

**NOTICE OF PUBLIC MEETING
OREGON BOARD OF ACCOUNTANCY
BOARD MEETING
Monday, October 22, 2012**

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

BOARD MEMBERS:

Roberta Newhouse, CPA, *Chair*
Jessie Bridgham, CPA, *Vice Chair, 5:16 pm*
Ann Ferguson, CPA, *Treasurer*
Roger Graham, *Public Member*
Larry Brown, CPA
Scott Wright, CPA

BOARD STAFF:

Martin Pittioni, Interim Executive Director
Kimberly Sisk, Executive Assistant
Noela Kitterman, Investigator
Susan Bischoff, AAG
Heather Shepherd, Cte. Coordinator
Cathy Orias, Cte Coordinator

GUESTS:

Phyllis Barker, OSCP Representative
Stuart Morris, OAIA out at 5:12 pm
Twyla Lawson, DAS Senior Recruitment
Alice Chaloux
Giancarlo Pozzi
Ann Vindell Hinkle
Peter Jensen

EXCUSED:

Al Crackenberg, PA

1. CALL TO ORDER/ANNOUNCE RECORDING

Ms. Newhouse called the meeting to order at 3:18 p.m. and announced the meeting was being recorded

2. RECRUITMENT ANNOUNCEMENT

Ms. Lawson, Senior DAS HR Recruitment stated that the Board had twelve individuals apply for the Executive Director position. Eleven of those met minimum qualifications and the selection panel narrowed that group down to two final applicants. The Board interviewed both those candidates this morning. Ms. Lawson distributed the resumes of both candidates to the Board Members and those in the audience.

BOARD ACTION: Moved by Ms. Newhouse and carried to add an agenda item for later today to appoint Mr. Martin Pittioni to the Executive Director position.

VOTE: 6 ayes, 1 excused - Crackenberg

3. QUALIFICATIONS COMMITTEE

A. Minutes of September 19, 2012

Minutes were provided for Board information only.

B. Consent Agenda

1. Recommendations for Approval
 - a. Joseph Louis Moscato
 - b. Darin Bell
 - c. Mark DeForge
 - d. Joseph Harrison
 - e. Kristine Hiersche
 - f. Phillip DeGroat
 - g. Peter Keyser
 - h. Ann-Lise Wiegand

BOARD ACTION: Moved by Mr. Graham and carried to approve the applicants listed above for issuance of a CPA license.

VOTE: 6 ayes, 1 excused - Crackenberg.

2. **Approval of Applications**
 - a. CPA Certificates/Permits

BOARD ACTION: Moved by Mr. Graham and carried to accept all CPA applications presented on the handout.

VOTE: 6 ayes, 1 excused - Crackenberg.

- b. PA Licenses/Permits

BOARD ACTION: Moved by Mr. Graham and carried to accept all PA applications presented on the handout.

VOTE: 6 ayes, 1 excused - Crackenberg.

3. **Firm Registrations**

BOARD ACTION: Moved by Mr. Graham and carried to accept all Firm Registrations presented on the handout.

VOTE: 6 ayes, 1 excused - Crackenberg.

C. Applications for Discussion

1. **Peter Jensen**

Mr. Jensen attended the meeting and answered questions from Board members. Mr. Jensen applied for a CPA license with experience gained while employed at the Internal Revenue Service (IRS). At issue is whether Ms. Cathy Tai, the individual who signed off on the certificate of experience form, is the direct supervisor for Mr. Jensen. Ms. Teixeira, of the Qualification's Committee, made contact with Ms. Tai and asked about the direct supervision. Ms. Tai indicated that she was not a direct supervisor for Mr. Jensen but gave input regarding the work that Mr. Jensen had completed. Ms. Teixeira told the committee that Ms. Tai indicated that she had approximately 20 minutes of contact with Mr. Jensen per week.

Board Discussion: If Ms. Tai was his direct supervisor in 2004 as stated by Mr. Jensen, why not defer the application and ask her to complete a Certificate of Experience form based on that timeframe. Ms. Shepherd indicated that Ms. Tai did not qualify as a supervisor licensee in 2004. Ms. Sisk and Mr. Jensen indicated that Ms. Tai has been licensed in Washington since 1996. Mr. Graham asked Ms. Shepherd to contact the Washington Board of Accountancy and determine the exact date Ms. Tai was licensed. Ms. Shepherd reported to the Board that Ms. Tai received a certificate in Washington in 1996 but was not licensed until May 2002.

