

OFFICIAL PUBLICATION OF THE MINNESOTA BOARD OF ACCOUNTANCY

THE BOARD REPORT

Fall 2013

Important Changes for the Board

The 2013 Legislative Session brought many changes to the Board's statutes, including: changing from a three-year renewal cycle to an annual renewal, increasing fees for licensure and renewal, and modifying the firm naming restrictions to allow the use of common brand names or network name parts. The fee increase and firm name modifications went into effect on August 1, 2013. The switch to annual license renewal will be effective for licenses issued or renewed on or after January 1, 2014.

Renewals

The three-year renewal cycle will be phased out beginning with licenses issued or renewed after January 1, 2014.

- If your license expires on December 31, 2013 and you renew on time, your license will be renewed for three years and will expire on December 31, 2016.
- If you renew late, your license will be renewed for one year and will expire on December 31, 2014.
- Licenses with an expiration date of December 31, 2014 or later will be renewed for one year upon expiration.
- All new licenses issued after January 1, 2014 will expire on December 31, 2014 and will be renewed for one year.

Firm Names

Beginning August 1, 2013, a CPA firm that is a network firm, as defined in the AICPA Code of Professional Conduct, may use in its name a common brand name or network name part, including common initials. When offering or rendering services that require independence under AICPA standards, the firm must comply with the AICPA code's applicable standards on independence. **All firm names must be approved by the Board prior to use.**

Rulemaking

The Board is in the process of modifying its rules to correspond with the statute changes. Additionally, the Board is clarifying the CPE requirements and adjusting the CPE reporting deadline to coincide with license renewal. See page two for the *Dual Notice of Intent to Adopt Rules*. The proposed rule language and Statement of Need and Reasonableness (SONAR) can be found on the Board's website at: www.boa.state.mn.us. The deadline to submit comments on the proposed rulemaking or to request a public hearing is: January 8, 2014.

This issue contains an important notice regarding rulemaking. See page 2 for the Dual Notice of Intent to Adopt Rules.

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BOARD CONTACT INFORMATION

Phone: 651-296-7938

Fax: 651-282-2644

TTY: 800-627-3529

INVESTIGATORS

Bev Carey: 651-757-1514

Kufre Eyoh: 651-757-1522

www.boa.state.mn.us

BOARD MEMBERS

	<i>Term Expiration</i>
Kate Mooney, PhD, CPA <i>Board Chair</i>	January 2016
Robert P. Saunders, CPA <i>Vice Chair</i>	January 2015
Gregory Steiner, CPA <i>Secretary/Treasurer</i>	January 2015
Kristine Eustice Public Member	January 2015
Sharon Jensen, CPA	January 2014
Thomas Lydon, CPA	January 2016
Mark Sellner, CPA	January 2016
Scott Van Binsbergen Public Member	January 2015
Michael M. Vekich, CPA	January 2017

BOARD CONTACTS

Doreen Frost 651-757-1517	<i>Executive Director doreen.frost@state.mn.us</i>
Bev Carey 651-757-1514	<i>Investigator bev.carey@state.mn.us</i>
Kufre Eyoh 651-757-1522	<i>Complaint Specialist kufre.eyoh@state.mn.us</i>
Holly Salmela 651-757-1520	<i>State Program Administrator holly.a.salmela@state.mn.us</i>
Vicky Oehrlein 651-757-1521	<i>Office and Administrative Specialist Intermediate vicky.oehrlein@state.mn.us</i>

DUAL NOTICE: Notice of Intent to Adopt Rules Without a Public Hearing Unless 25 or More Persons Request a Hearing, and Notice of Hearing if 25 or More Requests for Hearing Are Received; Revisor’s ID Number R-04183

Proposed Amendment to Rules Governing Licensure Renewal, Continuing Professional Education, Firm Permits, and Housekeeping Updates, Minnesota Rules, 1105.0100, 1105.0500, 1105.0700, 1105.1500, 1105.1600, 1105.1650, 1105.2100, 1105.2400, 1105.2500, 1105.2560, 1105.2600, 1105.3000, 1105.3100, 1105.3200, 1105.3300, 1105.3350, 1105.3700, 1105.3800, 1105.4000, 1105.4100, 1105.4300, 1105.5100, 1105.5400, 1105.6300, 1105.6550, 1105.6600, 1105.7000, 1105.7100, 1105.7200, 1105.7450

