

**ACCOUNTANCY BOARD OF OHIO  
MINUTES OF SEPTEMBER 5, 2014 MEETING**

The Accountancy Board met on September 5, 2014 in Room East B 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: Robert Fay, CPA (Chair), Michael Comer, CPA (Vice-Chair), James Carroll, CPA (Secretary), W. Michael Fritz, CPA (Immediate Past Chair), Margaret Houston, CPA (Past Chair), Adriana Sfalcin (Public Member), James Gero, CPA (Member), James Gottfried, CPA (Member) and Michael Guinigundo, CPA (Member).

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

Mr. Fay called the meeting to order at 10:00 a.m., and welcomed State Representative Gary Scherer who is currently serving his first term in the Ohio House of Representatives after being appointed to the 129<sup>th</sup> General Assembly. He represents the 92<sup>nd</sup> House District, which includes Fayette County, as well as portions of Pickaway and Ross counties. Representative Scherer, who is also a CPA, spoke to the Board and guests in the audience.

Present in the audience were Scott D. Wiley, CAE, President and Chief Executive Officer of the Ohio Society of Certified Public Accountants (OSCPA), Laura Hay, Executive Vice President of the Ohio Society of Certified Public Accountants (OSCPA), Barbara Benton, Vice-President for Governmental Affairs of the OSCP, and Joseph Skoda, CPA, representing the National Society of Accountants.

**FORMAL HEARING: PAUL D. MUSGRAVE**

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

Ms. Huston introduced State's Exhibits (A) 1 through 11, (B) 1 through 32 and Respondent's Exhibit 1 through 30. Mr. Musgrave was not present, but his attorney, Melissa J. Mitchell, spoke to the Board and was asked questions by the Board.

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

**FORMAL HEARING: RAYMOND J. SLOGAR, JR.**

Mr. Fay opened a disciplinary hearing at 10:40 a.m. pursuant to Chapter 119 of the Revised Code. The Board charged Mr. Slogar with a violation of section 4701.16(A)(4), (9) and (11) of the Ohio Revised Code, concerning failure to obtain a firm registration; violation of a rule of professional conduct (Generally Accepted Auditing Standards); and failure to comply with firm registration requirements.

Ms. Huston introduced State's Exhibits (A), 1 through 8. Mr. Slogar and his attorney, Stephen P. Linnen, then spoke and were questioned by the Board.

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

### **REINSTATEMENT HEARING: TAB A. KEPLINGER**

Mr. Fay opened a reinstatement hearing at 11:05 a.m. Present at the hearing was Tab A. Keplinger whose CPA certificate was revoked by the Board on September 9, 2010, pursuant to a violation of section 4701.16(A)(8) of the Ohio Revised Code, concerning suspension or revocation of the right to practice before any state or federal agency.

Ms. Huston introduced State's Exhibit(s) A, 1 through 12 and B, 1 through 93. Mr. Keplinger then spoke and was questioned by the Board.

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

### **FORMAL HEARING: MARK A. SIPOS**

Mr. Fay opened a disciplinary hearing at 11:20 a.m. pursuant to Chapter 119 of the Revised Code. The Board charged Mr. Sipos with a violation of section 4701.16(A)(9) and (11) of the Ohio Revised Code, concerning failure to obtain a firm registration and failure to comply with firm registration requirements.

Ms. Huston introduced State's Exhibits (A), 1 through 6 and B, 1 through 10. Mr. Sipos and his attorney, Jack Cooper, then spoke and were questioned by the Board.

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

### **REINSTATEMENT HEARING: CHRISTOPHER J. HUTH**

Mr. Fay opened a reinstatement hearing at 11:35 a.m. Present at the hearing was Christopher J. Huth, whose CPA certificate was revoked by the Board on May 29, 2009, pursuant to a violation of section 4701.16(A)(3), (9) and (11) of the Ohio Revised Code, concerning unlawful practice of public accounting, failure to obtain a firm registration, and failure to comply with the firm registration requirements.

Ms. Huston introduced State's Exhibit(s) A, 1 through 8. Mr. Huth then spoke and was questioned by the Board.

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

### **STATUS CHANGE REQUEST: JOSEPH E. ZUSCHAK**

Mr. Fay read a request for a status change from retired status to active status at 11:40 a.m.

The Board admitted into evidence Mr. Zuschak's letter. Mr. Fay concluded the request hearing.