Mr. Jensen indicated that based on his employment classification, he is expected to work independently and Ms. Tai would review his work once a file was closed. The Board asked Mr. Jensen how many audits Ms. Tai reviewed during the time she was supervising. Mr. Jensen indicated four audits had been reviewed by Ms. Tai.

BOARD ACTION: Moved by Mr. Graham and carried to approve the application submitted by Mr. Jensen.

VOTE: 2 ayes (Graham, Brown) 4 nays (Newhouse, Bridgham, Ferguson, Wright), 1 excused (Crackenberg), Motion failed.

5. **NEW BUSINESS**

C. **Anne Hinkle Vindell (Hinkle)**

Ms. Vindell (Hinkle) attended the meeting and answered question from Board members.

Ms. Vindell (Hinkle) applied for a CPA license with experience gained while employed at Calbag Metals. Ms. Michele Dorado, the individual who signed off on the certificate of experience form, had a lapsed license from July 1, 2006 to December 13, 2006.

Board Discussion: The Board recognizes that the supervisor licensee does not meet OAR 801-010-0065(2)(b) because she did not have an active license for at least five consecutive years immediately prior to the supervision. The supervisor licensee had requested an extension on August 31, 2006 to provide the required CPE documentation for her June 30, 2006 renewal application. The request was denied because the renewal application was due on or before June 30, 2006.

The Board instructed Ms. Shepherd to submit the application and supporting documents to the Qualification's committee for review at the next scheduled meeting. The Board would like the committee to review the entire application; including if the applicant has met the core competencies. The committee's recommendation will be provided to the Board at the December 17, 2012 meeting.

E. **Alice Chaloux**

Ms. Chaloux requested the Board remove the restriction on her CPA license. In December 2009, Ms. Chaloux signed a Stipulation and Order that included a condition that she shall not perform attest, audit or compilation services and that the restriction would continue from the date signed. If at any time, Ms. Chaloux performs and audit, attestation or compilation, she will be required to have a pre-issuance review.

Ms. Chaloux states that the term "restricted" which is shown on the Board website, is an unfair representation to what the Stipulation and Order states. When she signed the Order, she believed that it was outlining what she was not allowed to do, but did not understand that the word "restricted" would be placed next to her CPA designation.

Board members directed staff to removed the restriction from Ms. Chaloux's license immediately and re-issue Ms. Chaloux's license without the restriction.

BOARD ACTION: Moved by Ferguson and carried to remove the restriction on Ms. Chaloux's license.

VOTE: 4 ayes, 2 nays (Wright, Newhouse), 1 excused (Crackenberg)

2. **COMPLAINTS COMMITTEE**

A. Complaints Committee – Public Session Minutes September 24, 2012
For information only

B. Complaints Committee Executive Session discussion items requiring Board approval and vote were presented by Complaints Committee Liaison and Board Vice-Chair Jessie Bridgham. These complaint cases were discussed by the Board in Executive Session in order to protect the confidentiality of those involved. The Board will now consider the Complaint Committee's recommendations for vote as follows:

1. 12-008NK

The Complaint Committee recommended to the Board that there is insufficient evidence to make a preliminary finding of a violation of either OAR 801-030-0010(1)(b), Due professional care, or OAR 801-030-0020(1), Professional misconduct.

BOARD ACTION: Moved by Ms. Bridgham and carried to agree with the committee's recommendation that there is insufficient evidence to make a preliminary finding of a violation of both OAR 801-030-0010(1)(b), Due professional care, and OAR 801-030-0020(1), Professional misconduct.

VOTE: 6 ayes, 1 excused - Crackenber.

2. 12-005NK

The Complaint Committee recommended to the Board that there is insufficient evidence to make a preliminary finding of a violation of OAR 801-030-0015(1)(a)(A), Confidential client information; the committee also recommended that there is sufficient evidence to make a preliminary finding of a violation of OAR 801-030-0020(1)(a) and (b), Professional Misconduct; the committee made a final recommendation that they found that there is sufficient evidence to make a preliminary finding of a violation of OAR 801-030-0005(2)(a), Integrity and Objectivity.

