

Accountancy Board of Ohio
Minutes of November 6, 2015 Board Meeting

The Accountancy Board met on November 6, 2015 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: Michael Comer, CPA (Chair), James Carroll, CPA (Vice-Chair), James Gero, CPA (Secretary), Robert Fay, CPA (Immediate Past Chair), W. Michael Fritz, CPA (Past Chair), James Gottfried, CPA (Member), Michael Guinigundo, CPA (Member), Margaret Gilmore, CPA (Member) and Adriana Sfalcin (Public Member).

Representing the Board staff was John E. Patterson, Executive Director and Tracey F. Fithen, Assistant Executive Director. Board counsel present was Rachel Huston, Esq., representing the office of the Ohio Attorney General.

Present in the audience was Laura Hay, Executive Vice President of the Ohio Society of Certified Public Accountants (OSCPA).

Mr. Comer called the meeting to order at 10:00 a.m., and welcomed the guests in the audience. Mr. Comer opened the meeting with the Pledge of Allegiance.

Approval of the September 4, 2015 Board Meeting Minutes

Upon motion by Mr. Comer, seconded by Ms. Sfalcin, the Board voted unanimously to approve the minutes of the September 4, 2015 Board Meeting. Motion carried 9-0.

FORMAL HEARINGS

Formal Hearing: Jerome J. Lucas, CPAs (Case# 2015-61)

Mr. Comer opened a disciplinary hearing at 10:01 a.m., pursuant to Chapter 119 of the Ohio Revised Code. Mr. Gero recused himself from the meeting. The Board charged Jerome J. Lucas, CPA, with violation of sections 4701.16(A) (7) of the Revised Code, concerning the cancellation, revocation, suspension, or refusal to renew authority to practice as a certified public accountant, or a public accounting firm by any other state, for any cause other than failure to pay registration fees in the other state. Mr. Lucas was present and was not represented by legal counsel. Mr. Lucas was advised of his right to obtain legal counsel and elected to proceed without representation. The Board was represented by Ohio Assistant Attorney General, Rachel Huston.

During the hearing Ms. Huston called Accountancy Board Investigator, Faith Ottavi, as a witness and introduced State's Exhibit A, 1 through 5 and Exhibit B, 1 through 4. The State's Exhibits were admitted as evidence. Mr. Lucas presented his case. Both parties were given the opportunity to present closing arguments and the hearing was concluded by Mr. Comer.

Formal Hearing: Stephanie G. Millard, CPA (Case# 2013-16)

Mr. Comer opened a disciplinary hearing at 10:24 a.m., pursuant to Chapter 119 of the Ohio Revised Code. The Board charged Stephanie G. Millard with violation of sections 4701.16(A) (6); of the Revised Code, concerning a conviction of any crime, an element of which is dishonesty or fraud, under the laws of any state or of the United States. Ms. Millard was present and was represented by legal counsel. The Board was represented by Ohio Assistant Attorney General, Rachel Huston.

During the hearing Ms. Huston called Accountancy Board Investigator, Jenny Kochensparger, as a witness and introduced State's Exhibit A, 1 through 23 and Exhibit B, 1 through 20. The State's Exhibits were admitted as evidence. Ms. Millard's counsel presented her case. Both parties were given the opportunity to present closing arguments and the hearing was concluded by Mr. Comer.

Formal Hearing: Angela W. Shipley, CPA (Case# 2015-40)

Mr. Comer opened a disciplinary hearing at 11:23 a.m., pursuant to Chapter 119 of the Ohio Revised Code. The Board charged Angela W. Shipley with violation of section 4701.16(A) (3) of the Revised Code, concerning violation of any of the provisions of section 4701.14 of the Revised Code; and failure of a holder of a CPA certificate to obtain an Ohio permit. Ms. Shipley was present and represented by legal counsel. The Board was represented by Ohio Assistant Attorney General, Rachel Huston.

During the hearing Ms. Huston called Accountancy Board Investigator, Faith Ottavi, as a witness and introduced State's Exhibit marked as Exhibit A, 1 through 9 and Exhibit B, 1 through 10. The State's Exhibits were admitted as evidence. Ms. Shipley's counsel presented her case. Closing arguments were presented and the hearing was concluded by Mr. Comer.

