF THE JUNE 2012 BOARD MEETING MINUTES

Upon motion by Ms. Sfalcin, seconded by Mr. Gero, the Board voted to approve the minutes of the June 8, 2012 Board meeting. Motion carried 7-0.

BOARD MEETING ITEMS

The Board members agreed that placing Board agenda items on the website was a good idea. Most members were in agreement that the items should also be available in hard copy for review at each meeting.

PROPOSED RULE CHANGES

Mr. Joseph presented six rules due to be filed as part of the five-year review procedure. Upon motion by Mr. Carroll, seconded by Mr. Fritz, the Board voted to approve the changes for posting with the Governor's Common Sense Initiative process. Motion carried 7-0.

Ms. Houston noted that other rules are coming up for review, and recommended the creation of an ad hoc committee to review the accountancy law and Board rules with an eye toward a possible statutory change in the future with the assistance of the OSCP and Mr. Patterson. Mr. Carroll and Mr. Gero volunteered along with Ms. Houston to be members of the committee.

INFORMATION REPORTS AND UPDATES

NASBA REPORT

Mr. Joseph reported the NASBA Regional Meeting was held in Philadelphia June 13-15, 2012. He

added that Mr. Fritz made two presentations at that meeting and the meeting was well received.

Ms. Houston noted that there was a session on Board member immunity at the Regional Meeting, and asked Mr. Patterson to comment. Mr. Patterson said, as long as Board members are acting within the statute, members have as much legal protection as possible against lawsuits arising from their actions as a Board.

UAA PROJECT

Mr. Joseph noted he was in the midst of comparing the Ohio accountancy law with the NASBA/AICPA Uniform Accountancy Act (UAA) and that a report would be available by the September 7, 2012 Board meeting.

BUDGET AND FINANCIAL REPORT

Mr. Joseph noted that the Board as of June 30, 2012 spent less than its projected budget for fiscal year 2012 for the 76th consecutive year. He added that the Board's request for an additional \$125,000 in education assistance fund appropriation authority for fiscal year 2013 beginning July 1, 2012 was approved by the Controlling Board even though the increased amount was not yet reflected in the official fiscal reports.

INVESTIGATIONS REPORT

Mr. Joseph noted that eight licensees had still not complied with the continuing education verification, and that at most two hearings would be likely. He added that half of the licensees are not residing in Ohio. He presented a report on the status of past hearings and noted that the cases involving James Moley, Nicholas Floyd-Scott, Scott Davis, Robert Wark, Charles Drake and Daniel Weddington will be closed and will not appear on subsequent reports.

The Board then discussed the procedure when a licensee appeals a Board decision. Mr. Patterson noted that, in most cases, the relevant court grants a stay of the Board's decision pending the outcome of the appeal.

EDUCATION ASSISTANCE PROGRAM REPORT

Mr. Joseph reported a total of \$449,404.00 in education assistance commitments for fiscal year 2012. This amount was an all-time record in the 16-year history of the education assistance program. A total of \$240,000.00 was spent for education assistance in fiscal year 2012. He added that \$234,064.40 was actually used for grant payments and \$5,935.60 was not eligible to be used since refund checks sent to the Board by colleges were deposited in the incorrect fund. He added that the \$5,935.60 was put back into the education assistance fund. He concluded by stating that Youngstown State University, John Carroll University, and the University of Cincinnati are the top three recipients of education assistance grants.

Mr. Fritz inquired about controls in place that assure the Board does not overcommit funds, and Mr. Joseph noted the current procedure is the net commitments (amount committed less expired commitments and grants) cannot exceed the balance in the education assistance fund.

OLD BUSINESS

ELECTRONIC NEWSLETTER

Mr. Joseph reported that NASBA has agreed to help with the newsletter, and that the newsletter should be sent out after the next Board meeting in September. Ms. Houston said that all Board members should send in suggestions for Mr. Joseph and the NASBA staff.

