



OREGON BOARD OF ACCOUNTANCY
COMPLAINTS COMMITTEE
PUBLIC SESSION MINUTES
May 9, 2014

3218 Pringle Rd SE #110
Salem, OR 97302

2nd Floor Conference Room

503-378-4181

Committee Members Present

Rob Nicklos, CPA (Chair)
Haley Lyons, CPA
Chris Walter, CPA
Joe Sullivan, CPA
Fred Peterson, CPA (arrived at 9:07)
William Holmes, CPA (out at 3:47)
Kent Bailey, CPA

Excused Absence

Josh Dunlap, CPA

Guests

James Hobart, Attorney for Olsen (2:31 – 3:04)
Jerald Olsen (2:31 – 3:04)
Kathleen Donnellan (2:31 – 3:04)

Staff

Martin Pittioni, Executive Director
Noela Kitterman, CPA, Investigator
Theresa Gahagan, CPA, CFE Investigator
Kimberly Fast, Licensing Manager

Board Liaison

Larry Brown, CPA

Board Counsel

Susan Bischoff, AAG

1. Call to Order

Mr. Nicklos called the public session to order at 8:34 a.m. and announced the meeting was being recorded.

2. Review and Approval of Agenda

No changes noted for the draft agenda

3. Approval of Minutes

A. January 24, 2014

Committee Action: Moved by Mr. Bailey and carried to approve the minutes as written.

Vote: 6 ayes, 1 excused (Peterson)

4. Review of Board Action of February 10, 2014

Mr. Brown reported that the Board substantially agreed with all committee recommendations with the exception of three cases.

The Complaints Committee (BOACC) recommended insufficient evidence to find a violation of due professional care against Tyson Pruitt, however, the Board thought the respondent should have

supervised staff more closely and that there was a lack of planning. While not a large violation, there was evidence to show there was a violation.

The BOACC found insufficient evidence of a violation for holding out for Kimberly Gerber-Santana, which the Board was ready to accept, however during the meeting a member checked Ms. Santana-Gerber's LinkedIn account and found that she was still using the CPA designation. At the Board meeting held on May 5, 2014, the Board accepted a settlement agreement in this matter.

The BOACC found 3 violations for Cherina Hart, however the Board found, in addition to the BOACC's findings, sufficient evidence for violation of professional competence.

Public session adjourned at 8:45 a.m.

Public session was called to order at 2:31 p.m.

Case #13-036

Committee Action: Moved by Mr. Holmes and carried to find that there is sufficient evidence to make a preliminary finding of violation of OAR 801-030-0010(1)(b), Due Professional Care, for errors on tax returns sampled during the investigation.

VOTE: 7 ayes

Committee Action: Moved by Mr. Holmes and carried to find that there is sufficient evidence to make a preliminary finding of violation of OAR 801-030-0010(1)(c), Planning and Supervision related to the bookkeeper's errors that prevented the Respondent from preparing an accurate tax return and failure to prepare extensions.

VOTE: 7 ayes.

Committee Action: Moved by Mr. Holmes and carried to find that there is sufficient evidence to make a preliminary finding of violation of OAR 801-030-0020(1), Professional Misconduct, because Respondent violated the Stipulation and Order providing or performing accounting and tax services that were not properly supervised.

VOTE: 7 ayes.

Case #13-038

Committee Action: Moved by Mr. Holmes and carried to find that there is sufficient evidence to make a preliminary finding of violation of OAR 801-030-0005(2), Integrity and Objectivity, due to having a conflict of interest with the parties involved.

VOTE: 7 ayes.

Case #13-001

Committee Action: Moved by Mr. Peterson and carried to find that there is sufficient evidence to make a preliminary finding of violation of OAR 801-030-0005(1), Independence, for providing attestation service while having working relationships with the parties involved.

Vote: 7 ayes.

Committee Action: Moved by Mr. Peterson and carried to find that there is sufficient evidence to make a preliminary finding of violation of OAR 801-030-0005(2), Integrity and Objectivity due to the Respondent subordinating her judgment to the judgment of her employer

Vote: 7 ayes.

Committee Action: Moved by Mr. Peterson and carried to find that there is sufficient evidence to make a preliminary finding of violation of OAR 801-030-0020(1), Professional Misconduct, for performing attestation work and failing to disclose her lack of independence due to her employment with a related firm.

Vote: 7 ayes.

The committee recommended deferring the penalty phase of this case in order to investigate the partner and firm in this matter as a separate case.

The public session was adjourned at 3:04 p.m.

Public Session reconvened at 3:51 p.m.

Case #12-073

Committee Action: Moved by Mr. Bailey and carried to find that there is sufficient evidence to make a preliminary finding of violation of OAR 801-030-0020(8), Business Transactions with Clients in two instances, for agreement to purchase Client's house and agreement to rent Client's house.

Vote: 5 ayes, 2 excused (Holmes & Walter)

Committee Action: Moved by Mr. Bailey and carried to find that there is sufficient evidence to make a preliminary finding of violation of OAR 801-030-0010(5), Other Professional Standards for providing compilation services that were not in accordance with SSARS No. 19.

Vote: 5 ayes, 2 excused (Holmes & Walter)

Committee Action: Moved by Mr. Bailey and carried to find that there is sufficient evidence to make a preliminary finding of violation of OAR 801-050-0020(1) Peer Review Enrollment Requirement for providing compilations services to a client , (which did not meet the requirements and disclosures of management use only compilations) without enrollment in Peer Review,

Vote: 5 ayes, 2 excused (Homes & Walter)

The committee discussed the deferral of the cases today and will consider adding a meeting in July. The committee also discussed the possibility of asking the Board to consider "holding out" cases without a committee recommendation to save time for the committee to focus on the bigger cases.

The public session adjourned at 4:17 p.m.