

Board Meeting Minutes
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Unregistered Firm Name

Mr. Black, Mr. White, and Ms. Gray offered public accounting services separately, but had an office sharing agreement. The group purchased tax software that required a single name to be issued on each tax return prepared under the software agreement. The group used the name Black, White & Gray, LLC for this purpose, to indicate each of the individuals who would be providing tax returns under the software agreement.

Black, White & Gray LLC failed to register the name as a public accounting firm.

BOARD ACTION:
\$1000 civil penalty.

Administrative Procedures
Notice issued
July 2002

Change of address

The Board mailed a renewal notice to the licensee at his address of record. The renewal notice was returned by the US Post office to the Board marked “undeliverable”. The Board made another attempt to deliver the renewal notice to the licensee at the second address provide by the licensee on his last renewal notice. The renewal notice was returned to the Board by the US Post Office marked “address forwarding time expired”.

BOARD ACTION:

\$100 civil penalty for failure to provide written notice to the Board of any change of address or employer in violation of OAR 801-030-0020(10)

Note: Failure to notify the Board of a change in address often causes a lapse in license, which can result in more serious violations, such as holding out without a permit to practice public accountancy. Address violations issued in 2002 totaled 33 and in 2001 totaled 36.

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Firm Name

Licensee applied for use of a firm name of Ace, Base & Company, CPAs PC. The Board sent a notice to the Licensee declining the application for the use of the firm name because there were only two CPAs in the office.

At a later date, the Licensee wrote to the Board on stationery with letterhead imprinted as Ace, Base, & Company CPAs PC and it was also determined that the owners, office manager and staff accountant were all using preprinted business cards for Ace, Base & Company CPAs PC.

BOARD ACTION:

\$5,000 civil penalty for the use of an unregistered firm name, in violation of OAR 801-030-0020(7)

Requirement to register a firm, misleading advertising

John Smith CPA was a sole practitioner who purchased the client lists of two other CPAs, Mr. Jones and Ms. Brown. Mr. Jones had recently passed away. Ms. Brown retired when Mr. Smith purchased her client list.

John Smith offered public accounting services under each of the following firm names:

John Smith CPA, LLC
Smith and Jones CPAs, LLC
Smith and Brown CPAs, LLC

At the time advertisements were placed, none of the business organizations were registered with the Board of Accountancy. Two of the business organizations were not eligible for registration as a public accountancy business because they were misleading as to the identification of the certified public accountants associated with the firm and as to the number of licensed CPAs associated with the firm.

BOARD ACTION:

\$3,000 civil penalties for each of three instances of an unregistered firm name, in violation of ORS 673.320(4) and OAR 801-010-0345 (Requirement to register a firm).

\$6,000 civil penalties for each of six instances of advertising that was false, misleading or deceptive in violation of OAR 801-030-0020(4) (Misleading advertisement).

\$2,000 civil penalties for each of two instances of a misleading firm name, in violation of OAR 801-030-0020(7) (Firm names).

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Public communications and advertising

The Board received a copy of an advertising flier used by a Licensee who is registered with the Board as a sole proprietor. The flier advertised "Income Tax Preparation by Certified Public Accountants" (plural)

Board Action:

\$1,000 civil penalty for misleading public communications and advertising (OAR 801-030-0020(4))