

**ACCOUNTANCY BOARD OF OHIO
MINUTES OF NOVEMBER 4, 2011 MEETING**

The Accountancy Board met on November 4, 2011 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: Greta Russell, CPA (Chair), Margaret Houston, CPA (Vice Chair), W. Michael Fritz, CPA (Secretary), Mark LaPlace (Immediate Past Chair), James Landaker, CPA (Past Chair), Robert Fay, CPA (Member), Michael Comer, CPA (Member), James Carroll, CPA-Inactive (Member), and Adriana Sfalcin (Public member).

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

Present in the audience were Barbara Benton, Vice President for Governmental Affairs of the Ohio Society of Certified Public Accountants (OSCPA), and Joseph Skoda, CPA, representing the Ohio Association of Independent Accountants.

Ms. Russell called the meeting to order at 10:13 a.m., and welcomed the guests in the audience.

ELECTION OF BOARD OFFICERS

Mr. LaPlace reported that the nominating committee selected the following slate of officers for the Board year 2011-2012:

- Chair-Margaret Houston
- Vice Chair-W. Michael Fritz
- Secretary-Robert Fay

Mr. LaPlace motioned that the slate of nominees be accepted. Mr. Landaker seconded the motion, and the Board approved the motion 9-0.

APPROVAL OF THE SEPTEMBER 2011 BOARD MEETING MINUTES

Upon motion by Mr. Landaker, seconded by Mr. Carroll, the Board voted to approve the minutes of the September 9, 2011 Board meeting. Motion carried 9-0.

FISCAL YEAR 2011 ANNUAL REPORT

Mr. Joseph presented the draft annual report. The Board members discussed the report and made several suggestions for improvement. Ms. Russell noted that Board members who have not commented or who have further comments should contact the office staff within a week or so.

INFORMATION REPORTS AND UPDATES

NASBA REPORT

Ms. Russell noted that she attended the NASBA Annual Meeting in Nashville, Tennessee on October 23-26, 2011 and that it was a good meeting. She added that three other Board members attended, and noted that Theodore Long, a former two-time Board chair, was elected to the NASBA Board of Directors.

BUDGET AND FINANCIAL REPORT

Mr. Joseph noted that the Board has spent less than one-fourth of its appropriation for fiscal year 2012, so it is likely once again that the Board would not spend its entire appropriation.

INVESTIGATIONS REPORT

Mr. Joseph noted that 102 peer review firms did not renew their firm registrations by the October 31, 2011 deadline and that cease and desist letters would be mailed shortly to firms that did not complete their peer reviews by the October 31, 2011 deadline.

EDUCATION ASSISTANCE PROGRAM REPORT

Mr. Joseph reported a total of \$142,452.40 spent for education assistance so far in fiscal year 2012 (July 1, 2011-October 24, 2011). He referred to the total appropriation for fiscal year 2012 of \$240,000 and said that progress was good even compared to last year's record total of grants under the new rules. He concluded by stating that Ohio State University, Youngstown State University, and Cleveland State University were the three top recipients of scholarship dollars.

Ms. Houston inquired how the Board is determining that students who receive scholarship funds actually take the CPA examination. Mr. Joseph said that a report could be prepared for the next Board covering this issue; he added that there are some statutory issues that prevent the Board from demanding a refund of monies spent if the student fails to sit for the CPA examination.

OLD BUSINESS

There was no old business to discuss.

NEW BUSINESS

RETREAT ITEMS

Ms. Russell said that all Board committee chairs should let Mr. Rotaru or Mr. Joseph know about any items to be discussed at the Board retreat on December 12, 2011.

REQUESTS FOR WAIVER OF LATE FILING FEES

GENE C. SHEETS

Mr. Sheets requested a waiver of the \$350 late fee applicable to the late renewal of his Ohio registration because he actually wanted to obtain an Ohio permit.

FORREST F. FRANKLIN

Mr. Franklin requested a waiver of the \$1,250 late fee applicable to the late renewal of his Ohio registration because he did not receive a license renewal notice.

RICHARD M. SHERRIN & ASSOCIATES, INC.

Mr. Sherrin requested a waiver of the \$150 late fee applicable to the late renewal of his public accounting firm, Richard M. Sherrin & Associates, Inc., because he did not receive a renewal notice.

FORMAL HEARING: STEPHEN J. ZOELLER

Ms. Russell noted that the hearing for Mr. Zoeller was cancelled as he complied with the continuing education verification requirement.

FORMAL HEARING: MARY C. ROGERS

Ms. Russell opened a disciplinary hearing at 10:55 a.m. pursuant to Chapter 119 of the Revised Code. Mary C. Rogers was charged with a violation of section 4701.16(A)(6) of the Ohio Revised Code, pertaining to a conviction of a crime, an element of which is dishonesty or fraud. Ms. Rogers requested a hearing in a timely manner but she was not present at the hearing due to her incarceration. The hearing was continued from the September 9, 2011 Board meeting. Ms. Rogers was represented by Daniel W, Griffin, Esq.