Proposed Repeal of Rules Governing Housekeeping Updates, Minnesota Rules, parts 1105.0100, subpart 5, 1105.1500, subpart 2, 1105.3900, 1105.4500, 1105.5000

Introduction. The Board of Accountancy intends to adopt rules without a public hearing following the procedures in the rules of the Office of Administrative Hearings, Minnesota Rules, parts 1400.2300 to 1400.2310, and the Administrative Procedure Act, Minnesota Statutes, sections 14.22 to 14.28. If, however, 25 or more persons submit a written request for a hearing on the rules by 4:30 p.m. on January 8, 2014, the Board will hold a public hearing in Suite 295, Golden Rule Building, 85 E. 7th Place, St. Paul, Minnesota 55101, starting at 9:00 AM on Thursday, January 30, 2014. To find out whether the Board will adopt the rules without a hearing or if it will hold the hearing, you should contact the agency contact person after January 8, 2014 and before January 30, 2014.

Agency Contact Person. Submit any comments or questions on the rules or written requests for a public hearing to the agency contact person: Andrea Barker at Board of Accountancy, 85 E. 7th Place, Suite 125, St. Paul, MN 55101; Phone: 651-757-1511; FAX: 651-282-2644; *andrea.barker@state.mn.us*. TTY users may call the Board of Accountancy at 1-800-627-3529.

Subject of Rules and Statutory Authority. The proposed rules are about updating the licensure renewal and firm naming requirements to reflect statute changes, clarifying the continuing professional education requirements, making housekeeping updates and repealing obsolete rules. The statutory authority to adopt the rules is Minnesota Statutes, section 326A.02, subdivision 5. A copy of the proposed rules is published in the State Register and attached to this notice as mailed.

Comments. You have until 4:30 p.m. on Wednesday, January 8, 2014, to submit written comment in support of or in oppo-

sition to the proposed rules or any part or subpart of the rules. Your comment must be in writing and received by the agency contact person by the due date. Comment is encouraged. Your comments should identify the portion of the proposed rules addressed, the reason for the comment, and any change proposed. You are encouraged to propose any change that you desire. Any comments that you have about the legality of the proposed rules must also be made during this comment period.

Request for a Hearing. In addition to submitting comments, you may also request that the Board hold a hearing on the rules. You must make your request for a public hearing in writing, which the agency contact person must receive by 4:30 p.m. on Wednesday, January 8, 2014. You must include your name and address in your written request. In addition, you must identify the portion of the proposed rules that you object to or state that you oppose the entire set of rules. Any request that does not comply with these requirements is not valid and the agency cannot count it when determining whether it must hold a public hearing. You are also encouraged to state the reason for the request and any changes you want made to the proposed rules.

Withdrawal of Requests. If 25 or more persons submit a valid written request for a hearing, the Board will hold a public hearing unless a sufficient number of persons withdraw their requests in writing. If enough requests for hearing are withdrawn to reduce the number below 25, the agency must give written notice of this to all persons who requested a hearing, explain the actions the agency took to affect the withdrawal, and ask for written comments on this action. If a public hearing is required, the agency will follow the procedures in Minnesota Statutes, sections 14.131 to 14.20.

Alternative Format/Accommodation. Upon request, this information can be made available in an alternative format, such as large print, braille, or audio. To make such a request or if you need an accommodation to make this hearing accessible, please contact the agency contact person at the address or telephone number listed.

Modifications. The Board might modify the proposed rules, either as a result of public comment or as a result of the rule hearing process. It must support modifications by data and views submitted to the agency or presented at the hearing. The adopted rules may not be

substantially different than these proposed rules unless the Board follows the procedure under Minnesota Rules, part 1400.2110. If the proposed rules affect you in any way, the Board encourages you to participate in the rulemaking process.