### **APPROVAL OF THE JULY 11, 2014 BOARD MEETING MINUTES**

Upon motion by Mr. Comer, seconded by Ms. Sfalcin, the Board voted to approve the minutes of the July 11, 2014 Board meeting. Motion carried 9-0.

## **INFORMATION REPORTS AND UPDATES**

### ***BUDGET UPDATE***

Ms. Fithen reported that we are currently only in the first quarter of our fiscal year, 2015 and everything is on track at this time.

She gave an overview of planning the budget requests for fiscal years 2016 and 2017. The Accountancy Board of Ohio will be needing to request additional funds for some of the following reasons; maintaining an old licensing system until the new one is available (both costing additional monies), a new email system (Microsoft 365), Department of Administrative Service increase and expected rent increase of 15 – 20%.

### ***AUDITOR'S REPORT***

The Auditor of State has performed their two year audit of the Accountancy Board's Internal Revenue and Expenditure reporting. This covered Fiscal Year's 2012 and 2013. The Auditor's office found no discrepancies or errors. Mr. Fritz noted his disappointment with the Auditor of State and the staff not advising the Board's Audit Committee of the audit prior to the report issuance and he asked that the Audit Committee be able to meet with the Auditor of State in a planning meeting and an exit meeting for the next audit is conducted. Board approval was requested to accept the Audit. Motion carried 9 – 0.

### ***GOVERNOR'S MEMORANDUM***

Mr. Patterson discussed the Governor's memorandum regarding board attendance at board meetings.

### ***EDUCATION ASSISTANCE PROGRAM REPORT***

Elisabeth Newell, Education Assistance Secretary, reported a total of \$115,259 spent for education assistance for the current fiscal year 2015. Fifty thousand dollars of that amount is expected to be paid soon to the Ohio Society of CPA's Accounting Careers Awareness Program (ACAP-Ohio) in support of students from underrepresented backgrounds. The allotted amount for this fiscal year is \$325,000.

### ***INVESTIGATIONS REPORT***

Mr. Patterson noted that there were 7 cases opened since the last Board meeting, 5 closed and a total of 30 currently open in 2015. Total alleged issues are at 16.

### ***OLD BUSINESS***

#### **STATUS OF PAST HEARINGS**

Mr. Patterson noted, per the July 11, 2014 Board meeting, the status of the hearings were processed and remedies were ordered.

Mr. Gero updated the Board on the Peer Review Oversight Committee's meeting prior to the Board meeting today, September 5, 2014. They agreed to send the rules to stakeholders for

comment.

### ***ATTORNEY GENERAL'S REPORT***

The Board went into Executive Session pursuant to Section 121.22(G)(3) to discuss pending court action.

### ***NEW BUSINESS***

Mr. Patterson recommended that the Board close the cases of complaint for the following;  
Case #2014-15 (Regina Crosby CPA),  
Case #2014-81 (Bryan Daulton CPA),  
Case #2014-9 (Perry W. Somerville CPA),  
as well as a request for CPE Credit from Ms. Elizabeth Plotnick-Snay, a former board member.

### ***OFFICE OVERSIGHT COMMITTEE***

Mr. Fritz, Chair of the Office Oversight Committee, noted that he had heard nothing from any staff via email or conversations.

### **REQUESTS FOR WAIVER OF LATE FILING FEES**

#### ***JOSEPH P. GARGASZ***

Mr. Gargasz requested a waiver of the \$500 late fee applicable to the late renewal of his Ohio permit because he believes he never received notification of renewal information.

#### ***J. E. SLAYBAUGH & ASSOCIATES INC.***

Mr. Slaybaugh requested a waiver of the \$180 firm late fee applicable to the late renewal of his Ohio firm license as he was diagnosed with cancer in July.

#### ***MICHAEL C. RODDY***

Mr. Roddy requested a waiver of the \$800 late fee applicable to the late renewal of his Ohio permit license.

### **EXECUTIVE DIRECTOR'S REPORT**

Mr. Patterson addressed the travel policy administration and asked the Board to accept the resolution that the Executive Committee approves all board travel. Mr. Fay, Executive Committee Chair, met with the committee prior to the Board meeting and approved the travel of Board Members to the NASBA Annual meeting in Washington, DC.

Mrs. Fithen reported that she and Liz Newell looked at different options in presenting to the Board regarding going 'green' for meeting material distribution. The overall consensus is to obtain a secure site, load the meeting materials to the site and have available for members using either their own e-book or iPad, or board purchased equipment.

