

State of Alaska
Department of Commerce, Community and
Economic Development
Division of Corporations, Business and Professional Licensing

BOARD OF PUBLIC ACCOUNTANCY

MINUTES OF MEETING

May 3-4, 2012

By authority of AS 08.01.070(2), and in compliance with the provisions of AS 44.62, Article 6, a scheduled meeting of the Board of Public Accountancy was held May 3-4, 2012 in Anchorage, Alaska.

Thursday, May 3, 2012

Call to Order/Roll Call

The meeting was called to order by Carla Bassler, Chair, at 8:37 a.m. Those present, constituting a quorum of the Board were:

Carla Bassler, Chair, CPA – Anchorage
Elaine Williamson, CPA – Fairbanks
Jeffrey Johnson, CPA – Fairbanks
Andre Horton – Anchorage
Kathleen Thompson, CPA – Fairbanks
Wayne Don – Eagle River
Karen Brewer-Tarver, CPA – Juneau

Present from the Department of Commerce, Community and Economic Development, Division of Corporations, Business and Professional Licensing, was:

Cori Hondolero, Executive Administrator
Alvin Kennedy, Investigator (agenda item #6)
Susan Winton, Senior Investigator (agenda item #6)
Karen Wilke, Paralegal (agenda item #13, via conference call)

Visitors present included:

Melody Schneider, representing the Alaska Society of CPAs (ASCPA)
Bernadette Kopyy, representing the Alaska Society of Independent Accountants (ASIA)
Lisa Rogers, representing the Alaska Society of CPAs (ASCPA)
Brian Donohue, representing himself

Agenda Item 1 – Review Agenda

The Board reviewed the agenda and made the following changes:

- Item #2 – add Board member introductions.
- Item #5 – add discussion about the sunset audit.
- Item #8 – add discussion about ALD.
- Item #13 – add start working on audits.

Upon a motion duly made by Mr. Johnson, seconded by Ms. Williamson, and approved unanimously, it was:

RESOLVED to approve the agenda as amended.

Agenda Item 2 – Ethics Report

Ethics Reporting

It was determined that there was nothing to report.

The Board completed introductions and requested that Ms. Hondolero e-mail the link to the online ethics video to new members Ms. Brewer-Tarver and Mr. Don.

Agenda Item 3 – Review Meeting Minutes

The Board reviewed the minutes of the January 23-24, 2012 meeting.

It was requested that the minutes be amended to reflect the actual agenda items that guests were in attendance for.

Upon a motion duly made by Mr. Johnson, seconded by Ms. Williamson, and approved unanimously, it was:

RESOLVED to approve the minutes of the January 23-24, 2012 meeting as amended.

Agenda Item 5 – Board Business

The Board requested that once Ms. Hondolero makes the permanent move to the Anchorage office NASBA, the State society and the Board website be updated with current contact information. Ms. Hondolero is also to send a brief bio to Ms. Schneider for inclusion in an upcoming AK Society newsletter.

It was noted that there is a new investigator assigned to the Board and that he should be notified that there is an investigative liaison.

Agenda Item 4 – Public Comment

No one present requested to address the Board.

Agenda Item 5 – Board Business

NASBA

The Board requested that Ms. Hondolero send out an invite to NASBA to attend the Board meeting on June 26, 2012. It was noted that the meeting would start at 1 p.m.

Lapsed Licenses

The Board requested Ms. Hondolero monitor lapsed licenses and forward notification of late renewals to the investigator for follow up to see if the licensee was practicing while their license was lapsed.

Legislative Sunset Audit

The Board discussed on the ongoing sunset audit and stated that members had been questioned about the why the Board was retaining a budget surplus.

Peer review was another topic discussed with the auditors and it was noted that it appears that the 3rd year of the peer review timeline falls off because of the two year licensing cycle. It was noted that the renewal form could be amended to make licensees fill in a blank box and state the date of their last peer review. The Board could also set up a process to randomly pull firms/individuals on the 3rd year of their peer review cycle.

The Board would like to be involved in reviewing/editing forms to help make required changes. It was noted that this would need to be done well in advance of the renewal; probably January of the renewal year. The Board decided that it would be best to review a couple forms at a time and will start at the August 2012 meeting with the renewal form.

