

To: Howard Moyes, Executive Director
From: Heather Shepherd, Compliance Specialist
Date: April 12, 2016
RE: Field/site visits

Here is a summary of the site visits that were conducted between January 28 and March 17, 2016.

- January 28 and 29, 2016: Traveled to Hermiston, Hood River, La Grande, Milton-Freewater, Pendleton and The Dalles.
 - **La Grande:**
 - Four (4) sites: All sites appear to be compliant with the Board statutes and rules; no concerns
 - There were no concerns mentioned from any of the licensee's
 - One licensee expressed desire for the Board to assist with quality CE for rural communities
 - **Milton-Freewater:**
 - Three (3) sites: All sites appear to be compliant with the Board statutes and rules; no concerns
 - There were no concerns mentioned from any of the licensee's
 - **Pendleton:**
 - Three (3) sites: All sites appear to be compliant with the Board statutes and rules; no concerns
 - Two (2) of the sites the licensee was with clients, but the receptionist visited and answered general questions
 - There were no concerns mentioned from any of the licensee's
 - Drove by one (1) house that is registered as a tax business; no concerns
 - **Hermiston:**
 - Four (4) sites: All sites appear to be compliant with the Board statutes and rules; no concerns
 - There were no concerns mentioned from any of the licensee's
 - One (1) site visit: Office was closed, left the package of material
 - Drove by one (1) house that is registered as a tax business; no concerns
 - **The Dalles:**
 - Drove by two (2) houses that are registered as a tax business; no concerns

- One (1) site visit: Licensee was with a client, spoke with receptionist; no concerns
 - **Hood River:**
 - Two (2) site visits: All sites appear to be compliant with the Board statutes and rules; no concerns
 - One of the licensee's mentioned concern of unlicensed activity in the area. She is going to try and get information about the location of the individuals and provide the information to the Board office. Also mentioned concern that she is aware of unlicensed individuals from Washington often advertise in the area (radio and/or flyers posted around town). As far as this licensee knows, the actual tax preparation is being completed in Washington.
 - Drove by three (3) house that is registered as a tax business; no concerns
- February 25, 2016: Sandy, Gresham, Portland, Happy Valley, Milwaukie, Gladstone, Oregon City, Canby and Hubbard
 - **Sandy:**
 - Two (2) sites:
 - One (1) site was closed;
 - One (1) business the licensee was with a client.
 - **Gresham:**
 - Two (2) sites:
 - One (1) was a house; did not stop;
 - One (1) was an office, while speaking with the licensee and asking if there was activity in the area that the Board should be aware of, the licensee mentioned a new business in the same complex. After the visit was complete, I went to the other office but the door was locked. I knocked on the door, no answer. I called the Board office to ask if the business was registered, confirmed there was no registration. I observed individuals attempting to enter the office. The door was locked. These individuals went back to vehicle and appeared to be waiting. I watched for about 5 minutes, no one entered the office so I left. Mailed a letter to the licensee, the branch office registered and is now compliant with Board statutes and rules.
 - **Portland:**
 - Five (5) sites:
 - One (1) licensee was with a client, unable to interview;

- One (1) business could not be located; possibly inside another business, unable to locate signs;
 - Three (3) sites did have licensee available to speak with, no concerns with any sites at this time
- **Happy Valley:**
 - One (1) site: Drove pass the former location of a licensee whose license was revoked February 25, 2014. There are signs in front of the building. I was unable to determine if it was a home or a home that had been converted into a business. There were cars around the property. I did not go to the door.
- **Milwaukie:**
 - Five (5) sites:
 - One (1) site has current Cease and Desist, there were people inside the office and the lights were on, the signs are still hanging identifying the business;
 - One (1) was a kiosk inside Wal-Mart, the licensee was at lunch and there were clients waiting,
 - One (1) licensee was with a client and had (2) additional clients waiting;
 - Two (2) sites had licensees available, there were no concerns for these businesses
- **Gladstone:**
 - Three (3) sites: I was unable to conduct a site visit at any of these business.
 - One (1) business the licensee had left for the day;
 - One (1) business the licensee was out ill for the day,
 - One (1) business was a duplex and appeared to be a home, I did not contact the licensee.
- **Oregon City:**
 - Three (3) sites:
 - One (1) site had licensee available, the office staff was not happy with the Board's timing on conducting site visits;
 - One (1) site licensee was with a client;
 - One (1) site GPS was unable to locate
- **Canby:**
 - One (1) site visit: Licensee was available; no concerns with the site
 - Licensee would like to see the Board do more so the citizens of Oregon understand that there is a licensing requirement

