

Oregon State Board of Tax Practitioners

Board Meeting Minutes

Meeting Date: May 10, 2012

Time: 9:06 a.m. –4:40 p.m.

Location: Morrow Crane Building, Salem, Oregon

Attendees: Dorothy Hudson (Board Chair)
 Janis Salisbury (Vice-Chair)
 Alan Twombly (Board Member)
 Toni Ellsworth (Board Member)
 Jess Gutierrez (Board Member)
 Dea Williams (Board Member)
 Kelly Gabliks (DOJ)

Guests: Susan Parks, OAIA
 Dale Marino, ORSEA
 Judith Wilkins, OATC
 Nancy Hubbard, OSTC
 Bob Lindquist

Staff: Ron Wagner, Executive Director
 Monica J. Walker, Senior Compliance Specialist
 Jane Billings, Exam & Education Coordinator
 Marika Dwyer, Licensing Specialist

ITEM	ACTION / DISCUSSION
Hudson called the meeting to order at 9:06 a.m.	
Roll called	Board members present: Twombly, Ellsworth, Gutierrez, Salisbury, Williams, and Hudson.
Executive Session Review of Case Files <small>To discuss information exempt from public disclosure under ORS 673.730(3). Pursuant to 192.660(2)(f). This Executive Session is closed to members of the public.</small>	
Executive Session 9:10 a.m. - 12:40 p.m.	
Executive Session Break 10:31 a.m. - 10:40 a.m.	
Board Meeting Lunch 12:40 p.m. - 1:00 p.m.	
Approval of meeting minutes	<p>Motion: Twombly made a motion to approve the January 11, 2012, Board meeting minutes as presented. Motion passed. Ayes: Ellsworth, Salisbury, Williams, and Twombly. Excused: Hudson and Gutierrez.</p> <p>Motion: Williams made a motion to approve the March 15, 2012, Board teleconference meeting minutes as presented. Motion passed. Ayes: Twombly, Hudson, Gutierrez, Salisbury, Ellsworth, and Williams.</p> <p>Board meeting minutes are located on the Tax Board Web site at: http://www.oregon.gov/OBTP/Meeting_Minutes.shtml</p>
Notices of Intent	
Brandon Rose Molalla, OR	<p>Motion: Salisbury moved that the Board <i>authorize</i> the issuance of a Notice of Intent to Impose Discipline and Right To Hearing to Brandon M. Rose of Molalla, Oregon for:</p> <p>All violations of ORS 673.615(1), found for preparing, advising, or assisting in the</p>

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	<p>preparation of personal income tax returns for valuable consideration without being licensed or exempt from licensure at \$250 per violation;</p> <p>All violations of ORS 673.663, found for improper use of the title “Tax Consultant” at \$500 per violation;</p> <p>All violations of ORS 673.705(3), found for presenting or attempting to use the license of another at \$500 per violation; and</p> <p>All violations of ORS 673.705(6), found for engaging in dishonesty, fraud or deception relating to the preparation of personal income tax returns at \$500 per violation.</p> <p>Motion passed. Ayes: Hudson, Twombly, Ellsworth, Gutierrez, Salisbury, and Williams.</p>
<p>Debra Ahls Yamhill, OR</p>	<p>Motion: Salisbury moved that the Board issue a Notice of Intent to Impose Discipline and Right To Hearing to Debra Ahls of Yamhill, Oregon for:</p> <p>Three Hundred Twenty (320) violations of ORS 673.615(1), for preparing, advising, or assisting in the preparation of personal income tax returns for valuable consideration without being licensed or exempt from licensure at \$250 per violation;</p> <p>Four (4) violations of ORS 673.643(1) and OAR 800-025-0020(1) for failing to register a tax preparation business at \$100 per violation; and</p> <p>Six (6) violation(s) of ORS 673.700(7) and OAR 800-010-0050 for advertising in the form of printed, broadcast or electronic material that makes known professional tax services at \$50 per violation.</p> <p>Motion passed. Ayes: Twombly, Ellsworth, Gutierrez, Salisbury, Williams, and Hudson.</p>
<p>Felix Garcia Portland, OR</p>	<p>Motion: Salisbury moved that the Board issue a Notice of Intent to Impose Discipline and Right To Hearing to Felix E. Garcia of Portland, Oregon for:</p> <p>All violations of ORS 673.615(1), found for preparing, advising, or assisting in the preparation of personal income tax returns for valuable consideration without being licensed or exempt from licensure at \$150 per violation;</p> <p>One (1) violation of ORS 673.643(1) and OAR 800-025-0020(1) for failing to register a tax preparation business at \$100; and</p> <p>One violation of ORS 673.700(7) and OAR 800-010-0050 for advertising in the form of printed, broadcast or electronic material that makes known professional tax services at \$50.</p> <p>Motion passed. Ayes: Williams, Twombly, Ellsworth, Hudson, Gutierrez, and Salisbury.</p>
<p>Imran Sharif Kennewick, WA</p>	<p>Motion: Salisbury moved that the Board issue a Notice of Intent to Impose Discipline and Right To Hearing to Imran Sharif of Kennewick, Washington for:</p>

