

**ACCOUNTANCY BOARD OF OHIO  
MINUTES OF DECEMBER 10-11, 2012 MEETING**

The Accountancy Board met on December 10, 2012 in Rooms West B and C on the 31st floor of the Vern Riffe Center for Government and the Arts, 77 South High Street, Columbus, Ohio with the following members present: Margaret Houston, CPA (Chair), W. Michael Fritz, CPA (Vice Chair), Robert Fay, CPA (Secretary), Greta Russell, CPA (Immediate Past Chair), James Landaker, CPA (Past Chair), Michael Comer, CPA (Member), James Carroll, CPA (Member), and Adriana Sfalcin (Public Member). Mark LaPlace, CPA (Past Chair) was absent.

Representing the Board staff was Robert Joseph, CPA, Assistant Director. Board counsel present was John Patterson, Esq., representing the office of the Attorney General.

Ms. Houston opened the meeting at 1:00 p.m., and said that the purpose of the meeting is to discuss the issues that will be of importance to the Board and the public accounting profession in 2013.

**EXECUTIVE SESSION**

Upon motion by Ms. Houston, seconded by Mr. Carroll, the Board voted to recess into executive session pursuant to Ohio Revised Code section 121.22(G)(1) to discuss the employment of a public employee. Motion carried 6-0 on a roll call vote. Ms. Russell and Mr. Comer were not present for this vote. After discussion, the Board returned to general session.

**OHIO ETHICS TRAINING**

Mr. Joseph presented the Ohio ethics training entitled "The Ohio Ethics Law" to the Board members. All Board members present completed the training.

**OPEN MEETINGS ACT**

Mr. Patterson reviewed the Open Meetings Act and noted that a respondent may request the Board to deliberate on potential action resulting from a Board hearing in open session. He added that no one has requested this action to date. Other points addressed were as follows: (1) The Board members cannot discuss potential votes outside Board meetings, and (2) the Board only acts as a Board in a formal session; otherwise, the Board members are members of the general public. A corollary to this is that Board members outside a Board meeting should not speak for the Board or indicate that the member's position is that of the Board.

**DISCUSSION OF TRAVEL ENCUMBERANCES/GENERAL INFORMATION**

Ms. Fithen went over travel rules as far as submitting confirmations prior to travel in order to secure approval of payment. Also covered, was the new training and submission of the Ethics Financial Disclosure form and Fiduciary changes.

## **RETIREMENT OF EXECUTIVE DIRECTOR AND ASSISTANT DIRECTOR**

The Board's Executive Director, Ronald J. Rotaru and Assistant Director, Robert D. Joseph will be retiring from the Accountancy Board of Ohio as of December 31, 2012. A short description of Mr. Joseph's job duties was given as well as who he is training and suggesting would take over those job duties. Ms. Houston expressed her gratitude towards the board staff during this difficult year.

## **DISCUSSION CONCERNING STREAMLINING OF BOARD MEETINGS**

The Board discussed various ways to keep board meetings on schedule. Some ideas were having a consent agenda, conducting the hearings at scheduled time and possibly have request for fee waivers completed on a specific Board form.

## **REINSTATEMENT HEARINGS**

The Board discussed reinstatement hearings and the general procedure for such hearings. Mr. Patterson noted that each reinstatement hearing is unique. The accountancy law does not require any detailed explanations of why the Board reached a decision and permits the Board a measure of discretion. The statutes provide for a mandamus action if the Board abused its discretion. He added that the items in the disciplinary manual were reviewed in a recent court appeal decided in favor of the Board, and concluded that any published material concerning procedure at such hearings should be in the form of guidelines only.

## **LATE FEES**

The Board discussed the late fees in the accountancy law, and agreed that the current procedures for reviewing requests for waiver or reduction of late fees did not need amendment.

## **BUDGET LANGUAGE – FISCAL YEAR 2014-2015**

The Board discussed various issues in regards to law and rule changes which would include Board staff input. The need to make fee increases or reductions, rule changes and the 120 vs. 150 hours to take CPA examination were topics of concern. The Board discussed the Ohio registration fee. The CPE verification of hours should include all licensees brought before the board for a hearing within the last 10 year period.