Formal Hearing: Richard A. Fidler, CPA/Fidler & Fidler CPAs, LLP (Case# 2015-35)

Mr. Comer opened a disciplinary hearing at 12:05 p.m., pursuant to Chapter 119 of the Ohio Revised Code. The Board charged Richard A. Fidler with violation of section 4701.16(A)(3) of the Revised Code, concerning a violation of ORC 4701.14(A), Unlawful Practice. Mr. Fidler was present and was not represented by legal counsel. Mr. Fidler was advised of his right to obtain legal counsel and elected to proceed without representation. The Board was represented by Ohio Assistant Attorney General, Rachel Houston.

During the hearing Ms. Huston called Accountancy Board Investigator, Jenny Kochensparger, as a witness and introduced State's Exhibit marked as Exhibit A, 1 through 11 and Exhibit B, 1 through 6. The State's Exhibits were admitted as evidence. Closing arguments were presented and the hearing was concluded by Mr. Comer.

Formal Hearing: Donald W. Smith, CPA (Case# 2015-66)

Mr. Comer opened a disciplinary hearing at 12:17 p.m., pursuant to Chapter 119 of the Ohio Revised Code. The Board charged Donald W. Smith with violation of section 4701.16(A) (1) and (4) of the Revised Code, concerning fraud or deceit in obtaining an Ohio permit; and for violation of a rule of professional conduct, specifically 4701-15-12 (CPE verification). Mr. Smith was present and represented by legal counsel. The Board was represented by Ohio Assistant Attorney General, Rachel Huston.

During the hearing Ms. Huston called Accountancy Board Investigator, Faith Ottavi, as a witness and introduced State's Exhibit marked as Exhibit A, 1 through 8 and Exhibit B, 1 through 13. The State's Exhibits were admitted as evidence. Mr. Smith's counsel presented his case. Closing arguments were presented and the hearing was concluded by Mr. Comer.

Formal Hearing: Amber S. Hassan, CPA/Accounting by Amber, LLC (Case# 2015-81)

Mr. Comer opened a disciplinary hearing at 12:37 p.m., pursuant to Chapter 119 of the Ohio Revised Code. The Board charged Amber S. Hassan with violation of section 4701.16(A) (11) of the Revised Code, concerning a violation of failure to comply with firm registration requirements in section 4701.04 (C) (1) of the Ohio Revised Code. Ms. Hassan was present and represented by legal counsel. The Board was represented by Ohio Assistant Attorney General, Rachel Huston.

During the hearing Ms. Huston called Accountancy Board Investigator, Jenny Kochensparger, as a witness and introduced State's Exhibit marked as Exhibit A, 1 through 9 and Exhibit B, 1 through 25. The State's Exhibits were admitted as evidence. Ms. Hassan's counsel presented her case. Closing arguments were presented and the hearing was concluded by Mr. Comer.

Formal Hearing: Linda H. Moye, CPA (Case# 2015-73) - (Goldman)

Mr. Comer opened a disciplinary hearing at 1:00 p.m., pursuant to Chapter 119 of the Ohio Revised Code. The Board charged Linda H. Moye with violation of section 4701.16(A) (11) of the Revised Code, concerning failure to comply with firm registration requirements. Ms. Moye was present, but had not requested a hearing. The Board was represented by Ohio Assistant Attorney General, Rachel Huston.

During the hearing Ms. Huston called Accountancy Board Investigator, Jenny Kochensparger, as a witness and introduced State's Exhibit marked as Exhibit A, 1 through 8 and Exhibit B, 1 through 7. The State's Exhibits were admitted as evidence. Ms. Moye was present, but had not requested a hearing. The State's closing argument was given by Ms. Huston and the hearing was concluded by Mr. Comer. Following the hearing, the Board permitted Ms. Moye to discuss the charges against her and she answered questions from Board members.

Formal Hearing: Bradd S. Smith, CPA (Case# 2015-81) – (Goldman)

Mr. Comer opened a disciplinary hearing at 1:15 p.m., pursuant to Chapter 119 of the Ohio Revised Code. The Board charged Bradd S. Smith with violation of section 4701.16(A) (1) of the Revised Code, concerning fraud and deceit in obtaining a CPA permit; specifically 4701-15-03 (Continuing Education). Mr. Smith was present, but had not requested a hearing. The Board was represented by Ohio Assistant Attorney General, Rachel Huston.

