Connecticut State Board of Accountancy
July 07, 2009
(Unapproved Draft; Set for the August 04, 2009 Board Meeting approval vote.)
Minutes

Acting Chairman James S. Ciarcia called the meeting to order at 08:33 A.M. at the State Board of Accountancy, Conference Room 2B, 30 Trinity Street, Hartford, CT 06106.

Present:
James S. Ciarcia, Acting Chairman
Philip J. DeCaprio, Jr., CPA, CrFA, CVA, ABV
Leonard M. Romaniello, Jr., CPA, CITP, MST
Richard L. Sturdevant
Michael Weinshel, CPA

Staff Members Present:
David L. Guay, Executive Director
Rebecca E. Adams, Esq.
Angel D. Acevedo, Office Assistant

Absent:
Thomas F. Reynolds, CPA, Chairman
Richard P. Bond
Richard H. Gesseck, CPA
Martha S. Triplett, Esq.

A motion was made by Michael Weinshel and seconded by Richard Sturdevant to approve the minutes of the June 02, 2009 Board Meeting. All voted in favor; no votes against and no abstentions.

Executive Director's Operations Update and Review:

Budget

- Auditor's of Public Accountants audit of the Agency continues
- The Legislative Budget continues to fund the Board as an independent Agency
- Budget negotiations between the Governor and Legislature continue

CPA Certificate Ceremony

- Thanks to the Connecticut Society of Certified Public Accountants for hosting the June 9, 2009 Certificate Ceremony, each one is better than the one before.

Information Technology

- Cleaned up the web site file manager and solved minutes problem with DoIT
- Angel's PC needed to be rebuilt after apparent hard drive failure
- Complied with DoIT hardware and software inventory
- Continuing to work with DoIT on our main database issues, preparing overview communication to DoIT

Personal

- I was away on vacation June 17 - 26, 2009

Miscellaneous

- Conducted an internal control review (utilized state standard questionnaire)
- Continuing to work on updating office procedures

Regulations Plan

- Present repeal package at August meeting, with an August or September Board approval
- Present draft revised peer review regulations in September, with a September or October Board approval
- Present draft revised code of conduct in October, with an October or November Board approval

The Board reviewed and noted, for the record, CPA Certificate Registration, CPA License & Firm Permit applications approved by the Executive Director June 02, 2009 through July 06, 2009.

A motion was made by Philip DeCaprio and seconded by Leonard Romaniello to approve Ms. Jacquelyn J. Cahill's request for an extension of time to gain outstanding CPE Hours. The Board extended Ms. Cahill's deadline to December 31, 2009. All voted in favor; no votes against and no abstentions.

A motion was made by Richard Sturdevant and seconded by Philip DeCaprio to add Ms. Gloria Martin's, License # 13828, request to the agenda for waiver of her CPE requirement for the fiscal year beginning July 01, 2008 ending June 30, 2009. All voted in favor; no votes against and no abstentions.

A motion was made by Leonard Romaniello and seconded by Philip DeCaprio to approve Ms. Gloria Martin's application for a waiver of her CPE requirements for the fiscal year ending June 30, 2009. All voted in favor; no votes against and no abstentions.

The following PCAOB Inspection Reports were received and noted, for the record, by the Board:

- 2008 Inspection of Ernst & Young, LLP
- 2008 Inspection of McGladrey & Pullen, LLP
- PCAOB Rule 4009 Determination – PricewaterhouseCoopers, LLP (10/18/2007)
- Inspection of Reznick Group, P.C.

Under Regulatory Activity, Attorney Adams informed the Board the draft of the Experience Regulations is going through the Attorney General's Office. Once the draft is reviewed and approved she will then forward it to the Regulations Review Committee.

Under Public Comment, Michael Weinshel made a motion to approve Mr. Lance E. Ziaks' request to continue using his employer's name, George A. Duffy, in the firm name. Mr. Duffy is planning on retiring, but will continue to work on a full time basis during tax season, and will

provide consulting services during the rest of the year. Philip DeCaprio seconded the motion. All voted in favor; no votes against and no abstentions.

Public Session- Enforcement Agenda

A. REQUESTING SETTLEMENT APPROVAL

2009004-3175- Ritch Greenberg & Hassan-failure to provide peer review acceptance letter for 2006
Request settlement approval for $250 penalty and a copy of the letter and the report (already submitted).

A motion was made by Michael Weinshel and seconded by Richard Sturdevant to approve the settlement in case # 2009004-3175 against the firm of Ritch Greenberg & Hassan. All voted in favor; no votes against and no abstentions.

2009099-3272- Riley -failure to renew license
Request settlement approval for $250 penalty, lapse in license, and CPE earned by June 30, 2008

2009077-3251- Sabatini -failure to renew license
Request settlement approval for $250 penalty, lapse in license, and CPE earned by June 30, 2008

2009076-3250- Hickerson- failure to renew firm permit
Request settlement approval for $250 penalty.