Cancellation of Hearing. The Board will cancel the hearing scheduled for January 30, 2014, if the agency does not receive requests for a hearing from 25 or more persons. If you requested a public hearing, the agency will notify you before the scheduled hearing whether the hearing will be held. You may also call the agency contact person at 651-757-1511 after January 8, 2014 to find out whether the hearing will be held.

Notice of Hearing. If 25 or more persons submit valid written requests for a public hearing on the rules, the Board will hold a hearing following the procedures in Minnesota Statutes, sections 14.131 to 14.20. The Board will hold the hearing on the date and at the time and place listed above. The hearing will continue until all interested persons have been heard. Administrative Law Judge LauraSue Schlatter is assigned to conduct the hearing. Judge Schlatter can be reached at the Office of Administrative Hearings, 600 North Robert Street, P.O. Box 64620, Saint Paul, Minnesota 55164-0620, telephone 651-361-7872, and FAX 651-361-7936.

Hearing Procedure. If the Board holds a hearing, you and all interested or affected persons, including representatives of associations or other interested groups, will have an opportunity to participate. You may present your views either orally at the hearing or in writing at any time before the hearing record closes. All evidence presented should relate to the proposed rules. You may also submit written material to the Administrative Law Judge to be recorded in the hearing record for five working days after the public hearing ends. At the hearing the Administrative Law Judge may order that this five-day comment period is extended for a longer period but not more than 20 calendar days. Following the comment period, there is a five-working-day rebuttal period when the agency and any interested person may respond in writing to any new information submitted. No one may submit additional evidence during the five-day rebuttal period. The Office of Administrative Hearings must receive all comments and responses submitted to the Administrative Law Judge no later than 4:30 p.m. on the due date. All comments or responses received will

be available for review at the Office of Administrative Hearings. This rule hearing procedure is governed by Minnesota Rules, parts 1400.2000 to 1400.2240, and Minnesota Statutes, sections 14.131 to 14.20. You may direct questions about the procedure to the Administrative Law Judge.

The agency requests that any person submitting written views or data to the Administrative Law Judge before the hearing or during the comment or rebuttal period also submit a copy of the written views or data to the agency contact person at the address stated above.

Statement of Need and Reasonableness. The statement of need and reasonableness summarizes the justification for the proposed rules, including a description of who will be affected by the proposed rules and an estimate of the probable cost of the proposed rules. It is now available from the agency contact person. You may review or obtain copies for the cost of reproduction by contacting the agency contact person. The SONAR is also available on the Board's website at www.boa.state.mn.us.

Lobbyist Registration. Minnesota Statutes, chapter 10A, requires each lobbyist to register with the State Campaign Finance and Public Disclosure Board. Ask any questions about this requirement of the Campaign Finance and Public Disclosure Board at: Suite #190, Centennial Building, 658 Cedar Street, St. Paul, Minnesota 55155, telephone 651-296-5148 or 1-800-657-3889.

Adoption Procedure if No Hearing. If no hearing is required, the agency may adopt the rules after the end of the comment period. The Board will submit the rules and supporting documents to the Office of Administrative Hearings for a legal review. You may ask to be notified of the date the rules are submitted to the office. If you want either to receive notice of this, to receive a copy of the adopted rules, or to register with the agency to receive notice of future rule proceedings, submit your request to the agency contact person listed above.

Adoption Procedure After a Hearing. If a hearing is held, after the close of the hearing record, the Administrative Law Judge will issue a report on the proposed rules. You may ask to be notified of the date that the Administrative Law Judge's report will become available, and can make this request at the hearing or in writing to the Administrative Law Judge. You may also ask to be notified of the date that the agency adopts the rules and the rules are filed with the Secretary of State by requesting this at the hearing or by writing to the agency contact person stated above.

Order. I order that the rulemaking hearing be held at the date, time, and location listed above.

11-7-2013 Signed by Doreen Frost, Executive Director

Thank You

The Board extends its appreciation to the Senators and Representatives who supported the Board's legislation during the 2013 Session. The policy and financial decisions made by Legislators have a tremendous impact on the citizens of Minnesota.

