

MINUTES

SC Department of Labor, Licensing, & Regulation
Board of Accountancy

Board Meeting

June 26, 2018

SYNERGY OFFICE PARK
KINGSTREE BUILDING, ROOM 108
110 CENTERVIEW DRIVE
COLUMBIA, S.C. 29210

NOTE: These minutes are a record of the motions and official actions taken by the Board and a brief summary of the meeting.

1. Call to Order

Ellen Adkins, CPA, Chair, was present and called the meeting of the South Carolina Board of Accountancy to order on June 26, 2018, at 9:03m, with a quorum present. Other Board members present were: Todd Dailey, CPA, Vice Chair, Gale Bell, Accounting Practitioner, Charles Alvis, CPA, Brian Johnson, CPA, Tanya Greenlee, CPA, Michael Putich, CPA, David Nichols, Accounting Practitioner, Bob Wood, Public Member, and Ron Hollins, Public Member. LLR staff members participating in the meeting included: Doris Cubitt, CPA, Administrator, Susanna Sharpe, CPA, Assistant Administrator, Chelsea Buchanan, Program Coordinator, Johnnie Rose, Program Assistant, Mary League, Advice Counsel, Courtney Crosby, Investigator, and Donnell Jennings and Ashley Thompson, Prosecuting Attorneys with the Office of Disciplinary Counsel.

2. Consideration of Excuses for Absences of Board Members

Motion

Michael Putich made a motion to excuse Mark Crocker from the meeting. David Nichols seconded the motion, which carried unanimously.

3. Adoption of Agenda

Motion

Tanya Greenlee made a motion to approve the agenda. Gale Bell seconded the motion, which carried unanimously.

4. Approval of April 24th 2018 Meeting Minutes

Motion

Gale Bell made a motion to approve the minutes of the April 24, 2018 meeting as presented. David Nichols seconded the motion, which carried unanimously.

5. Office of Investigation Report

Courtney Crosby briefed the Board on the OIE report. She reported that 15 new complaints have been received in 2018 as of June 19th. There are 15 cases currently active, and 12 have been closed this year.

Motion

Charles Alvis made a motion to accept the IRC report, which included recommendation for a formal complaint in cases 2017-9, 2017-16, 2018-12, and a letter of caution for case 2018-2. Gale Bell seconded the motion, which carried unanimously.

6. Office of Disciplinary Counsel Report

Donnell Jennings presented a report for information. There are currently 18 open cases, 2 cases pending action, and 3 cases closed this year. He also introduced Ashley Thompson, who will be the new prosecuting attorney to the Board.

7. Chair's Remarks

Ellen Adkins made a brief statement about the most recent NASBA meeting, stating that some of the "trending issues" covered at the meeting included deregulation, board consolidation, eliminating barriers to firm mobility, and the alternate pathways to becoming a CPA.

8. Administrator's Report

A. Financial Report

Susanna Sharpe presented the financial report for information. She pointed out that after preparing a chronological timeline of financial information, the net amount is decreasing every year.

B. License and Renewal Update

Ms. Sharpe presented the number of active licensees and firms.

9. Application Hearings

A. Consideration of H. Christopher Moss's Firm Application

Mr. Moss has applied for registration of an In-State firm but could not be approved at staff level due to the amount of time the firm had been operating before the application for registration. Mr. Moss indicated he had his firm open in 2012 but did not apply for a registration until 2018.

Motion

Todd Dailey made a motion to go into executive session for legal advice. Ron Hollins seconded the motion, which carried unanimously.

Motion

Tanya Greenlee made a motion to come out of executive session. Charles Alvis seconded the motion, which carried unanimously. It is noted that no official actions were taken by the Board during executive session.

Motion

Ron Hollins made a motion to approve the firm registration application pending payment of \$600 penalty for having practiced without a firm

registration, \$100 for not applying for registration timely once he began operating as the firm, and \$300 in back registration fees. Gale Bell seconded the motion, which carried unanimously.

B. Consideration of Cherie Brown's CPA Exam Application

Ms. Brown has applied to sit for the CPA exam as a South Carolina candidate but could not be approved at staff level due to her self-reported criminal history.

Motion

Bob Wood made a motion to approve Cherie Brown to sit for the CPA exam. Ron Hollins seconded the motion, which carried unanimously.

C. Consideration of Paul Vergas's CPA Exam Application

Mr. Vergas has applied to sit for the CPA exam as a South Carolina candidate but could not be approved at staff level due to his self-reported criminal history.

Motion

Charles Alvis made a motion to go into closed session to comply with federal and state confidentiality laws due to the nature of the issue at hand. Ron Hollins seconded the motion, which carried unanimously.

Motion

Bob Wood made a motion to approve Paul Vergas to sit for the CPA exam. Charles Alvis seconded the motion, which carried unanimously.

The Board ended the closed session.

D. Consideration of Jyron Pugh's CPA License Application

Mr. Pugh is applying for a license as a South Carolina CPA however staff was not able to approve his application because there were questions about whether he met the experience requirement due to his supervisor not being in the office at all times during the hours he worked.

Motion

Michael Putich made a motion to go into executive session for legal advice. Tanya Greenlee seconded the motion, which carried unanimously.

Motion

Charles Alvis made a motion to come out of executive session. Gale Bell seconded the motion, which carried unanimously. It is noted that no official actions were taken by the Board during executive session.

Motion

Charles Alvis made a motion to approve Jyron Pugh for licensure as a South Carolina CPA. Ron Hollins seconded the motion, which carried unanimously. Todd Dailey recused himself from the matter due to a prior working relationship with the applicant and did not participate in the hearing or the vote. The Board felt that since Mr. Pugh is now working full time for the same supervisor at the heart of the matter and the employment is expected to continue, it would be just over 2 months before

he would have a full year in addition to the part time hours he had earned. They did not feel that it would be necessary for the applicant to reappear before the Board only for the supervisor to again reaffirm his support for his employee to be licensed.

