

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

BOARD OF PUBLIC ACCOUNTANCY

**MINUTES OF MEETING
February 12-13, 2018**

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 February 12-13, 2018.

Monday, February 12, 2018

Call to Order/Roll Call

The meeting was called to order by Leslie Schmitz, at 10:24 a.m. Those present, constituting a quorum of the Board were:

Leslie Schmitz, CPA – Anchorage
Donovan Rulien II, CPA – Anchorage
Jeffrey Johnson, CPA – Fairbanks
Karen Brewer-Tarver, CPA – Juneau
Wayne Hogue, Public member – Kotzebue (telephonic)
Marja Beltrami, CPA – Anchorage

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

Cori Hondolero, Executive Administrator
Greg Francois, Chief Investigator (agenda item #7 & #8 - telephonic)
Melissa Dumas, Admin Officer II (agenda item #8)
Amber Treston, Licensing Examiner (observing part of meeting)

Visitors present included:

Joseph Kirkpatrick, representing himself
Marjorie Kaiser, CPA, representing the Alaska Society of CPAs (ASCPA)
Bernadette Kopyy, representing the Alaska Society of Independent Accountants (ASIA)

Agenda Item 1 – Review Agenda

Mr. Johnson added AICPA State policy update.

Agenda Item 2 – Ethics Report

It was determined that there was nothing to report.

Agenda Item 3 – Review Meeting Minutes

The Board reviewed the minutes of the last meeting.

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

RESOLVED to approve the minutes of the October 16-17, 2017 meeting as written.

Agenda Item 4 – Public Comment

There was no one present that made a request to address the Board.

Agenda Item 5 - Alaska Society of Certified Public Accountants (ASCPA)

Ms. Kaiser was present and let the Board know about the following AK Society activities:

- The Society sent a letter of support for HB147 (copy in packet)
- CalCPA peer review contract renewed
 - Ms. Schmitz did ask what the Society does when it receives information from AICPA (such as notice of findings by the ethics committee). Ms. Kaiser indicated that she was not familiar with the process.
- Four \$2,000 scholarships awarded
- Annual meeting will be held in Fairbanks May 30 – June 1, 2018
- Live continuing education classes will be offered in Anchorage, Juneau and Fairbanks
- Online continuing education will also be offered

Agenda Item 6 – NASBA/AICPA Updates

Mr. Johnson noted a couple of items for the Boards information:

- Due to the occupational Board reform act, Nebraska has a bill pending to remove Boards.

- Updated definition of attest; Alaska is still listed as not updated.
- Firm mobility; 22 States have adopted this.

Conferences

The Board decided to finalize the list of names to be forwarded for approval to attend the Regional and Annual NASBA meetings.

Regional Meeting:

- Ms. Beltrami
- Ms. Hondolero
- Ms. Brewer-Tarver - *if a new Board member is appointed, they can attend on scholarship and their name will be forwarded instead.

Annual Meeting:

- Ms. Schmitz
- Ms. Hondolero
- Mr. Johnson

Committees

Ms. Beltrami – Legislative Support Committee – Ms. Beltrami indicated that the committee had met via teleconference in December, but she was not able to participate.

Mr. Rulien –Uniform Accountancy Act (UAA) committee – met telephonically; discussed the NOCLAR issue. Supposed to report as individual CPA; pushback on committee about this because it makes the CPA liable. The issue was tabled and the committee will revisit it in April. It was noted that there is a push for international standards from AICPA, but it was not getting traction with the committee.

Ms. Schmitz – CBT Administration Committee – met telephonically in December, update on current programming happening on backend; shouldn't impact the public view.

Ms. Brewer-Tarver – CPE Committee – met telephonically, there is new committee Chair and new members. Discussed the CPE manual used by vendors to develop courses; it also outlines NASBA approval. This is the year that the committee is reviewing and approving the manual (updates). The Committee also discussed nano learning.

Mr. Johnson noted that he and Mr. Rulien would ask about HB328 (biometrics) when they met with Representative Thompson on HB147.

Agenda Item 8 – Board Business

There was Board discussion about unlicensed firms. There was a list in the meeting packet of firms who are potentially unlicensed (corporate entity has CPA in the name or the line of business being used is office of certified public accountants).