Mr. Patterson and Mr. Griffin waived opening statements.

Mr. Patterson reviewed documents in State's Exhibit A with Mr. Griffin. Ms. Rogers was convicted in United States District Court, Southern District of Ohio, of one count of Conspiracy to Commit Bank and Mail Fraud and two counts of Filing a False Income Tax Return. The court sentenced Ms. Rogers to 24 months incarceration; five years supervised release, and ordered her to pay restitution of \$18,005.04.

Mr. Griffin noted that the case stemmed from contract problems with a cable company that planned to place a fiber optic network in Butler County, where Ms. Rogers was the County Auditor. A total of \$4,000,000 was paid to the cable company for work that was never performed. Mr. Griffin added that National City Bank gave Ms. Rogers a release from liability for payment.

Mr. Patterson then asked for the admission of State's Exhibit A. Mr. Griffin did not object and Ms. Russell accepted the exhibit.

The Board then asked questions of Mr. Griffin. Following the questions, Mr. Patterson said the Board has jurisdiction to take action in this matter.

Ms. Russell concluded the hearing.

FORMAL HEARING: RAYMOND J. SLOGAR, JR.

Ms. Russell opened a disciplinary hearing at 11:10 A.m. pursuant to Chapter 119 of the Revised Code. Raymond J. Slogar, Jr. was charged with a violation of section 4701.16(A)(4) of the Ohio Revised Code, pertaining to Mr. Slogar's failure to comply with generally accepted auditing standards and sections 4701.16(A)(9) and 4701.16(A)(11) of the Revised Code, pertaining to the failure of Mr. Slogar to obtain a firm registration. Mr. Slogar did not request a hearing in a timely manner and he was not present at the hearing.

Mr. Patterson waived his opening statement, called Mr. Rotaru as a witness, and asked that he be sworn in. Mr. Rotaru took the oath. Mr. Patterson reviewed documents in State's Exhibit A with Mr. Rotaru. Mr.

Rotaru said the Board received a letter from the US Department of Labor stating that Mr. Slogar failed to comply with generally accepted auditing standards in his audit of the Prevailing Wage Contractors Association, Inc. Members Welfare Benefit Trust, and listed his firm as "Ray Slogar, CPA" without holding a valid firm registration.

Mr. Patterson moved for the acceptance of State's Exhibit A and Ms. Russell accepted the exhibit. Mr. Patterson said the Board has jurisdiction to take action in this matter.

Ms. Russell concluded the hearing.

FORMAL HEARING: JONES, COCHENOUR & CO.

Ms. Russell noted that the hearing for Jones, Cochenour & Company was cancelled.

REINSTATEMENT HEARING: JOHN J. JURCAGO

Ms. Russell opened a reinstatement hearing at 11:30 a.m. Present at the hearing was John J. Jurcago, whose CPA certificate was revoked by the Board on October 11, 2011 pursuant to his failure to comply with Board adjudication order 2011-09-03 regarding completion of his continuing education requirement. The adjudication order was issued by the Board pursuant to a hearing on September 9, 2011 regarding Mr. Jurcago's noncompliance with Ohio Revised Code sections 4701.16(A)(3) and 4701.16(A)(9) pertaining to failure to obtain an Ohio permit and unlawful practice.

Mr. Patterson noted that the only duty of the Board at a reinstatement hearing was to listen to Mr. Jurcago's request for reinstatement. Mr. Patterson added that the Board has three options:

- Take no action, leaving Mr. Jurcago's CPA certificate in revoked status;
- Reinstatement Mr. Jurcago's CPA certificate, or
- Reinstatement Mr. Jurcago's CPA certificate subject to the fulfillment of certain conditions.

Mr. Jurcago said that he did not have 120 documented continuing education credits for the reporting period January 1, 2006 through December 31, 2008. He requested reinstatement of his CPA certificate and asked that continuing education credit earned in 2009 be applied toward his 2008 requirement. Mr. Patterson moved for the acceptance of State's Exhibit A documenting the reinstatement hearing notices. Mr. Jurcago did not object, and Ms. Russell accepted the exhibits.

The Board then asked questions of Mr. Jurcago.

Ms. Russell closed the hearing.

FORMAL HEARING: ROBERT EUGENE DAVIS

Ms. Russell opened a disciplinary hearing at 12:00 noon pursuant to Chapter 119 of the Revised Code. Robert Eugene Davis was charged with a violation of section 4701.16(A)(4) of the Ohio Revised Code, pertaining to Mr. Davis's failure to respond to Board communications in a timely manner. Mr. Davis requested a hearing in a timely manner but he was not present at the hearing.

