

Accountancy Board of Ohio
Minutes of Board Meeting February 10, 2017

The Accountancy Board met on February 10, 2017 in Room West B & 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: James Gero, CPA (Chair), James Gottfried , CPA (Vice-Chair), Adriana Sfalcin (Public Member), Michael Guinigundo, CPA (Secretary), Margaret Gilmore, CPA (Member), Kenya Watts, CPA (Member) and James Redmond, CPA (Member).

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

Present in the audience was Laura Hay, Executive Vice President and Barbara Benton, Vice President for Governmental Affairs of the Ohio Society of Certified Public Accountants (OSCPA).

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

REINSTATEMENT HEARING: MICHAEL A. PATRIARCA

Mr. Gero opened a reinstatement hearing at 10:00 a.m. pursuant to section 4701.17 of the Revised Code. Mr. Patriarca was in attendance and was not represented by counsel.

Ms. Huston called Faith Ottavi, board investigator as a witness and introduced State's Exhibits A, 1 through 7; B, 1 through 4; and C, 1 through 35. Mr. Patriarca then spoke and was questioned by the Board.

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

REQUEST FOR WAIVER OF LATE FEES

JAMES LAVORINI

Mr. Lavorini requested a waiver of the \$300 late fee due to non-renewal of his Ohio registration.

JOY E. HACKER, CPA

Ms. Hacker requested a waiver of the \$150 late fee due to non-renewal of her Ohio attest firm registration.

KPM TAX & ACCOUNTING SERVICES/DANA J. KAVANDER

Ms. Kavander requested a waiver of the \$150 late fee due to non-renewal of her Ohio tax/consulting firm registration.

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KATHLEEN SEITZ WATSON

Ms. Watson requested a waiver of the \$1,200 late fee due to non-renewal of her Ohio permit.

ROBERT WEIDNER

Mr. Weidner requested a waiver of the \$300 late fee due to non-renewal of his Ohio registration.

DIANE WEIDNER

Ms. Weidner requested a waiver of the \$300 late fee due to non-renewal of her Ohio registration.

NICOLE WILLIAMS

Ms. Williams requested a waiver of the \$300 late fee due to non-renewal of her Ohio registration.

RICHARD COLVIN

Mr. Colvin requested a waiver of the \$50 late fee due to non-renewal of his Ohio registration.

PAUL REISENBERG

Mr. Reisenberg requested a waiver of the \$50 late fee due to non-renewal of his Ohio registration.

GEORGE FRYER

Mr. Fryer requested a waiver of the \$50 late fee due to non-renewal of his Ohio permit.

ROBERT GERSNA

Mr. Gersna requested a waiver of the \$50 late fee due to non-renewal of his Ohio permit.

LOUIS COSTANZO

Mr. Costanzo requested a waiver of the \$100 late fee due to non-renewal of his Ohio permit.

DEANNA PAHL

Ms. Pahl requested a waiver of the \$50 late fee due to non-renewal of her Ohio registration.

SCOTT BELLINGER

Mr. Bellinger requested a waiver of the \$300 late fee due to non-renewal of his Ohio registration.

ERIN GOEBEL

Ms. Goebel requested a waiver of the \$300 late fee due to non-renewal of his Ohio registration.

DANIEL PATETE

Mr. Patete requested a waiver of the \$300 late fee due to non-renewal of his Ohio registration.

JOSEPH MERRELLI

Mr. Merrelli requested a waiver of the \$100 late fee due to non-renewal of his Ohio permit.

REQUEST FOR RECONSIDERATION

Mr. Patterson discussed the closed case review of complaints made against Edward Decker, CPA by Daniel Goddard; and against William LaPlace, CPA by Don Holshuh.

QUASI-JUDICIAL DELIBERATIONS

Upon Mr. Gero's direction, the Board went into quasi-judicial deliberations to discuss the formal hearings and requests for waivers of late fees. After discussion, the Board returned to general session.

BOARD DECISIONS

Michael A. Patriarca, CPA (Case #2016-48)

Upon the motion by Board Secretary Mr. Guinigundo, and seconded by Vice-Chair Mr. Gottfried, the Board voted to reinstate the CPA certification subject to completion of the following conditions by April 30, 2017:

- (1) A fine of \$1,000;
- (2) A late CPE fee of \$10/hour for CPE earned from January 1, 2016 to February 10, 2017
- (3) Completion of 3 hours of a Board-approved professional standards and responsibilities course, specific to Ohio laws and rules

Additionally, the Board stated that Mr. Patriarca must earn 120 CPE within the timeframe February 10, 2017 to his next renewal date.

Motion carried 7-0 on a roll call vote.