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	<p>One (1) violation of ORS 673.643(1) and OAR 800-025-0020(1) for failing to register a tax preparation business at \$1,000; and</p> <p>Two (2) violation(s) of ORS 673.700(7) and OAR 800-010-0050 for advertising in the form of printed, broadcast or electronic material that makes known professional tax services at \$500 per violation.</p> <p>Motion passed. Ayes: Ellsworth, Twombly, Salisbury, Williams, Gutierrez, and Hudson.</p>
<p>James White College Place, WA</p>	<p>Motion: Salisbury moved that the Board issue a Notice of Intent to Impose Discipline and Right To Hearing to James White of College Place, Washington for:</p> <p>Fifty-one (51) violations of ORS 673.615(1), for preparing, advising, or assisting in the preparation of personal income tax returns for valuable consideration without being licensed or exempt from licensure at \$150 per violation.</p> <p>Motion passed. Ayes: Hudson, Twombly, Ellsworth, Williams, Gutierrez, and Salisbury.</p>
<p>Jacqueline Hernandez Lafayette, OR</p>	<p>Motion: Salisbury moved that the Board <i>authorize</i> the issuance of a Notice of Intent to Impose Discipline and Right To Hearing to Jaqueline Hernandez of Lafayette, Oregon for:</p> <p>All violations of ORS 673.615(2), found for preparing, advising, or assisting in the preparation of personal income tax returns for valuable consideration without the supervision of a licensed tax consultant or a person described in ORS 673.610(2) or (4) at \$250 per violation;</p> <p>All violations of ORS 673.663, found for improper use of the title “Tax Consultant” at \$500 per violation;</p> <p>All violations of ORS 673.705(3), found for presenting or attempting to use the license of another at \$500 per violation;</p> <p>All violations of ORS 673.705(6), found for engaging in dishonesty, fraud or deception relating to the preparation of personal income tax returns at \$500 per violation;</p> <p>One (1) violation of ORS 673.643(1) and OAR 800-025-0020(1) for failing to register a tax preparation business at \$100; and</p> <p>One (1) violation of ORS 673.700(7) and OAR 800-010-0042, for failure to respond to the Board’s inquiry at \$100.</p> <p>Motion passed. Ayes: Twombly, Ellsworth, Gutierrez, Hudson, and Williams. Nays: Salisbury.</p>
<p>James Verrastro Hillsboro, OR</p>	<p>Motion: Salisbury moved that the Board <i>authorize</i> the issuance of a Notice of Intent to Impose Discipline and Right To Hearing to James “Jim” Verrastro of Hillsboro, Oregon for:</p>

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	<p>All violations of ORS 673.615(2), found for preparing, advising, or assisting in the preparation of personal income tax returns for valuable consideration without the supervision of a licensed tax consultant or a person described in ORS 673.610(2) or (4) at \$250 per violation;</p> <p>Three (3) violations of ORS 673.643(1) and OAR 800-025-0020(1) for failing to register a tax preparation business at \$100 per violation; and</p> <p>One violation of ORS 673.700(7) and OAR 800-010-0050 for advertising in the form of printed, broadcast or electronic material that makes known professional tax services at \$500.</p> <p>Motion passed. Ayes: Salisbury, Gutierrez, Hudson, Ellsworth, Twombly, and Williams.</p>
<p>Kathleen Bylkas Colorado Springs, CO</p>	<p>Motion: Salisbury moved that the Board <i>authorize</i> the issuance of a Notice of Intent to Impose Discipline and Right To Hearing to Kathleen A. Bylkas of Colorado Springs, Colorado for:</p> <p>Fifty-one (51) violations of ORS 673.615(1), for preparing, advising, or assisting in the preparation of personal income tax returns for valuable consideration without being licensed or exempt from licensure at \$250 per violation;</p> <p>Twelve (12) violations of ORS 673.705(2) for representing as licensed when not at \$250 per violation;</p> <p>One (1) violation of ORS 673.643(1) and OAR 800-025-0020(1) for failing to register a tax preparation business at \$100; and</p> <p>All violations of ORS 673.700(7) and OAR 800-010-0050 found for advertising in the form of printed, broadcast or electronic material that makes known professional tax services at \$50 per violation.</p> <p>Motion passed. Ayes: Hudson, Gutierrez, Williams, Salisbury, Twombly, and Ellsworth.</p>
<p>Kelly Porter Grants Pass, OR</p>	<p>Motion: Salisbury moved that the Board <i>authorize</i> the issuance of a Notice of Intent to Impose Discipline and Right To Hearing to Kelly Porter of Grants Pass, Oregon for:</p> <p>All violations of ORS 673.615(1), found for preparing, advising, or assisting in the preparation of personal income tax returns for valuable consideration without being licensed or exempt from licensure at \$250 per violation;</p> <p>One (1) violation of ORS 673.643(1) and OAR 800-025-0020(1) for failing to register a tax preparation business at \$100; and</p> <p>All violations of ORS 673.700(7) and OAR 800-010-0050 found for advertising in the form of printed, broadcast or electronic material that makes known professional tax services at \$50 per violation.</p>

