



## Oregon Board of Accountancy Public Board Meeting Minutes May 6, 2013

Board of Accountancy 2<sup>nd</sup> Floor Conference Room, 3218 Pringle Rd SE, Salem, OR 97302

### Board Members:

Jessie Bridgham, CPA, Chair  
Larry Brown, CPA, Vice Chair  
Scott Wright, CPA, Treasurer  
Al Crackenberg, PA  
Roger Graham, Public Member  
John Lauseng, CPA  
Roberta Newhouse, CPA

### Board Staff:

Martin Pittioni, Executive Director  
Susan Bischoff, Assistant Attorney General  
Noela Kitterman, Investigator  
Heather Shepherd, Committee Coordinator  
Kimberly Fast, Executive Assistant  
Bethany Reeves, Compliance Assistant

### Guests:

Phyllis Barker, OSCPA  
Tim Filkins, CPA, OSCPA  
Stuart Morris, OAIA

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### 1. CALL TO ORDER

Chair Bridgham called the meeting to order at 8:30 a.m. and announced the meeting was being recorded.

### 2. APPROVAL OF PUBLIC BOARD MINUTES

A. March 18, 2013

**BOARD ACTION:** Moved by Ms. Newhouse and carried to approve the minutes as written.

**VOTE:** 7 ayes

### 3. EXECUTIVE DIRECTOR UPDATES

Mr. Pittioni introduced Bethany Reeves, the new compliance assistant to the Board members.

Mr. Pittioni reported that the proposed legislation to consolidate the Board of Accountancy and the Tax Examiners Board, Senate Bill 301, has died. The Board's budget bill (House Bill 5001) work session is scheduled for May 7, 2013 as well as the fee bill, HB 5051. Mr. Pittioni and Mr. Brown will attend to answer any questions the committee may have.

Mr. Pittioni also reported that the office reconfiguration and construction is moving along. The Board staff is in the process of reviewing the CPA/PA renewal forms for improvements and will offer an online version of the form in a fillable .pdf format. Board staff is also working on a data integrity project to ensure the database has the most accurate and up-to-date information before renewals are mailed.

Mr. Pittioni and Ms. Fast have been working with Elizabeth Stanton, the ALD coordinator for NASBA on how to approach the information exchange between the Boards database and NASBA. NASBA has agreed to fund the project and will work closely with the Boards IT developer, MSN Media and the Board office to establish a smooth transfer of data.

Mr. Pittioni has formally notified the Department of Administrative Services and the Board of Licensed Clinical Social Workers that he will not continue to serve as the Interim Executive Director after June 30, 2013.

A. NASBA Letter

The NASBA sent a letter to Boards of Accountancy asking for recommendations for next year's Nominating Committee Members, Directors-at-Large and Regional Directors. Board members did not have any suggestions for possible candidates.

**4. QUALIFICATIONS COMMITTEE**

Individual Application Consent Agenda

- A. Brian Alan Hunter
- B. Erin Lea Randall
- C. Gbenro Soetan
- D. Angela Donaca Stanton
- E. Erica Nicole Wayt
- F. Valerie Wunderlich
- G. Rebecca Howell

Mr. Graham noted that Amanda Walker should have been listed on the consent agenda as an approval. This was an oversight and her application was also considered.

**BOARD ACTION:** Moved by Ms. Newhouse and carried to approve the consent agenda as amended with the addition of Amanda Walker.

**VOTE:** 7 ayes

Mr. Graham noted that there were several deferrals from the April Qualifications committee for a variety of reasons. In addition, there were two denials that will be reviewed at the next Board meeting scheduled for June 14, 2013.

The Qualifications committee has determined that they will no longer consider applications from applicants that have no nexus to Oregon. This will also be brought up for discussion at the June meeting.

The committee also discussed those candidates whose experience was gained while performing work under the category of "other professional standards". Currently, these applications are approved at the staff level, however, it is not clear to staff if this practice should continue.

**5. CPE COMMITTEE**

Municipal Auditor Applications Consent Agenda

- A. John Michael Barnett
- B. Michael D. Downs
- C. Gurumakh Khalsa
- D. Marilyn Gayle Klampe
- E. Jason Tinder
- F. Adam Davis
- G. Craig Mayers

**BOARD ACTION:** Moved by Mr. Brown and carried to approve the consent agenda.

**VOTE:** 7 ayes

## 6. LOCATION OF OCTOBER WORK SESSION AND BOARD MEETING

The Board was asked if an off-site location would be preferred for the October meeting, which has been the practice in the past. It was noted that the purpose of off-site meetings is to get the licensees and public involved. The Board has held meetings at Portland State University as well as University of Oregon with the hope that students could benefit from hearing discussion of board matters. At this point, the Board agreed to hold the October meeting in Salem and look for outreach opportunities for the May 2014 meeting.

## 7. SETTLEMENT PROPOSALS

### A. Giancarlo Pozzi #12-053NK

Mr. Pittioni explained the difficulty in getting to an agreed settlement on this case.

**BOARD ACTION:** Moved by Mr. Brown and carried to approve the Settlement Agreement and Stipulated Final Order with the following changes:

- Paragraph 15A of Stipulation should refer to paragraphs 1 through 14 rather than 1 through 17; and
- Payment schedule on civil penalties set out in the Final Order at paragraphs 1(C) & (D) is modified to commence May 20, 2013 and be paid in full by December 20, 2013.