NEW BUSINESS

BOARD CALENDAR OF EVENTS

The Board reviewed the tentative list of Board meetings for 2013 and agreed with the dates listed. Ms. Houston noted that the Board earlier had considered moving the date of the November 2, 2012 meeting due to the NASBA Annual Meeting/International Forum ending at noon on Thursday, November 1, 2012. Since the NASBA meeting was scheduled to be held in Florida, the distance from Orlando to Columbus was a fairly short flight and there was no time difference, the Board agreed to keep the meeting date on November 2, 2012.

The tentative calendar of events is as follows:

- **February 1, 2013 (Friday)**
- March 3-6, 2013 (NASBA Executive Directors Conference, Tucson, AZ)
- **April 26, 2013 (Friday)**
- **June 7, 2013 (Friday)**
- June 26-28, 2013 (NASBA Eastern Regional Meeting, Chicago, IL)
- **July 12, 2013 (Friday)**
- **September 6, 2013 (Friday)**
- October 27-30, 2013 (NASBA Annual Meeting, Maui, HI)
- **November 8, 2013 (Friday) (Annual Meeting)**
- **December 9, 2013 (Monday) (Board retreat)**
- **December 10, 2013 (Tuesday)**
- **February 7, 2014 (Friday)**

REQUESTS FOR WAIVER OF LATE FILING FEES

THOMAS J. MCKINNEY

Mr. McKinney requested a waiver of the \$300 late fee applicable to the late renewal of his Ohio registration because he did not receive a renewal notice.

ALLEN D. BOOKMAN

Mr. Bookman requested a waiver of the \$600 late fee applicable to the late renewal of his Ohio permit due to personal and family reasons.

FORMAL HEARING: APRIL L. SCOPETTI

Ms. Houston opened a disciplinary hearing at 10:50 a.m. pursuant to Chapter 119 of the Revised Code. April L. Scopetti was charged with a violation of section 4701.16(A)(1) of the Ohio Revised Code, pertaining to fraud or deceit in obtaining an Ohio permit, and section 4701.16(A)(4) of the Revised Code, pertaining to failure to comply with Board rule 4701-15-12 regarding continuing education verification. Ms. Scopetti requested a hearing in a timely manner and she was present at the hearing.

Mr. Patterson asked that Ms. Scopetti be sworn in. Ms. Scopetti took the oath. Mr. Patterson said that the hearing notice Ms. Scopetti received indicated that she could have legal counsel. He asked if Ms. Scopetti wanted a continuance in order to get legal counsel. Ms. Scopetti indicated that she would proceed without counsel.

Mr. Patterson asked for the acceptance of State's Exhibit A. Ms. Scopetti did not object, and Ms. Houston accepted the exhibit.

Ms. Scopetti said that her workload during the past three years did not give her the time or the resources to attend continuing education classes. She said that she earned 21 credits that could be verified by the continuing education program sponsors. She indicated that her self-study activities, in her opinion, were sufficient learning activities that warranted continuing education credit up to the 120-credit requirement. She provided an explanation on how she computed the credit she claimed and how the research related to her professional work.

The Board then asked questions of Ms. Scopetti.

Ms. Houston concluded the hearing.

FORMAL HEARING: STEPHEN T. SPILKER

Ms. Houston opened a disciplinary hearing at 11:30 a.m. pursuant to Chapter 119 of the Revised Code. Stephen T. Spilker was charged with a violation of section 4701.16(A)(9) of the Ohio Revised Code, pertaining to failure to obtain an Ohio permit, and section 4701.16(A)(3) of the Revised Code, pertaining to violation of the provisions of section 4701.14 of the Revised Code regarding unlawful practice. Mr. Spilker requested a hearing in a timely manner and he was present at the hearing.

Mr. Patterson asked that Mr. Spilker be sworn in. Mr. Spilker took the oath. Mr. Patterson said that the hearing notice Mr. Spilker received indicated that he could have legal counsel. He asked if Mr. Spilker wanted a continuance in order to get legal counsel. Mr. Spilker indicated that he would proceed without counsel.