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	<p>Motion passed. Ayes: Williams, Hudson, Salisbury, Gutierrez, Ellsworth, and Twombly.</p>
<p>Kristin Jones Coos Bay, OR</p>	<p>Motion: Salisbury moved that the Board issue a Notice of Intent to Impose Discipline and Right To Hearing to Kristin Jones of Coos Bay, Oregon for:</p> <p>One (1) violation of ORS 673.700(7) and OAR 800-010-0041 for failure to notify of changes to employment information within 15 business days at \$100.</p> <p>Motion passed. Ayes: Ellsworth, Gutierrez, Salisbury, Williams, Hudson, and Twombly.</p>
<p>Brenda Derryberry The Dalles, OR</p>	<p>Motion: Salisbury moved that the Board issue a Notice of Intent to Impose Discipline and Right To Hearing to Brenda Derryberry of The Dalles, Oregon for:</p> <p>One (1) violation of ORS 673.643(1) and OAR 800-025-0020(1) for failing to register a tax preparation business at \$100; and</p> <p>Four (4) violation(s) of ORS 673.700(7) and OAR 800-010-0050 for advertising in the form of printed, broadcast or electronic material that makes known professional tax services at \$50 per violation.</p> <p>Motion passed. Ayes: Williams, Twombly, Ellsworth, Hudson, Gutierrez, and Salisbury.</p>
<p>Laura Lutz Tygh Valley, OR</p>	<p>Motion: Salisbury moved that the Board issue a Notice of Intent to Impose Discipline and Right To Hearing to Laura Lutz of Tygh Valley, Oregon for:</p> <p>One (1) violation of 673.643(1)(b) and OAR 800-025-0040(4) for acting as Designated Consultant for more than one business without a waiver from the Board at \$500.</p> <p>Motion passed. Ayes: Ellsworth, Twombly, Salisbury, Williams, Gutierrez, and Hudson.</p>
<p>M. Scott Gray Tualatin, OR</p>	<p>Motion: Salisbury moved that the Board <i>authorize</i> the issuance of a Notice of Intent to Impose Discipline and Right To Hearing to M. Scott Gray of Tualatin, Oregon for:</p> <p>All violations of ORS 673.615(1), found for preparing, advising, or assisting in the preparation of personal income tax returns for valuable consideration without being licensed or exempt from licensure at \$250 per violation;</p> <p>One (1) violation of ORS 673.643(1) and OAR 800-025-0020(1) for failing to register a tax preparation business at \$100; and</p> <p>All violations of ORS 673.700(7) and OAR 800-010-0050 found for advertising in the form of printed, broadcast or electronic material that makes known professional tax services at \$50 per violation.</p> <p>Motion passed. Ayes: Hudson, Twombly, Ellsworth, Williams, Gutierrez, and Salisbury.</p>

