

Minutes
S. C. Department of Labor, Licensing & Regulation
Board of Accountancy

Board Meeting

Tuesday, January 24, 2017, 10:00 a.m.
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** – The meeting was called to order at 10:04 AM by Chair Tanya Greenlee. In attendance were Chair Tanya Greenlee, CPA, Vice-Chair Ellen, CPA, Charles Alvis, CPA, Gale Bell, Accounting Practitioner, Mark Crocker, CPA, David Nichols, Accounting Practitioner, Todd Dailey, CPA, Bob Wood, Public Member, Ronald Hollins, Public Member, Michael Putich, CPA, and Brian Johnson, CPA. Also present were Doris Cubitt, CPA, Board Administrator, Prentiss Shealey, Prosecuting Attorney with the Office of Disciplinary Counsel, Mary League, Advice Counsel, Bridgette Goff, Program Coordinator and Chelsea Buchanan, Administrative Assistant.
- 2. Moment of Silence and Pledge of Allegiance**
A moment of silence was observed and the Pledge of Allegiance was recited.
- 3. Consideration of Excuses for Absences of Board Members**
All Board members were present.
- 4. Adoption of Agenda**
Motion
It was moved, seconded and carried that the agenda be adopted.
- 5. Approval of Meeting Minutes**
Motion
It was moved, seconded and carried unanimously that the October 19, 2016 minutes be adopted with the corrections already submitted to board staff via e-mail.
- 6. Office of Investigation & Enforcement Report**
Sharon Cooke from the Office of Investigation and Enforcement appeared for Chief Investigator Sharon Wolfe. She stated that OIE opened one complaint received during Jan 1-18, 2017.

During Jan. 1-Dec. 31, 2016, OIE received 53 cases. Of those three are active, 21 are closed, seven Do Not Open, one opened and one pending board action. Additionally in that time period, 39 cases were closed, seven were Do Not Open and the oldest of those cases was 210 days. The IRC for Jan. 10, 2017 was cancelled due to no investigator on staff.
- 7. Office of Disciplinary Counsel Report**
Prentiss Shealey of the Office of Disciplinary Counsel reported that ODC has 39 open cases for 30 respondents: 13 pending ODC action, 11 pending consent agreements, 2 pending memorandum of agreement, 3 pending board action (on the agenda today), 13 pending board hearing, and no cases currently pending order. She stated that ODC closed 20 cases last year.

8. Consent Agreements

It was moved, seconded and carried unanimously that the cases for consent agreements be heard in a closed session due to confidentiality of cases.

9. Chair's Remarks

Due to thirty-eight upcoming hearings the Board may need to schedule extra days just for hearings.

10. Administrator's Report (Doris Cubitt)

- Financial Reports were given to all board members.
- A copy of a Washington State Consent Agreement given to board members to illustrate how Washington State has handled revocation of licenses, including pathways to reinstate in some cases.
- Cancellation of November 9, 2017 Meeting.
- Several dates proposed for upcoming hearing dates. Chair Greenlee requested that dates be e-mailed to board members and all board members respond with when they are available.
- Proposed legislation to change the definition of "compilation".
- Posted Investigator and Assistant Administrator positions. No offers made yet.

11. Application Hearings

A. Samantha Herget

Exam candidate has had a few traffic violations which exceeded board administrator's authority to approve the application to sit for the exam.

Motion

It was moved, seconded and carried unanimously that the Board go in to Executive Session for legal advice.

Motion

It was moved, seconded and carried unanimously that the Board come out of Executive Session. No votes were taken during Executive Session.

Motion

It was moved, seconded and carried unanimously that the applicant be allowed to sit for the CPA exam as a South Carolina candidate.

B. John E. Brown

Licensee is applying for a firm registration. It was brought before the Board due to the length of time the firm had been opened prior to an application for firm registration being made. The licensee opened the firm on 1/1/10, board staff received firm application 9/6/16. According to SC DOR he prepares about 145 tax returns per year.

Motion

It was moved, seconded and carried unanimously that the Board go in to Executive Session for legal advice.

Motion

It was moved, seconded and carried unanimously that the Board come out of Executive Session. No votes were taken during Executive Session.

Motion

It was moved and seconded that the applicant be allowed to register his firm pending receipt of payment of a fine in the amount of \$1000 for noncompliance in registering the firm.

Amended Motion

It was moved, seconded and carried unanimously that the fine be \$750 instead of \$1000 due to the licensee's having been in compliance in all other matters as a CPA.

C. John F. Mosca, CPA, PC

Licensee is applying to renew the firm registration. The firm license lapsed in 2013 and the firm has continued to operate without a license. Board staff received the firm's renewal application Jan. 3, 2017.

Motion

It was moved, seconded and carried unanimously that hearing be continued in a closed session in compliance with state and federal law

Motion

It was moved, seconded and carried unanimously that the Board go in to Executive Session for legal advice.

Motion

It was moved, seconded and carried unanimously that the Board come out of Executive Session. No votes were taken during Executive Session.

The Board asked board staff for additional information concerning a 2013 Consent Agreement that was not signed. Since the 2013 Consent Agreement was not signed and returned the applicant's license was not reinstated. License was reinstated in August 2016. Licensee did submit reinstatement fee received by board staff 1/28/15 but did not submit the completed reinstatement application until 2/2/16. Fine affiliated with Consent Agreement was received by board staff 9/1/16.

