

**OKLAHOMA ACCOUNTANCY BOARD**  
**MINUTES OF MEETING AND HEARINGS**

November 20, 2009

The Oklahoma Accountancy Board (OAB) convened in regular session on Friday, November 20, 2009, in the Jones Seminar Room, 201 ConocoPhillips OSU Alumni Center, Stillwater, Oklahoma. A recording of the meeting is on file in the OAB office. Members present at the meeting:

Carlos E. Johnson, CPA, Chair  
Janice L. Gray, CPA, Secretary  
Barbara Ley, CPA, Member  
Vicky Petete, CPA, Member  
E.B. St. John, PA, Member  
Tom Volturo, Representing the Public, Member

Board staff present at the meeting: Edith Steele, Executive Director; Nicole Prieto Johns, Deputy Director; Colin Autin, Peer Review Coordinator; Linda Ruckman, Licensing Coordinator; and Barbara Walker, CPE Coordinator. Assistant Attorney General John Crittenden was also present. Randall Calvert, Special Prosecutor for the OAB, was present for relevant segments of the meeting.

**Agenda Item #1a -- Call To Order:** At approximately 8:40 a.m. Chair Johnson called the meeting to order.

**Agenda Item #1b -- Declaration of Quorum:** Chair Johnson declared a quorum.

**Agenda Item #1c – Announcement of Legal Meeting Notice:** Executive Director Steele confirmed the notice of the meeting was filed with the Secretary of State and the agenda for the meeting was posted in the reception area of the OAB's office and outside the building in compliance with the Open Meeting Act.

**Agenda Item #1d – Announcement of Absences and Action, if Necessary, to Determine Whether Absence(s) Was Unavoidable Pursuant to Title 59, Section 15.3.B.5:** Chair Johnson noted that Member Biswell was not present and had an excused absence.

**Agenda Item #2 – Announcement of Visitors:** Deputy Director Prieto Johns read the names of the visitors present. Guests in attendance: Kellie Gowdy, representing the Oklahoma Society of Accountants (OSA); Tom Dugger, Former Board Member; Dr. Bud Lacy, OSU Faculty Member; Gary Meek and Thomas S. Wetzel, representing OSU; Daryl Hill and Rodney Gray, CPAs, representing the Oklahoma Society of Certified Public Accountants (OSCPA); and Suzanne Jolicoeur, representing the AICPA. Also in

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attendance were the following OSU Students: Bei Mo, Dawn Kruckeberg, Mekall Costner, Sherry Warden, and Christopher Biemiller for portions of the meeting.

**Agenda Item #3 – Opening comments of Chair and introduction of Board members:** Chair Johnson expressed that it was the Board's pleasure to be able to hold its November meeting at OSU, and he noted that four Board members are OSU graduates. Chair Johnson recognized and expressed appreciation to the visitors present including former Board member, Tom Dugger. He noted that Mr. Dugger had played a leading role in the Board's development and use of updated technologies. The Board staff and Board members were then introduced to the visitors present.

**Agenda Item #4 – Public Comment Period:** Dr. Bud Lacy, a faculty member at OSU, expressed his appreciation to the Board for having a meeting on the OSU campus. Dr. Lacy reported that a couple of years ago OSU started a CPA review course which has been quite successful. Each student's grades are tracked, and 90% of the students that took a section of the exam passed it for the four times the CPA review course was offered. He commented that there is an administrative problem; Oklahoma does not allow a candidate to sit for an exam until they have completed 150 hour requirement, which makes it impossible, in some cases, for students to take the exam while also taking the CPA review course. There are 22 jurisdictions that now allow students to sit for the exam at some period before they have completed all the requirements. Dr. Lacy suggested that the Board should consider allowing the students to take the exam during their last semester before graduation.

**Agenda Item #5 – Consent Agenda:** The Consent Agenda contained four items for the OAB's consideration; (1) Approve the minutes of the October 23, 2009, OAB Meeting; (2) Take official notice of the OAB's Statement of Receipts and Disbursements for the Month ended October 31, 2009; (3) Take official notice of the experience verification applications which have been approved by the Executive Director / Deputy Director; and (4) Approve the actions taken by the Executive Director / Deputy Director on applications and registrations filed since the previous meeting. (Appendix 1)

It was noted that the Statement of Receipts and Disbursements was prepared by OSF, and it is expected that the report will return to the Board's normal format of financial reporting at the December meeting. There was discussion regarding the encumbrance system used by the State and how it relates to the budget.

Member Gray requested that action on Consent Agenda Item #4 be deferred until after the discussion on Agenda Item #9.

Motion by Member St. John to approve the Consent Agenda with the exception of Item C-4 which will be deferred until after the Board hears the presentation on Agenda Item #9.  
Second by Volturo.

Affirmative votes: St. John, Johnson, Gray, Ley, Petete, and Volturo. Absent: Biswell.

**Agenda Item #6 – Introduction and presentation of Suzanne Jolicoeur, CPA, AICPA Manager of State Relations, as guest speaker:** Chair Johnson stated that he invited Suzanne Jolicoeur to make a presentation regarding the AICPA and her role with the organization. Executive Director Steele noted the very unique experience Ms. Jolicoeur brings to the AICPA in that she was the Executive Director of the Michigan Board of Accountancy for many years.

Ms. Jolicoeur then reported on her role as Manager of AICPA State Regulatory Outreach. She also reported that negotiations with NASBA are going well and the AICPA will probably have a signed exam contract in the next week or two. Work is still being done on the international administration of the exam, and the goal is to have it in place by early 2010.