**VOTE:** 7 ayes

### B. Shrikant Vajratkar #12-075NK

**BOARD ACTION:** Moved by Mr. Brown and carried to approve the Settlement Agreement and Stipulated Final Order.

**VOTE:** 7 ayes

*Board Discussion: The case against Mr. Vajratkar was for using the CPA designation without a license. There are two others on the agenda at this meeting and all have different civil penalty amounts. The reason for the inconsistency is due to the varying level of severity. In some of the cases they fix the problem quickly and was a mere oversight, while others were purposeful. Mr. Brown mentioned that the Board may want to consider issuing a warning to some of the holding out cases to save time and better serve the public.*

### C. Mary Ann Daniel #12-068NK

**BOARD ACTION:** Moved by Mr. Wright and carried to approve the Settlement Agreement and Stipulated Final Order.

**VOTE:** 7 ayes

### D. Lincoln Bach #12-061NK

**BOARD ACTION:** Moved by Mr. Brown and carried to approve the Proposed Stipulation and Order as presented.

**VOTE:** 7 ayes.

E. Mel Ussing #12-034NK

Mr. Ussing is currently undergoing medical treatment that has prevented him from signing the Proposed Stipulation and Order. Mr. Morris, OAIA, is a friend of Mr. Ussing and gave an update to the Board as to his condition. Mr. Ussing was supposed to respond to the Order by May 6, 2013.

**BOARD ACTION:** Moved by Mr. Brown and carried to extend the deadline to respond to the Stipulation and Order until May 31, 2013.

**VOTE:** 7 ayes.

F. Doug Myers, #12-022NK

A Proposed Settlement Agreement and Stipulated Final Order was sent to Mr. Myers. On the day of the Board meeting, May 6, Mr. Myers sent an email to Ms. Kitterman stating that the proposed penalty of \$2,500 was, in his opinion, too high and offered to pay \$1,000.

The Board reviewed the settlement agreement and Mr. Myers email. Mr. Myers has had a history of not responding timely to Board correspondence and has been uncooperative during the process.

The Board came to a consensus to reject the lower penalty amount proposed by Mr. Myers and directed staff to draft a Notice.

G. Christopher Acarregui #10-130CNK

The Board was presented with a settlement proposal, the original proposed notice and the investigation report. Mr. Lagesen, Mr. Acarregui's attorney sent a counter proposal that was also reviewed by the Board.

**BOARD ACTION:** Moved by Mr. Crackenberg and carried to reject the counter proposal sent by Mr. Lagesen in an email sent to Ms. Bischoff on April 29, 2013.

**VOTE:** 7 ayes.

The Board discussed on whether it would be more appropriate to revoke or suspend Mr. Acarregui's license. The Board concurred that the violations found in this case warrant revocation which will terminate his firm registration as well. The Board expressed concern for Mr. Acarregui to practice. In addition to proceeding with revocation as previously voted by the Board, the Board also agreed it would proceed with maximum civil penalties of \$5,000 per violation for each of the 40 violations, for a civil penalty amount of \$200,000, in addition to seeking cost recovery. Board members indicated a willingness to compromise with respect to civil penalty amounts in the event of a settlement.

In addition to proceeding with a Notice in this case, the Board also discussed whether to prepare a press release to notify the community of Bend and surrounding areas of the proposed revocation of Mr. Acarregui. Board members concluded that the Board has not previously issued press releases at the stage of a Notice, and would therefore not do that now.

## 8. Policy on Press Releases

The Board has a policy regarding press releases currently and will only consider issuance of a Press Release if a Final Order is issued.

## **9. Complaint Process**

The Board has discussed whether or not to allow respondents in complaint matters to appear before the Board or to only allow them to appear before the Complaints Committee. Ms. Bischoff stated that when licensees appear before the Board, it is part of the investigation process and the Board has then subjected itself to bias in the resolution. If a case were to go to hearing and the Board based its decision on information gathered in a Board meeting, it could be viewed as resolving a case before the contested case process.

Ms. Bischoff recommends that the Board discontinue allowing respondents to attend the Executive Session meetings and only allow them to participate at the committee level.

Mr. Brown suggested to the Board that there are basically three options to consider in this matter:

Option 1 – let Respondents attend executive session Board meetings when their case is considered for an additional opportunity to present their side

Option 2 – do not allow Respondents to attend executive session Board meetings to present their side

Option 3 – allow Respondent to make a statement to the Board in executive session when their case is considered. Board does not engage in any dialogue with Respondent.

Mr. Crackenberg and Ms. Bridgham prefers Option 1, Mr. Graham prefers Option 2, and Mr. Brown, Ms. Newhouse, Mr. Wright and Mr. Lauseng prefer Option 3.

Mr. Brown and Mr. Lauseng, former Complaint committee members, were asked their opinion on whether, at the committee level, they felt they had sufficient information. Mr. Brown responded that he has strong feelings for both scenarios. On one hand, the auditor in him wants to know all the answers and values the interaction between the Board and the respondent, however, as a former complaints committee member, he was discouraged when a respondent would skip the complaints committee appearance and once they found out the recommendation, would appear before the Board.

Mr. Lauseng agreed with Mr. Brown's comments. He added that one of the first items reviewed by complaint committee members was whether or not a decision was changed from what the committee recommended. He assured the Board members that if the committee felt more information was needed, they always asked for the additional material.

Currently, invitations to attend the Board Executive Session go out only to those individuals where sufficient evidence was found for a potential violation.

Board members agreed to proceed with Option 3 beginning with the June Board meeting.

## **10. NEXT MEETING**

The next meeting is scheduled for Sunday, June 16, 2013. Members asked to consider changing the date to Friday, June 14, 2013, as Sunday is Father's Day. Board members consulted their calendars and agreed to the date change for the June Board meeting to June 14, 2013.

The meeting adjourned at 2:01 p.m.