Chief Francois called in to discuss this matter with the Board. The Board asked about options. Chief Francois stated that the Board could send certified letters to everyone on this list with a deadline to reply. The letter could notify them that they need to obtain licensure or reply and explain why they do not need a license.

ABC LLC (performing services); does a reasonable person assume they are a CPA/CPA firm? Would have to carefully look at the applicable statutes – “practice of public accounting” definition would be important to look at. Chief Francois noted that education is an important part of the process; good to seek compliance. Individual cases could be referred to investigations for non-compliance.

The Board noted that once you form a legal entity, you need to obtain a firm permit, even if you are a single member LLC. Chief Francois stated that if the Board deviated from the standards already set, need to be able to justify why.

It was noted that in order to treat cases consistently the list needs to be forwarded to investigations and individual cases opened for unlicensed practice; there are late renewals that are being assessed fines and license action. These ‘new’ firms could potentially be issued with a civil fine. Ms. Brewer-Tarver stated that she would be willing to work with investigations on these cases.

Agenda Item 7 – Investigative Report

Chief investigator Francois remained on the call to discuss the most recent investigative report (dated 1/22/18).

Mr. Hogue asked about the PTIN cases; how many of them resulted in action. Chief Francois indicated about 10 out of 30 resulted in action.

Ms. Brewer-Tarver noted that the Board would like to use the civil fine action for any of the potential unlicensed firm cases. Chief Francois indicated that cases precedent would be reviewed in order to treat cases similar to what has been done in the past. Consent agreements outline the facts of the case, the action is spelled out and is a multi-page document. A civil fine is still an action, but is typically only one page in length. It was noted that a rejection on any agreement can result in a hearing after an accusation is filed.

The Board thanked investigator Francois for his report.

Agenda Item 8 – Board Business

Marijuana Statement

There was discussion regarding if the Board needed or wanted to amend the current position statement. It was noted that in this industry payments are made in cash and there have been issues with businesses being able to make deposits (federally insured institutions).

Ms. Beltrami noted that some Colorado companies handle payroll and accept cash from these businesses. Mr. Rulien stated that due to RICO laws it is illegal for a CPA to accept cash from “illegal” business. It was decided that the Board should ask the Division for an update on this topic during the fiscal report. Ms. Hondolero was asked to review the older documents (attorney/client) related to this topic (November 2016 or before) and send information to Ms. Beltrami.

ED Report

Ms. Hondolero had provided 2017 renewal information to the Board in their packets. It was also noted that she had been approved to attend the NASBA ED conference on scholarship.

The Board requested additional information related to the lapsed licenses. The Board would like to see how the 2017 renewal statistics compare to past renewals including information about the addresses (in/out of state/country).

Division Update

The Board reviewed the most recent quarterly financials in the packet.

Ms. Dumas was present to speak with the Board. She indicated that indirect costs have increased due to the general funds allotted to the Department shrinking and the Division growing. This is increasing the portion of expenses required to be paid by the Division. The Division has also requested additional staff due to adding additional licensing programs.

It was noted that there are three different allocation methods. Mr. Johnson asked about a personnel breakout and Ms. Dumas stated that there were currently corrections being made and that information could be provided once everything was corrected. Ms. Brewer-Tarver asked if revenue was broken out. Ms. Dumas indicated that right now there is only one account (CPA1) for the program; may be able to breakout more in the future.

Ms. Brewer-Tarver also asked about how much of the allowable 3rd party funds had been used, if the Board is in a surplus would travel requests be approved

and if Board members are allowed to pay for their own travel. Ms. Dumas indicated that she would research and get back to the Board.

Mr. Johnson asked for a breakout of lapsed licenses (active/inactive) by in state/out of state and out of country address. Mr. Johnson questioned whether the Board should update the requirements so that to obtain/maintain a license, Alaska residency and/or US SSN is required.

Ms. Brewer-Tarver indicated that maybe the Board should ask Chief Francois for additional clarification on out of state practice and the ability to regulate. Mr. Hogue added that if the licensing out of state/country happens, it may impact the Boards existence.

Ms. Hondolero will pull statistics for individual licenses with expiration dates of 12/31/13, 12/31/15 and 12/31/17.

Agenda Item 9 – CPA Exam Surveys

The Board reviewed the information that was included in the packet.