Agenda Item 6 – Investigative Report

Investigators Alvin Kennedy and Susan Winton were in attendance to present the following Investigative Report:

Open Complaints:

2011-000352	Unlicensed Practice/Advertising	Ongoing Investigation
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Open Investigations

2012-000087	License Application Problem	Ongoing Investigation
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Complaint or Investigation Activity Since Last Board Meeting

601-09-001	Fraud/Misrepresentation	Lack of Investigative Resources
2012-000016	License Application Problem	No Action – No Violation
2012-000407	License Application Problem	No Action – Unfounded
2012-000408	License Application Problem	No Action – No Violation
2012-000409	License Application Problem	No Action – No Violation
2012-000411	License Application Problem	No Action – No Violation
2012-000412	License Application Problem	No Action – No Violation
2012-000455	License Application Problem	No Action – No Violation
2012-000456	License Application Problem	No Action – No Violation

Ms. Bassler asked about the case that was closed due to lack of investigative resources. Mr. Kennedy stated that this case was sent to the Attorney General's office for review and they decided not to pursue the case. Mr. Kennedy did indicate that he was reviewing the notes in the case file and noted that any case can be reopened. The Board stated that they would like the case reopened and would like Ms. Bassler to be involved.

Ms. Winton offered to do a presentation for the Board at the June meeting regarding the imposition of civil fines, overview of the investigative process, probation monitoring and general information/questions (e.g. complaint referrals, reviews, and executive sessions).

Upon a motion duly made by Ms. Thompson, seconded by Mr. Johnson, and approved unanimously, it was:

RESOLVED to enter into executive session in accordance with AS 44.62.310(c)(2) and (3), and Alaska Constitutional Rights to Privacy Provisions for the purpose of discussing the a consent agreement.

The Board entered executive session at 10:21 a.m.
The Board went back on the record at 10:33 a.m.

Upon a motion duly made by Ms. Thompson, seconded by Mr. Johnson, and approved unanimously, it was:

RESOLVED to adopt the consent agreement for case #2012-000087.

The Board asked how they could modify the suspended portion of the fines in the future. Ms. Winton stated that the Board has discretion. The investigator will provide the case precedent, but the Board can distinguish why a particular case is different. The Board can also establish a schedule of fines, probationary periods, etc.

The Board discussed having staff maintain a list of probationary licenses and also having probationary licenses listed on the investigative report.

It was requested that the list of Board actions on the Board's website be updated quarterly and that the report list the newest cases at the top of the report.

Agenda Item 5 – Board Business

Exam Fees/Exam Contract

There was Board discussion about the best way to collect additional exam fees from Alaska candidates. Should the additional fees be based on each application or each exam section taken?

Upon a motion duly made by Mr. Johnson, seconded by Mr. Horton, and approved unanimously, it was:

RESOLVED to increase exam fees by 10% in the administrative fees section, by modifying the NASBA exam contract; with the fee increase being returned to the Alaska Board.

Agenda Item 7 – Regulation Projects

Late Renewal Fee

Ms. Hondolero advised that this project is still with the Regulations Specialist.

The Board requested an update from Director Habeger regarding the status of this project and when it is anticipated that it will be sent out for public comment.

Semi-Autonomous Board

Ms. Bassler advised that if the Board chose to pursue this option in the future, the Oregon Board had done this recently and would be a good reference. It was noted that NASBA would also offer assistance.

Retired/Inactive Status

Ms. Bassler stated that she was still researching this topic and would present her research at the August meeting.

Agenda Item 8 – NASBA Updates

Accountancy Licensee Database (ALD)

The Board requested that Ms. Hondolero double check to be sure that Alaska is fully reporting all data to the ALD. The Board also requested that Investigator Kennedy also be granted access to the ALD.

Committees

Ms. Bassler – Enforcement Practices Committee – Reported that she will be moderating sessions during the June Regional meeting.

Mr. Johnson – Relevance & Effectiveness Committee – Reported that his first committee meeting would be happening during the week following the Board meeting.

Ms. Williamson – CPE Committee – Presented video outlining recent CPE changes.

The Board recessed for lunch at 11:57 a.m.

The Board resumed the meeting at 1:12 p.m.