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<p>Tracie Salton Tigard, OR</p>	<p>Motion: Salisbury moved that the Board issue a Notice of Intent to Impose Discipline and Right To Hearing to Tracie Jade Salton of Tigard, Oregon for: Four (4) violations of ORS 673.615(1), for preparing, advising, or assisting in the preparation of personal income tax returns for valuable consideration without being licensed or exempt from licensure at \$250 per violation; One (1) violation of ORS 673.643(1) and OAR 800-025-0020(1) for failing to register a tax preparation business at \$100; and Six (6) violations of ORS 673.700(7) and OAR 800-010-0050 for advertising in the form of printed, broadcast or electronic material that makes known professional tax services at \$50 per violation. Motion passed. Ayes: Williams, Twombly, Ellsworth, Hudson, Gutierrez, and Salisbury.</p>
<p>William Rose Woodburn, OR</p>	<p>Motion: Salisbury moved that the Board <i>authorize</i> the issuance of a Notice of Intent to Impose Discipline and Right To Hearing to William Rose of Woodburn, Oregon for: All violations of ORS 673.615(1), found for preparing, advising, or assisting in the preparation of personal income tax returns for valuable consideration without being licensed or exempt from licensure at \$250 per violation; All violations of ORS 673.663, found for improper use of the title “Tax Consultant” at \$500 per violation; All violations of ORS 673.705(3), found for presenting or attempting to use the license of another at \$500 per violation; All violations of ORS 673.705(6), found for engaging in dishonesty, fraud or deception relating to the preparation of personal income tax returns at \$500 per violation. Motion passed. Ayes: Twombly, Ellsworth, Gutierrez, Hudson, and Williams. Nays: Salisbury.</p>
<p>Yeraldina Gomez Hillsboro, OR</p>	<p>Motion: Salisbury moved that the Board issue a Notice of Intent to Impose Discipline and Right To Hearing to Yeraldina Y. Gomez of Hillsboro, Oregon for: One (1) violation of ORS 673.643(1) and OAR 800-025-0020(1) for failing to register a tax preparation business at \$100; and Five (5) violations of ORS 673.700(7) and OAR 800-010-0050 for advertising in the form of printed, broadcast or electronic material that makes known professional tax services at \$50 per violation. Motion passed. Ayes: Ellsworth, Twombly, Salisbury, Gutierrez, and Hudson. Nays: Williams.</p>
<p>OrderExpress Hillsboro, OR</p>	<p>Motion: Salisbury moved that the Board issue a Notice of Intent to Impose Discipline and Right To Hearing to OrderExpress of Hillsboro, Oregon for:</p>

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	<p>Three (3) violations of ORS 673.643(1) and OAR 800-025-0020(1) for failing to register a tax preparation business at \$100 per violation; and</p> <p>Twelve (12) violations of ORS 673.700(7) and OAR 800-010-0050 for advertising in the form of printed, broadcast or electronic material that makes known professional tax services at \$50 per violation.</p> <p>Motion passed. Ayes: Hudson, Salisbury, Gutierrez, Ellsworth, and Twombly. Nays: Williams.</p>
<p>Patricia Goodrum Coquille, OR</p>	<p>Motion: Salisbury moved that the Board issue a Notice of Intent to Impose Discipline and Right To Hearing to Patricia L. Goodrum of Coquille, Oregon for:</p> <p>One (1) violation of ORS 673.615(1), found for preparing, advising, or assisting in the preparation of personal income tax returns for valuable consideration without being licensed or exempt from licensure at \$100; and</p> <p>One (1) violation of ORS 673.643(1) and OAR 800-025-0020(1) for failing to register a tax preparation business at \$50.</p> <p>Motion passed. Ayes: Gutierrez, Salisbury, Hudson, Twombly, and Ellsworth. Nays: Williams.</p>
<p>Paula Dougharity Baker City, OR</p>	<p>Motion: Salisbury moved that the Board issue a Notice of Intent to Impose Discipline and Right To Hearing to Paula J. Dougharity of Baker City, Oregon for:</p> <p>Three (3) violations of ORS 673.615(1), found for preparing, advising, or assisting in the preparation of personal income tax returns for valuable consideration without being licensed or exempt from licensure at \$250 per violation;</p> <p>One (1) violation of ORS 673.643(1) and OAR 800-025-0020(1) for failing to register a tax preparation business at \$100; and</p> <p>One violation of ORS 673.700(7) and OAR 800-010-0050 for advertising in the form of printed, broadcast or electronic material that makes known professional tax services at \$50.</p> <p>Motion passed. Ayes: Williams, Ellsworth, Salisbury, Twombly, Gutierrez, and Hudson.</p>
<p>Raul Medrano Newberg, OR</p>	<p>Motion: Salisbury moved that the Board issue a Notice of Intent to Impose Discipline and Right To Hearing to Raul Medrano of Newberg, Oregon for:</p> <p>One (1) violation of ORS 673.615(1), found for preparing, advising, or assisting in the preparation of personal income tax returns for valuable consideration without being licensed or exempt from licensure at \$500;</p> <p>Four Hundred Ninety-Nine (499) violations of ORS 673.615(2), for preparing, advising, or assisting in the preparation of personal income tax returns for valuable consideration without the supervision of a licensed tax consultant or a person described in ORS 673.610(2) or (4) at \$500 per violation;</p>

