

**ACCOUNTANCY BOARD OF OHIO
MINUTES OF JULY 12, 2013 MEETING**

The Accountancy Board met on July 12, 2013 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: W. Michael Fritz, CPA (Chair), Robert Fay, CPA (Vice-Chair), Michael Comer, CPA (Secretary), Margaret Houston, CPA (Immediate Past Chair), Greta Russell, CPA (Past Chair), James Carroll, CPA (Member), Adriana Sfalcin (Public Member), James Gero, CPA (Member), and James Gottfried, CPA (Member).

Representing the Board staff was John E. Patterson, Executive Director and Tracey F. Fithen, Assistant Executive Director. Board counsel present was Hilary R. Damaser, Esq. and Rachel Huston, Esq., representing the office of the Attorney General. The meeting was opened with the Pledge of Allegiance.

Present in the audience were Scott D. Wiley, CAE, President and Chief Executive Officer of the Ohio Society of Certified Public Accountants (OSCPA) and Joseph Skoda, CPA, representing the National Society of Accountants.

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

APPROVAL OF THE JUNE 2013 BOARD MEETING MINUTES

Upon motion by Ms. Sfalcin, seconded by Mr. Comer, the Board voted to approve the minutes of the June 7, 2013 Board meeting. Motion carried 9-0.

INFORMATION REPORTS AND UPDATES

RENEWAL UPDATE

Ms. Fithen reported the renewal of the tax consulting firms was currently showing that over half the firms have renewed as of today's date. Preparation for the CPA license renewal is underway and on track.

INVESTIGATIONS REPORT

Jenny Kochensparger, Board investigator, noted that there were 12 cases opened since the last Board meeting, 10 closed and a total of 46 opened during 2013. She added that the investigators are preparing for the expiration deadline of the tax firms which is July 31, 2013.

REVIEW OF RULES

Mr. Patterson noted that he is currently reviewing rules OAC 4701-3-06, Conditional Application for the CPA examination, which we are planning on rescinding, OAC 4701-11-06, Retention of Client Records, which we've asked for an extension in filing so that we may line up with the UAA rule and OAC 4701-13-11, Required Submission of Peer Review Reports by updating and streamline changes. Upon motion by James Gottfried, seconded by James Gero, the Board voted to approve the filing of rules. Motion carried 9-0.

EDUCATION ASSISTANCE PROGRAM REPORT

Karen Salyer, Education Assistance Secretary, reported a total of \$292,733.77 spent for education assistance for fiscal year 2013. The allotted amount for this fiscal year is \$325,000.

Youngstown State University, the University of Cincinnati and the Ohio State University were the three top recipients of scholarship dollars.

OLD BUSINESS

Status of Past Hearings

Mr. Patterson noted, per the June 7, 2013 Board meeting, the status of the hearings were processed and remedies were ordered.

NEW BUSINESS

Mr. Patterson presented the Board with a resolution to have the Board Chair approve all future travel for board members. Upon motion by James Gero, seconded by Adriana Sfalcin, the Board voted to approve the resolution. Motion carried 8-1.

REQUESTS FOR WAIVER OF LATE FILING FEES

ZACHARY S. DOTZAUER

Mr. Dotzauer requested a waiver of the \$300 late fee applicable to the late renewal of his Ohio permit because he had changed employers and the cpe was misplaced.

REINSTATEMENT HEARING: CHARLES L. MELOSH

Mr. Fritz opened a reinstatement hearing at 10:45 a.m. Present at the hearing was Charles L. Melosh, whose CPA certificate was revoked by the Board on June 8, 2012 pursuant to OAC 4701.16(A)(1) Failure to comply with the continuing education verification and OAC 4701.16(A)(4) fraud or deceit in obtaining a license.

Ms. Huston called Mr. Patterson as a witness and introduced State's Exhibits 1 through 7. Mr. Melosh then spoke to the Board and was asked questions by the Board.

The Board admitted into evidence all exhibits. Mr. Fritz concluded the hearing.

FORMAL HEARING: JEFFERY C. KOLARIK

Mr. Fritz opened a disciplinary hearing at 10:57 a.m. pursuant to Chapter 119 of the Ohio Revised Code. The Board charged Mr. Kolarik with a violation of section 4701.16(A)(5) of the Ohio Revised Code - Conviction of a felony under the laws of any state or of the United States.

Ms. Huston called Mr. Patterson as a witness and introduced State's Exhibits 1 through 12. Mr. Kolarik then spoke to the Board and was asked questions by the Board.

The Board admitted into evidence all exhibits. Mr. Fritz concluded the hearing.

FORMAL HEARING: BRAD A. SACKELLA

Mr. Fritz opened a disciplinary hearing at 11:19 a.m. pursuant to Chapter 119 of the Revised Code. The Board charged Mr. Sackella with a violation of section 4701.16(A)(5) of the Ohio Revised Code -Conviction of a felony under the laws of any state or of the United States.

Ms. Huston called Mr. Patterson as a witness and introduced State's Exhibits 1 through 4. Mr. Sackella was not attendance.

The Board admitted into evidence all exhibits. Mr. Fritz concluded the hearing.

FORMAL HEARING: FRANK J. D'ANDREA

Mr. Fritz opened a disciplinary hearing at 11:24 a.m. pursuant to Chapter 119 of the Revised Code. Present at the hearing was Frank J. D'Andrea, whose CPA certificate was revoked by the Board on June 8, 2012 pursuant to section 4701.16(A)(9) of the Ohio Revised Code, concerning failure to obtain an Ohio permit and a firm registration. Also, pursuant to section 4701.16(A)(11) of the Ohio Revised Code, concerning failure of the firm to comply with the firm registration requirements in section 4701.04 of the Ohio Revised Code.