Agenda Item 8 – NASBA Updates

Conferences

Western Regional – All new members should attend the new Board member orientation. It was noted that Mr. Don would not be available to attend the Regional meeting and it was requested that his scholarship be used to attend another meeting at a later date.

Annual Meeting – Ms. Hondolero and Ms. Bassler will attend.

Agenda Item 10 – SB 98/HB 233

Lisa Rogers, Chair of the Legislative Committee for the Alaska Society of Certified Public Accountants (ASCPA) was present to speak with the Board.

Ms. Rogers stated that SB 98 was introduced to place restrictions on the collection of biometric data and if passed as originally written, would have resulted in the CPA exam no longer being offered in Alaska.

Ms. Rogers met with an Attorney General during the past Legislative session and noted that the bill died on or around April 14, 2012. Ms. Thompson stated that there might be more hearings over the summer. The Board agreed that it was likely that if not addressed in a special session, this bill would be reintroduced next session.

Ms. Williamson asked how bills are monitored by the Alaska Society. Ms. Rogers stated that the Society hires a lobbyist to track and advise them during the session. It was noted that Ms. Hondolero should be monitoring pending legislation as well. Ms. Rogers stated that the legislative committee planned to draft better language for the bill and noted that anyone can watch the different hearings via live feed through the legislative website.

**Agenda Item 9 – Alaska Society of Certified
Public Accountants (ASCPA) Report**

Melody Schneider was present to discuss the following items with the Board:

- Sunset Audit – contacted/interviewed by Legislative Audit staff. They asked about peer review, lack of a Juneau exam site and travel & indirect expenses and seemed to feel that out of state travel was not necessary.
- The Society had received lots of calls regarding the renewal and the requirement to submit verification of the AK specific ethics course. Ms. Bassler stated that the Board requested this due to the high percentage of audited licensees found to be out of compliance during the last audit.
- Concern regarding there being only one licensed CPA on the Board from the Anchorage area and knowing this member will term out in 2013. The Society will write a letter to Jason Hooley with Boards & Commissions.
- NASBA Regional meeting- no information out there for the Society to distribute to its membership. It was noted that the agenda for the meeting was available on the NASBA website and could be distributed to the membership in case any interested members wanted to register and attend.

Agenda Item 11 – CPA Exam

The Board reviewed the exam survey responses that had been received. The Board requested that the list of who the questionnaire was e-mailed to be included in future Board packets. The Board also requested that the questionnaire be updated by deleting question #6.

The Board requested that Ms. Hondolero obtain passes for the Board to visit the Fairbanks test site during the August meeting.

Agenda Item 12 – Correspondence

Jason Giaimo – the Board reviewed the letter that was sent to Director Habeger from Mr. Giaimo and noted that there is no waiver available regarding the required CPA exam. AS 08.04.130 clearly states that the exam required is the Uniform Certified Public Accountant Examination of the American Institute of Certified Public Accountants. The Board cannot approve the request and directed that a response letter be prepared for Ms. Bassler to sign and requested that Ms. Hondolero inquire about the possibility of obtaining a co-signature from Director Habeger, since the letter was addressed to him.

Kirk Brown – The Board reviewed the letter sent by Mr. Brown and stated that once Mr. Brown found any unethical items, he should have stopped working for the client because you can't go back once you've continued working for them. If Mr. Brown was aware that the attorney did unethical things in regards to the

estate work that was being completed, he can complain as a client. Ms. Bassler stated that she would work with Ms. Hondolero to draft a response in line with AICPA ethical requirements.

NASBA – Opt in/out – The Board reviewed the requested and decided that both requests would be declined. NASBA is free to contact test candidates directly to see if they approve of their contact information being released.

Shawn Bell (NASBA) – The Board discussed the ability to claim more than 16 hours for preparation of a course. The Board stated that the intent is that no more than 16 hours be allowed under 12 AAC 04.360(5) whether or not the licensee was presenting or attending.

Agenda Item 13 – Continuing Education Audit

Karen Wilke joined the meeting via teleconference to discuss the continuing education audit process/guidelines with the Board.