Ms. Jolicoeur also stated that she hopes more states will move in the direction of putting a time limitation in their rules or statutes within which an individual must apply for the CPA certificate after passing the exam.

**Case No. 1760 – Hearing in the Matter of Lisa J. McMurrain, CPA, Certificate No. 10853 – Revoked:** This matter came on for hearing at 9:30 a.m. All the members of the Oklahoma Accountancy Board present were seated on the hearing panel with the exception of Member Gray who was recused.

Assistant Attorney General John Crittenden advised the Board. Respondent was not present and was not represented by legal counsel.

Special Prosecutor Randall Calvert represented the State. No witnesses were called on behalf of the State.

Special Prosecutor Calvert moved for the admission of Exhibits 1 through 9, and Chair Johnson accepted Exhibits 1 through 9 into the record.

The Special Prosecutor presented a Consent Order signed by the Respondent under the following terms: 1) Respondent has violated Section 15.14B(2) and (3) of the Act, and Section 10:15-39-9(2), (3) and (4) of the Board's Rules eight (8) times as a result of the felony counts indicated in this Order; 2) Respondent has violated Section 15.14B(2) of the Act, and Section 10:15-39-9(3) and (4) of the Board's Rules eight (8) times as a result of the unauthorized use of Rodney Meyer's company credit card as indicated in this Order; 3) Respondent's certificate which was revoked "administratively" pursuant to 15.14(E)(2) of the Act, and is also revoked for "cause" for Respondent's violation of Section 14B(2) and (3) of the Act, and Section 10:15-39-9(2), (3) and (4) of the Board's Rules; 4) Respondent shall return her certificate to the Board or provide an Affidavit of Lost Certificate; 5) Should Respondent apply for reinstatement, Respondent will be required to demonstrate at a hearing that she satisfies the requirements for

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reinstatement, and have completed Professional Ethics: AICPA's Comprehensive Course, with a score of 90%, which was taken no earlier than ninety (90) days prior to applying for reinstatement. All costs and fines must be paid prior to applying for reinstatement; 6) Respondent is assessed a fine of \$5,000 for violation of Section 14B(2) and (3) of the Act, and Section 10:15-39-9(2), (3) and (4) of the Board's Rules; 7) Respondent is assessed costs and attorney fees in the amount of \$2,055.71; 8) Restitution ordered in the criminal matter must be paid first, before any fines or costs are paid in this matter. Should restitution in the criminal matter not be paid as required, then the fees and costs of this matter are immediately due and payable; 9) Any failure of Respondent to comply with any of the terms of this Consent Order shall result in an immediate hearing before the Board. In addition, a proven future violation of this Consent Order, the Act, or the Board's Rules, authorizes the Board to take such other and further action as the Board may deem appropriate under the Law; 10) Respondent agrees not to violate the Act or Board's Rules in the future; and 11) A copy of this Consent Order shall be on file in the Board's offices and shall be made available to any person who inquires and requests access to the Board's records. Further, notice of these proceedings shall be reported by press release and in the Board's Bulletin, and as otherwise deemed appropriate by the Board.

Motion by Volturo to accept the Consent Order as presented.  
Second by St. John.

Affirmative Votes: St. John, Volturo, Petete, Johnson, Ley.  
Recused: Gray. Absent: Biswell.

The proceedings and the individual votes of the members were conducted in open session. The evidence is contained in Docket File No. 1760.

**Case No. 1769 – Hearing In the Matter of Stanfield & Brim, P.C., Firm No. 13154:**  
This matter came on for hearing at 9:49 a.m. All the members of the Oklahoma Accountancy Board present were seated on the hearing panel.

Assistant Attorney General John Crittenden advised the Board. Respondent was not present and was not represented by legal counsel.

Special Prosecutor Randall Calvert represented the State. No witnesses were called on behalf of the State.

Special Prosecutor Calvert moved for the admission of Exhibits 1 through 8, and Chair Johnson accepted Exhibits 1 through 8 into the record.

The Special Prosecutor presented a Consent Order signed by the Respondent under the following terms: 1) Respondent has violated Section 10:15-43-1 of the Board's Rules by not having registered with the Board as performing government audits in accordance with Government Auditing Standards, as required by OKLA. STAT. tit. 74, § 212A(B), prior to performing the subject audit; 2) Respondent has violated Section

10:15-39-9(4) of the Board's Rules by telling the Board on December 11, 2008, it had not performed any governmental audits, when in fact it had; Respondent is assessed a fine of \$1,000 for each violation stated above, for a total fine of \$2,000; 4) Respondent is assessed all costs of this matter, including but not limited to attorney fees, investigation costs, hearing officer costs, renting of special facilities costs, and court reporter costs in the amount of \$1,085.71; Respondent is required to pay all fines and costs within ninety (90) days from the effective date of this Consent Order; 6) Any failure of Respondent to comply with any of the terms of this Consent Order shall result in an immediate hearing before the Board. In addition, a proven violation of this Consent Order, the Act, or the Board's Rules, authorizes the Board to take such other and further action as the Board may deem appropriate under the Law; 7) Respondent agrees not to violate the Act or Board's Rules in the future; 8) Respondent and the Board acknowledge that the Board has stated for the record that all violations of the Act of the Board's Rules are viewed as very serious in nature. Any further violations by Respondent will be grounds for the Board to convene a hearing to determine Respondent's eligibility to retain any Certified Public Accountant's certificate, license and/or permit to practice public accounting which may, at that time, be held by the Respondent; 9) A copy of this Consent Order shall be on file in the Board's offices and shall be made available to any person who inquires and requests access to the Board's records. Further, notice of these proceedings shall be reported by press release and in the Board's Bulletin, and as otherwise deemed appropriate by the Board.