Ms. Huston called Mr. Patterson as a witness and introduced State's Exhibits 1 through 51. Mr. D'Andrea was asked questions by the Board.

The Board admitted into evidence all exhibits. Mr. Fritz concluded the hearing.

REINSTATEMENT HEARING: DENVER L. NELSON, JR.

Mr. Fritz opened a reinstatement hearing at 11:42 a.m. Present at the hearing was Denver L. Nelson, whose CPA certificate was revoked by the Board on July 10, 2009 pursuant to section 4701.16(A)(1) of the Ohio Revised Code, concerning committing fraud or deceit in obtaining an Ohio permit; and Section 4701.16(A)(4) of the Ohio Revised Code, concerning failure to comply with the continuing education verification requirements.

Ms. Huston called Mr. Patterson as a witness and introduced State's Exhibits 1 through 5. Mr. Nelson then spoke to the Board and was asked questions by the Board.

The Board admitted into evidence all exhibits. Mr. Fritz concluded the hearing.

FORMAL HEARING: DANIEL J. HARCAR

Mr. Fritz opened a disciplinary hearing at 12:12 p.m. pursuant to Chapter 119 of the Ohio Revised Code. The Board charged Daniel J. Harcar, pursuant to 4701.16(A)(1) with failure to comply with the continuing education verification and OAC 4701.16(A)(4), fraud or deceit in obtaining a license.

Ms. Huston called Mr. Patterson as a witness and introduced State's Exhibits 1 through 37. Mr. Harcar was not in attendance.

The Board admitted into evidence all exhibits. Mr. Fritz concluded the hearing.

EXECUTIVE DIRECTOR'S REPORT

Mr. Patterson addressed the last three requests of the Board from the board meeting of June 7, 2013. Mr. Patterson stated that per a request from Mr. Gottfried, to include suggested changes to OAC 4701-11-05(C)(1) language. Also, add board meeting date to agenda for future reference and have the board members schedule subcommittee meetings in the future. Mr. Patterson asked that the Licensing Committee schedule a meeting with Mr. Carroll as Chair. Also, asked that the Office Oversight Committee to meet sometime in October.

He also had suggestions for the Annual Meeting in December for discussion.

EXECUTIVE SESSION

Upon motion by Mr. Fritz, seconded by Mr. Comer, 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 formal hearings. Motion carried 9-0 on a roll call vote. After discussion, the Board returned to general session.

BOARD DECISIONS

LATE FEE WAIVER APPEALS

Upon motion by Mr. Comer, seconded by Mr. Gottfried, the Board voted to deny the appeal of Zachary S. Dotzauer for waiver of the late filing fee.

Motion carried 9-0 on a roll call vote.

REINSTATEMENT HEARING: CHARLES L. MELOSH

Upon motion by Mr. Comer, seconded by Ms. Houston, the Board voted to revoke the CPA certificate of Charles L. Melosh, but stay the revocation subject to the completion of the following requirements by August 31, 2013:

- Payment of a fine of \$500.
- Payment of any applicable late and penalty fees.
- Completion of a Board-approved professional standards and responsibilities course.

Motion carried 9-0 on a roll call vote.

DISCIPLINARY HEARING: JEFFERY C. KOLARIK

Upon motion by Mr. Comer, seconded by Ms. Houston, the Board voted to revoke the CPA certificate of Jeffery C. Kolarik. Mr. Kolarik cannot reapply for reinstatement until satisfaction of all terms and conditions of the court order.

Motion carried 9-0 on a roll call vote.

DISCIPLINARY HEARING: BRAD A. SACKELLA

Upon motion by Mr. Comer, seconded by Ms. Houston, the Board voted to revoke the CPA certificate of Brad A. Sackella. Mr. Sackella cannot reapply for reinstatement until satisfaction of all terms and conditions of the court order.

Motion carried 9-0 on a roll call vote.

DISCIPLINARY HEARING: FRANK J. D'ANDREA

Upon motion by Mr. Comer, seconded by Mr. Fay, the Board voted to revoke the CPA certificate of Frank J. D'Andrea but stay the revocation subject to the completion of the following requirements by August 31, 2013:

- Payment of a fine of \$5,000.
- Payment of any applicable late and penalty fees.
- Completion of a Board-approved professional standards and responsibilities course.

Motion carried 9-0 on a roll call vote.

REINSTATEMENT HEARING: DENVER L. NELSON, JR.

Upon motion by Mr. Comer, seconded by Ms. Houston, the Board voted to revoke the CPA certificate of Denver L. Nelson, Jr., but stay the revocation subject to the completion of the following requirements by August 31, 2013:

- Payment of a fine of \$500.
- Payment of any applicable late and penalty fees.
- Completion of a Board-approved professional standards and responsibilities course.

Motion carried 9-0 on a roll call vote.

DISCIPLINARY HEARING: DANIEL J. HARCAR

Upon motion by Mr. Comer, seconded by Mr. Carroll, the Board voted to revoke the CPA certificate of Daniel J. Harcar. Motion carried 9-0 on a roll call vote.

Upon motion by Ms. Sfalcin, seconded by Mr. Fritz, the Board voted to adjourn. Motion carried 9-0.

W. MICHAEL FRITZ, CHAIR

MICHAEL S. COMER, SECRETARY