BOARD ACTION: Moved by Ms. Bridgham and carried to agree with the committee's recommendation that there is insufficient evidence to make a preliminary finding of a violation of OAR 801-030-0015(1)(a)(A), Confidential client information.

VOTE: 6 ayes, 1 excused - Crackenber.

BOARD ACTION: Moved by Ms. Bridgham and carried to agree with the committee's recommendation that there is sufficient evidence to make a preliminary finding of a violation of OAR 801-030-0020(1)(a) and (b), Professional Misconduct.

VOTE: 6 ayes, 1 excused - Crackenber.

BOARD ACTION: Moved by Ms. Bridgham and carried to agree with the committee's recommendation that there is sufficient evidence to make a preliminary finding of a violation of OAR 801-030-0005(2)(a), Integrity and Objectivity.

VOTE: 6 ayes, 1 excused - Crackenber.

Sanction or Civil Penalty Discussion - The Board then discussed sanction recommendations. It was noted that the Complaint Committee would like the Board to consider imposing counseling or a license restriction of some sort in order to keep this licensee from practicing alone for a period of time. The Board agreed with the committee on this recommendation and Board members discussed the level of severity of this case. While some of their guidance for settlement arrangements suggested that the sanctions and penalty should be on the higher end, at least one Board member disagreed and felt the penalty should be on the lower end. There was also discussion and agreement that this licensee will need to take 20 hours of CPE that relates specifically to professional ethics and client confidentiality. It was further suggested by Ms. Bischoff that perhaps the Board could offer to stay a portion of the civil penalty on the condition that this licensee participate in a mentor support group and/or stress management sessions. The discussion also suggested that there be incentive such as this built in for a review within a year if some of these elements are implemented and voluntarily adhered to by this licensee.

Note: Board Member Larry Brown was excused from the meeting at 5:05 pm due to a conflicting appointment.

3. 12-022NK

The Complaint Committee recommended that the Board find that there is sufficient evidence to make a preliminary finding of a violation of ORS 673.320(3).

BOARD ACTION: Moved by Ms. Bridgham and carried to agree with the committee's recommendation that there is sufficient evidence to make a preliminary finding of a violation of ORS 673.320(3).

VOTE: 5 ayes (Brown, Crackenberg excused).

Sanction recommendations: Board members directed staff to impose a mid-range level of civil penalty if this case goes to settlement.

4. 12-053NK

The Complaints Committee recommended to the Board that there is insufficient evidence to make a preliminary finding of a violation of OAR 801-030-0015(1), Confidential client information and the committee also recommended to the Board that there is sufficient evidence to make a preliminary finding of a violation of OAR 801-030-0015(2)(d), Custody of working papers.

BOARD ACTION: Moved by Ms. Bridgham and carried to agree with the committee's recommendation that there is insufficient evidence to make a preliminary finding of a violation of OAR 801-030-0015(1), Confidential client information.

VOTE: 5 ayes (Brown, Crackenberg excused).

BOARD ACTION: Moved by Ms. Bridgham and carried to agree with the committee's recommendation that there is sufficient evidence to make a preliminary finding of a violation of OAR 801-030-0015(2)(d), Custody of working papers.

VOTE: 5 ayes (Brown, Crackenberg excused).

5. NEW BUSINESS

F. Irina Portnova Renewal Application

Ms. Portnova submitted her renewal application for the period ending June 30, 2012. Upon review of the application, staff noted that Ms. Portnova had not met the minimum 24 CPE hour requirement for the July 1, 2010 to June 30, 2011 period. Board staff notified Ms. Portnova of the deficiency and that she had been assessed a 16 CPE hour penalty. Ms. Portnova requested additional time to complete the required CPE, which was granted. Ms. Portnova was unable to provide a proof of completion certificate in the timeframe allowed.

Ms. Portnova submitted documentation for the Board to review which included an additional course completed in June 2012, which was not included on the original renewal application. With this additional course submission and the additional course completed in September 2012, Ms. Portnova would have qualified for renewal in the timeframe.

