

Commonwealth of Massachusetts
Board of Public Accountancy
May 21, 2015
1000 Washington Street, Room 1D
Boston, MA 02118

Board Members Present:

Regina D. Hunter, CPA, *Chairwoman*
Mark S. Robinson, CPA, *Secretary*
Robin Kramer, CPA, *Member*
Randall S. Davis, CPA, *Member*,

Staff Members Present:

Neldy Jean-Francois, *Executive Director*
Jim O'Connor, *Board Legal Counsel*
Victoria Fernandes, *Board Staff*

Call to Order the meeting was called to order at 10:04AM by Chairwoman Hunter.

Housekeeping and Evacuation Procedures

Executive Director Jean-Francois discussed the emergency evacuation procedures including a specified meeting location outside the building so all may be accounted for in the event of an actual emergency (the location is the Graybar parking lot across the street from the building's entrance). For the enjoyment and comfort of all attending, locations of restrooms and dining facilities were also reviewed.

MSCPA President/CEO of Massachusetts Society of Certified Public Accountants (MSCPA), Amy Pitte and Government Relations Specialist of the MSCPA, Zach Donah appeared before the Board in open session:

- Introduction of President/CEO of MSCPA, Amy Pitte

President/CEO Pitte is recently hired by the MSCPA so this was her first opportunity to meet with the Board. She introduced herself by providing the Board with a summary of her professional experience. She was most recently the Commissioner of the Commonwealth of Massachusetts Department of Revenue. She also briefed the Board on what she sees as the Society's priorities as she assumed the position of President/CEO. The Board welcomed and congratulated her and she and Board Members expressed the desire to continue a good working relationship that The Society and the Board have enjoyed in the past.

- CPAs engaging in marijuana dispensaries

Specialist Donah of the MSCPA initiated a general discussion primarily aimed at alerting the Board of the looming questions related to operation of marijuana dispensaries in the Commonwealth including questions for CPAs providing services to such marijuana dispensaries. Currently, it is believed that up to 32 licenses may be issued in the Commonwealth for marijuana dispensaries. The mechanics of dealing with licensed businesses dispensing marijuana are clouded by the fact that it continues to be contrary to Federal Laws. The Board acknowledged the difficulties presented by this and Chairwoman Hunter responded by saying the Board would take the matter under advisement.

Introduction of new Deputy Director for Policy & Boards- Robert Fortes

Deputy Director for Policy & Boards, Robert Fortes joined the meeting. He introduced himself and further informed the Board that he had started in this new position within the last 3 weeks. He replaces Layla D’Emilia who served in that capacity previously. The Board welcomed him to his new position. There were no questions for Deputy Director Fortes from Board members at the meeting.

Deputy Director Fortes attended the meeting for approximately one hour.

Investigative Conference Closed session

On a motion by Member Davis, seconded by Member Kramer, the Board voted unanimously to suspend the open meeting pursuant to G.L. c. 112, § 65C to discuss a complaint, Docket Number CA-15-038 [MG].

During the closed session, the Board took the following actions:

CA-15-038 [MG]

The Board voted unanimously to dismiss the case without prejudice.

At the close of the investigative conference, the Board returned to open meeting.

Regulation Review

- Executive Order 562

Executive Director Jean-Francois and Board Legal Counsel O’Connor initiated a discussion with the Board on Executive Order 562 which was signed by Governor Baker on March 31, 2015. The Executive Order mandates regulation review which this Board will undertake beginning with its next regularly scheduled meeting on June 18, 2015. *Board Legal Counsel O’Connor* pointed out to the Board that the primary features of the Order can be found in Section 3 which he then reviewed with the Board. The Executive Order remains in effect until March 31, 2016. The board discussed the possibility of adding additional meetings to its schedule to

accommodate the requirements of the Order if it becomes necessary. The board also decided not to form a sub-committee of Board members to accomplish the regulation review.

General Business:

The Board reviewed the March 19, 2015 meeting minutes. Thereafter, a motion was made by Member Kramer and seconded by Chairwoman Hunter, the Board voted to approve the March 19, 2015 minutes. Member Davis, citing his absence from the March 19, 2015 meeting, abstained from voting on the minutes.

The Board ended the open session by vote to suspend the open meeting pursuant to *M.G.L. c.30A § 18*, to conduct a *Quasi-Judicial Meeting*, a motion was made by Chairwoman Hunter and seconded by Member Kramer The Board voted unanimously to move into Deliberative Session.

Deliberative Session: Quasi-Judicial Meeting-M.G.L. c.30A §18 [Closed Session]

- CA-14-011, 14-017, 14-021, 14-024 [REM]

During the closed session, the Board took the following actions:

The Board voted unanimously to revoke any and all right to renew.

At the conclusion of the Deliberative Session, the Board continued in closed session to discuss new cases in Investigative Conferences.

Investigative Conferences: New Cases Closed Session

The Board continued to suspend the open meeting pursuant to G.L. c. 112, § 65C to discuss new complaints: **AICPA referral PCAOB referrals, AICPA and Docket Numbers SA-CA-15-004 [J.P.C.], CA-15-016 [P.J.C.], CA-15-039 [D.C.], CA-15-047 [N.L.]**

During the closed session, the Board took the following actions:

- AICPA Referral

The Board reviewed a letter from the American Institute of Certified Public Accountants (AICPA) that identified 3 Licensed Massachusetts Firms that are each believed to have audited an employee benefit plan while not complying with Peer Review Requirements. A short discussion ensued on the recent history of benefit plan audits and the oversight / involvement of the AICPA and the United States Department of Labor.