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	<p>One (1) violation of ORS 673.643(1) and OAR 800-025-0020(1) for failing to register a tax preparation business at \$200.</p> <p>Motion passed. Ayes: Hudson, Gutierrez, Salisbury, Ellsworth, Williams, and Twombly.</p>
<p>Ruthann Rose Woodburn, OR</p>	<p>Motion: Salisbury moved that the Board <i>authorize</i> the issuance of a Notice of Intent to Impose Discipline and Right To Hearing to Ruthann Rose of Woodburn, Oregon for:</p> <p>One (1) violation of ORS 673.643(1)(c) and OAR 800-025-0023(2) for failure to notify the Board of changes to business contact information within 15 business days at \$100;</p> <p>All violations of ORS 673.700(7) and OAR 800-010-0025(6) found for failure to return records upon written request at \$250 per violation;</p> <p>All violations of ORS 673.700(7) and OAR 800-010-0030(1) found for allowing an employee to operate without proper licensure at \$500 per violation;</p> <p>All violations of ORS 673.700(7) and OAR 800-010-0030(2) found for allowing another to use her Tax Consultant license at \$3,000 per violation; and</p> <p>One (1) violation of ORS 673.700(7) and OAR 800-010-0042 for failure to respond to the board's inquiry at \$100.</p> <p>Motion passed. Ayes: Gutierrez, Williams, Ellsworth, Twombly, Hudson, and Salisbury.</p>
<p>Thomas Torok Mosier, OR</p>	<p>Motion: Salisbury moved that the Board <i>authorize</i> the issuance of a Notice of Intent to Impose Discipline and Right To Hearing to Thomas Z. Torok of Mosier, Oregon for:</p> <p>All violations of ORS 673.615(1), found for preparing, advising, or assisting in the preparation of personal income tax returns for valuable consideration without being licensed or exempt from licensure at \$250 per violation;</p> <p>One (1) violation of ORS 673.643(1) and OAR 800-025-0020(1) for failing to register a tax preparation business at \$100; and</p> <p>All violations of ORS 673.700(7) and OAR 800-010-0050 found for advertising in the form of printed, broadcast or electronic material that makes known professional tax services at \$50 per violation.</p> <p>Motion passed. Ayes: Williams, Twombly, Ellsworth, Hudson, Gutierrez, and Salisbury.</p>
<p>Paul Steiger Milwaukie, OR</p>	<p>Motion: Salisbury moved that the Board issue a Notice of Intent to Revoke the Preparer License of Paul Steiger (License #29929-P) for violating the provisions of Oregon Revised Statute 673.655 and Oregon Administrative Rule 800-015-0015 as well as include in the Notice an Intent to Discipline and Right to Hearing for:</p>

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	<p>One (1) violation of ORS 673.655 and OAR 800-015-0015 for failing to comply with continuing education requirements at \$300;</p> <p>One (1) violation of ORS 673.705(1) for obtaining his tax preparer license by fraudulent means when he attested to having completed 30 hours of continuing education and failed to provide proof of completion at \$500; and</p> <p>Three (3) violations of ORS 673.705(7) and OAR 800-010-0042 for failing to respond to the Board’s notifications of audit at \$100 per violation.</p> <p>Motion passed. Ayes: Ellsworth, Twombly, Salisbury, Williams, Gutierrez, and Hudson.</p>
Shelley Martin Lake Oswego, OR	<p>Motion: Salisbury moved that the Board issue a Notice of Intent to Revoke the Preparer License of Shelley C. Martin (License #71740-P) for violating the provisions of Oregon Revised Statute 673.655 and Oregon Administrative Rule 800-015-0015 as well as include in the Notice an Intent to Discipline and Right to Hearing for:</p> <p>One (1) violation of ORS 673.655 and OAR 800-015-0015 for failing to comply with continuing education requirements at \$300;</p> <p>One (1) violation of ORS 673.705(1) for obtaining her tax preparer license by fraudulent means when she attested to having completed 30 hours of continuing education and failed to provide proof of completion at \$500; and</p> <p>Four (4) violations of ORS 673.705(7) and OAR 800-010-0042 for failing to respond to the Board’s notifications of audit at \$100 per violation.</p> <p>Motion passed. Ayes: Williams, Hudson, Salisbury, Gutierrez, Ellsworth, and Twombly.</p>
Settlement Agreements	
Donna Grove Portland, OR	<p>Motion: Salisbury moved that the Board enter into a Settlement Agreement and Stipulated Final Order with Donna Grove of Portland, Oregon to assess civil penalties in the amount of \$5,000 for violations of the provisions of Oregon Revised Statute 673.605 through 673.740 and the Oregon Administrative Rules adopted thereunder pursuant to 673.700(1)(7) and 673.735(1).</p> <p>Motion passed. Ayes: Ellsworth, Gutierrez, Salisbury, Williams, Hudson, and Twombly.</p>
Write-Offs	
Sharon Bartu	<p>Motion: Salisbury moved that the Board vote to write-off Sharon L. Bartu’s outstanding civil penalty liability as the Board has been formally notified by the U.S. Bankruptcy Court that Ms. Bartu has fulfilled all requirements under her Chapter 13 bankruptcy plan and the Board has therefore been ordered to discharge the liability that is still outstanding.</p> <p>Motion passed. Ayes: Williams, Ellsworth, Salisbury, Twombly, Gutierrez, and</p>