There was discussion regarding whether the Respondent was in compliance as it regards having a peer review and appropriate CPE in accordance with the Board's requirements. Chair Johnson requested that Peer Review Coordinator, Colin Autin, research whether the firm had acknowledged and accepted the letter of advisement sent to the firm regarding the 18 month period allowed the firm to have the initial peer review performed following its enrollment in the peer review program. Chair Johnson further instructed that research findings be related to the Executive Director so she could advise the Board Chair.

Motion by Volturo to approve the Consent Order as presented. Second by Gray.

Affirmative Votes: St. John, Volturo, Petete, Johnson, Gray, and Ley. Absent: Biswell.

The proceedings and the individual votes of the members were conducted in open session. The evidence is contained in Docket File No. 1769.

**Case No. 1775 – Hearing In the Matter of Elaine Gayle Stults, CPA, Certificate No. 8370 – Suspended:** This matter came on for hearing at 10:09 a.m. All the members of the Oklahoma Accountancy Board present were seated on the hearing panel.

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Assistant Attorney General John Crittenden advised the Board. Respondent was not present and was not represented by legal counsel.

Special Prosecutor Randall Calvert represented the State. No witnesses were called on behalf of the State.

Special Prosecutor Calvert moved for the admission of Exhibits 1 through 8, and Chair Johnson accepted Exhibits 1 through 8 into the record.

The Special Prosecutor presented a Consent Order signed by the Respondent under the following terms: 1) Respondent has violated Section 15.11A of the Act by Respondent using title "Certified Public Accountant" or "CPA" while her certificate was suspended and without holding a permit; 2) Respondent has violated Section 15.14A(A) of the Act and Section 10:15-3-1 of the Board's Rules by practicing public accounting [pursuant to Section 15.1A(31)(a) or (d) of the Act] and/or holding out [pursuant to Section 15.1A(21) of the Act] as being engaged in the practice of public accounting without a valid permit; 3) Respondent has violated Section 15.14B of the Act and Section 10:15-39-1(a) and/or (b) of the Board's Rules by failing to comply with the AICPA Code of Professional Conduct in Respondent's dealings with the Complainant, including but not limited to failing to properly communicate with Respondent's client and by engaging in acts discreditable to the profession in failure to provide client records as outlined in Rule 501 of the AICPA Code of Professional Conduct; 4) Respondent's certificate is revoked for "cause" for Respondent's violation of Sections 15.11A, 15.14A(A), and 15.14B of the Act, and Sections 10:15-3-1 and 10:15-39-1(a) of the Board's Rules; 5) Respondent shall immediately return her certificate to the Board or provide an Affidavit of Lost Certificate; 6) Should Respondent apply for reinstatement, Respondent will be required to demonstrate at a hearing that Respondent satisfies the requirements for reinstatement, and have completed Professional Ethics: AICPA's Comprehensive Course, with a score of 90%, which was taken no earlier than ninety (90) days prior to applying for reinstatement. All costs and fines must be paid prior to applying for reinstatement; 7) Respondent is assessed a fine of \$7,500 for violation of Sections 15.11A, 15.14A(A), and 15.14B of the Act, and Sections 10:15-3-1 and 10:15-39-1(a) of the Board's Rules; 8) Respondent is assessed costs of this matter, including but not limited to attorney fees, investigation costs, hearing officer costs, renting of special facilities costs, and court reporter costs in the amount of \$1,500; 9) All fines and costs are due immediately upon the effective date of this Consent Order; 10) Respondent stipulates that she no longer has Complainant's depreciation schedules or other data related thereto. Should any such documents be located, they will be immediately returned Complainant; 11) Any failure of Respondent to comply with any of the terms of this Consent Order shall result in an immediate hearing before the Board. In addition, a proven violation of this Consent Order, the Act, or the Board's Rules, authorizes the Board to take such other and further action as the Board may deem appropriate under the Law; 12) Respondent agrees not to violate the Act or Board's Rules in the future; 13) A copy of this Consent Order shall be on file in the Board's offices and shall be made available to any person who inquires and requests access to

the Board's records. Further, notice of these proceedings shall be reported by press release and in the Board's Bulletin, and as otherwise deemed appropriate by the Board.

Motion by St. John that the Consent Order be accepted as presented. Second by Volturo.

Affirmative Votes: St. John, Volturo, Petete, Johnson, Gray, and Ley. Absent: Biswell.

The proceedings and the individual votes of the members were conducted in open session. The evidence is contained in Docket File No. 1775.

**Agenda Item #7 – Students' question and answer segment:** Dawn Kruckeberg, an OSU student, discussed with the Board some aspects of the registration process which she believed to be vague and difficult to complete. Ms. Kruckeberg further related that she believed deadlines for submitting documentation were too restrictive. It was requested that Ms. Kruckeberg email Executive Director Steele a summary of the issues presented so they can be reviewed to determine where the process might be improved.

**Agenda Item #8a – Discussion and possible action on Enforcement Issues: Administrative Actions and Recommendations by the FY 2009 Enforcement Committee:** Chair Johnson addressed this item as Chair of the FY 2009 Enforcement Committee noting that the FY 2009 Enforcement Committee had finished up its work. He requested that Member Gray serve as Chair of the Board while he presents files on behalf of the committee.

Chair Johnson presented a written summary of investigative files and administrative actions taken, with recommendations for the disposition of each.

As a matter of record votes were taken and members of the Board, other than members of the Enforcement Committee (EC), had no prior knowledge of the individuals involved in the cases.