Mr. Joseph and Mr. Patterson discussed the differences between suspension vs. revocation, committee assignments and the necessity to meet in a committee structure. Concern of the Peer Review Sub-Committee meeting with the OSCPA as well as being notified of completions and failed peer reviews.

## **NASBA FOCUS QUESTIONS**

Ms. Houston suggested that the Executive Director complete all NASBA Focus questions, but be reviewed by the Chair.

## **HUMAN TRAFFICING AND CPE**

Mr. Gero commented that he wrote his representative voicing his concerns, as a citizen, not a board member.

## **BOARD CALENDAR OF EVENTS**

The Board agreed on the following meeting dates for 2013-2014:

- February 1, 2013 (Friday) (Regular Board meeting)
- April 26, 2013 (Friday) (Regular Board meeting)
- June 7, 2013 (Friday) (Regular Board meeting)
- July 12, 2013 (Friday) (Regular Board meeting)
- September 6, 2013 (Friday) (Regular Board meeting)
- November 8, 2013 (Friday) (Annual Board meeting)
- December 9, 2013 (Monday) (Annual Board retreat)
- December 10, 2013 (Tuesday) (Regular Board meeting)
- February 7, 2014 (Friday) (Regular Board meeting)

The Board also noted the following dates for upcoming NASBA conferences in 2013:

- Executive Directors Conference: March 3-6, 2013 (Tucson, Arizona)
- Eastern Regional Meeting: June 26-28, 2013 (Chicago, Illinois)
- Annual Meeting: October 27-30, 2013 (Maui, Hawaii)

## **BOARD COMMITTEES**

Mr. Fritz led discussion concerning the Board's committee structure for 2013. He agreed to look at committees and present them at the February 1, 2013 Board meeting.

## **BUDGET DISCUSSION**

The Board discussed the current budget situation. Mr. Joseph noted that the Board has sufficient funds to operate effectively.

## **NASBA VICE CHAIR**

The Board discussed the candidates for NASBA Vice Chair for 2012. Mr. Fritz noted that Theodore Long, Jr., a former Board Chair, had submitted his letter of interest in running for the position.

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**DECEMBER 11, 2012  
ACCOUNTANCY BOARD OF OHIO  
BOARD MEETING**

The Accountancy Board reconvened on December 11, 2012 at 9:00 a.m. in Rooms West B and C on the 31st floor of the Vern Riffe Center for Government and the Arts, 77 South High Street, Columbus, Ohio with the following members present: W. Michael Fritz, CPA (Chair), Robert Fay, CPA (Vice Chair), Michael Comer, CPA (Secretary), Margaret Houston, CPA (Immediate Past Chair), Greta Russell, CPA (Past Chair), Mark LaPlace, CPA (Past Chair), James Carroll, CPA (Member), and Adriana Sfalcin (Public Member).

Representing the Board staff were Robert Joseph, CPA, Assistant Director and Tracey Fithen, Executive Assistant. Board counsel present was John Patterson, Esq., representing the office of the Attorney General.

Mr. W. Michael Fritz is now the Accountancy Board of Ohio's Chair for the upcoming year. The first order of business was the changing of the gavel. Mr. Fritz presented Ms. Houston with the Chair Gavel Award for her service as Chair during the 2012 year. Mr. LaPlace was awarded the Distinguished Service Award for his years serving on the board in appreciation for his service and contributions.

Present in the audience were Ken Bishop, the NASBA Chief Executive Officer, Gaylen Hansen, NASBA's Chair for 2012-13, Dan Dustin, CPA, NASBA Vice President of State Board Relations and Thomas Kenny, Director of Communications, Theodore Long, Jr., CPA, Past Board Chair, J. Clarke Price, CEO and Barbara Benton, Vice President for Governmental Affairs of the Ohio Society of Certified Public Accountants (OSCPA), and Joseph Skoda, CPA, representing the Ohio Association of Independent Accountants.

A special thank you was given to Mr. J. Clarke Price, of the OSCP, who is also retiring this year, along with Mr. Ronald J. Rotaru, the current Executive Director of the Accountancy Board and Robert D. Joseph, Assistant Director of the Accountancy Board of Ohio.