E. Consideration of Ruth Murray's CPA License Application

Ms. Murray has applied for a reciprocal CPA license in South Carolina but could not be approved at staff level due to the amount of time Ms. Murray has been working in South Carolina prior to applying for licensure.

Motion

Ron Hollins made a motion to go into executive session for legal advice. Tanya Greenlee seconded the motion, which carried unanimously.

Motion

Tanya Greenlee made a motion to come out of executive session. Charles Alvis seconded the motion, which carried unanimously. It is noted that no official actions were taken by the Board during executive session.

Motion

Charles Alvis made a motion to approve Ruth Murray for licensure as a South Carolina CPA upon payment of \$240 for back registration fees. Ron Hollins seconded the motion, which carried unanimously.

F. Consideration of Sarah Linkimer's CPA License Application

Mrs. Linkimer is applying for an original CPA license in South Carolina. Her application could not be approved at staff level because the year of experience documented in her application file was earned more than seven years prior to her application.

Motion

Charles Alvis made a motion to go into executive session for legal advice. David Nichols seconded the motion, which carried unanimously.

Motion

Tanya Greenlee made a motion to come out of executive session. Gale Bell seconded the motion. It is noted that no official actions were taken by the Board during executive session.

Motion

Brian Johnson made a motion to approve Sarah Linkimer for licensure as a South Carolina CPA. Gale Bell seconded the motion, which carried unanimously. Michael Putich recused himself from the matter and did not participate in the vote. Several Board members stressed the very specific details of this application that led them to the decision, including Mrs. Linkimer's uninterrupted participation in the accounting profession and the imagined intent of the legislature at the time the statute was created.

G. Consideration of Marlene Booth's Firm Registration Application

Ms. Booth is applying for registration of her in-state firm. The application could not be approved at staff level due to the amount of time the firm was open prior to the application.

Motion

Tanya Greenlee made a motion to approve Marlene Booth's firm registration application pending payment of a \$200 penalty and \$100 in back registration. Ron Hollins seconded the motion, which carried unanimously.

H. Consideration of KC Tax and Accounting Firm Registration Application

KC Tax and Accounting has applied for registration as an in-state firm. The application could not be approved at staff level due to the amount of time the firm was open prior to the application.

Motion

Tanya Greenlee made a motion to approve the application for firm registration pending payment of \$100 for each year the firm was operating without a registration and \$100 in back registration fees, for a total of \$300. Ron Hollins seconded the motion, which carried unanimously.

**10. Memorandum of Agreement
Case 2017-20**

The case arises from Christopher Hazel's guilty plea to federal charges stemming from the same facts and circumstances that were heard by the Board in case 2011-16 and for which an order was issued in November of 2013 suspending Mr. Hazel's license in addition to other stipulations.

Motion

Michael Putich made a motion to go into executive session for legal advice. Ron Hollins seconded the motion, which carried unanimously.

Motion

Tanya Greenlee made a motion to come out of executive session. Charles Alvis seconded the motion, which carried unanimously. It is noted that no official actions were taken by the Board during executive session.

Motion

Ron Hollins made a motion to accept the amended Memorandum of Agreement, extending probation until December 31st, 2021, containing the same conditions of the 2013 order, and awarding costs. Charles Alvis seconded the motion, which carried unanimously. Bob Wood recused himself from the matter and did not participate in the hearing or the vote.

**11. Old Business
A. Center for Public Trust**

Doris Cubitt informed the Board that she has spoken with contacts at NASBA's Center for the Public Trust, and they have agreed to put together content to create a SC specific ethics course that could be used

in disciplinary cases, as the material for the state-specific ethics course required for annual CPE, and when combined with material from the existing required course, could also be the ethics course required of applicants for initial licensure.

12. New Business

A. Exemption from CPE

Motion

Michael Putich made a motion to make the Assistant Administrator Susanna Sharpe exempt from the South Carolina specific CPE requirements as she reviews the content that becomes the approved SC specific courses. Charles Alvis seconded the motion, which carried unanimously.

B. Oath Ceremony

The Board discussed the future plans for the Oath Ceremony. While SCACPA has been co-hosting the ceremony in the past, the plan for the Spring 2018 meeting would have meant the ceremony would take place in the upstate. Board members wondered whether this would deter attendance from invitees who live far away, noting Columbia's central location. Some members also expressed a desire for the ceremony to highlight the Board's role and the laws and policies of SC to emphasize the importance of accountability to new licensees.

The matter will be put on the August agenda to be discussed and a decision made concerning the fall ceremony.

C. Investigative Process

The question in this case is whether the Board wanted to exercise authority in any situations of open complaints to require a background check of the same type required of new and reinstating licensees. It was decided that the Inspection subcommittee would take up the issue in future committee meetings.

D. Compliance Reporting

The issue of to whom the outcome of disciplinary matters is reported was discussed. Disciplinary orders are already being sent to various entities that are regulatory bodies and/or media sources that make the orders publicly available. The Board did not feel any change is needed to the current process.

13. Election of Officers

Motion

Tanya Greenlee made a motion to nominate Todd Dailey as Board Chair, Charles Alvis as Vice Chair, and Michael Putich as Board Secretary. Ron Hollins seconded the motion, which carried unanimously.

14. Public Comment
No Public Comments

15. Adjournment
Motion

With no further business to be discussed at this time, Ron Hollins made a motion to adjourn the meeting. Michael Putich seconded the motion, which carried unanimously.

The June 26, 2018 meeting of the SC Board of Accountancy adjourned at 4:20p.m.