### **Cases To Dismiss:**

#### **Case No. 1624 – CPA**

This case was originally opened when a complaint was filed that the registrant was performing work through a "firm" and that the registrant was holding the original documents of a company that was forced out of business because of employee embezzlements. As instructed by the Enforcement Committee, an investigator was assigned. No violations were established by the investigator so the Enforcement Committee recommends the case be dismissed and no actions be taken.

#### **Case No. 1720 – CPA**

This case was originally opened when the registrant reported receiving an adverse peer review report. The registrant has subsequently had a team captain review and the team

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captain reported that all deficiencies found in the audits which resulted in the adverse peer review have been corrected so the Enforcement Committee recommends this case be dismissed and no action taken.

Motion by Johnson, Chair of the FY 2009 Enforcement Committee, to dismiss Case Nos. 1624 and 1720. Second by Ley.

Affirmative Votes: St. John, Volturo, Petete, Johnson, Gray and Ley. Absent: Biswell.

### **Files To Close:**

#### **File No. 1185 – CPA**

The file was originally opened when the registrant self reported an arrest for allowing alcohol to be consumed by underage attendees at a party in the home. No further actions resulted from the arrest but it came into question as to whether the registrant was practicing under an unregistered firm name. No evidence which substantiated that the registrant was practicing under an unregistered firm name in Oklahoma so the Enforcement Committee recommends the file be closed.

#### **File No. 1496 – CPA (Certificate Surrendered)**

This file was opened as a result of a referral from the CPE Coordinator. The registrant failed to file the form which reported the CPE completed or document that the registrant was exempt from the requirement. Several attempts by staff had been made to contact the individual. Contact was finally accomplished and the registrant requested that the certificate be cancelled. The registrant is 73 years old and retired, so the Enforcement Committee accepted the surrender of the CPA certificate and recommends the file be closed.

#### **File No. 1522 – CPA**

This file was opened as a result of a referral from the CPE Coordinator. The registrant failed to file the form which reported the CPE completed or document that the registrant was exempt from the requirement. Several attempts by staff had been made to contact the individual. Contact was subsequently made to the registrant's spouse who completed the form. The registrant is disabled and in a nursing home, so the Enforcement Committee accepted the surrender of the CPA certificate and recommends the file be closed.

#### **File No. 1524 – CPA**

This file was opened as a result of a referral from the CPE Coordinator. The registrant failed to file the form which reported the CPE completed or document that the registrant was exempt from the requirement. Several attempts by staff had been made to contact the individual. The registrant is 90 years old and the certificate has subsequently been revoked for failure to renew the registration, so the Enforcement Committee recommends the file be closed.



**File No. 1570 – CPA**

This file is a result of a referral from the CPE Coordinator. The registrant requested an extension to complete the CPE. Because of the extension, the registrant's CPE was automatically placed in the CPE audit. After the file was opened, the registrant subsequently documented that the CPE had been completed so the Enforcement Committee recommends the file be closed.

**File No. 1575-2 – CPA**

This file was opened when a complaint was filed that the registrant was involved in violations along with his employer and other members of the firm. An investigator was assigned to this file. The investigator established that the registrant was not involved in the activities which resulted in the complaint so the Enforcement Committee recommends the file be closed.

**File No. 1581 – Reciprocal Applicant**

Staff noted on an application for reciprocity that it appeared the applicant had been working for a public accounting firm in Oklahoma from October 2006 until July 2008 without properly registering or obtaining a permit to practice public accounting. As routine, the Executive Director corresponded with the applicant as to why a reciprocal application was not timely filed. The applicant responded that although it appeared that the applicant had been working for an Oklahoma firm, in actuality, the applicant was assigned to the national tax office and not the local office. The applicant is no longer employed by the firm so the application was filed and is considered timely. The Enforcement Committee is satisfied with the applicant's response so it recommends the file be closed.

**File No. 1582 – CPA Firm**

This file was opened in correlation to File No. 1581. Since it was determined that the application was filed timely, the Enforcement Committee recommends this file be closed but that a letter be sent to the firm advising them of the provisions of Section 15.12.

**Files to be assigned to the Administrative Law Judge:**

Subchapter 10:15-37-6(e) of the Oklahoma Administrative Code provides "Hearings will be conducted by one (1) of the following methods, **as determined by the Board** (emphasis added): (3) By an attorney licensed to practice law in this state appointed by the Board to act as a hearing examiner or Administrative Law Judge"

The Chair recommends the following files be heard before the Administrative Law Judge:

**None**

Motion by Johnson, Chair of the FY 2009 Enforcement Committee, to close File Nos. 1185, 1496, 1522, 1524, 1570, 1575-2, 1581, and 1582. Second by Ley.

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Affirmative Votes: St. John, Volturo, Petete, Johnson, Gray and Ley. Absent: Biswell.

Immediately following Agenda Item #8a Chair Johnson again began presiding over the meeting.

**Agenda Item #8b -- Discussion and possible action on Enforcement Issues: Administrative Actions and Recommendations by the FY 2010 Enforcement Committee:** Member Ley, on behalf of the Chair of the 2010 Enforcement Committee, presented a written summary of investigative files and administrative actions taken, with recommendations for the disposition of each.

As a matter of record votes were taken and members of the Board, other than members of the Enforcement Committee (EC), had no prior knowledge of the individuals involved in the cases.