**APPROVAL OF THE NOVEMBER 2012 BOARD MEETING MINUTES**

Upon motion by Ms. Houston, seconded by Mr. Comer, the Board voted to approve the minutes of the November 4, 2011 Board meeting. Motion carried 9-0.

***PRESENTATION BY NASBA REPRESENTATIVES***

Mr. Fritz introduced Gaylen Hansen, NASBA's Chair for 2012-13, Ken Bishop, the NASBA Chief Executive Officer, Dan Dustin, CPA, NASBA Vice President of State Board Relations and Thomas Kenny, Director of Communications.

Mr. Bishop then introduced Gaylen Hansen of Denver, Colorado, the current Chair of the NASBA Board of Directors. Mr. Hansen, thanked the Accountancy Board for their continued years of support and great involvement with NASBA.

Mr. Bishop noted that the Accountancy Board of Ohio has consistently been among the national leaders in accountancy regulation. He commended the Board for its efforts in maintaining its leadership among the states and noted several current and past Board members have been active participants on NASBA committees. Currently, NASBA is trying to cut down on how conference calls are handled. Also discussed were UAA issues that the Accountancy Board of Ohio is very involved.

## **INFORMATION REPORTS AND UPDATE**

### **NASBA INFORMATION**

Mr. Joseph noted that the NASBA Executive Directors and Legal Counsel Conference will be held in Tucson, Arizona in March 2013.

Mr. Fritz added that the NASBA Regional Meetings would be held in June 2013.

### ***FINANCIAL AND BUDGET REPORT***

Mr. Joseph said that the Board's current budget situation was good and there were no unexpected expenses so far in fiscal year 2013.

### ***INVESTIGATIONS REPORT***

Mr. Joseph reported that, to date, 57 public accounting firms did not renew on time. He added that all firms renewing the firm registration late are subject to late fees, but firms that already completed their peer review are not subject to disciplinary action. Cease and desist notices have been mailed to all firms in "expired" status.

The 2011 CPE verification draw was conducted on January 17, 2012 as follows:

- 1,548 licensees were selected.
- 55 licenses were sent hearing notices on May 15, 2012.

As of December 7, 2012 there are no licensees due to report their cpe verification. Mr. Joseph also noted that the computer-generated drawing for the 2012 continuing education verification would be conducted in January 2013.

### ***EDUCATION ASSISTANCE PROGRAM REPORT***

Mr. Joseph reported that a total of \$180,619 has been paid in scholarships so far in fiscal year 2013. This amount includes the \$50,000.00 grant to the Accounting Career Awareness Program paid in December 2012. He added that there was a total of \$609,639.84 in net commitments outstanding.

### **OLD BUSINESS**

There was no old business to discuss.

## **NEW BUSINESS**

The Board agreed unanimously to appoint John E. Patterson, Esq., as the new Executive Director of the Accountancy Board of Ohio. Upon motion by Mr. Comer, seconded by Mr. Carroll, the Board voted to approve the Mr. Patterson as the new Director. Motion carried 9-0.

### **REQUESTS FOR WAIVER OF LATE FILING FEES**

#### ***DEBORAH C. SCHNEIR***

Ms. Schneir requested a waiver of the \$350 late fee applicable to the renewal of her Ohio registration because she stated she did not receive her renewal information in 2010.

#### ***JASON D. CODISPOTI***

Mr. Codispoti requested a waiver of the \$300 late fee applicable to the renewal of his Ohio registration because he did not receive his renewal notice in 2011 as he did not inform the Board of his address change.

### **FORMAL HEARING: DALE B. SHAFER – CONTINUED TO FEBRUARY 1, 2013**

#### **REINSTATEMENT HEARING: VENKATA S. KOLLIPARA**

Mr. Fritz opened a reinstatement hearing at 10:20 a.m. Present at the hearing was Venkata S. Kollipara, whose CPA certificate and the firm registration of Kollipara & Associates, Inc., by a vote of 8-0 on April 22, 2005 pursuant to Ohio Revised Code sections 4701.16(A)(11) pertaining to failure to comply with the firm registration requirements specified in section 4701.04 of the Revised Code. The records should show that Mr. Kollipara requested a hearing in writing to the board dated October 30, 2012.

