

OREGON BOARD OF ACCOUNTANCY
Telephonic Meeting Minutes
March 29, 2010

Board of Accountancy

Salem, Oregon

*The Board of Accountancy protects the public by regulating
the practice and performance of all services
provided by licensed accountants.*

Board Members Participating

Ray Johnson, CPA, Chair
Roberta Newhouse, CPA, Vice-Chair
Jessie Bridgham, CPA, Treasurer
Kent Bailey, CPA

Guests Participating

Cheryl Langley, OSCPA
Debbie Hollingsworth, CPA, OSCPA

Excused

Stuart Morris, PA
Ann Ferguson, CPA

Staff Participating

Pat Hearn, Executive Director
Noela Kitterman, Investigator
Kimberly Bennett, Committee Coordinator
Susan Bischoff, AAG

1. CALL TO ORDER: Chair Johnson called the meeting to order at 8:07 a.m. and announced the meeting was being recorded.

Kent Bailey was asked to be process observer. Chair Johnson welcomed the guests from OSCPA.

2. APPROVAL OF MINUTES, February 8, 2010

BOARD ACTION: Moved by Bailey and carried to approve minutes.

VOTE: 4 ayes

3. COMPLAINTS COMMITTEE

A. The Minutes of March 5, 2010 were provided for information only.

B. Consent Agenda

1. John Gregor 08-11-035
2. J. Robert Wall 09-019CNK
3. Kenneth Gustafson 09-116CNK
4. Joseph Minniti 09-040CNK
Minniti & Co. PC

BOARD ACTION: Mr. Bailey requested that the Gregor matter be removed from the consent agenda. Moved by Newhouse and carried to approve the remainder of the consent agenda.

VOTE: 4 ayes

C. Investigations for Discussion

1. John Gregor 08-11-035
Gregor Professional Corp.

The Complaints Committee recommended deferral on this case at their meeting on January 22, 2010. Mr. Gregor's firm has undergone several pre-issuance reviews and has shown improvement; however, his most recent peer review was rated as "failed".

BOARD ACTION: Moved by Newhouse to accept committee recommendation: no violation of OAR 801-030-0010(1), General Standards and OAR 801-030-0010(2), Auditing Standards.

Board Discussion: The Board noted a variety of issues that raise substantial concerns regarding Mr. Gregor's failure to comply with professional standards. The Committee recommendation of no violation was based on the fact that Mr. Gregor was required to obtain 15 pre-issuance reviews within three years, which have been completed. There has since been an additional complaint opened for problems that were identified in a subsequent report.

The Board is not clear whether or not Mr. Gregor corrected any of the noted deficiencies. Ms. Newhouse withdrew her previous motion.

BOARD ACTION: Moved by Mr. Bailey and carried to refer this matter back to the Complaints Committee, to review the investigation report of January 11, 2010, document the professional standard violations and provide the Board with a list of potential violations.

VOTE: 4 ayes.

The client gave Mr. Wilson original documents to prepare his 2008 income tax returns. Mr. Wilson filed an extension. The client never heard back or received his documents from Mr. Wilson.

Mr. Wilson has a history of issues with the Board including a suspension for failure to pay civil penalties totaling \$12,500.

BOARD ACTION: Moved by Newhouse and carried to revoke Mr. Wilson's CPA Certificate and impose a \$15,000 civil penalty.

VOTE: 4 ayes

D. 2009 Annual Complaints Committee Report (information only)

E. Board legal counsel, Susan Bischoff, AAG stated that she would like the Board and the Complaints Committee to revise their procedures for recommendation of findings, violations and penalties. Ms. Bischoff suggested that the committee recommend only *potential violations* and not recommend *potential sanctions* to the Board.

BOARD ACTION: Moved by Newhouse and carried to change the procedures for recommendations by the Complaints Committee to the Board, that the Committee will recommend only potential violations and not sanctions.

VOTE: 4 ayes.

4. PROPOSED CASE SETTLEMENTS

A. Scott Greenstone

The Board voted at their meeting February 8, 2010, to accept the committee recommendation of a civil penalty of \$500 for violation of ORS 673.320(3), use of the CPA designation without indicating that his permit is "inactive", \$5,000 civil penalty and a cease and desist order for violation of ORS 673.160(1)(c), registration of business organizations; and \$5,000 civil penalty for violation of OAR 801-030-0010(5), other professional standards.

Mr. Hearn and Mr. Greenstone negotiated a settlement agreement for the Board to consider. The proposed settlement requires Mr. Greenstone to take CPE, reinstate his inactive permit to active by June 30, 2010, register his business by July 1 and pay civil penalties in the amount of \$6,500.

BOARD ACTION: Moved by Newhouse and carried to accept the proposed settlement.

VOTE: 4 ayes

5. REPORT OF EXECUTIVE DIRECTOR

A. Possible 2010 Legislative Concepts

The deadline for submission of agency legislative concepts for the 2011 session is April 9, 2010; however it is possible to file a placeholder and submit specific concepts in July.

There are two potential legislative issues. They are (1) the Board obtaining “semi-independent status and (2) designating a portion of the investigative process as confidential. Other state agencies have similar provisions in their statutes.

There are also other minor “clean-up” issues, such as changing the license renewal cycle from biennial to annual.

The Board and the OSCPA will form a task force to develop concepts. Jessie Bridgham, Kent Bailey and Ray Johnson volunteered to participate. Mr. Hearn and Ms. Langley will coordinate the meeting schedule.

BOARD ACTION: Moved by Newhouse and carried to file a place holder for these concepts.

VOTE: 4 ayes.

B. 2010 Committee Liaison Assignments

Chair Johnson confirmed the following 2010 committee liaison assignments:

Complaints Committee – Roberta Newhouse
Qualifications Committee – Ann Ferguson
Code of Professional Conduct – Kent Bailey
Continuing Education Committee – Kent Bailey
Peer Review Oversight Committee – Jessie Bridgham

6. QUALIFICATIONS COMMITTEE

A. Minutes of March 17, 2010 were provided for information only.

B. Consent Agenda

1. Recommendations:
 - a) Danielle Lambert – Approve
 - b) Jacob Blackson – Approve

BOARD ACTION: Moved by Bailey and carried to approve the consent agenda.

VOTE: 4 ayes.

7. PUBLIC COMMENTS

Ms. Langley confirmed that Debbie Hollingsworth is the incoming Board liaison from the OSCPA. The Board looks forward to working with her.

8. PROCESS OBSERVER

Mr. Bailey reported that the meeting was successful and efficient. He noted that it would be helpful to know ahead of time who will not be in attendance.

9. Chair Johnson adjourned the meeting at 9:27 a.m.

NEXT MEETING	Date:	May 16 - 17, 2010
	Location:	Eugene Hilton
	Time:	9:30 a.m. – Sunday 8:00 a.m. – Monday