#### **Administrative Consent Orders:**

##### **Case No. 1767 – Hogan & Slovacek, CPA Firm**

Staff noted on an application for reciprocity that the applicant had been working for the Respondent without properly registering or obtaining a permit to practice public accounting for two years. An Administrative Consent Order has been offered by the Enforcement Committee and accepted by the Respondent which provides that the Respondent be fined \$2,000 and assessed costs in the amount of \$370.54 all of which must be paid within 30 days of the effective date of the Order. Any failure by the Respondent to comply with any of the terms of this Order shall result in an immediate hearing before the Board. In addition, a proven violation of the ACO, the Act or the Board's Rules authorizes the Board to take such other and further action as the Board may deem appropriate under the Act. The Enforcement Committee recommends the Administrative Consent Order in this case be approved by the Board.

##### **Case No. 1771 – Patrick Heringer, Certification Applicant**

In June 2008, as a qualification applicant, the Respondent entered into an Administrative Consent Order as a result of self reporting past arrests involving alcohol. The Respondent was placed on two year probation. Subsequent to the ACO, the Respondent has successfully completed the CPA examination and has made application for certification. Respondent self reported another charge of public intoxication but the charge has been dismissed and no fines were imposed. Another ACO has been offered by the Enforcement Committee and accepted by the Respondent which provides that the Respondent shall be issued the CPA certificate; an additional five years added to the probation period effective until June 2015; in January and June of each year during the probation period, the Respondent shall submit evidence to the OAB that Respondent continues to be in a recovery program and that no additional arrests or charges have occurred; and the Respondent must pay costs in the amount of \$470 within 30 days of the effective date of the ACO. Any failure by the Respondent to comply with any of the terms of this Order shall result in an immediate hearing before

the Board. In addition, a proven violation of the ACO, the Act or the Board's Rules authorizes the Board to take such other and further action as the Board may deem appropriate under the Act. The Enforcement Committee recommends the Administrative Consent Order in this case be approved by the Board.

**Case No. 1785 – Kenneth Campbell, Reciprocal Applicant**

Staff noted on an application for reciprocity that the applicant had been working for a public accounting firm in Oklahoma for one year without properly registering or obtaining a permit to practice public accounting. An Administrative Consent Order has been offered by the Enforcement Committee and accepted by the Respondent which provides that the Respondent's certificate be placed on probation for one year; however, the probation will be stayed as long as the other terms set forth in the ACO are met. The Respondent will be fined \$1,000 and assessed costs in the amount of \$1,612.50 all of which must be paid within 90 days of the effective date of the Order. Any failure by the Respondent to comply with any of the terms of this Order shall result in an immediate hearing before the Board. In addition, a proven violation of the ACO, the Act or the Board's Rules authorizes the Board to take such other and further action as the Board may deem appropriate under the Act. The Enforcement Committee recommends the Administrative Consent Order in this case be approved by the Board.

Motion by Ley, to approve the Administrative Consent Orders in Case Nos. 1767, 1771, and 1785. Second by Volturo.

Affirmative votes: St. John, Volturo, Petete, Johnson, Gray and Ley. Recused: St. John on Case No. 1785. Absent: Biswell.

**Cases to Dismiss:**

**Case 1763 – CPA**

The registrant lives out of state and held a reciprocal Oklahoma certificate. The registrant self reported charges filed by the SEC. The registrant's home Board found no probable cause to issue a sanction other than a "Letter of Guidance" so the Enforcement Committee recommends the OAB take no action and dismiss the case. The registrant has subsequently cancelled the Oklahoma certificate.

**Files to Close:**

**File Nos. 1130-1 and 1130-2 – CPA and CPA Firm**

The registrant and firm self reported an investigation by the Texas Board of Public Accountancy. However, the Texas Board has subsequently dismissed the investigation, so the Enforcement Committee recommends the files be closed.

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**File No. 1422 – CPA**

A complaint was filed that the registrant used the accountant's position to defraud the complainant and the registrant had been arrested for stealing oil. An investigator was assigned to the file. The investigator concluded that although there were definite disagreements between the registrant and the complainant, no violations were found and the charges had been dismissed. The Enforcement Committee recommends the file be closed.

**File No. 1471 – CPA**

This file was opened as a part of an investigation into a company whose website described the company as an "oil and gas audit company". The registrant was employed by the company. An investigator was assigned to determine if there were violations as well as whether the registrant was involved in these violations. The investigator concluded that the reports which were issued were not audits and found no violation other than the term "audit company" on the website. The violative verbiage has since been removed so the Enforcement Committee recommends the file be closed.

**File No. 1474 – CPA**

A complaint was filed that the registrant refused to cooperate with an IRS audit of the tax return prepared by the registrant for a client. As instructed, the Executive Director corresponded with the registrant as to the allegations. The registrant responded and the OAB's special prosecutor confirmed with the complainant that the registrant did, subsequently, cooperate and had met with IRS on behalf of the client. The Enforcement Committee recommends the file be closed.

**File No. 1491 – CPA**

The registrant self reported an arrest involving gaming machines. As instructed, the Executive Director corresponded with the registrant and the registrant furnished documentation that all charges have subsequently been dismissed and expunged so the Enforcement Committee recommends the file be closed.

**File No. 1551 – Revoked CPA**

A complaint was filed that the registrant revealed credit card information to a known felon. Subsequently the registrant was also arrested for drug possession. An investigator was assigned to the case. The investigator could not establish proof of the allegations and the arrests resulted in a deferred sentence which will be expunged upon completion of all requirements mandated by the court. The registrant's certificate has been revoked for failure to renew the registration so the Enforcement Committee recommends the file be closed but the database be appropriately noted should the former registrant file for reinstatement.