- **Hubbard:**
 - One (1) site: The business was closed when I arrived
- February 25, 2016: Portland, Hillsboro, Tigard and Hillsboro
 - **Portland:**
 - Nine (9) sites:
 - Three (3) sites had licensee available;
 - One is a multi-generation business that has been around since the formation of the Tax Board; no concerns with the site
 - There are no concerns with any of the sites
 - Two (2) sites did not have the licensee available
 - One site the father is a CPA and they share office space. The CPA had many questions about the general procedures for a site visit and complimented the Tax Board for this process
 - One site the licensee was with a client
 - Four (4) business were unavailable for various reasons:
 - One (1) address was a retail shopping center
 - One (1) address was a PO Box at a UPS Store
 - One (1) address the GPS could not locate
 - One (1) business was in an older building, the door for the office was unlocked, and the room was empty. I contacted the owner and learned that the business had moved a few days prior to my visit. Owner submitted address change
 - **Hillsboro:**
 - One (1) site: licensee was with a client and had another client waiting; no noticeable concerns
 - **Beaverton:**
 - Five (5) sites:
 - Four (4) sites had licensee available;
 - One site is a small office; no concerns
 - One site appeared to have a first year licensee interviewing a client unsupervised; after contacting the owner/DC/RC, and the business providing documentation that this individual has worked many years in the tax industry outside Oregon; no further concerns with this location
 - One site has two (2) registered businesses that share space and resources. Each business has an office with locking

doors, the reception and common areas are shared areas. While talking with the LTC in one of the offices, I asked if she knew she was listed as the DC/RC for both businesses. She indicated that she knew she was listed for the prior year (2015) and the current year (2016) and that the other licensee stated that all paperwork had been completed to allow this arrangement. When asked if she had copies of the paperwork she would have signed, she stated she did not recall signing paperwork. I asked if she monitored the other individual and/or reviewed the work he completed. She indicated that they were two different businesses and that she had agreed to be the DC/RC.

- I talked with the LTP of the other business. He seemed a bit more uncomfortable with my presence in the office and questioning the relation between the two businesses. He stated that he had a waiver with the Board that allowed for him to work as LTP and the LTC to be DC/RC for both businesses since they are in the same office space. I asked for a copy of the waiver application for both years and the written response from the Board. Licensee stated he would need to look for the file and provide the requested information to the Board the following week.
- One site had the open sign illuminated but the doors were locked; unable to conduct visit
- **Tigard:**
 - One (1) site:
 - Was able to talk with licensee; no concerns
- March 17, 2016: Traveled to Lebanon, Sweet Home, Springfield and Eugene
 - Robert Oterro, DAS Budget Analyst, shadowed during these site visits
 - **Lebanon:**
 - Three (3) sites:
 - All sites were open; no concerns with the sites
 - One licensee voiced concern to Mr. Oterro regarding the recent legislation regarding Oregon minimum wage. The concern is that individuals who are coming into the profession with very little, if any, experience will be making a significant wage and have to be monitored at all

times. This could cause significant harm to small business that will no longer be able to hire staff members or harm consumers who end up paying higher costs/fees for services. Mr. Oterro thanked the licensee for providing his prospective and suggested that the licensee contact his local Representative in writing regarding the concerns.

- **Sweet Home:**
 - One (1) visit:
 - Licensee was available and is the only employee, reminded licensee that she should ensure files are not being left out in common area, office locks and only licensee has access.
- **Springfield:**
 - One (1) visit:
 - Licensee was available and is the only employee, reminded licensee that she should ensure files are not being left out in common area, office locks and only licensee has access.
- **Eugene:**
 - Two (2) site visits: at one address. One of the businesses relocated before the tax season; however, the business address was not updated with the Board office

Requested Board Action

- Discussion and policy regarding when a business does not have the required business number and/or designated consultant number on signs outside of building
- Discussion and policy regarding when a business has moved and not notified the Board within the required 15 business day period
- Discussion regarding the outcome of the site visits
 - Does the Board want to continue doing site visits
 - Is there a better time of year or should these happen year round
 - What if visited site does not follow up with Board within (5) business days as required in OAR 800-030-0030