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	Hudson.
Stephen Rice	<p>Motion: Salisbury moved that the Board vote to write-off Stephen Rice's outstanding civil penalty liability as the Board has been formally notified by the U.S. Bankruptcy Court that Mr. Rice has fulfilled all requirements under his Chapter 13 bankruptcy plan and the Board has therefore been ordered to discharge the liability that is still outstanding.</p> <p>Motion passed. Ayes: Gutierrez, Williams, Ellsworth, Twombly, Hudson, and Salisbury.</p>
Waivers	
Jesse Gillis Eugene, OR	<p>Motion: Twombly moved to approve preparer licensure to Jesse W. Gillis based on the Board's review of the circumstances surrounding his criminal history and conduct which resulted in a felony conviction(s) as per Oregon Revised Statute 673.700 (4)(a) and (b), provided the Board receives a recommendation letter from his current employer.</p> <p>Motion passed. Ayes: Williams, Ellsworth, Salisbury, Twombly, and Hudson. Nays: Gutierrez.</p>
Compliance Report	
Reported by Monica J. Walker	<p>Complaints reported from January 1, 2012 through May 9, 2012.</p> <p>General statistics:</p> <ul style="list-style-type: none"> 82 Total cases 31 Reported during Executive Session 28 Need Board action/vote 35 Open investigations 11 Pending and waiting for additional information 2 Mediated 32 Closed <p>One Designated Consultant Waiver which Twombly will be reporting on later.</p> <p>General counts/Information on complaints:</p> <ul style="list-style-type: none"> 41 Unlicensed/unregistered activity 13 Other entities 12 Advertising 10 RC/DC/Supervision 8 Competency/Services 6 Fraudulent activities 6 Return of records 2 CE audit requirements 2 Failure to notify Board of change in information 1 Signature requirements 1 Failure to file a return

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	<p>1 Confidentiality and record keeping 0 Posting of fee schedules</p> <p>Settlement Agreement Statuses David Hassenstab – Signed and executed Quentin Stanhope – Signed and paid in full Daria Nelson – Signed and on payment plan Steven Townsend – Signed and on payment plan John Robideau – Paid in full and waiting for signature Nguyet Thi Minh Nguyen – Paid in full and waiting for signature</p> <p>Other Compliance Business William Baumeister offered to settle his original fines of \$2,000, less the interest.</p> <p>Possible legislative concept to regulate unlicensed owners, in order to have accountability for unregistered businesses.</p>
Administration Report	
<p>Reported by Ron Wagner</p>	<p>There is currently one vacant Board member position available. Thirteen people have applied; one was not qualified, and one applied to be the public member. The application for the public member will not go forward because she happens to be a CPA, which is really not disassociated with the industry.</p> <p>The Board’s licensing requirements do not apply to CPAs and attorneys. Although the law includes employees of CPAs and the Board has regarded the employees of attorneys the same way, there is no statutory backing; it does not address employees of a law firm. Wagner submitted a Legislative Concept that would add employees of attorneys to the list of those excluded from licensing requirements.</p> <p>Wagner doesn’t see any dramatic changes in projected revenues or expenses. This biennium there was proper funding for positions. He hasn’t heard anything about “sweeping” the Board’s budget as in a previous year. There were more expenditures in the category of professional services for proctor fees.</p> <p>The IRS Tax Forum is coming up in July, but Wagner doesn’t feel it’s necessary to attend this year. Going last year gave him the opportunity to have face to face conversations with key people about the federal exams, and gave Wagner the chance to see the impact that the federal program will have here in Oregon.</p> <p>The Board’s outreach meeting is planned for September 20th at the Riverhouse in Bend. The OSTC is having their annual convention at the same time and same location, so there could be a good turnout. Please begin thinking about what content to present at the luncheon, and send e-mail suggestions to Wagner.</p> <p>A member of the public expressed concern about volunteer tax assistance. Wagner investigated how they work. VITA requires different levels of basic training. AARP requires advanced training. Volunteers can do online or in-class training, and have up to 30 hours to take the exam. Gutierrez was concerned about the error rate, and noted that his experience with a former volunteer was different than the information that</p>