**File No. 1623 – CPA**

The registrant self reported an arrest involving DUI. The registrant provided documentation that the charges have been dismissed. The Enforcement Committee recommends the file be closed.

**File No. 1640 – CPA**

The AICPA submitted a referral that the registrant had been disciplined by their organization. As instructed the Executive Director corresponded with the registrant and evidence was presented that the OAB had previously investigated the matter involved in the referral. The Enforcement Committee recommends this file be closed.

**File No. 1657 – Non Registrant**

A complaint was filed that the non-registrant was listed under “Accountants-Public” in the Yellow Pages of the local telephone directory. A Cease and Desist letter was issued by the Executive Director. The non-registrant responded and the response satisfied the Enforcement Committee so it recommends the file be closed.

**File No. 1702 – CPA Firm**

Staff noted that when the registration for the firm was filed in July 2009 that the firm had been incorporated since February 2009. As instructed the Executive Director corresponded with the firm concerning the timing of the filing with the Secretary of State, registration of the firm with the OAB and the performance of services. The firm responded with documentation that the formation date of February 2009 was not correct and the firm did register timely so the Enforcement Committee recommends the file be closed.

**File No. 1709 – CPA Firm**

A complaint was filed that the firm took two years to perform an audit. As instructed the Executive Director corresponded with the firm as to the circumstances involved. The firm responded and the response satisfied the Enforcement Committee so it recommends the file be closed.

**File No. 1716 – Non-Registrant**

A complaint was filed that the non-registrant was holding out as a CPA. A Cease and Desist letter was issued by the Executive Director. The non-registrant responded that the listings were published without the non-registrant’s knowledge and documentation was submitted that all attempts have been made to resolve the violations. The Enforcement Committee was satisfied with the response so it recommends the file be closed.

**File No. 1724 – Reciprocal Applicant**

Staff noted on an application for reciprocity that the applicant had been working for a public accounting firm in Oklahoma from January 2009 until July 2009 without properly registering or obtaining a permit to practice public accounting. As routine, the Executive Director corresponded with the applicant as to why a reciprocal application was not timely filed. The applicant responded that the application was not filed timely due to medical reasons. The Enforcement Committee is satisfied with the applicant’s response so it recommends the file be closed.

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Motion by Ley, to dismiss Case No. 1763 and to close File Nos. 1130-1 and 1130-2, 1422, 1471, 1474, 1491, 1551, 1623, 1640, 1657, 1702, 1709, 1716, and 1724. Second by Gray.

Affirmative votes: St. John, Volturo, Petete, Johnson, Gray and Ley. Absent: Biswell.

**Files to be assigned to the Administrative Law Judge:**

Subchapter 10:15-37-6(e) of the Oklahoma Administrative Code provides “Hearings will be conducted by one (1) of the following methods, **as determined by the Board** (emphasis added): (3) By an attorney licensed to practice law in this state appointed by the Board to act as a hearing examiner or Administrative Law Judge”

The Chair recommends the following files be heard before the Administrative Law Judge:

**File 1611**

**File 1620**

**File 1713**

**File 1727**

Motion by Ley, to assign File Nos. 1611, 1620, 1713 and 1727 to the Administrative Law Judge. Second by Volturo.

Affirmative votes: St. John, Volturo, Petete, Johnson, Gray and Ley. Absent: Biswell.

**Agenda Item #9 – Discussion and possible action regarding the registration of the firm, of Ultimate HR – Ultimate Challenge, PLLC:** Assistant Attorney General John Crittenden presented this matter.

Assistant Attorney General Crittenden noted that the Board has statutes as well as its own administrative rules that deal with this issue. He referred the Board to subsection 10:15-39-8(a)(2) of the Oklahoma Administrative Code which says, “No registrant shall use a misleading business name.” He also referred to a list printed by Board staff of all the firm names registered with the Board, noting that over time, more fictitious marketing names have started to develop.

Assistant Attorney General Crittenden stated that as a matter of law, all he can do is point the Board back to its rule and ask the Board to make a factual determination as to whether the Board believes there is something misleading about the firm name. He added that the Board may want to consider this as a rule making topic and expand the rules on this issue. He pointed out that the OAB staff has obtained the rules of the State of Texas on this issue which go into much greater detail and which deserve some consideration for the future.

The question was raised as to whether the Board has the authority under its rules to deny a firm name if it is believed to be misleading to the public. Assistant Attorney General Crittenden responded affirmatively relating that the Board should determine if it believes a name is misleading and consider how such a name might impact the public at large. The question was also raised as to whether a legislative or rule change regarding this issue might result in firms previously approved having to change their name. Executive Director Steele noted that in the proposed rules regarding this matter there is a specific provision that all firms previously approved would not be affected by the rule.

It was discussed that before a determination could be made as to whether the firm name is misleading to the public, more information is needed with regard to the specific services provided by the firm.

Motion by Gray to defer action on the registration of the firm Ultimate HR-Ultimate Challenge, PLLC, and the firm Client Audit Solutions, Professional Corporation, which is on the consent agenda under Item C-4 until the December meeting. Second by Ley.

Affirmative votes: St. John, Volturo, Petete, Johnson, Gray and Ley. Absent: Biswell.

**Agenda Item #5 – Consent Agenda [REVISITED]:**

Motion by Gray to approve all other items on Consent Agenda Item C-4 that were previously deferred as part of the Consent Agenda. Second by Volturo.

Affirmative votes: St. John, Volturo, Petete, Johnson, Gray and Ley. Absent: Biswell.

The Board asked that when these types of names are provided, that staff not put them on the consent agenda.