Mr. Patterson asked that the board form a committee to respond to the AICPA's "Invitation to Comment on Maintaining the Relevance of the Uniform CPA Examination." Maggie Houston, Mike Fritz, Jim Gottfried and Mr. Fay, who will serve as lead, volunteered to respond.

### **EXECUTIVE SESSION**

The Board, after motion and a roll call vote, went into executive session, pursuant to Section 121.22(G)(1) to consider the investigation of charges against a public employee.

The Board also considered discipline of a public employee and promotion of a public employee.

### **QUASI-JUDICIAL DELIBERATIONS**

Upon motion by Mr. Fay, seconded by Mr. Comer, the Board voted to enter into quasi-judicial deliberations to discuss the waiver of late fee requests 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. Carroll, seconded by Mr. Gottfried, the Board voted to deny the appeal of Joseph P. Gargasz.

Motion carried 9-0 on a roll call vote.

Upon motion by Mr. Carroll, seconded by Mr. Gottfried, the Board voted to deny the appeal of John E. Slaybaugh.

Motion carried 9-0 on a roll call vote.

Upon motion by Mr. Carroll, seconded by Mr. Gottfried, the Board voted to deny the appeal of Michael C. Roddy.

Motion carried 8-0 on a roll call vote, with Ms. Houston abstaining.

#### ***DISCIPLINARY HEARING: PAUL D. MUSGRAVE***

Upon motion by Mr. Carroll, seconded by Mr. Comer, the Board voted to revoke the CPA certificate of Paul D. Musgrave and cannot request reinstatement until all terms and conditions of his felony conviction have been met:

Motion carried 9-0 on a roll call vote.

#### ***REINSTATEMENT HEARING: RAYMOND J. SLOGAR, JR.***

Upon motion by Mr. Carroll, seconded by Mr. Comer, the Board voted to reinstate the CPA certificate of Raymond J. Slogar, Jr., subject to the completion of the following requirements by

November 30, 2014:

- Payment of a fine of \$2,500.
- Payment of any applicable late and penalty fees.
- Verification of completion of 120 hours of continuing education.
- Completion of a Board-approved, Ohio specific professional standards and responsibilities course.

Motion carried 9-0 on a roll call vote.

***REINSTATEMENT HEARING: TAB A. KEPLINGER***

Upon motion by Mr. Carroll, seconded by Ms. Sfalcin, the Board voted to reinstate the CPA certificate of Tab A. Keplinger, subject to the completion of the following requirements by November 30, 2014:

- Payment of a fine of \$2,500.
- Payment of any applicable late and penalty fees.

Motion carried 8-0 on a roll call vote with Mr. Comer abstaining.

***DISCIPLINARY HEARING: MARK A. SIPOS***

Upon motion by Mr. Carroll, seconded by Mr. Gero, the Board voted to revoke the CPA certificate of Mark A. Sipos. Mr. Sipos is subject to completion of the following requirements by November 30, 2014:

- Payment of a fine of \$2,000.
- Payment of any applicable late and penalty fees.
- Verification of completion of 120 hours of continuing education.
- Completion of a Board-approved, Ohio specific professional standards and responsibilities course.
- A completed and accepted Peer Review (System's Review) by May 31, 2015.

Motion carried 9-0 on a roll call vote.

***REINSTATEMENT HEARING: CHRISTOPHER J. HUTH***

Upon motion by Mr. Carroll, seconded by Ms. Sfalcin, the Board voted to reinstate the CPA certificate of Christopher J. Huth, subject to the completion of the following requirements by November 30, 2014:

- Payment of a fine of \$2,000.
- Payment of any applicable late and penalty fees.
- Verification of completion of 120 hours of continuing education.
- Completion of a Board-approved, Ohio specific professional standards and responsibilities course.

Motion carried 9-0 on a roll call vote.

***STATUS CHANGE REQUEST: JOSEPH E. ZUSCHAK***

Upon motion by Mr. Carroll, seconded by Mr. Gero, the Board voted to deny the request of status change for the CPA certificate of Joseph E. Zuschak.

Motion carried 9-0 on a roll call vote.

Upon motion by Mr. Fay, seconded by Mr. Comer, the Board voted to adjourn. Motion carried 9-0.

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**ROBERT F. FAY, CHAIR**

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**JAMES J. CARROLL, SECRETARY**