LATE FEE WAIVER REQUESTS

Upon the motion by Mr. Guinigundo, Board Secretary, and seconded by Mr. Gottfried, the Board voted to deny the requests for waiver of the late filing fee for James Lavorini; Joy E. Hacker, CPA; KPM Tax & Accounting Services; Robert Weidner; Diane Weidner; Nicole Williams; Richard Colvin; Paul Reisenberg; George Fryer; Robert Gersna; Deanna Pahl; Scott Bellinger; Erin Goebel; Daniel Patete; and Joseph Merrelli.

Motion carried 7-0 on a roll call vote.

Upon the motion by Mr. Guinigundo and seconded by Mr. Gottfried, the Board voted to act upon the request for waiver of the late filing fee for Kathleen Seitz Watson by reducing the late filing fee to \$300.

Motion carried 7-0 on a roll call vote.

Upon the motion by Mr. Guinigundo and seconded by Mr. Gottfried, the Board voted to grant the request for waiver of the late filing fee for Louis Costanzo.

Motion carried 7-0 on a roll call vote.

REQUEST FOR RECONSIDERATION

Upon the motion of Mr. Gottfried, and seconded by Board Member Ms. Watts, the Board voted to take no action regarding the closed case review of Daniel Goddard and Edward Decker, CPA.

Motion carried 7-0.

Upon the motion of Ms. Sfalcin, and seconded by Mr. Gottfried, the Board voted to take no action regarding the closed case review of Don Holshuh and William LaPlace, CPA.

Motion carried 7-0.

Executive Director's Report

Mr. John E. Patterson, Executive Director for the Accountancy Board spoke about the outcome of the criminal case against Brian Kuhn and the pending issue of a CPA who has requested a move from attest work to tax-only work. Mr. Patterson states he is receiving calls regarding medical marijuana and cannot at this time assure the CPAs in question that the Board will not take action if the federal government chooses to prosecute firms involved in auditing businesses selling medical marijuana. He also said he has previously waived late fees for licensees who were listed as retired but had not submitted a retirement affidavit.

EXECUTIVE SESSION

Mr. Gero called for a roll call vote to go into Executive Session regarding the employment of a public employee pursuant to Ohio Revised Code 121.22(G). Roll call vote: Ms. Watts, yes; Mr. Redmond, yes; Mr. Guinigundo, yes; Mr. Gottfried, yes; Ms. Sfalcin, yes; Ms. Gilmore, yes; and Mr. Gero, yes.

Upon returning from executive session, Mr. Gero stated no action is to be taken at this time.

INFORMATION REPORTS AND UPDATES

Budget and Financial Report

Tracey Fithen, Assistant Executive Director for the Accountancy Board, reported that that the current state of the Board's finances were in order.

Education Assistance Report

Ms. Oklok noted that the education assistance committee would need to vote on an increase for tuition costs. The Board will take a vote at the April 28, 2017 meeting.

Rules Update – Requirements to Return to Practice

Ms. Oklok reported that at the last meeting, the consensus was to require 120 CPE to return to active practice within two licensing cycles and 240 CPE to return to active practice after more than two licensing cycles (six years), with 10% of the required hours dedicated to tax and accounting/auditing, with three hours of PSR in both scenarios. She will write up a draft of the rule change for board review.

Investigative Update

Ms. Oklok noted that there are currently 21 disciplinary cases open, with one case being re-referred to prosecutor. The 2016 CPE audit is underway, with 1,750 licensees selected for verification.

Attest Firm Renewal Update

The attest firm renewal deadline for 2016 was October 31. Ms. Oklok reported that as of the Board meeting, a total of 12 firms are in expired status. Cease and desist letters and field calls are ongoing.

Approval of the December 5-6, 2016 Board Meeting Minutes

Upon motion by Ms. Sfalcin, seconded by Mr. Gottfried, the Board voted to approve the minutes of the December 5-6, 2016 meeting. Motion carried 7-0.

OLD BUSINESS

Status of Past Hearings

Rachel Huston, Assistant Ohio Attorney General, reported that there are two appeals pending in the Tenth District Court of Appeals, with decisions pending in the next week. The Millard case is ongoing.

CHAIR'S REPORT

Mr. Gero requested a move to a consent agenda regarding informational and administrative reports, effective for the April 28 meeting and beyond. Mr. Gottfried moved and Mr. Guinigundo seconded a change in the 2017 annual meeting date from the second Friday of November to October 20, 2017. Motion carried 7-0.

SUMMARY OF BOARD REQUESTS

Ms. Oklok will prepare draft rules regarding return to active practice and provide Ohio-specific information regarding CPA examination results. Mr. Patterson will report on his status.

Upon motion by Ms. Sfalcin and seconded by Mr. Gottfried, the Board voted to adjourn.

Motion carried 7-0.

JAMES P. GERO, CHAIR

MICHAEL M. GUINIGUNDO, SECRETARY