The Board requested a complaint be opened on each Firm related to this referral and that additional information be obtained.

- PCAOB Referrals

Member Kramer reported on all recent PCAOB referrals to the Board. These referrals warranted no further action by the Board. Chairwoman Hunter thanked Member Kramer for her willingness to review all PCAOB Referrals to the Board.

- SA-CA-15-004 [J.P.C.]

The Board voted unanimously to close the staff assignment and open a complaint for unlicensed practice.

- CA-15-016 [P.J.C.]

The Board voted unanimously to send the case to prosecutions recommending a revocation of the right to renew.

- CA-15-039 [D.C.]

The Board decided to invite both the Complainant and the Licensee to a future meeting of the Board.

- CA-15-047 [N.L.]

The Board voted unanimously to send the case to prosecutions.

The Board continued in closed session to hear a case update.

Case Update: *[Closed Session]: under G.L. c. 112 s. 65C*

- CA-15-031 [J.H.Z.]

During the closed session, the Board took the following actions:

The Board voted unanimously to send the case to prosecutions

The Board continued in closed session to hear additional cases related to random CPE audits.

Investigative Conferences: CPE Audits Closed Session

- The Board continued to suspend the open meeting pursuant to G.L. c. 112, § 65C to discuss complaints related to random audits of CPE Renewals case update: **Docket Numbers CA-15-006 [DD] and CA-15-020 [DR]:**

During the closed session, the Board took the following actions:

- CA-15-006 [DD]

The Board voted to refer the matter to the office of prosecutions

- CA-15-020 [DR]

The Board voted to refer the matter to the office of prosecutions.

The Board continued in closed session to hear an unscheduled Settlement offer.

Settlement Offer Closed session (Unscheduled)

During the closed session, the Board took the following actions:

Discuss Settlement Offer: *Prosecutor Nina Pomponio– M.G.L. c. 112 §65C [Closed Meeting]*

- CA-14-038 [E.V.]

The Board briefly discussed the case and a proposed counter offer with Prosecutor Pomponio.

The Board reaffirmed its previous decision on this case.

At the close of the investigative conference, the Board returned to open meeting.

Review of Applications-Deficiency:

The Board reviewed each of the following license applications individually as potential deficiencies had been identified by Board staff:

Short Form Application for Kenneth Stauffer [self-employment]

Full Reporting Application for Michael Hachey

Short Form Application for Nicole Stroud

During the discussion the Board instructed staff to take the following actions:

Short Form Application for Kenneth Stauffer - Approve the application.

Full Reporting Application for Michael Hachey - Approve the application.

Short Form Application for Nicole Stroud - Approve the application.

Correspondence

The Board addressed and reviewed the items of correspondence as publicized in its agenda. The correspondence and the Board's action regarding each are as follows:

Letter dated 3/11/2015 from Robert E. Brown II re: Firm Name

So noted by the Board, no action is required.

E-mail dated 4/2/15 from Greg Nanigian re: Qualifying Training for CPE credit

The Board instructed staff to notify Mr. Nanigian to apply for certification with NASBA's national registry for CPE providers.

E-mail dated 4/7/15 from Shoba Mathew re: MA Education Review

The Board voted unanimously to allow the Masters degree in question to be considered under Option 2.

E-mail dated 4/9/15 from Barbara Ianonni of MSCPA re: CLEP exam policies

The Board reaffirmed that CLEP needs to be accepted in a degree program.

E-mail dated 4/16/15 from Joshua Canan re: Firm Licensure

The Board instructed staff to notify Mr. Canan that the answer to his question is No.

E-mail dated 4/29/15 from Peggie Ritzer re: CPE extension

The Board voted unanimously to allow a one year extension of time to complete the required CPE.

New Business:

Open Session for Topics not reasonably anticipated by the Chair 48 hours in advance of meeting:

A discussion was initiated by *Executive Director* Jean-Francois that should be characterized as general in nature and in purpose of determining Board preferences and general guidelines for Board staff to follow conducting the day to day operations of the Board. This included a discussion on the implications and possible problems with CPAs participating in Continuing Professional Education (CPE) via conference call or other similar avenues of remote attendance.

Adjournment

Chairwoman Hunter obtained assurance from the Board's staff that the day's agenda had been completed, and there being no objections, on a motion by Member Davis seconded by Member Kramer, the Board voted unanimously to adjourn the May 21, 2015 meeting at 1:22PM.

Respectfully submitted,

Mark S. Robinson, CPA
Secretary,
Massachusetts Board of Registration of Public Accountancy

List of Documents Used by the Board at the Open Meeting:

Short Form Application for Kenneth Stauffer [self-employment]
Full Reporting Application for Michael Hachey
Short Form Application for Nicole Stroud
Letter dated 3/11/2015 from Robert E. Brown II re: Firm Name
E-mail dated 4/2/15 from Greg Nanigian re: Qualifying Training for CPE credit
E-mail dated 4/7/15 from Shoba Mathew re: MA Education Review
E-mail dated 4/9/15 from Barbara Ianonni of MSCPA re: CLEP exam policies
E-mail dated 4/16/15 from Joshua Canan re: Firm Licensure
E-mail dated 4/29/15 from Peggie Ritzer re: CPE extension

List of Documents Used by the Board at the Open Meeting on topics not reasonably anticipated by the Chair 48 hours in advance of meeting:

None