Three surveys from the most recent testing window and one from a past window had been received; none reported any negative issues.

The Board also reviewed the candidate bulletin which included lots of information about the exam, test windows, score release, etc.

Information on what all jurisdictions allow for passage the exam was also included. All jurisdictions require that the four exam sections be passed within 18 months. There is some variance regarding what date they base credit expiration on.

Agenda Item 12 – Application Review

The Board started application review. Mr. Hogue disconnected from the meeting until the following morning.

Upon a motion duly made by Mr. Rulien seconded by Mr. Johnson, and approved unanimously by the members present, it was:

RESOLVED to approve Saim Akif, Akinbayo Akinpelu, Rahul Bajaj, Ashley Beedle, Sara Dennis, Tarek El Hanouni, Carter Ellis, Joseph Kirkpatrick, Kyle Kirn, Christopher Lallish, Sabra Lamb, Sanan Mammadov, Olga Matviyenko, David Murdock, Kevin Ruark, Courtney Vandegriff, Mariah

Ver Hoef, Pei-Jen Wang, Eduardo Wink and Amanda Woodard for licensure by exam.

The meeting was recessed at 4:50 p.m., until Tuesday, February 13, 2018.

Tuesday, February 13, 2018

Call to Order/Roll Call

The meeting was called to order by Leslie Schmitz, Chair, at 8:41 a.m. Those present, constituting a quorum of the Board were:

Donovan Rulien II, CPA – Anchorage
Jeffrey Johnson, CPA – Fairbanks
Karen Brewer-Tarver, CPA – Juneau
Wayne Hogue, Public member – Kotzebue (telephonic)
Marja Beltrami, CPA – Anchorage
Leslie Schmitz, CPA – Anchorage

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

Cori Hondolero, Executive Administrator

Visitors present included:

Marjorie Kaiser, CPA, representing the Alaska Society of CPAs (ASCPA)
Bernadette Koppy, representing the Alaska Society of Independent Accountants (ASIA)

Agenda Item 10 – Review Agenda

The Board moved up the statute/regulation discussion.

Ms. Hondolero was asked to inquire with Division management to see if there have been any changes from the Division's perspective regarding marijuana (since Sessions memo 1/4/18).

Agenda Item 11 – Public Comment

There was no one present that made a request to address the Board.

Agenda Item 13 – Statute/Regulation Projects

The Board wanted to review the most recent version/draft of HB147 – dated 2/2/18 before meeting with Representative Thompson. It was noted that this version had received a letter of support from the State Society.

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

RESOLVED to approve the sponsor substitute version of HB147 dated 2/2/18.

Mr. Johnson and Mr. Rulien left for their scheduled meeting with Representative Thompson and his staff.

There was Board discussion about inactive/retired and how to clean up the language in the statues/regulations. The following options were discussed:

- AS 08.04.200 – maybe create parts (a), (b) & (c) for active, inactive and retired
- AS 08.04.410 – amend to add clarifying language
- AS 08.04.500/AS 08.04.520 – possibly combine these sections
- 12 AAC 04.430 – maybe add a new section

Agenda Item 12 – Application Review

The Board reviewed 12 AAC 04.300(b) and discussed changing this from 180 to 30 days to shorten the time period for completing CPE.

The Board would also like those selected for random audit to be required to use a CPE tracking sheet to list out all of their CPE hours. The sheet must also include totals for each year. It can be their own list (excel or similar), but must list each course, date and have the total hours being claimed.

The Board completed application review and took the following action:

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

RESOLVED to approve Jennifer Petersen to sit for the CPA exam.

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

RESOLVED to approve Ankit Priyadarshi's request for extension of REG score until 5/31/18.

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

RESOLVED to approve the following reinstatement applications:

- **Michael Fink**
- **Zachary Hill**
- **John McIntyre**
- **Takashi Nukanobu**
- **Ekaterina Popova**
- **Katherine Strle**

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

RESOLVED to approve the Out-of-State firm permits of Presnell Gage, PLLC, Saint George Consulting Inc. and Vavrinek, Trine Day & Co., LLP.

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

RESOLVED to approve the firm permit of Mat-Su Accounting Services, LLC.