**Agenda Item #10 – Presentation on Mobility:** Chair Johnson presented a map obtained from the AICPA website that indicates legislative activity in other states and U.S. jurisdictions pertaining to Section 23 of the Uniform Accountancy Act.

**Agenda Item #11 – Presentation on process of applying and sitting for the CPA Examination:** Chair Johnson addressed this item noting that because only one professor and no students were then present, the Board would move on to the next agenda item.

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**Agenda Item #12 – Discussion and possible action on report from the Peer Review Oversight Committee:** Member Gray presented written reports related to the Peer Review Oversight Committee (PROC): Committee Activity Through October 2009; System Peer Review Reports Through FY 10 Q1; Engagement Peer Review Reports Through FY 10 Q1; and Peer Review Statistics Through FY 10 Q1.

**Agenda Item #13 – Discussion and possible action on report from the Audit and Budget Committee:** Member Petete addressed this item. Member Petete reported that the State Auditor's office is continuing work on the OAB audit and is providing her with bi-weekly updates. She reported the auditors have almost finished documenting procedures for all material accounts and they are beginning testing on payroll and expenditures.

Member Petete also reported that the Budget Request Program report has been completed and is ready to be filed with the State, and that the due date has already passed. The report is continuous and contains objectives for meeting specific program guidelines. She stated that she has been working with the Deputy Director to make sure the numbers tie back to the Board's Budget Work Program filed in June. There was a question regarding whether it could be amended after it was filed. Executive Director Steele related that there would be no need to amend the Budget Request Program because it is a forecast for FY 2011 and 2012, and not a working program. Member Petete stated that unless there are objections, the report will be filed. Chair Johnson noted that hearing no comments, Member Petete could proceed as stated.

**Agenda Item #14 – Discussion and possible action on report from the Legislative Committee:** Member Gray addressed this item and presented Draft 4 of the proposed legislative changes for the Board's review. She related that the Legislative Committee had met on November 9<sup>th</sup> and planned to meet again before the December meeting of the Board. She further related that the majority of the proposed changes were "clean-up" items, and directed the Board's attention to the following substantive changes: the establishment of a time limitation within which an individual must apply for the CPA certificate after passing the exam, non-CPA ownership and the ability of the Board to require a pre-issuance review. A definition of a pre-issuance review was also added. Member Gray asked that the Board review the draft and notify the Deputy Director, who is the staff liaison to the committee, of any comments so that the committee can address them before the December Board meeting.

**Agenda Item #15 – Discussion and possible action on draft of recommended amendments to the Oklahoma Administrative Code, Chapter 15:** Member Volturo addressed this item. He presented the Board with Draft 5 which includes the emergency rules passed earlier this year. It was noted that Draft 5 also contains amendments addressing firm names.

There was discussion about the time frame for the rulemaking process (i.e., public comment period, hearing, adoption by the Board, etc.).



Member Volturo recommended deferring action on the recommended amendments until the December Board meeting to give the Board time to thoroughly review Draft 5. Chair Johnson accepted the recommendation of the Chairman of the Rules Committee to defer this to agenda item to the December Board meeting. He requested that all Board members submit any comments or concerns regarding Draft 5 to the CPE Coordinator, who is the staff liaison to the committee.

**Agenda Item #16 – Discussion and possible action on report from the CPE/Experience Verification Committee:** Member St. John addressed this item. Member St. John reported that for the last two years only those who requested an extension to meet the CPE requirements and those who were subject to enforcement actions were audited because of the large numbers involved. This year the committee is proposing to conduct a random sample audit of the three-year rolling period of 2006 through 2008. The committee is proposing to audit 1% of the total population, which would be approximately 111 individuals. In addition, those requesting extensions and those subject to enforcement actions would be audited for a total of approximately 200 individuals. For the random sampling audit, the State Auditor's Office would make the selection of those to be audited.

The question was raised as to how the committee determined that 1% of the total population should be audited. Barbara Walker, CPE Coordinator, stated that previous random sampling audits were 4 to 4.5%. However, previous audits represented a percentage of those who had permits to practice rather than a percentage of the total population as will be the case in the coming audit. Member St. John also noted that this will be the first audit of the CPE requirements for a rolling three-year period. Chair Johnson requested that the staff survey other states, particularly the contiguous states in the southwest, regarding the percentage of their population audited.

There was also discussion about when to start the audit. Ms. Walker stated that last year the audit started near the end of November, and some felt it was burdensome during the holiday season. Member Ley noted that for those in private practice, it would be better for the audit to occur during the holiday season than during tax season.

Member St. John informed the Board that the Committee would proceed with the proposed audit plan unless there were objections, and no objections were voiced.

**Agenda Item #17: Discussion of NASBA annual meeting by attendees:** Chair Johnson reported that he, as well as Members Gray, Ley, Petete, and Biswell attended the NASBA annual meeting. Executive Director Steele also attended part of the meeting. He stated it was a good meeting, and he believed it was a good of expenditure of funds by the Board for members to meet and network with other Boards of various states.

Member Ley noted that Chair Johnson was elected to the NASBA Board of Directors as a Director at Large. Member Petete noted that Executive Director Steele was honored

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as the outgoing Chairman of the NASBA's Executive Directors Committee. Executive Director Steele thanked the Board for allowing her to commit the time to serve in that capacity.