During the hearing Ms. Huston called Accountancy Board Investigator, Jenny Kochensparger, as a witness and introduced State's Exhibit marked as Exhibit A, 1 through 12 and Exhibit B, 1 through 8. The State's Exhibits were admitted as evidence and the hearing was concluded by Mr. Comer. Mr. Smith was present but had not requested a hearing. Following the hearing, the Board permitted Mr. Smith to discuss the charges against him and he answered questions from the Board members.

EXECUTIVE SESSION

Mr. Comer made a motion to go into Executive Session in regards to the dismissal of a public employee pursuant to Ohio Revised Code 121.22(G)(1). 2nd by Mr. Gottfried. Motion carried 9 – 0.

EXECUTIVE DIRECTOR'S REPORT

Executive Director Patterson discussed the possibility of changing the semester college credit requirement to sit for the CPA examination, from 150 to 120 hours. Ms. Gilmore and Mr. Patterson will be meeting with the OSCP for further discussion. The Board will consider the issue during the Board Retreat on December 7, 2015.

INFORMATION REPORTS AND UPDATES

Budget and Financial Report

Tracey Fithen, Assistant Executive Director for the Accountancy Board, reported that due to the vacancy of the Investigations Supervisor position, the Board has a sufficient surplus to date within the payroll account as well as all other accounts. The Board is currently in the 2nd quarter of fiscal year 2016.

Ms. Fithen also report the 2015 Annual Report for the Accountancy Board is in draft form and awaiting only the Chair's letter prior to submission to the Governor's office.

Rules Update – Approval of Chapter 4701-17

Ms. Fithen provided the Board with a general overview of the rules hearing set for the following Monday regarding Chapter 4701-17 before the Joint Committee on Agency Rule Review.

Investigative Update

Ms. Ottavi, Investigator, updated the Board on the status of the investigation report. There are currently 4 new cases opened that are non-attest firms due to non-renewal. Two cases have been brought before the prosecutor's office in Delaware County. Since the last board meeting; 28 cases have been closed.

Education Assistance Report

Ms. Fithen noted that we have allocated a large sum of the current scholarship fund. The Ohio State University has tripled their scholarship grants since last year at this time.

OLD BUSINESS

Status of Past Hearings

Rachel Huston, Assistant Ohio Attorney General, reported that Mr. Wolfe's case has yet to be brought before the Franklin County Prosecutor's office. No appeals have been filed since the September meeting.

NEW BUSINESS

Mr. Fay reported that the nominating committee, consisting of Mr. Fay, Mr. Fritz and Mr. Guinigundo, selected by a vote of 3-0 the following slate of officers for the Board year 2015-2016:

- Chair-James Carroll
- Vice Chair-James Gero
- Secretary-Adriana Sfalcin

Mr. Fay motioned that the slate of nominees be accepted. Ms. Gilmore seconded the motion, and the Board approved the motion 9-0 with a roll call vote.

Mr. Comer suggested that the Board add discussion of NASBA's CPA Examination Exposure Draft at the Board Retreat to be held on Monday, December 7, 2015. Mr. Fay offered to draft the response.

CHAIR'S REPORT

Nothing to report at this time.

SUMMARY OF BOARD REQUESTS

No requests from Board members.

BOARD DECISIONS

Jerome J. Lucas, CPA (Case# 2015-61)

Upon motion by James Carroll and seconded by James Gottfried, the Board voted to revoke the CPA certificate of Jerome J. Lucas, CPA, but stay the revocation subject to the completion of the following conditions by January 31, 2016:

- (1) Submission of a fine of \$2,500.00;
- (2) Completion of 3 hours of CPE of Board-approved professional standards and responsibilities courses, specific to Ohio laws and rules;

Motion carried 6-2 on a roll call vote with one abstention.

Stephanie G. Millard, CPA (Case# 2013-16)

Upon the motion by James Gero and seconded by Maggie Gilmore, the Board voted to revoke the CPA certificate of Stephanie G. Millard. She may not apply for reinstatement until completion of all terms and conditions of the court.

