

**STATE OF MINNESOTA  
BOARD OF ACCOUNTANCY**

**In the Matter of  
Kris M. Casement  
Certified Public Accountant  
Certificate No. 20758**

**STIPULATION AND  
CONSENT ORDER  
Board File 2014-002**

The Minnesota Board of Accountancy ("Board") is authorized pursuant to Minnesota Statutes Section 214.10 (2012); Minnesota Statutes Section 326A.02, subdivisions 4 and 6 (2012); and Minnesota Statutes Section 326A.08 (2012) to review complaints against certified public accountants and to take disciplinary action whenever appropriate.

The Board received information concerning Kris M. Casement, 12658 Independence Avenue, Savage, Minnesota 55378, c/o Minnesota Correctional Facility - Shakopee, 1010 West Sixth Avenue, Shakopee, Minnesota 55379 ("Respondent"). The Board's Complaint Committee ("Committee") reviewed that information.

On July 8, 2014, the Board's Complaint Committee, composed of Board members Michael M. Vekich, CPA, Gregory S. Steiner, CPA, and Sharon A. Jensen, CPA, met to discuss allegations made in reference to this matter.

It is hereby stipulated and agreed by Respondent and the Committee that without trial or adjudication of any issue of fact or law and without any evidence or admission by any party with respect to any such issue:

1. For the purpose of this Stipulation, Respondent waives all procedures and proceedings before the Board to which Respondent may be entitled under the United States and Minnesota constitutions, statutes, or the rules of the Board, including the right to dispute the allegations against Respondent and to dispute the

appropriateness of discipline in a contested case hearing pursuant to Minnesota Statutes Chapter 14 (2012). Respondent agrees that upon the *ex parte* application of the Committee, without notice to or appearance by Respondent, the Board may order the remedy specified in paragraph 7 below. Respondent waives the right to any judicial review of the order by appeal, by writ of certiorari, petition for review, or otherwise.

2. This Stipulation shall constitute the entire record of the proceedings herein upon which the Consent Order is based. All documents in the Board's files shall maintain the data classification to which they are entitled under the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13 (2012). They shall not, to the extent they are not already public documents, become public merely because they are referenced herein.

3. In the event the Board in its discretion does not approve this Stipulation or a lesser remedy than specified in this Consent Order, this Stipulation and Consent Order shall be null and void and shall not be used for any purpose by either party. If this Stipulation is not approved and a contested case hearing is initiated by the Committee pursuant to Minnesota Statutes Chapter 14 (2012), Respondent agrees not to object to the Board's initiation of the hearing and its hearing the case on the basis that the Board has become disqualified because of its review and consideration of this Stipulation or of any records relating hereto.

#### **FACTS**

4. This Stipulation is based upon the following facts. Respondent admits the facts referred to below and grants that the Board may, for the purpose of reviewing the record in paragraph 2 above, consider the following as true without prejudice to the Respondent in any current or future proceeding of the Board with regard to these or other allegations:

a. The Board initially issued a Certified Public Accountant license to Respondent on March 16, 2001. Respondent currently holds Certified Public Accountant Certificate Number 20758, issued by the Board. On December 26, 2013, Respondent requested a status change from an Active to an Exempt status, which was granted effective January 1, 2014. Respondent is subject to the jurisdiction of the Board with respect to the matters referred to in this Stipulation.

b. From March 1, 2009 through June 30, 2012, while employed as a business manager and controller for Team Spine, Inc., Respondent took funds without authorization from Respondent's employer; by falsifying payroll entries that allowed Respondent to claim unearned bonuses as false compensation; through false profit sharing; and through misuse of Respondent's employer's credit cards for unauthorized personal gain.

c. On January 21, 2014, in Case Number 27-CR-13-15305, Hennepin County Fourth Judicial District Court, Respondent was convicted of six felony counts of violating Minnesota Statutes section 609.52.2(4); Theft by Swindle over \$35,000; by swindling, whether by artifice, trick, device, or any other means, obtains property or services from another person, pursuant to Respondent's October 24, 2013 Petition to Enter Guilty Plea.

d. The Restitution Findings and Order issued by the Hennepin County Fourth Judicial District Court on January 21, 2014, states that the economic loss sustained by Team Spine and Federal Insurance Company is \$37,500 and \$297,208.08, respectively. The court, having considered the factors set forth in Minnesota Statute 611A.045, subdivision 1, ordered Respondent to pay restitution of said amounts, for a total of \$334,708.08.

e. The court sentenced Respondent to serve forty-nine (49) months incarceration in the Minnesota Correctional Facility at Shakopee, Minnesota.

5. Respondent admits that the facts specified in paragraphs 4 (b) through 4 (e) above constitute violations of Minnesota Statutes section 326A.08, subdivisions 5 (a)(1), 5 (a)(2), 5 (a)(4) and 5 (a)(10) (2012), and Minnesota Rules 1105.5600, subparts 1.B., and 1.D.(2) (2011), and are sufficient grounds for the remedy specified in paragraph 7 below, and that proof at hearing of any one or more of the allegations set forth would empower the Board to take disciplinary action against Respondent's certificate.

6. This Stipulation shall not in any way or manner limit or affect the authority of the Board to proceed against Respondent by initiating a contested case hearing or by other appropriate means on the basis of any act, conduct, or admission of Respondent justifying disciplinary action which occurred before or after the date of this Stipulation and that is not directly related to the specific facts and circumstances set forth herein.