**Agenda Item #18: Proposed Executive Session pursuant to Title 25 O.S. Supp. 2006, Section 307(B)(1) for discussion and possible action on employment, hiring, appointment, promotion, disciplining, resignation, changes to existing salaries, or setting salary ranges for the following individual positions: a) Executive Director, b) Deputy Director, c) Licensing Coordinator, d) Examination Coordinator, e) CPE Coordinator, f) Administrative Assistant II, g) Peer Review Coordinator, h) Records Coordinator, i) Accountant I, j) Information Systems Services Coordinator, and k) legal counsel (in house):** Chair Johnson stated that this Agenda Item will be deferred to the December Board meeting.

**Agenda Item #19 – Discussion and possible action on proposed Board meeting schedule for calendar year 2010:** Deputy Director Prieto Johns presented a proposed schedule for regular meetings of the OAB during calendar year 2010.

It was discussed that the proposed schedule did not include a meeting in April. Chair Johnson stated that if it is determined that a meeting during the month of April is necessary, it can be scheduled later.

Motion by Volturo to approve the proposed Board meeting schedule for calendar year 2010. Second by Gray.

Affirmative votes: St. John, Volturo, Petete, Johnson, Gray and Ley. Absent: Biswell.

**Agenda Item #20 – New Business:** There was no new business discussed.

**Agenda Item #21 – Executive Director's Report:** Executive Director Steele reported that there has been no change in the status of the office move. She also reported that she has not approved any contracts or purchases between \$2,500 and \$10,000 since the last Board meeting.

**Agenda Item #22 – Deputy Director's Report:** Deputy Director Prieto Johns reported that the third draft of the Strategic Plan has been submitted to the Audit and Budget Committee for review. A draft of the Personnel Manual has been submitted to the Personnel Committee for review.

She reported that 12 vendors submitted proposals for the enterprise software for licensing. The RFP Committee hopes to have the proposals evaluated by mid-December and choose those vendors that will be invited to perform demonstrations of their software. She reported that the OSF representative on the committee indicated it would probably be late February or early March before DCS makes the final selection to engage a vendor to provide services.

Deputy Director Prieto Johns also reported that in the future the Receipts and Disbursements Report will be presented in the accustomed internal use format rather than being taken directly from CORE.

**Agenda Item #23a – Chair’s Report:** Chair Johnson reported on the Recognition Ceremony to be held November 21, 2009, at the State Capitol.

Chair Johnson reported that the 360 process being conducted by James Farris and Associates is ongoing. The ad hoc committee plans to meet with Mr. Farris on November 25, 2009.

**Agenda Item #23b – Announce date and location of the next meeting:** Chair Johnson reported that the next meeting of the Oklahoma Accountancy Board will be held at 8:30 a.m. on Friday, December 18, 2009, at the Water Resources Board Room, 3800 N. Classen Blvd., 2<sup>nd</sup> Floor, Oklahoma City, OK 73118.

**Agenda Item #24:** There being no further business to come before the OAB, at 12:10 p.m. Chair Johnson adjourned the meeting.

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Carlos E. Johnson, Chair

ATTEST:

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Janice L. Gray, Secretary

## APPENDIX 1

### **APPLICATIONS FOR CERTIFICATION (Successful Candidates):**

16648	Patrick Joseph Heringer
16653	Marjorie June Creasey
16689	LeMoyne Guy Smith
16709	Ericka Dawn Beaty
16721	Lori L. Parker
16742	Duane Andrew Michael
16743	Jennifer Ann Dargel
16744	Nam Hoai Do
16745	Mathangi Shankar
16747	Meagan Danielle Gill
16751	Caleb Keaton Bachelor
16752	Corey McLean Wittenbach
16753	Bobby Lynn Redinger
16756	Stephanie Nicole Jackson

### **APPLICATIONS FOR RECIPROCAL CPA CERTIFICATES:**

Kenneth Raymond Campbell (Georgia)  
Nancy Elizabeth Gaden (Arkansas)  
Jeremy Lee Gooding (Idaho)  
Jeffrey Michael Hoke (Colorado)  
Tara Denise Smith (Texas)  
Jennifer C. Toth (Maryland)

### **APPLICATIONS FOR REINSTATEMENT OF CPA CERTIFICATES:**

7210	Jeffrey Richard Bishop
8201	Michael David Collier
9173	Linda G. Fugate
9759	Andrew D. Merritt
10412	Linda G. Fairbairn
11588	Catherine Renee Martin
15778	Joseph Kurt Williams

### **INITIAL REGISTRATIONS OF CPA PARTNERSHIPS:**

None

### **INITIAL REGISTRATIONS OF CPA LIMITED LIABILITY PARTNERSHIPS:**

None

**INITIAL REGISTRATIONS OF CPA PROFESSIONAL CORPORATIONS:**

None

**INITIAL REGISTRATIONS OF CPA PROFESSIONAL LIMITED LIABILITY COMPANIES:**

Cynthia McGhee &amp; Associates, PLLC

**REINSTATEMENT OF CPA PROFESSIONAL LIMITED LIABILITY COMPANIES:**

REDW LLC

**CANCELLATION RESCINDED BY REGISTRANTS:****CPAs:**

Michael Phillip Wright	Certificate No. 3148	Issued January 28, 1974
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**CERTIFICATES SURRENDERED BY REGISTRANTS:****CPAs:****No Longer Practicing in Oklahoma:**

Eric Lee Hansen	Certificate No. 13984	Issued July 25, 1997
Guy B. Love, II	Certificate No. 5742	Issued July 27, 1981

**DECEASED REGISTRANTS:****CPAs:**

Frank A. Klemensky	Certificate No. 5294	Issued July 25, 1980
Jack R. Williams, Jr.	Certificate No. 8113	Issued January 31, 1985

**DISSOLVED FIRMS:****CPA Corporations:**

Carolyn Sanders, C.P.A., P.C.

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