The increase in licensure and renewal fees for Certified Public Accountants will help build the Board's already strong enforcement program. Recently, the Board has revoked the licenses of several CPAs whose actions resulted in the loss of several hundred thousand dollars to their clients.

The continued support of the Board by our Legislators helps to ensure the protection of the health, safety and welfare of the public. Thank you again to those who contributed to getting this legislation passed. The Board remains grateful and will strive to exceed expectations of service.

Chief Authors:

Senator Ann Rest

Representative Bob Gunther

Senator Michelle Benson

Senator Jeremy Miller

Senator Bev Scalze

Senator Charles Wiger

Representative Joe Atkins

Representative Tim Mahoney

STATEMENT OF NEED AND REASONABLENESS EXECUTIVE SUMMARY

The nature of the proposed rules of the Board of Accountancy (“Board”) is to amend its current rules that generally pertain to all licensees and firms. The proposed rules will update the certificate renewal, continuing professional education and firm name requirements. The proposed rules also include amendments that are “housekeeping” in nature. These housekeeping modifications do not make any substantive changes to requirements for licensure or renewal, but rather remove obsolete or duplicative language and rewrite sections for clarity and uniformity.

Housekeeping modifications: Each year, in compliance with Minnesota Statutes, section 14.05, subdivision 5, the Board is required to submit a report to the governor and legislators on obsolete, unnecessary and duplicative rules contained within Chapter 1105. Many of the rules in this section have been identified as obsolete, unnecessary or duplicative. Additionally, during the 2013 Legislative Session, the legislature moved the Board’s fee language from rule to statute. Updating the references of the fee language from rule to statute is included in this section.

Certificate renewal and continuing professional education requirements: During the 2013 Legislative Session, the Legislature amended the statute to require license renewal every year rather than every three years for Certified Public Accountants. The rule modifications will align the rules with the statute. Previously, certificates were renewed every three years on a cycle based upon the date of original licensure and the licensee’s last name. Certificate renewals were due by December 31 in the year of expiration. Additionally, continuing professional education was required to be reported each year. CPE must have been obtained by June 30 each year and reported by July 31, EXCEPT for those whose licenses needed to be renewed that year. Licensees who were renewing had to obtain their CPE by June 30, but were not required to report their CPE until December 31.

This out-of-sync system of renewal and CPE resulted in quite a bit of confusion. Additionally, the Board’s Continuing Professional Education (CPE) requirements are incredibly complex and confusing. The modifications to the CPE rules are intended to simplify and clarify the requirements. The actual requirements themselves are not changing, only the way they are presented.

Firm names: During the 2013 Legislative Session, the Legislature modified Minnesota Statute section 326A.10 to allow CPA firms to use in their names a common brand name or network name part. The rules will supplement the statute change and define misleading and fictitious firm names.

The complete SONAR and text of the proposed rules can be found on the Board’s website at www.boa.state.mn.us

Disciplinary Actions

Disclaimer: Every effort has been made to ensure that the following summary of enforcement information is correct; however, this information should not be relied upon without verification from the Board office. It should be noted that the names of companies and individuals listed may be similar to the names of parties who have not had enforcement actions taken against them. Disciplinary orders are public data and copies may be obtained by contacting the Board office.

On May 13, 2013, the Board issued
the following orders:

In the Matter of Robert James Reinhart Certificate #21557

The Board issued a Stipulation and Consent Order.

Facts:

- During the years 2009-2012, Respondent diverted funds of the Brown County Agricultural Society (BCAS) and the New Ulm Baseball Association (NUBA) for his personal use without the approval or authorization of the boards of directors of BCAS or NUBA.

- On December 31, 2012, Respondent was convicted of two felony counts of violation of M.S. § 609.52, Subd. 2 (15), theft with intent to defraud, diversion of corporate property other than in accordance with general business purposes or for purposes other than those specified in the corporation’s articles of incorporation.