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

RESOLVED to approve the mandatory CPE audits of:

- **Michael Colvin**
- **Mohammed Desin**
- **Carl Gatter**
- **Remond Henderson**
- **Amy Hillenbrand**
- **Duane Hirsch**
- **Teri Kostka**
- **Evegenia Krasovskikh**
- **Conrad Kreutzer**
- **Dolores Mirando-Gould**
- **James Newhouse Jr.**
- **Joseph Newhouse**
- **Kent Pomeroy**
- **Theodore Sherwin**
- **Howard Sparks**

- **Chikako Suzuki**
- **Holger Wildgrube**
- **Mark Wohlgemuth**
- **Sherry Young**

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

RESOLVED to approve the random CPE audits of:

- **Sonia Auld**
- **Barbara Baumgartner**
- **Elena Begojevic**
- **Mladen Begojevic**
- **Joseph Bergene**
- **Katherine Blank**
- **Wayne Blank**
- **John Clonan**
- **L. Delbert Crocker**
- **Keith Day**
- **Brian Donohue**
- **Laura Doughty**
- **Kristen Droge**
- **Michael Hanrahan**
- **Liz Hartshorn (Ms. Beltrami abstained from voting on this file)**
- **Sherry Hassell**
- **Janice Heikkila-Walker**
- **Antoinette LoMonaco**
- **Loren Louwagie**
- **J. Mark Lundahl**
- **Nathalie Martin**
- **Lynn Mitchell**
- **Rachel Nichols**
- **Kenneth Olmstead**
- **Diane Palmer**
- **Jonathan Palmer**
- **Hojin Park**
- **Abdulla Rasiwala**
- **Wendy Richerson**
- **Kensaku Sakai**
- **Evangeline Salvador**
- **Mohan Samuel**
- **Leland Schlatter**
- **Sol Shin**

- **Susanne Skaggs**
- **Janiese Stevens**
- **Adam Sycks (Ms. Brewer-Tarver abstained from voting on this file)**
- **Koji Urano**
- **William Van Couwenberghe**
- **Laura Walsh**
- **Cynthia Wynn**
- **Fehmi Yucer**
- **Volodymyr Zabrods'kyy**

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

RESOLVED to approve Jim Soileau's request for CPE credit for an American Bankers Association course; this CPE would be capped at 16 hours under 12 AAC 04.300(a)(1).

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

RESOLVED to deny the late renewal CPE audit of Katrina Carney. CPE hours were taken after 12/31/17 (outside of the licensing period); standard consent agreement required.

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

RESOLVED to approve Donald Hester's CPE audit with reminders that it is important to accurately report CPE hours earned in each year during the renewal process and publications must be sent in for approval at the time of renewal.

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

RESOLVED to deny the CPE audit of Andrew Meiners. The audit revealed a shortage the required hours (3); standard consent agreement required.

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

RESOLVED to deny the CPE audit of Carol Wigen. The audit revealed a shortage the required hours (did not meet minimum of 20 hours in each year and short total hours); standard consent agreement required.

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

RESOLVED to approve Wael Mansour El Tayeb's mandatory CPE audit.

Upon a motion duly made by Ms. Brewer-Tarver seconded by Mr. Rulien, and approved by a majority, it was:

RESOLVED to approve Teruko Miyagawa's request for extension of FAR score until 3/10/18.

Upon a motion duly made by Ms. Brewer-Tarver seconded by Mr. Rulien, and approved by a majority, it was:

RESOLVED to not stop accepting exam score extension requests if they are due to the 2017 exam score release delay.

Upon a motion duly made by Ms. Brewer-Tarver seconded by Mr. Johnson, and approved by a majority, it was:

RESOLVED to deny Michael Sims and Jon Watkins for licensure by reciprocity. AS 08.04.195 and 12 AAC 04.180; experience requirements not met.

***Mr. Rulien abstained from voting on the Watkins file**

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

RESOLVED to table the random CPE audit of Bruce Cain. The Board requests course descriptions for the UAF courses being claimed.

Agenda Item 13 – Statute/Regulation Projects

The Board recapped the list of projects that they would like to work on:

- Inactive/retired/use of CPA designation – Ms. Brewer-Tarver will review and provide suggested edits.
- Ms. Brewer-Tarver will reach out to Society Legislative Committee Chair to see if they have any suggested updates.
- Check with investigators to see there are any areas that they think need update.
- Ms. Brewer-Tarver will work on the last draft of 12 AAC 04.180
- Delete one year of experience from tracking sheet.
- Request help from NASBA on legal entity definition.