Mr. Patterson waived his opening statement, called Mr. Rotaru as a witness, and asked that he be sworn in. Mr. Rotaru took the oath. Mr. Patterson reviewed documents in State's Exhibit A with Mr. Rotaru. Mr. Rotaru said the hearing arose from a complaint the Board received. Mr. Davis failed to respond to Board

requests for information concerning the complaint. On September 6, 2011, the Board sent Mr. Davis a notice of opportunity for hearing. Mr. Davis responded to the complaint on September 30, 2011 after he received the hearing notice. On October 5, 2011, the Board sent Mr. Davis a certified letter scheduling the hearing for November 4, 2011.

Mr. Patterson moved for the acceptance of State's Exhibit A and Ms. Russell accepted the exhibit. Mr. Patterson said the Board has jurisdiction to take action in this matter.

Ms. Russell concluded the hearing.

FORMAL HEARING: BETTY J. MESSER

Ms. Russell opened a disciplinary hearing at 12:05 p.m. pursuant to Chapter 119 of the Revised Code. Betty J. Messer was charged with a violation of section 4701.16(A)(4) of the Ohio Revised Code, pertaining to Ms. Messer's failure to respond to Board communications in a timely manner. Ms. Messer did not request a hearing in a timely manner and she was not present at the hearing.

Mr. Patterson waived his opening statement, called Mr. Rotaru as a witness, and asked that he be sworn in. Mr. Rotaru took the oath. Mr. Patterson reviewed documents in State's Exhibit A with Mr. Rotaru. Mr. Rotaru said the hearing arose from a complaint the Board received. Ms. Messer failed to respond to Board requests for information concerning the complaint. On August 31, 2011, the Board sent Ms. Messer a notice of opportunity for hearing. Ms. Messer did not request a hearing and on October 7, 2011, the Board sent Ms. Messer a certified letter scheduling the hearing for November 4, 2011.

Mr. Patterson moved for the acceptance of State's Exhibit A and Ms. Russell accepted the exhibit. Mr. Patterson said the Board has jurisdiction to take action in this matter.

Ms. Russell concluded the hearing.

EXECUTIVE SESSION

Upon motion by Ms. Houston, seconded by Ms. Sfalcin, the Board voted to recess into executive session to discuss the requests for waiver of late fees and confidential investigative cases with Mr. Patterson. 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. Fritz, seconded by Mr. LaPlace, the Board voted to deny the appeals of the following licensees for waiver of the late filing fee:

- Gene C. Sheets
- Forrest F. Franklin
- Richard J. Sherrin & Associates, Inc.

Motion carried 9-0 on a roll call vote.

DISCIPLINARY HEARING: MARY C. ROGERS

Upon motion by Mr. Fritz, seconded by Mr. Comer, the Board voted to revoke the CPA certificate of Mary C. Rogers, with the provision that she may not apply for reinstatement until she has complied with all conditions set by the United States District Court, Southern District of Ohio. Motion carried 9-0 on a roll call vote.

DISCIPLINARY HEARING: RAYMOND J. SLOGAR, JR.

Upon motion by Mr. Fritz, seconded by Mr. Comer, the Board voted to revoke the CPA certificate of Raymond J. Slogar, Jr. Motion carried 9-0 on a roll call vote.

DISCIPLINARY HEARING: ROBERT EUGENE DAVIS

Upon motion by Mr. Fritz, seconded by Mr. Comer, the Board voted to revoke the CPA certificate of Robert Eugene Davis. Motion carried 9-0 on a roll call vote.

REINSTATEMENT HEARING: JOHN J. JURCAGO

Upon motion by Mr. Fritz, seconded by Mr. Comer, the Board voted to reinstate the CPA certificate of John J. Jurcago effective February 15, 2012, subject to the following conditions:

- Submission of 120 continuing education credits for the reporting period January 1, 2006-December 31, 2008. Credits earned after December 31, 2008 may be applied toward this requirement, but a late fee is applicable for the date those credits were obtained;
- Submission of 120 continuing education credits for the reporting period January 1, 2009-December 31, 2011. The reporting period will begin one day after the date the credits applied toward the 2008 period were earned;
- Fine of \$7,000 and completion of a Board-approved professional standards and responsibilities course;
- Full compliance with the Board's cease and desist order;
- Submission of Ohio permit fees including \$1,250 late fees and penalty fees;
- Compliance with firm registration requirements, including \$300 late fee, after Ohio permit requirements are complete.

Motion carried 9-0 on a roll call vote.

DISCIPLINARY HEARING: BETTY J. MESSER

Upon motion by Mr. Fritz, seconded by Mr. Comer, the Board voted to revoke the CPA certificate of Betty J. Messer. Motion carried 9-0 on a roll call vote. The Board then adjourned.

GRETA J. RUSSELL, CHAIR

W. MICHAEL FRITZ, SECRETARY