- Respondent was sentenced to serve 60 days incarceration, with a stay of imposition pursuant to Minn. Stat. § 609.135, and followed by supervised probation for twenty (20) years, with a fine of Six Thousand Dollars (\$6,000). Respondent was also ordered to pay restitution to BCAS in the amount of \$74,503.59 and to NUBA in the amount of \$5,607.26. The sentencing order provided that successful completion of probation will result in a misdemeanor conviction.

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Disciplinary Actions (continued from page 5)

		Facts			Remedy				
		- Respondent's certificate expired and Respondent failed to renew the certificate or notify the Board that the Respondent was electing exemption from renewal. - Respondent has not engaged in activities requiring an active certificate since the date of expiration. - Respondent violated MN Stat. §326A.08, subd. 5 (a)(1) (2012) and MR 1105.7800 D (2011).			- Respondent's certificate is CENSURED and REPRIMANDED. - Respondent shall pay the fees listed below. - Respondent shall apply for an inactive certificate. - Respondent shall not engage in activities requiring an active certificate in this state, including but not limited to the performance of attest services, nor shall Respondent hold out to the public in any manner so as to suggest that the Respondent holds an active certificate. - Respondent shall cease and desist from violating any statute, rule or order that the Board has issued or is empowered to enforce.				
Date Stipulation and Order Issued	In the Matter of:	Certificate Expired on:	Failed to Renew Certificate for Cycles:	Date Revoked	Civil Penalty	Annual Certificate Renewal Fee	Annual Delinquency Fee	License Surcharge Fee	Reinstatement Application Fee
May 13, 2013	Kurt Alan Brandt Cert. #17079	12/31/2006	2007-2010 and 2013	4/21/09	\$750.00	\$90.00	\$250.00	\$15.00	\$20.00
	Jonathan Paul Sylte Cert. #13076	12/31/1993	1994-2011	10/16/98	\$750.00	\$900.00	\$900.00	\$23.50	\$20.00
	Lindsay Klis Chamings Cert. #23713	12/31/2009	2010 and 2013	8/17/12	\$750.00	\$60.00	\$100.00	\$10.00	\$20.00
	Anita Marie Mayala-Mcintyre Cert. #18317	12/31/2009	2010 and 2012	10/15/12	\$750.00	\$50.00	\$100.00	\$10.00	\$20.00
September 16, 2013	Layton L. Christianson Cert. #03846	12/31/1985	1986-2010 and 2013	10/16/98	\$750.00	\$1,350.00	\$1,300.00	\$32.00	\$20.00
	Renate Valentine Fuhrmann Cert. #17913	12/31/2006	2007-2010 and 2013	4/21/09	\$750.00	\$90.00	\$250.00	\$15.00	\$20.00
	Ruthanne LaQua Cert. #13142	12/31/2009	2010 and 2012	10/15/12	\$750.00	\$50.00	\$100.00	\$10.00	\$20.00
	Leo Thomas Mahon Cert. #15756	12/31/2009	2010 and 2012	10/15/12	\$750.00	\$50.00	\$100.00	\$10.00	\$20.00
	Sean Kevin O'Brien Cert. #21423	12/31/2003	2004-2010 and 2012	4/20/06	\$750.00	\$495.00	\$400.00	\$27.50	\$20.00
	Amy Elizabeth Seibert Cert. #15836	12/31/2010	2011	5/13/13	\$750.00	\$30.00	\$50.00	\$5.00	\$20.00
	David Grant Staples Cert. #08130	12/31/2010	2011	5/13/13	\$750.00	\$30.00	\$50.00	\$5.00	\$20.00
	Scott Owen Turnbull Cert. #11578	12/31/2008	2009-2011	5/13/11	\$750.00	\$225.00	\$150.00	\$23.50	\$20.00
Wade Martin Voigt Cert. #06630	12/31/2010	2011	5/13/13	\$750.00	\$30.00	\$50.00	\$5.00	\$20.00	