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	<p>was shared with Wagner. Hudson felt the Board could improve low cost tax assistance by making the director aware of problems. The Board discussed the subject and will provide Wagner with more questions to consolidate and share with the volunteer assistance program leadership. Wagner suggested including an article in the next Tax Board Bulletin newsletter.</p> <p>The exam review process provides opportunities to comment and then give credit to examinees for disputable questions. The Board discussed this and the timing of doing this in January versus May.</p>
Public Comment	
Dale Marino	<p>Marino thanked Wagner for looking into his suggestion of exploring the volunteer tax assistance programs. His concern is about the volunteer preparers representing themselves as certified by the IRS, and yet not being trained properly. He quoted an article from the March 2012 Kiplinger newsletter. He urges the Board to continue legislative work toward extending authority over volunteer preparers.</p>
Board Meeting Break 3:08 p.m.-3:22 p.m.	
Licensing Report	
Statistics reported by Marika Dwyer	<p>Although there is an increase in initial preparers, the overall number of licensees is decreasing. There are more businesses open.</p>
Exam and Education Report	
Exam Update by Jane Billings	<p>Examination statistics from January to April were provided to Board members.</p> <p>Year to date, the pass rate for the consultant exam is 14%, the consultant-state-only exam is 42%, and the preparer exam is 45%. Billings also provided handouts reflecting the pass rates for the annual period between March 1, 2011, to February 29, 2012. During this time frame the consultant pass rate was 23%; consultant-state-only was 64%, and the preparer exam was 62%. There were approximately 981 examinees with an overall pass rate of 57%. The pass rates for the same period from 2009 through 2010 were slightly better. There were approximately 799 examinees with an overall pass rate of 61%. The highest score received on each exam calculated from exams taken between November 2011 through February 2012 were: Preparer = 97%; Consultant = 86%; Consultant-State-Only = 88%.</p> <p>Billings also included the instructor pass rates calculated between March 1, 2011, and February 29, 2012, along with a cumulative listing of instructor pass rates reflecting the current year along with the past 3 years. Eighty-one letters were mailed on March 1, 2012, notifying instructors of their pass rates for the year.</p> <p>The Board's review of the question and comment forms resulted in one person passing the exam. Another applicant's score was affected positively, but that individual had already retaken the exam, passed, and had been licensed.</p> <p>Proctor site inter-agency agreements were mailed March 15, 2012. A large percentage of licensees have already responded. Billings would like to visit the new proctor site in Hood River.</p>

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CE Sponsor Renewal	Applications for the 80 Hour Basic Tax Course sponsors were mailed out April 1, 2012. The two continuing education sponsors of the self-study/correspondence courses not currently approved through CTEC, IRS, or NASBA are on the separate Board list of approved CE sponsors. They have been sent renewal applications to complete if they wish to be approved again this year.
Damon Mayer	Former licensee and CE provider, Damon Mayer, has requested reactivation of his status as a continuing education provider. There were two orders previously against him. In December of 2008 he was sent a letter withdrawing his approval of being a CE sponsor because there were a number of complaints. The Board agreed to deny his current request until he has complied with his civil penalties, and then revisit after that.
IRS CE Sponsors	CE sponsors wishing to get approval through the IRS are seeking approval letters through the Board. To be an approved CE sponsor for the IRS, they can be an accredited educational institution recognized by a state for CE purposes, or they can be recognized by an organization such as NASBA, or they can become approved by the IRS by submitting a lot of documentation. Billings related that the IRS made it clear that if the Board issues an approval letter for a sponsor, the Board is responsible for that course, so it was agreed that we suggest that sponsors get approved through NASBA or the IRS.
CE Audit Update/Discussion	<p>Billings would like the Board's approval to close the CE audits for the year.</p> <p>The consultant audit consisted of 210 consultants and was sent on Sept 11, 2011. The audit ended with 6 individuals that had initially been selected but whose licenses have remained in lapsed status. Billings verified various times over the course of the audit that they had not renewed their licenses.</p> <p>The preparer audit consisted of 192 selected. Notification was sent out on November 15, 2011, to licensees who had renewed their licenses. Licensees who had not yet renewed their licenses were notified as they renewed. At the conclusion of the audit there were:</p> <ul style="list-style-type: none"> 22 licensees whose licenses remained in "lapsed" status 4 licensees that remained in "inactive" status 5 licensees that retired their licenses prior to being notified of the audit <p>Two preparer licensees received third notices for not responding to the audit and have been forwarded on to Walker for compliance.</p>
Administrative Rule Filings	Rule changes that went into effect on February 1, 2012, have been filed. Billings provided updated OARs for member's Board binders, with a summary sheet of the most recent changes. Also included were the rule changes going into effect on July 1, 2012, that have already been filed with the Secretary of State's office. The 2011 updated version of the Oregon Revised Statutes, Chapters 673 governing Tax Professionals, is also included. The Web site has been updated with the new information and links for accessing rule changes.
Instructor Workshop	There will be no instructor workshop this year. The next one will be in 2013.