Note: Vice Chair, Jessie Bridgham was excused from the meeting at 5:16 pm

The Board directed staff to send Ms. Portnova an invoice for the \$160 renewal application fee. The 96 CPE hours that Ms. Portnova has provided will be used to comply with her CPE requirements for the period ending June 30, 2012.

B. Jennifer Grant Reinstatement Request

Ms. Grant sent a letter to the Board requesting that she be allowed to meet reinstatement requirements prior to January 1, 2012. Ms. Grant had reviewed the Board's website for her specific requirements, which indicated she would need 176 CPE hours in the 24 month period immediately preceding date of application for reinstatement.

Board discussion: Mr. Pittioni confirmed to the Board's web site on reinstatement requirements was not updated until October 2, 2012 based on various reasons. The Board agrees that the licensee should be allowed additional time to complete the CPE requirements since she contacted the Board.

BOARD ACTION: Moved by Mr. Graham and carried to grant Ms. Baxter's request for an extension of time to complete her reinstatement requirements. Ms. Baxter will be allowed to claim CPE programs completed from February 2012 to June 30, 2013 for reinstatement of her CPA license.

VOTE: 4 ayes (Bridgham, Brown, Crackenberg excused)

D. Reinstatement Memo re: Scott Winegardner

This item was deferred to the special meeting which will be scheduled in early November.

3. PROPOSED CASE SETTLEMENTS

D. Aaron Traxton 11-058NK

A proposed Stipulation and Order was presented to the Board for consideration. With the Board's approval, the parties will agree to resolve this matter by imposing a \$200 civil penalty for violation of OAR 801-030-0020(6)(c)(A), Plural firm names. The civil penalty shall be due and payable on or before October 31, 2012.

BOARD ACTION: Moved by Ms. Ferguson and carried to accept the proposed stipulation and order for case #11-058NK.

VOTE: 4 ayes (Crackenberg, Brown and Bridgham excused)

5. NEW BUSINESS

A. Harry Kylo Resume

The Board revoked Mr. Kylo's licensed on September 30, 2003. Mr. Kylo was sentenced on May 23, 2007 in the US district of Oregon to a term of 51 months of imprisonment and \$1,322,582 in restitution and three years of supervised release upon his release from prison. Mr. Kylo was recently released from prison and is apparently looking for work. The Board received a copy of Mr. Kylo's resume that he submitted in a response to an advertisement posted on Craigslist.

Mr. Kylo's resume does not indicate that he is a CPA, however, it is misleading. The Board requested staff send a letter to Mr. Kylo and remind him of the Stipulation and Order and that fact that he no longer holds a CPA license and cannot practice public accounting.

G. Michael Jordan Letter

Mr. Pittioni advised the Board of the letter sent to Michael Jordan requested DAS approval for fees administratively adopted by the Board.

3. QUALIFICATIONS COMMITTEE

2. Honor Boerigter

Ms. Boerigter submitted an application for issuance of an Oregon CPA Certificate and Permit to Practice Public Accounting based on experience received while an employee of Artek Inc. The Qualification's committee reviewed the application and supporting documents submitted on behalf of Ms. Boerigter. The Qualification's

committee indicated that the support documents did not support the supervisor licensee directly supervised Ms. Boerigter nor did they have regular and meaningful interactions. The competency write-ups were vague and did not have specific examples on how Ms. Boerigter achieved each competency. The Qualification's committee recommends the Board deny the application for certification for Ms. Boerigter.

BOARD ACTION: Moved by Mr. Graham and carried to deny the application for issuance of an Oregon CPA Certificate and Permit to Practice Public Accounting for Honor Boerigter.

VOTE: 4 ayes (Bridgham, Brown, Crackenberg excused)

D. Review Certificate of Experience Forms (REVISED 2012)

This item was deferred to the December Board meeting.

3. **PROPOSED CASE SETTLEMENTS**

The following cases were deferred to either November or December Board Meetings:

- A. **Keith Wilhelm:** 12-009NK – Deferred to November Teleconference;
- B. **Christopher Acarregui:** 10-130CNK – Deferred to December meeting;
- C. **Alison LLC:** 11-059NK – Deferred to December meeting;

NEXT MEETING	Date:	December 10, 17, 2012
	Location:	Salem, Oregon
	Time:	9:00 a.m.

Adjourn at 6:39 p.m.