Ms. Wilke asked if the Board is intending to audit for only the AK specific ethics hours or if the Board would like those found to be out of compliance should be subject to a full audit of all hours. Ms. Bassler asked if the Board had the authority to request full audits. Ms. Wilke stated that under AS 08.04.425, the Board has the authority to request a full audit for those found to be out of compliance with the AK specific ethics requirement. The Board stated that they do want to require full audits.

Ms. Wilke also asked if the Board wanted to apply the same established guidelines from the last audits to the licensees who are found to be out of compliance with the AK specific ethics requirement. The Board stated that they do want to use the same guidelines.

Agenda Item 14 – Application Review

The Board started the application review process.

The meeting recessed at 4:35 p.m., until Friday, May 4, 2012

Friday, May 4, 2012

Call to Order/Roll Call

The meeting was called to order by Jeffrey Johnson, Chair, at 8:30 a.m. Those present, constituting a quorum of the Board were:

Carla Bassler, Chair, CPA – Anchorage
Elaine Williamson, CPA – Fairbanks
Jeffrey Johnson, CPA – Fairbanks
Andre Horton – Anchorage
Kathleen Thompson, CPA – Fairbanks
Karen Brewer-Tarver, CPA – Juneau

Present from the Department of Commerce, Community and Economic Development, Division of Corporations, Business and Professional Licensing, was:

Cori Hondolero, Executive Administrator

Visitors present included:

Bernadette Kopy, representing the Alaska Society of Independent Accountants (ASIA)

Agenda Item 14 – Application Review

The Board discussed ‘yes’ answer exam applications, where the ‘yes’ answer was due to the applicant having a felony conviction. It was noted that there did not appear to be any authority to deny the applicant from sitting for the exam, but that the applicant may not qualify for licensure in Alaska.

The Board requested that Ms. Hondolero write to Mr. Carr and direct him to the licensing statutes regarding good moral character and felony convictions.

Upon a motion duly made by Ms. Bassler seconded by Ms. Williamson, and approved unanimously, it was:

RESOLVED to approve Justin Carr, DeNicca Wede, Jaclyn Swiggum, David Kerns and Matthew Sargent’s applications to sit for the CPA exam.

Upon a motion duly made by Ms. Bassler seconded by Ms. Thompson, and approved unanimously, it was:

RESOLVED to table the application of Michael Middleton for licensure by reciprocity until receipt of adequately documented hours required by 12 AAC 04.165 is received.

Upon a motion duly made by Ms. Bassler seconded by Ms. Williamson, and approved unanimously, it was:

RESOLVED to approve Rebecca Homola for licensure by reciprocity.

Upon a motion duly made by Ms. Bassler seconded by Ms. Thompson, and approved unanimously, it was:

RESOLVED to table the application of Dionne Moonah for licensure by exam until receipt of adequately documented attest hours required by 12 AAC 04.183 is received.

Upon a motion duly made by Ms. Bassler seconded by Ms. Williamson, and approved unanimously, it was:

RESOLVED to approve Christine Fimia-Moe, Jacob Kaaland, Thomas Orr, Alexander Ivanov, Jamila Alimirzayeva, Nigar Aliyeva, MladenBegojevic, Chen Changhua, Kwai Fung (Fiona) Kotter, Andriy Martyniuk, Stacey McDowell, Michael Rankin, Melissa Reilly, Kelly Ward, Sam Roche, Sheila Batista and Yavuz Daghan Alpman for licensure by exam.

Upon a motion duly made by Ms. Bassler seconded by Ms. Thompson, and approved unanimously, it was:

RESOLVED to approve the Firm applications of Cheryl Bradley CPA, Incorporated and DY CPA LLC.

Upon a motion duly made by Ms. Bassler seconded by Ms. Thompson, and approved unanimously, it was:

RESOLVED to approve the Out-of-State Permit applications of Joseph Eve, CliftonLarsonAllen LLP, Anthony R. Lanza, Hemming Morse LLP, Warren Averett LLC and Worthy & Company LLC.

Agenda Item 15 – Administrative Business

Confirm Upcoming Meeting Dates/Locations

- June 26, 2012 in Anchorage (1-4 pm; no application review).
- August 9-10, 2012 in Fairbanks (use State building & send approval ASAP)

- October 18-19, 2012 in Anchorage – it was noted that 10/18 would be a State holiday, but the Board would like to proceed with this date anyway at a non-State office if necessary. Mr. Horton stated that the conference room at his office may be available if necessary.