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Records Retention	<p>Billings and Wagner have been working with Daniel Maguire, from the State Archives Division, to address and create a customized records retention schedule for the agency. It appears that they have not created one for our agency previously. Archives will create special schedules to guide the retention and disposition of records that are unique to our agency, including electronic records as well as paper records. These schedules provide state and local agencies with the lawful authority to destroy or otherwise dispose of commonly occurring public records.</p>
Item Writing Committee Update and Board Work Session	<p>The Consultant Item Writing Committee met on April 24-25, 2012. There were 18 volunteers working together to review, update and write new questions for 2011 tax law in the consultant exam pool. They were a fun and hard working group of individuals, with a mix of new and experienced volunteers. At Wagner’s suggestion, the volunteers were surveyed to get some feedback regarding the process. Billings included copies from those who responded.</p> <p>Thank you to Neil Gibson, a representative from the Consultant Item Writing Committee, who made himself available to answer questions and share comments with the Board during their 2-day work session. The Board not only reviewed the work product, but reviewed and approved 45 of the new questions written during the Committee meetings , and also wrote 16 new questions. Billings will make the edits to the exam pools and input the new questions, then update the reference sheet.</p> <p>On May 30th and 31st Barb Jenkins, the Board’s exam consultant, will come to the Board office to pull questions for four versions of the consultant exam, which will then be compiled. June 14th four volunteers that have already been selected will come to the Board office to take a version of the exam and meet with Barb to discuss any concerns they might have.</p> <p>There is a group of 20 enthusiastic volunteers selected that are ready to get to work on reviewing all the questions on the preparer exam pool on June 7-8, 2012 .</p>
Consultant Exam Changes	<p>Motion: Williams moved to accept the changes and additions made to the consultant exam pool of questions as discussed at the Board’s work sessions held on May 8th and 9th, 2012.</p> <p>Motion passed. Ayes: Ellsworth, Twombly, Salisbury, Williams, Gutierrez, and Hudson.</p>
Waiver Requests	
Teresa Noe Gresham, OR	<p>Motion: Twombly moved to accept the designated consultant waiver request for Teresa L. Noe of Gresham, Oregon, through May 31, 2013, effective immediately.</p> <p>Motion passed. Ayes: Williams, Twombly, Ellsworth, Hudson, Gutierrez, and Salisbury.</p>
Other Business	
National Entities	<p>Walker shared that several licensees were concerned about companies advertising that consumers can speak with a “live person” for tax assistance when purchasing software such as TurboTax. Gabliks assessed that the advice was for compensation</p>

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	and the reason people purchased this was to ask “state specific” questions. But the entity made it clear that the access to specific advice was not connected to the purchase of the software, and that furthermore the pool of employees to answer Oregon state questions were either licensed by the Board or EA, CPA or LTC. Gabliks inquired about the possibility of the general federal tax questions having implications for the state, but the issue of compensation for the advice or assistance would still exclude them from the Board’s jurisdiction. It appears that TurboTax and H & R Block are taking the Board very seriously. Wagner encouraged members to contact him if there are any more concerns.
Temp Agencies	Salisbury commented that temp agencies do not check to see if they are licensed with the Board. Ellsworth shared that they administer “mini-tests” to evaluate competence in tax law.
Compliance Info	Gabliks suggested that password protected e-mails be sent prior to Board meetings to prepare Board members with information related to compliance cases.
Tax Board Bulletin Newsletter	Hudson asked Board members to have articles ready to turn in by the next Board meeting in July. Salisbury would like to do an article on suggestions for study for the consultant exam.(She will also be writing the Message from the Board Chair now.) Williams will cover scholarship credits and how they work together. Billings will write about the CE audits and requirements. Twombly will do something on the value of the outreach meeting. Gutierrez will surprise us with a topic of his choosing. Hudson asked Walker to handle questions regarding live assistance in her compliance article.
Chair Elections	
Board Chair	Motion: Twombly made a motion to nominate Janis Salisbury as Board Chair. Motion passed. Ayes: Ellsworth, Gutierrez, Twombly, Hudson, and Williams. Salisbury abstained from the vote.
Board Vice-Chair	Motion: Twombly made a motion to nominate Jess Gutierrez as Board Vice-Chair. Motion passed. Ayes: Hudson, Salisbury, Ellsworth, Gutierrez, Williams, and Twombly.
Adjournment	Hudson adjourned the Board meeting at 4:40 p.m.

Next meeting:

July 12, 2012

Morrow Crane Building, Salem, Oregon