Mr. Patterson asked Mr. Kollipara several questions. His firm expired in 2004 and it was until 2005 that the board took action against his firm. (1) Do you have any objections to that statement? Mr. Kollipara stated that he had no objection. (2) Why did you wait until 2005 to come back into compliance? Mr. Kollipara was sworn in at that time. He stated that it was during tax time and because of the workload he also experienced a heart attack as well as problems with lapse of memory and walking. (3) If you cpe firm is restored, are you going to be involved with tax only or audits as well? Mr. Kollipara stated that he will only be doing tax.

The Board then asked questions of Mr. Kollipara. Mr. Carroll asked if he has been actively engaged in any professional services since 2005. Mr. Kollipara said definitely not, only a few friends and family. Mr. Kollipara also stated that he had no sign on his door as well as destroying all letterhead and business cards or signed anything as a CPA. Mr. Gero asked if he did any attest, compilations or review services which Mr. Kollipara stated that he did not. Mr. Fay asked if he had taken any tax courses in that time period. Mr. Kollipara did not take any until the past year. Mr. LaPlace asked him for his email address. Mr. Kollipara's email included the CPA within the email address.

Mr. Fritz concluded the hearing.

### **REINSTATEMENT HEARING: JOSEPH H. SMITH**

Mr. Fritz opened a reinstatement hearing at 10:40 a.m. Present at the hearing was Joseph H. Smith, whose CPA certificate was revoked by the Board on July 10, 2009 pursuant to Ohio Revised Code section 4701.16(A)(5) pertaining to his conviction in United States District Court, Northern District of Ohio, of Conspiracy to Defraud the IRS, Making a False Return, and Corruptly Endeavoring to Obstruct and Impede on February 2, 2009. The records should show that Mr. Smith requested a hearing in writing to the board dated October 27, 2012.

Mr. Patterson informed the board that it was a reinstatement hearing only. No action is to be taken. Mr. Smith was sworn in. Mr. Patterson moved for the admission of State's Exhibit A and Respondent's Exhibit 1. Mr. Smith did not object, and Mr. Fritz accepted the exhibit.

Mr. Smith briefly explained the felony conviction. Mr. Patterson then asked Mr. Smith several questions. (1) Did you serve your entire incarceration and community service? Mr. Smith stated that he did complete all required restitution.

The Board asked questions of Mr. Smith. Mr. Fay asked whether or not his tax fraud was on his personal taxes, or other. Mr. Smith stated that it was his personal tax filing as well as the corporation he was currently employed. No further questions were asked.

Mr. Fritz concluded the hearing.

### **EXECUTIVE SESSION**

Upon motion by Mr. Comer, seconded by Ms. Houston, the Board voted to recess into executive session, pursuant to ORC 121.22(G)(1) to discuss the waiver of late fees and discipline. Motion carried 9-0 on a roll call vote. After discussion the Board voted to return to general session.

### **BOARD DECISIONS**

#### ***LATE FEE WAIVER APPEALS***

Upon motion by Mr. Comer, seconded by Mr. Fay, the Board voted to deny the appeals of the following licensees for waiver of the late filing fee:

- Deborah C. Schneir
- Jason D. Codispoti

Motion carried 9-0 on a roll call vote.

***FORMAL HEARING: VENKATA S. KOLLIPARA***

Upon motion by Mr. Comer, seconded by Mr. Fay, the Board voted to reinstate the CPA certificate of Venkata S. Kollipara, subject to \$2,000 fine, submission of 120 Continuing Education hours and PSR by January 31, 2013. Motion carried 9-0 on a roll call vote.

***REINSTATEMENT HEARING: JOPSEH H. SMITH***

Upon motion by Mr. Comer, seconded by Mr. Fay, the Board the Board to take no action until full restitution is made pursuant to court decree. Motion carried 9-0 on a roll call vote.

**ADJOURNMENT**

Upon motion by Mr. Comer, seconded by Mr. Fay, the Board voted to adjourn. Motion carried 9-0.

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**W. MICHAEL FRITZ**  
**CHAIR**

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**MICHAEL COMER**  
**SECRETARY**