Sign Wall Certificates:

- Dayanat Sadullayev #2567
- Theresa Harris #2579
- Takashi Nukanobu #2580
- Katina Holmberg #2581
- Keri Riordan #2582
- Dimitri Yimga #2583
- Mary Markgraf #2584
- Tatiana Filatova #2585
- Casey Hocevar #2586
- Shannon Bell #2587
- Shun Ikeda #2588
- Yui Shing Wong #2589
- Ekaterina Borisova #2590
- Brian Dreeszen #2591
- Vincent Schmoyer #2592

Task Lists

Cori Hondolero:

- E-mail ethics video link to Ms. Brewer-Tarver & Mr. Don
- Provide bio to AK Society
- Send invite to June meeting to NASBA staff
- Get authorization for a Fairbanks site visit

Ms. Bassler:

- Research project regarding inactive/retired license status & present at August meeting

Mr. Johnson:

- Assist with NASBA exam contract amendments

Agenda Item 16 – Continuing Education Audit Review

Upon a motion duly made by Ms. Williamson seconded by Ms. Bassler, and approved unanimously, it was:

RESOLVED to approve the CE audit of Andrew Warwick pending receipt of a transcript from the Alaska Society of CPAs showing the courses that were taken.

Upon a motion duly made by Ms. Bassler seconded by Ms. Thompson, and approved unanimously, it was:

RESOLVED to approve the CE audit of Vladimir Fomchenko pending receipt of verification of the date that the AK ethics course was completed and employer certification of the KPMG transcript or certificates of completion for the KPMG courses taken.

Upon a motion duly made by Ms. Bassler seconded by Ms. Thompson, and approved unanimously, it was:

RESOLVED to table the CE audit of Kathryn Daughhete and request a breakdown identifying which courses were taught and which were attended. Attendance verification is required. The Board also noted that attendance at Brown Bags does not count when there is no agenda.

Upon a motion duly made by Ms. Bassler seconded by Ms. Brewer-Tarver, and approved unanimously, it was:

RESOLVED to approve the mandatory audits of Robert Maloney, Stephen Heavey, Maureen Gannon, Philip Emmons, Ricardo Orduna and Hilary Clark pending a staff review of their past audit, to assure that none of the courses were used more than once.

Upon a motion duly made by Ms. Bassler seconded by Ms. Brewer-Tarver, and approved unanimously, it was:

RESOLVED to approve the CE audit of Paul Bly pending receipt of verification of the BP courses taken in 2010 & 2011; certificates of completion or employer certification is required.

Upon a motion duly made by Ms. Williamson seconded by Ms. Bassler, and approved unanimously, it was:

RESOLVED to table the CE audit of Gregg Richmond due to non-compliance with 12 AAC 04.300(a)(1) and (c). Forward to paralegal and investigator to verify whether Mr. Richmond was practicing while his license was lapsed.

Upon a motion duly made by Ms. Brewer-Tarver seconded by Ms. Bassler, and approved unanimously, it was:

RESOLVED to table the CE audit of Deborah Kalakis due to non-compliance with 12 AAC 04.300(a)(1) and (c). Forward to paralegal and investigator to verify whether Ms. Kalakis was practicing while her license was lapsed.

Upon a motion duly made by Ms. Bassler seconded by Ms. Brewer-Tarver, and approved unanimously, it was:

RESOLVED to change the Boards action on the CE audits for Gregg Richmond and Deborah Kalakis from 'tabled' to 'denied.'

Upon a motion duly made by Mr. Horton seconded by Ms. Bassler, and approved unanimously, it was:

RESOLVED to deny the CE audit of Sharon White due to non-compliance with 12 AAC 04.300(a)(1) and (2). Ms. White only had 50 or the 80 required hours.

Upon a motion duly made by Ms. Williamson seconded by Ms. Bassler, and approved unanimously, it was:

RESOLVED to approve the CE audit of Traci Weiland pending receipt of verification of the 4 AK ethics hours required by 12 AAC 04.300(c).

