

ARKANSAS STATE BOARD OF PUBLIC ACCOUNTANCY

Michael M. Watts CPA, JD President
Sherry Chesser CPA, Secretary
David Vaden CPA, Treasurer
Deana Infield CPA



Richard Bell CPA
Denton Woods JD
Kevin Canfield

Jimmy Corley, CPA
Executive Director

Board Meeting Minutes November 16, 2018

A regular meeting of the Arkansas State Board of Public Accountancy was held in Suite 450 of the Main Street Mall Building on November 16, 2018 with Michael Watts, President, presiding. Other members of the Board in attendance were: Kevin Canfield, David Vaden, Sherry Chesser, Deana Infield, Richard Bell, and Denton Woods. Members of the staff in attendance were: Jimmy Corley, Executive Director, Dale Edge, Investigator; Tim Montgomery, Investigator; Mark Ohrenberger, Legal Counsel; Alan Fortney, Melissa Hamric, and Tiffany Vano. Also in attendance were Susan Whitson, Court Reporter,* Rebecca Kane, Hearing Officer **, Brian Thompson of the ASA, and Mike Carroll of the ASCPA

CALL TO ORDER

Mr. Watts officially called the meeting to order at 9:00 a.m. A quorum was found to be present.

PUBLIC HEARINGS

The Board moved immediately to Public Hearings concerning the following cases:

H18-019 Charles Dwain Oliver (Cert. #1529) – Respondent did not appear at the hearing. Board found that Respondent (a) violated a prior consent order by holding out to the public as a CPA while on suspended status and failing to pay a monetary fine, (b) held himself out to the public as a CPA without a current license after his period of suspension expired, and (c) failed to report to the Board two orders suspending his Arkansas law license. The Board voted to revoke Respondent's CPA license. Michael Watts recused himself from the proceedings.

*Susan Whitson and **Rebecca Kane left at the close of the hearings.

APPROVAL OF MINUTES

A motion was made and seconded to approve the minutes of the September 28, 2018, Board meeting subject to the changes regarding attendance. The motion passed unanimously.

TREASURER'S REPORT

A motion was made and seconded to approve the September 2018 Treasurer's Report, as presented. The motion passed unanimously.

COMMITTEE REPORTS

COMPLIANCE

The Compliance Committee has met one (1) time.

Thirteen new complaints:

External complaint regarding licensee's interaction with Water Association. Licensee failed to disclose background issues.

Licensee with a felony conviction. One re-licensure request.

Firm with SEC issues.

Two licensees with branch office issues. Three licensees with Quality Review issues. Three licensees with CPE issues.

Requesting closure of ten (10) complaints; two (2) by consent order

- 1) **C14-073 – (Cert. # 3547)** – Out of state licensee with yellow page listing reflecting Arkansas physical address. Licensee confirmed he does not have a physical presence in AR and he longer has a listing in the yellow pages. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure with no further action.
- 2) **C15-119– (459C)** – External complaint regarding employment discrimination. Complaint with Equal Employment Opportunity Commission was closed with no action. The Compliance Committee recommends a finding of no probable cause to proceed and closure with no further action.
- 3) **C18-018 – (Cert. # 1356)** – Inactive licensee providing tax services. Licensee has agreed to comply with inactive status requirements. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure via the proposed compliance statement. Compliance Statement has been signed and \$500.00 penalty collected.
- 4) **C18-054 – (Cert. #9139)** – Licensee failed 2018 CPE audit for reporting self-study CPE hours as group hours. After discussion with licensee and follow up with CPE provider, the Compliance Committee determined that licensee in fact had obtained the necessary number of group and self-study hours. Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure with no further action.
- 5) **C18-065 – (Cert. # 4143)** – Respondent failed to satisfy the disciplinary penalties imposed by the Findings of Fact for Hearing H16-

060. Respondent has surrendered CPA certificate in-lieu-of further disciplinary action. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure based on licensee's request to surrender-in-lieu-of AR CPA certificate 4143.

- 6) **C18-070 – (Cert. # 7632)** – External complaint alleging code of conduct violation (confidentiality rules) against CPA for communicating with non-client party involved in tax matter that was the subject of the CPA's engagement. The Compliance Committee recommends a finding of no probable cause to proceed with disciplinary proceedings and closure with no further action.
- 7) **C18-075 – (Firm Cert. # 898C)** – Out of state firm entered into a settlement with the SEC. Violation did not involve AR clientele or AR individual licensees. The Compliance Committee recommends a finding of probably cause but closure with no further action.
- 8) **C18-078 – (Cert. # 9835)** – Licensee's background check reflected an issue that should have been previously reported. Licensee was told it would be expunged, and licensee claimed that she thus believed that it did not need to be reported. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure with no further action.