Motion

It was moved, seconded and carried unanimously that the Board go in to Executive Session for legal advice.

Motion

It was moved, seconded and carried unanimously that the Board come out of Executive Session.

Motion

It was moved, seconded and carried unanimously that the firm license reinstatement be approved upon receipt of a \$2500 fine and the firm will be on probation for two years.

D. Charles Ginetto

Applicant is applying for licensure by reciprocity. Board staff received an application 3/11/16. The licensee began practicing in SC sometime during 2007 preparing tax returns for clients inside and outside of SC. The applicant holds a PTIN which is how board staff discovered that he needed a license to practice in SC. According to SC DOR he prepares about 4-5 tax returns per year.

Motion

It was moved, seconded and carried unanimously that the Board go in to Executive Session for legal advice.

Motion

It was moved, seconded and carried unanimously that the Board come out of Executive Session. No votes were taken during Executive Session.

Motion

It was moved, seconded and carried unanimously that the hearing be continued in a closed session in compliance with state and federal law.

Motion

It was moved, seconded and carried unanimously that the Board go in to Executive Session again for legal advice.

Motion

It was moved, seconded and carried unanimously that the Board come out of Executive Session. No votes were taken during Executive Session.

Motion

It was moved, seconded and carried unanimously that the application for licensure by reciprocity be approved pending receipt of a \$1000 fine. Further, if the licensee applies for a firm registration that it be approved upon receipt of a \$1000 fine provided that all other conditions and requirements, including payment of application fee, for firm registration are also met.

E. Cunningham & Associates CPA's, Inc.

Licensee has applied to renew his firm registration. Firm was first registered in 2009 and expired 1/31/16 but continued to operate without a license. The firm's legal counsel asserted that the failure to renew was a one-time clerical error.

Motion

It was moved, seconded and carried unanimously that the Board go in to Executive Session for legal advice.

Motion

It was moved, seconded and carried unanimously that the Board come out of Executive Session. No votes were taken during Executive Session.

Motion

It was moved, seconded and carried unanimously that the firm license be renewed upon the receipt of a \$500 fine.

F. Wesley K. Hill

Applicant had applied for reinstatement of license. Applicant's license expired 1/31/16. Board staff received reinstatement application 11/7/16. During the reinstatement process, it was revealed that applicant, who is also a licensed attorney, had been disciplined by the Georgia Bar in Feb. 2015 in which he voluntarily surrendered his license with conditions in order to reinstate.

Motion

It was moved, seconded and carried unanimously that hearing be continued in a closed session in compliance with state and federal law

Motion

It was moved, seconded and carried unanimously that the Board go in to Executive Session for legal advice.

Motion

It was moved, seconded and carried unanimously that the Board come out of Executive Session. No votes were taken during Executive Session.

Motion

It was moved, seconded and carried unanimously (with the exception of Bob Wood who was recused from this matter) that the application for reinstatement be approved contingent upon a provision of an evaluation acceptable to the Character and Fitness Committee that the applicant is fit and capable of practicing accountancy; the evaluation should be from a SC licensed physician and additionally if the applicant applies for firm registration the applicant must appear before the Board.

G. Elizabeth Fogel

The applicant is applying for licensure by reciprocity. The candidate has been working in South Carolina without a CPA license. The candidate applied for licensure by reciprocity on 1/1/16. She is currently licensed in Colorado (inactive) and North Carolina. She holds a PTIN registered to her South Carolina address.

Motion

It was moved, seconded and carried unanimously that hearing be continued in a closed session in compliance with state and federal law.

Motion

It was moved, seconded and carried unanimously that the Board go in to Executive Session for legal advice.

Motion

It was moved, seconded and carried unanimously that the Board come out of Executive Session. No votes were taken during Executive Session.

Motion

It was moved, seconded and carried unanimously that the license application be approved with a \$500 fine, but due to applicant's conscientious efforts that the fine be reduced to \$100.

12. Old Business

There was no old business to discuss.

13. New Business

A. Approval for NASBA travel for 2017

The Regional meeting is in Newport, Rhode Island, June 27-29, 2017, June 26 for new board member orientation.

The Annual meeting is in New York October 2-November 1, 2017.

Motion

It was moved, seconded and carried unanimously that the Board approved to send the Administrator, Assistant Administrator (if applicable), Advice Counsel, Prosecuting Attorney and Investigator to attend the ED and Legal meeting and to send to the regional and annual meetings the Administrator, Assistant Administrator (if applicable), and two board members.

B. Approval of 4th Quarter 2016 Exam Grades

Motion

It was moved, seconded and carried unanimously that the Board approve the 4th Quarter 2016 Exam Grades.

C. Discussion of Scope of Practice of Non-CPA Employees, Partners

The Board discussed that these are not matters that the Board should decide, but refer these to the managing partner, the AICPA or even to their liability insurance carrier.

D. Firm Registration

An issue has come before board staff where a CPA owner/partner of a CPA firm also owns a non-CPA tax preparation business that is physically attached to the same building, but with separate entrances. After discussion, it was decided the matter required further study.

14. Public Comment (No Votes May Be Taken)

There were no comments from the public.

15. Adjournment

Motion

It was moved, seconded and carried unanimously that the Board adjourn at 4:25 PM.

Respectfully submitted,
Doris E Cubitt, CPA
Administrator