Upon a motion duly made by Ms. Williamson seconded by Ms. Bassler, and approved unanimously, it was:

RESOLVED to deny the CE audit of Gordon James due to non-compliance with 12 AAC 04.300(c); No AK ethics hours.

Upon a motion duly made by Ms. Williamson seconded by Ms. Bassler, and approved unanimously, it was:

RESOLVED to deny the CE audit of Minjie Tang due to non-compliance with 12 AAC 04.300; AK ethics hours taken outside of required licensing period.

Upon a motion duly made by Ms. Williamson seconded by Ms. Thompson, and approved unanimously, it was:

RESOLVED to deny the CE audit of Susanne Skaggs due to non-compliance with 12 AAC 04.300; AK ethics hours taken outside of required licensing period.

Upon a motion duly made by Ms. Williamson seconded by Ms. Bassler, and approved unanimously, it was:

RESOLVED to approve the CE audit of Amanda Chadwick pending receipt of verification of the KPMG courses taken in 2010 & 2011; certificates of completion or employer certification is required.

Upon a motion duly made by Ms. Williamson seconded by Ms. Bassler, and approved unanimously, it was:

RESOLVED to approve the CE audit of Jamil Guliyev pending receipt of verification of the Ernst & Young courses taken in 2010 & 2011; certificates of completion or employer certification is required.

Upon a motion duly made by Ms. Thompson seconded by Ms. Williamson, and approved by a quorum of the Board (Ms. Bassler abstained from voting because her audit was reviewed), it was:

RESOLVED to approve the CE audits of the following licensees:

- John Peters
- Sanford Brown
- Nigel Guest
- Catherine Smith
- Cheryl Hull
- Thomas Zitzmann
- Sandra Bowers
- Dan Laughlin
- Gary Dixon
- Ronald Lee
- Brian Lasselle
- F. Jeffrey Bowles
- Nora Elliott
- Jacquelyn Briskey
- Robert Macleod
- Arlene Koenig
- Joseph Moore
- Kurt Martens

- Elizabeth Bassett
- Dorotherine Eaddy
- Teresa Newins
- Bruce Budge
- Carla Bassler
- Hollie Kovach
- Marja Beltrami
- Michael Janson
- William Schmid
- Jodi Andres
- Douglas Wellington
- Kristi Lira
- Andrew Meiners
- Rhonda Oliver
- Michael Mclean
- Diana Brinkman
- Alexander Beckman
- Mary Anderson
- Jennie Bonwell Pipoly
- Jens Beck
- Paul Keeler
- Hiromi Nakagawa
- Maren Haavig
- Julie Olson
- Carolyn Launer
- Kiyomi Sakurai
- Tamra Holt
- Jolynn Blancher
- Donald Riggs
- Galiya Tleuova
- Ami Oppe
- Linda Loven
- Matthew Taylor
- Cole Lindemann
- Sarah Sena
- John Fabiano
- Mollie Morrison
- Thomas Mitchell
- Reto Micheluzzi
- Jessica Gates
- Ralph Llewellyn
- Stasia Straley
- Philip Fechtmeyer
- Catalina Leny Marquez

- Eugeny Slutskiy
- Preston Crane
- Latosha Dickinson
- Olga Bychina
- Galina Serednyakova
- Dmitriy Kalchenko
- Kristen Koshiyama
- David Chavez-Canales
- Niki Countryman

The Board directed that late renewals (for active status) be forwarded to Ms. Wilke for CE non-compliance and that they also be forwarded to investigator Kennedy to assure that the licensees were not working while their licenses were lapsed.

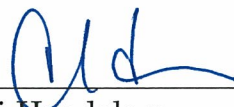
The Board stated that it would be acceptable for Ms. Hondolero to accept scanned documents for the audits that were 'approved pending' from the employer/CPE coordinator if they were signed.

Upon a motion duly made by Ms. Williamson, seconded by Ms. Bassler, and approved unanimously, it was:

RESOLVED to adjourn the meeting.

There being no further business, the meeting adjourned at 12:53 p.m.

Respectfully Submitted:



Cori Hondolero
Records and Licensing Supervisor

Approved:



Jeff Johnson, Chair
Board of Public Accountancy

Date: 6/26/12