### REMEDY

7. Enforcement Action. Upon this Stipulation and record, as set forth in paragraph 4 above, and without any further notice of proceedings, the Committee and Respondent agree that the Board may, in its discretion, issue an order to Respondent as follows:

a. Revocation. Respondent's Certified Public Accountant Certificate is **REVOKED**.

b. Cease and Desist. Respondent shall not offer to perform or perform services required by law to be performed by a Certified Public Accountant as set forth in Minnesota Statutes Chapter 326A (2012) and Minnesota Rules Chapter 1105 (2011); and Respondent shall not use the designations "Certified Public Accountant" nor "CPA" in connection with her name, nor shall Respondent hold herself out as a Certified Public Accountant or CPA in any manner in the State of Minnesota.

c. Civil Penalty. Respondent shall pay to the Board a **CIVIL PENALTY** of Two Thousand Dollars (\$2,000.00). Respondent shall submit a Civil Penalty of Two Thousand Dollars (\$2,000.00) to the Board in two separate payments. Respondent shall submit the first payment of One Thousand Dollars (\$1,000.00) by check to the Board within ninety (90) days of the date Respondent is released from her incarceration at Minnesota Correctional Facility in Shakopee, Minnesota. Respondent shall submit the second payment of One Thousand Dollars (\$1,000.00) by check to the Board within one hundred and eighty (180) days of the date Respondent is released from her incarceration at Minnesota Correctional Facility in Shakopee, Minnesota.

8. Conditions for Reinstatement of CPA Certificate. Respondent agrees that she will not petition to reinstate her CPA certificate until at least five (5) years after the date Respondent has been released from her incarceration at Minnesota Correctional Facility in Shakopee, Minnesota. After the five (5) year period has been completed, Respondent may petition to reinstate her revoked CPA certificate. Respondent's reinstatement petition will be reviewed and considered by the Board pursuant to Minnesota Statutes Section 326A.04, Section 326A.09 and other applicable Board statutes and rules in effect at the time the petition is submitted.

9. Any appropriate court may, upon application of the Board, enter its decree enforcing the order of the Board.

10. Respondent hereby acknowledges that she has read, understands, and agrees to this Stipulation and Consent Order and is freely and voluntarily signing the stipulation without threat or promise by the Board or any of its members, employees, or agents. When signing the stipulation, Respondent acknowledges that she is fully aware that the Stipulation and Consent Order must be approved by the Board. The

Board may approve the Stipulation and Consent Order as proposed, approve the order subject to specified change, or reject it. If the changes are unacceptable to Respondent or the Board rejects the stipulation, it will be of no effect except as specified herein.

11. Under the Minnesota Government Data Practices Act, this Stipulation is classified as public data upon its issuance by the Board. (Minnesota Statutes Chapter 13.41, subdivision 5 (2012)). All documents in the record shall maintain the data classification to which they are entitled under the Minnesota Government Data Practices Act, Minnesota Statutes Section 13 (2012). They shall not, to the extent they are not already public documents, become public merely because they are referenced herein. A summary of this Order will appear in the Board's newsletter. A summary will also be sent to the national discipline data bank pertaining to the practice of public accounting.

12. This Stipulation contains the entire agreement between the parties. Respondent is not relying on any other agreement or representation of any kind, verbal or otherwise.

13. Respondent is aware that Respondent may choose to be represented by legal counsel in this matter. Respondent knowingly waived legal representation.

14. If approved by the Board, a copy of this Stipulation and Consent Order shall be served personally or by first class mail on Respondent to her last known address on file with the Board. The Order shall be effective and deemed issued when it is signed by the Board Chair or designee of the chair.

**CONSENT:**

**RESPONDENT**

Kris M. Casement  
KRIS M. CASEMENT

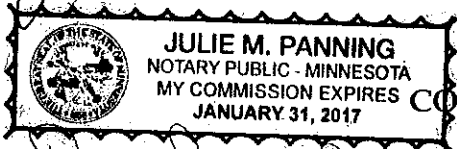
Dated: December 16, 2014

SUBSCRIBED and sworn to before me on  
this the 16 day of December, 2014.

My Commission Expires:

1-31-2017

Julie M. Panning  
(Notary Public)



**COMPLAINT COMMITTEE**

Haron Jensen for Michael Vekich  
MICHAEL M. VEKICH, CPA  
Chair

Dated: January 16, 2015

**ORDER**

Upon consideration of the foregoing Stipulation and based upon all the files, records and proceedings, herein,

1. **IT IS HEREBY ORDERED THAT** Respondent Kris M. Casement's CPA Certificate is **REVOKED**.
2. **IT IS HEREBY ORDERED** that all other terms of this Stipulation and Consent Order are adopted and implemented this 1st day of June, 2015.

**STATE OF MINNESOTA  
BOARD OF ACCOUNTANCY**

Gregory S. Steiner, CPA  
~~ROBERT P. SAUNDERS, CPA~~  
Chair

AFFIDAVIT OF SERVICE BY MAIL

RE: Kris M. Casement; Certificate No. 20758

STATE OF MINNESOTA )  
 ) ss.  
COUNTY OF RAMSEY )

Bev Carey, being first duly sworn, deposes and says:

That at the City of St. Paul, County of Ramsey and State of Minnesota, on this the 1<sup>st</sup> day of June, 2015, she served the attached Stipulation and Consent Order, by depositing in the United States mail at said city and state, a true and correct copy thereof, properly enveloped, with prepaid first class postage, and addressed to:

Kris M. Casement  
12658 Independence Avenue  
Savage, Minnesota 55378

Bev Carey  
Bev Carey

Subscribed and sworn to before me on this the 1<sup>st</sup> day of June, 2015.

Victoria E Oehrlein  
(Notary Public)