2009078-3252- Castellano -failure to renew license
Request settlement approval for $250 penalty, lapse in license, and CPE earned by June 30, 2008

2009061-3235- Martini -failure to renew license
Request settlement approval for $250 penalty, lapse in license, and CPE earned by June 30, 2008

2009107-3281- Arthur Allen & Associates, LLC- failure to renew firm permit
Request settlement for $250 penalty

2009109-3283- Celentano -failure to renew license
Request settlement approval for $250 penalty, lapse in license, and CPE earned by June 30, 2008

2009110-3284- Anchin Block & Anchin, LLP- failure to renew firm permit
Request settlement for $250 penalty

A motion was made by Philip DeCaprio and seconded by Leonard Romaniello to approve the settlement agreements in the following enforcement cases: 2009099-3272, 2009077-3251,

2009076-3250, 2009078-3252, 2009061-3235, 2009107-3281, 2009109-3283, and 2009110-3284. All voted in favor; no votes against and no abstentions.

2009043-3217- Maneri – failure to renew individual license and firm permit
Request settlement approval for abated $350 penalty, lapse in license, and CPE earned by June 30, 2008.

A motion was made by Leonard Romaniello and seconded by Philip DeCaprio to approve the settlement agreement in case # 2009043-3217 against Mr. Maneri in respect to his individual license and firm permit. All voted in favor; no votes against and no abstentions.

B. RECOMMENDING AND REQUESTING DISMISSAL

2009098-3271- Regina Brown – lapse in license
Ms. Brown works in house for a corporation and does not practice or hold herself out as a CPA. She has sent in a notarized affidavit to that effect.
Recommend dismissal – No probable cause - no violation found

A motion was made by Leonard Romaniello and seconded by Richard Sturdevant to dismiss case # 2009098-3271 against Ms. Regina Brown for lack of probable cause. All voted in favor; no votes against and no abstentions.

2009104-3278- Cagno - failure to provide records
The complaint in this matter originated from Ms. Cagno's successor CPA. She was looking to obtain copies of returns and other documents in order to assist the client with a DRS audit. As a result of the information gleaned during the Board investigation, she has withdrawn the complaint. Ms. Cagno has returned all source documents to the client. The client has an large outstanding balance with Ms. Cagno declined to do additional work, in the form of assembling copies of her records, for the client, all comprised of items previously provided to that client.
Recommend dismissal – No probable cause - no violation found

A motion was made by Leonard Romaniello and seconded by Philip DeCaprio to dismiss case # 2009104-3278 against Ms. Cagno for lack of probable cause. All voted in favor; no votes against and no abstentions.

2009101-3275- Corolla - negligence in tax prep
The respondent is not a CPA
Recommend dismissal – No probable cause due to lack of jurisdiction

A motion was made by Leonard Romaniello and seconded by Philip DeCaprio to dismiss case # 2009101-3275 against Mr. Corolla for lack of probable cause as he is not a CPA, therefore, the State Board of Accountancy has no jurisdiction. All voted in favor; no votes against and no abstentions.

C. BOARD CONSIDERATION OF FIRM PERMIT APPLICATION OF DUFFY AND ZIAC.

Mr. Ziac has applied to the Board for permission to operate a CPA firm under the name Duffy and Ziac. Mr. Duffy is turning the firm over to his 20 year employee CPA Mr. Ziac. The Duffy name brings a great deal of good will and Mr. Duffy would like his name to remain on the firm. In addition, Mr. Duffy will be working full time for the firm during tax season. The statute really

does not cover this adequately. The Board could evaluate Mr. Duffy as still working there as he will be maintaining his CPA license and is currently a CPA. However, that is the type of situation to which we would apply the 2 year rule at best and perhaps deny altogether. Looking at the issue from the "is it misleading?" side, counsel does not believe that the firm name Duffy and Ziac is any more misleading that Deloitte and Touche just because Mr. Ziac is a solo.

Vote previously recorded under Public Comment.

Acting Chairman James Ciarcia called for a recess at 9:40 A.M.; the meeting was called back to order at 9:49 A.M.

A motion was made by Richard Sturdevant and seconded by Leonard Romaniello to enter into the Executive Session of the Board Meeting at 09:50 A.M. to review cases where litigation is pending. All voted in favor; no votes against and no abstentions.

A motion was made by Richard Sturdevant and seconded by Leonard Romaniello to close out the Executive Session of the Board Meeting at 10:21 A.M. All voted in favor; no votes against and no abstentions.

Motion made by Leonard Romaniello and seconded by Richard Sturdevant to adjourn the July 07, 2009 Board Meeting of the Connecticut State Board of Accountancy at 10:22 A.M. All voted in favor; no votes against and no abstentions.