		Facts			Remedy				
		Certificate Expired on:	Failed to Renew Certificate for Cycles:	Date Revoked	Civil Penalty	Annual Certificate Renewal Fee	Annual Delinquency Fee	License Surcharge Fee	Reinstatement Application Fee
Failure to Renew Certificate		<ul style="list-style-type: none"> - Respondent's certificate expired and Respondent failed to renew the certificate or notify the Board that the Respondent was electing exemption from renewal. - Respondent has not engaged in activities requiring an active certificate since the date of expiration. - Respondent violated MN Stat. §326A.08, subd. 5 (a)(1) (2012) and MR 1105.7800 D (2011). 			<ul style="list-style-type: none"> - Respondent's certificate is CENSURED and REPRIMANDED. - Respondent shall pay the fees listed below. - Respondent shall apply for an inactive certificate. - Respondent shall not engage in activities requiring an active certificate in this state, including but not limited to the performance of attest services, nor shall Respondent hold out to the public in any manner so as to suggest that the Respondent holds an active certificate. - Respondent shall cease and desist from violating any statute, rule or order that the Board has issued or is empowered to enforce. 				
Date Stipulation and Order Issued	In the Matter of:	Certificate Expired on:	Failed to Renew Certificate for Cycles:	Date Revoked	Civil Penalty	Annual Certificate Renewal Fee	Annual Delinquency Fee	License Surcharge Fee	Reinstatement Application Fee
September 16, 2013	Richard Edward Vyskocil Cert. #05331	12/31/2010	2011	5/13/13	\$750.00	\$30.00	\$50.00	\$5.00	\$20.00
	William E. Whitsitt Cert. #18977	12/31/2010	2011	5/13/13	\$750.00	\$30.00	\$50.00	\$5.00	\$20.00

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Remedy:

- Respondent's Certified Public Accountant Certificate is REVOKED.

- Respondent shall not offer to perform or perform services required by law to be performed by a CPA.

- Respondent shall not use the designations "Certified Public Accountant" nor "CPA" in connection with his name, nor shall Respondent hold himself out as a Certified Public Accountant or CPA in any manner in the State of Minnesota.

- Respondent shall pay to the Board a CIVIL PENALTY of \$5,000.

- Respondent will not petition the Board for reinstatement of his CPA certificate for at least five (5) years. This Stipulation and Order does not, and shall not be construed to, assure that any petition for reinstatement of Respondent's revoked CPA certificate would be granted or approved.

**In the Matter of Oertli & Pleschourt, LLP
Firm Permit #01162**

The Board issued a Stipulation and Consent Order.

Facts:

- A review of Respondent's accounting engagements for the period ended July 31, 2011 resulted in a peer review rating of "fail."

- Respondent failed to comply with the applicable quality review requirements as set out in Minnesota statutes and rules.

Remedy:

- Respondent shall pay to the Board a CIVIL PENALTY of \$1,000.

- Respondent shall engage a peer reviewer to conduct an interim quality review for the year ended July 31, 2013 and provide the Board with a copy of the report issued as a result of that review within thirty (30) days, but no later than December 31, 2013.

- In addition to the 120 continuing professional education hours required by M.R. 1105.3000 (2011), Respondent shall require each partner in the firm to successfully complete and report to the Board eight hours of CPE related to the subject of Compilation and Review.

On September 16, 2013, the Board issued the following orders:

**In the Matter of Vicki Marie Ahl
Certificate #10907**

The Board issued a Stipulation and Consent Order.

Facts:

- During the years 1993-2009, Respondent violated "her fiduciary duties as trustee of a trust she established on behalf of a client by failing to make distributions to beneficiaries required by the terms of the trust and depleting trust assets by the charging of excessive and unreasonable fees, in violation of Minn. R. Prof. Conduct 1.15 (c)(4) and 8.4(d), and misrepresenting to counsel for the beneficiaries that time records were made contemporaneously with the performance of work described therein, in violation of Minn. R. Prof. Conduct. 8.4(c)."

- Respondent was disciplined for the conduct described above by the Minnesota Supreme Court. In an Order dated March 21, 2013, Respondent was suspended indefinitely from the practice of law, with no right to petition for reinstatement for a minimum of two years from the date of the Order.

- Respondent admits that the facts and conduct specified above constitute violations of Minnesota Statutes Section 326A.08, Subdivisions 5(a) (1), 5a(2), 5a(4), and 5a(10) (2012) and Minnesota Rule 1105.5600.D (2) (2011).