Mr. Spilker said that he did not keep up with his license requirements or his continuing education requirements. He indicated his last Ohio permit expired December 31, 2002 and he could complete his continuing education requirements in approximately eight months.

The Board then asked questions of Mr. Spilker.

Ms. Houston concluded the hearing.

REINSTATEMENT HEARING: JENNIFER L. MAROVICH

Ms. Houston opened a reinstatement hearing at 12:10 p.m. Present at the hearing was Jennifer L. Marovich, whose CPA certificate was revoked by the Board on November 9, 2007 pursuant to Ohio Revised Code sections 4701.16(A)(1) and 4701.16(A)(4) then in effect, pertaining to failure to comply with continuing education verification and fraud or deceit in obtaining an Ohio permit. Beth Collis, Esq., represented Ms. Marovich as counsel.

Ms. Collis presented the reasons in support of Mr. Davis's request for reinstatement, and indicated that Ms. Marovich was temporarily absent from her residence during the period in which the hearing notices and Board adjudication order were mailed.

Ms. Marovich elaborated on the reasons presented by Ms. Collis for her failure to appear at the November 9, 2007 Board hearing. She appealed for a favorable consideration of her request for reinstatement and presented documentation of 120 continuing education credits.

The Board then asked questions of Ms. Marovich. One of the questions related to her undergraduate education and Ms. Marovich replied that she graduated from Wright State University. Ms. Houston recused herself and passed the gavel to Mr. Fritz as Acting Chair for the remainder of the hearing.

Mr. Fritz closed the hearing.

EXECUTIVE SESSION

Upon motion by Ms. Houston, seconded by Mr. Gero, the Board voted to recess into executive session pursuant to Ohio Revised Code section 121.22(G)(1) to discuss the requests for waiver of late fees and discipline of licensees with Mr. Patterson, as well as employment of a public employee, possible dismissal of a public employee, and hiring of a public employee. Motion carried 7-0 on a roll call vote. After discussion, the Board returned to general session.

BOARD DECISIONS

LATE FEE WAIVER APPEALS

Upon motion by Mr. Gero, seconded by Mr. Fritz, the Board voted to deny the appeals of the following licensee for waiver of the late filing fee:

- Thomas J. McKinney

Motion carried 7-0 on a roll call vote.

Upon motion by Mr. Gero, seconded by Ms. Sfalcin, the Board voted to deny the appeals of the following licensee for waiver of the late filing fee:

- Allen D. Bookman

Motion carried 6-0 on a roll call vote, with Mr. Fritz abstaining.

DISCIPLINARY HEARING: APRIL L. SCOPETTI

Upon motion by Mr. Gero, seconded by Ms. Russell, the Board voted to revoke the CPA certificate of April L. Scopetti, with the provision that she may apply for reinstatement of her CPA certificate after she completes 99 verified continuing education credits. Motion carried 5-0 on a roll call vote, with Mr. LaPlace and Mr. Fritz abstaining.

DISCIPLINARY HEARING: STEPHEN T. SPILKER

Upon motion by Mr. Gero, seconded by Mr. Fritz, the Board voted to revoke the CPA certificate of Stephen T. Spilker, with the provision that he may apply for reinstatement of his CPA certificate after he passes the CPA examination. Motion carried 7-0 on a roll call vote.

REINSTATEMENT HEARING: JENNIFER L. MAROVICH

Mr. Fritz assumed the duties of Acting Chair for this vote. Upon motion by Mr. Gero, seconded by Mr. Carroll, the Board voted to reinstate the CPA certificate of Jennifer L. Marovich, subject to the completion of the following requirements:

- A fine of \$500.
- Her Ohio permit expiration date will be December 31, 2012.

Motion carried 6-0 on a roll call vote, with Ms. Houston abstaining.

Upon motion by Ms. Houston, seconded by Mr. Gero, the Board voted to adjourn. Motion carried 7-0.

MARGARET A. HOUSTON, CHAIR

W. MICHAEL FRITZ, VICE CHAIR