Ms. Hondolero, Ms. Schmitz and Ms. Brewer-Tarver will work on a list of peer review quick poll questions to forward to NASBA for distribution.

Inquire with the State Society to see if they will share their written policy on the peer review process regarding their ethics committee and what the Society's involvement is.

Agenda Item 14 – Correspondence

The Board reviewed the correspondence items contained in the Board packet.

Ms. Hondolero noted that the big issue being discussed by executive directors was the new/rebranded AICPA (institute vs association). There is confusion about who is issuing the ethics certificates, who owns the exam etc. (most jurisdiction rules specifically name the institute). A task force was formed to review this issue and is likely to be discussed in more detail at upcoming NASBA meetings.

Agenda Item 15 – Administrative Business

Confirm Upcoming Meeting Dates/Locations

- May 31- June 1, 2018 Fairbanks
- August 2-3, 2018 Anchorage
- November 15-16, 2018 Anchorage

*The Board opted to switch the usual Anchorage (spring) and Fairbanks (fall) meetings to coordinate the spring meeting to align with the State Society annual meeting. This will allow the Board to provide outreach to an increased number of licensees. The Board plans to speak at the annual business meeting on June 1, 2018 to provide an update on current and future projects.

Sign Wall Certificates

- Satzhan Temirgaliyev #CPAI2269
- Stacey McDowell #CPAI2609
- Elizabeth Martin #CPAI1099

- Jiajia Wei #115028
- Xuedong Wang #120595
- Kerry Boggs-Lopez #121517
- Meghan White #125899
- Tiana Walters #126178
- Stephen Tibbs #126237
- Amber LeBlanc #126239
- Alejandra Blanco Briceno #126858
- Raymond Pitka Jr. #127069
- Hanning Zhang #125591
- Junfeng Jiang #126980
- Mohammad Abou Baker #117219

Task List

Cori Hondolero

- Work with Mr. Hogue on updating the statute/regulation tracking sheet (pending from past meeting)
- Look for past marijuana info. (2016 or before) and send to Ms. Beltrami
- Ask Division if there have been any updates on marijuana following 2018 Sessions memo
- Work on renewal statistics broken out by in state/out of state/out of country (exp. dates 2013/2015/2017)
- Ask investigations (Chief) for clarification on ability to regulate out of state practice
- Work with Ms. Schmitz and Ms. Brewer-Tarver on peer review quick poll questions; when complete send to NASBA
- Check with State Society to see if they have a written policy/procedure that they will share regarding their ethics committee/peer review process
- Check with investigations to see if they have any suggested statute/regulation updates
- Request help from NASBA on legal entity definition

Ms. Schmitz

- Review use of title issue (pending from past meeting)
- Work with Ms. Hondolero and Ms. Brewer-Tarver on peer review quick poll questions.

Ms. Brewer-Tarver

- Work on 12 AAC 04.038 (review UAA) (pending from past meeting)
- Work with Ms. Hondolero and Ms. Schmitz on peer review quick poll questions.
- Volunteered to be point of contact for investigations on any upcoming unlicensed firm cases

- Review inactive/retired/use of CPA designation and provide suggested edits
- Reach out to State Society Legislative committee Chair to see they have any suggested statute/regulation updates
- Review/work on last draft of edits to 12 AAC 04.180

Mr. Rulien

- Identify regulations that need reference updates (pending from past meeting)

Mr. Hogue

- Will work on statute/regulation tracking list to add additional page/link with additional information for each change (pending from past meeting)
- Work with Mr. Rulien on identifying areas of the regulations that need reference updates (pending from past meeting)

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

RESOLVED to adjourn the meeting

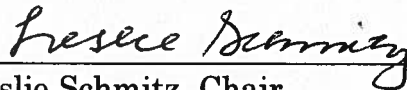
There being no further business, the meeting adjourned at 5:03 p.m.

Respectfully Submitted:



Cori Hondolero
Executive Administrator

Approved:



Leslie Schmitz, Chair
Alaska Board of Public Accountancy

Date: 5/31/2018