Motion carried 9-0 on a roll call vote.

Angela W. Shipley, CPA (Case# 2015-40)

Upon the motion James Gero and seconded by James Gottfried, the Board voted to revoke the CPA certificate of Angela W. Shipley, but stay the revocation subject to the completion of the following conditions by January 31, 2016:

- (1) Submission of a fine of \$3,500.00;
- (2) Completion of 3 hours of CPE of Board-approved professional standards and responsibilities courses, specific to Ohio laws and rules;
- (3) Submission of all applicable late fees and penalty fees for licensure compliance.

Motion carried 9-0 on a roll call vote.

Richard A. Fidler, CPA/Fidler & Fidler CPAs (Case# 2015-35)

Upon the motion by James Gero and seconded by Maggie Gilmore, the Board voted to revoke the CPA certificate and firm registration of Richard A. Fidler, but stay the revocation subject to the completion of the following conditions by January 31, 2016:

- (1) A fine of \$2,000.00;
- (2) Completion of 3 hours of CPE of Board-approved professional standards and responsibilities courses; specific to Ohio laws and rules
- (3) Submission of all Ohio permit fees, including late fees.
- (4) Submission of 120 CPE credit hours earned from 1/1/12 to 12/31/14.

Motion carried 9-0 on a roll call vote.

Donald W. Smith, CPA (Case# 2015-66)

Upon the motion by James Gero and seconded James Gottfried, the Board voted to revoke the CPA certificate Donald W. Smith, but stay the revocation subject to the completion of the following conditions by January 31, 2016:

- (1) Submission of a fine of \$1,000.00;
- (2) Completion of 3 hours of CPE of Board-approved professional standards and responsibilities courses, specific to Ohio laws and rules.

Motion carried 9-0 on a roll call vote.

Amber S. Hassan, CPA/Accounting by Amber, LLC (Case# 2015-81)

Upon the motion by Board Secretary, James Gero and seconded by Past Board Chair, Robert Fay, the Board voted to revoke the CPA certificate and firm registration of Amber S. Hassan, but stay the revocation subject to the completion of the following conditions by January 31, 2016:

- (1) A fine of \$500.00;
- (2) Completion of 3 hours of CPE of Board-approved professional standards and responsibilities courses, specific to Ohio laws and rules;
- (3) Submission of Ohio permit fees, including late fees.

- (4) Completion of 36 CPE credit hours, and a penalty fee of \$10.00 per CPE credit earned after 12/31/14.

Motion carried 9-0 on a roll call vote.

Linda H. Moye, CPA (Case# 2015-73) - Goldman

Upon the motion by Board Secretary, James Gero and seconded by Past Board Chair, Robert Fay, the Board voted to revoke the CPA certificate Linda H. Moye, but stay the revocation subject to the completion of the following conditions by January 31, 2016:

- (1) A fine of \$1,000.00;
- (2) Completion of 3 hours of CPE of Board-approved professional standards and responsibilities courses;
- (3) Submission of a letter from Frederick Douglas Community Association indicating the audit she performed, dated April 23, 2013, has been recalled.
- (4) All applicable late fees.

Motion carried 9-0 on a roll call vote.

Bradd S. Smith, CPA (Case# 2015-81) - Goldman

Upon the motion by Board Secretary, James Gero and seconded by Board Member, James Gottfried, the Board voted to revoke the CPA certificate Bradd S. Smith, but stay the revocation subject to the completion of the following conditions by January 31, 2016:

- (1) A fine of \$1,500.00;
- (2) Completion of 3 hours of CPE of Board-approved professional standards and responsibilities courses, specific to Ohio laws and rules;
- (3) Submission of 44 CPE credit hours, and a penalty fee of \$10.00 per CPE credit earned after 12/31/14.

Motion carried 9-0 on a roll call vote.

EXECUTIVE SESSION

Mr. Comer made a motion to again go into Executive Session regarding pending litigation related to the dismissal of a public employee pursuant to Ohio Revised Code 121.22(G)(1). 2nd by Mr. Gottfried. Motion carried 9 – 0.

Upon motion by Robert Fay and seconded by James Gottfried, the Board voted to adjourn.

Motion carried 9-0.

Michael S. Comer, Chair

James J. Carroll, Vice Chair