A motion was made and seconded to accept the Compliance Committee's recommended findings and proposed resolutions as to items 1 through 8, listed above. The motion passed unanimously.

CONSENT ORDERS

- 1) **C17-122- Consent Order (Cert. # 123LC)** – Respondent performed an audit for an Employee Benefit Plan. The audit was originally rejected by the U.S. Dept. of Labor; the audit was accepted at a later date. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure via the proposed consent order. Respondent has signed a consent order and agreed to cease performing audit services. Requesting closure by Consent Order.
- 2) **C18-074- Consent Order (Cert. # 5587)** – Applicant failed to renew for 2007 through 2009 and became void January 1, 2010. Applicant has requested to re-license to a license to practice. Applicant has completed 188 hours of CPE, 71 hours A&A, 9.5 hours of ethics, 13 hours of tax, and 94.5 hours of other. The study type consist of 49 hours of group and 139 hours self-study. Applicant has signed consent order and agreed to pay prior year and late fees (2007-2009) of \$525.00 and current year renewal fee of \$110.00 for a total of \$635.00. Requesting closure by Consent Order contingent upon receipt of money.

A motion was made and seconded to accept the Compliance Committee's recommended finding and proposed resolution as to items 1 and 2, listed above. The motion passed unanimously.

**REQUESTING PERMISSION TO ISSUE THE FOLLOWING NOTICE OF HEARINGS
IF NEEDED**

- 1) C18-051 – (Cert. # 3466)** – Charging Licensee with CPE reporting violations. Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and issuance of a notice to the licensee for a formal hearing before the Board.
- 2) C18-055 – (Cert. # 9136)** – Charging Licensee with CPE reporting violations. Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and issuance of a notice to the licensee for a formal hearing before the Board.
- 3) C18-057 – (Cert. # 1285)** – Charging Licensee with CPE reporting violations. Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and issuance of a notice to the licensee for a formal hearing before the Board.
- 4) C18-060 – (Cert. # 6450)** – Charging Licensee with CPE reporting violations. Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and issuance of a notice to the licensee for a formal hearing before the Board.
- 5) C18-076 – (Cert. # 6811)** – Charging Licensee with failure to resolve CPE Audit violations. Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and issuance of a notice to the licensee for a formal hearing before the Board.
- 6) C18-077 – (Cert. # 8840)** – Charging Licensee with CPE reporting violations. Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and issuance of a notice to the licensee for a formal hearing before the Board.

A motion was made and seconded to grant permission to issue Notices of Hearing if needed in the matters 1 through 6, listed above. The motion passed unanimously.

CPE

Committee is requesting closure of the following 2 CPE complaints. All by Compliance Statement:

- 1) CE18-034 – (CERT # 2640)** – Licensee aggregated all or part of their CPE hours during their 2018 Annual Registration. Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure via the proposed compliance statement. Compliance Statement has been signed and \$100 penalty paid.
- 2) CE18-121 – (CERT # 7598)** – Licensee was deficient 1 hour Accounting and Attest CPE. Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure via the proposed compliance statement. Compliance Statement

has been signed, \$100 penalty paid, and 1 additional Accounting and Attest CPE hour has been taken.

A motion was made and seconded to accept the CPE Committee's recommended finding and proposed resolution as to items 1 and 2, listed above. The motion passed unanimously.

PERSONNEL

Mr. Corley announced to the Board the Mary Roberts has joined the staff in the front desk position

NEW BUSINESS

CPE Extension Request

Licensee requested additional time to complete CPE for 2018 due to medical reasons. A motion was made and seconded to grant an extension until June 30, 2019 to complete 40 hours of CPE for 2018. The motion passed unanimously.

OTHER BUSINESS

Legislation Update

Mr. Corley informed the Board that the proposed legislation has been approved to move forward.

2019 Meeting Dates were finalized:

January 11

April 19

June 7

August 16

September 20

November 15

LICENSURE ACTIVITY REPORT

Mr. Corley presented to the Board the Licensing Activity Report.

ADJOURNMENT

A motion was made and seconded to adjourn. The motion passed. The meeting adjourned at 1:50 p.m.