Remedy:

- Respondent's Certified Public Accountant Certificate is REVOKED.

- Respondent shall not offer to perform or perform services required by law to be performed by a CPA.

- Respondent shall not use the designations "Certified Public Accountant" nor "CPA" in connection with his name, nor shall Respondent hold himself out as a Certified Public Accountant or CPA in any manner in the State of Minnesota.

- Respondent shall pay to the Board a CIVIL PENALTY of \$4,000.

- Upon any future reinstatement of Respondent's CPA certificate, in addition to the 120 hours of required CPE, Respondent shall successfully complete and report to the Board eight (8) hours of CPE related to the subject of Ethics by June 30 of each year for three (3) years.

- Respondent will not petition the Board for reinstatement of her CPA certificate for at least three (3) years. This Stipulation and Order does not, and shall not be construed to, assure that any petition for reinstatement of Respondent's revoked CPA certificate would be granted or approved.

**In the Matter of Gwizdala & Associates, Inc.
RAP Firm Permit #01659**

The Board issued a Stipulation and Consent Order.

Facts:

- A review of the Respondent's accounting engagements for the period ended December 31, 2010 resulted in a peer review rating of "fail."

- Respondent failed to comply with the applicable quality review requirements as set out in Minnesota statutes and rules.

Remedy:

- Respondent shall pay to the Board a CIVIL PENALTY of \$1,000.

- Respondent shall engage, at Respondent's expense, an outside party acceptable to the Board to perform a pre-issuance review of the next compilation engage-

ment issued subsequent to Respondent's most recent peer review. Respondent shall provide the Board with a copy of the report issued as a result of that review within thirty (30) days, but no later than December 31, 2013.

- Respondent shall submit evidence of remediation of the deficiencies found during the peer review of Respondent's accounting engagements for the period ended December 31, 2010 to the Board office by December 31, 2013.

**Order for Automatic Revocation
of CPA Certificate**

Pursuant to Minnesota Statutes 326A.04, subdivision 11 (2012), the CPA certificates of persons who have failed to renew their certificates for a period of more than two years shall be automatically revoked. IT IS HEREBY ORDERED that Respondents' CPA certificates in the State of Minnesota are automatically REVOKED pursuant to Minnesota Statutes 326A.04, subdivision 11 (2012). Respondents shall not in any manner practice or hold themselves out as certified public accountants in this state. The revocation shall take effect immediately. If Respondents wish to seek reinstatement of Respondents' CPA certificates, Respondents shall petition the Board pursuant to Minnesota Statutes 326A.09 (2012). The Board's consideration of and action upon any petition for reinstatement will be governed by Minnesota Statutes 326A.09 (2012) and applicable Board rules.

Adopted and Implemented on May 13, 2013:

- Rademacher, Robert Charles #18926
- Reedy, John Daniel #02925
- Rew, Jennifer Lynn #15818
- Rinta, Marie Dawn #15369
- Rodgers, Richard Milbourn #13840
- Rodgers, Debora Milbourn #14179
- Roser-Setter, RuthAnn #17459
- Rubin, Barry R. #02291
- Savage, Melanie Teresa #18403
- Schleicher, Joel Arthur #03787
- Schmid, Gregory Francis #05635
- Schmitz, Patricia Ann #17836
- Scott, Carol Marie #16632
- Seibert, Amy Elizabeth #15836
- Seiler, David Lawrence #12709
- Seivert, Steven L. #10293
- Sheehan, Thomas James #13057
- Silverberg, Pauline #15840
- Sitter, Sharlene Colette #10299
- Sloan, Cullen Devon #18382
- Sondag, Robert H. #05609
- Speicher, Mitchell Earl #07004
- Staples, David Grant #08130
- Steinweg, Mark Alan #05567
- Stevenson, Myron George #12303
- Stowe, Beverly Jean #06287
- Szyman, Catherine Mary #11915
- Thompson, DeeAnn L. #05294

Tracy, Mary Catherine #14957
 Van Hove, Bridget Ann #17828
 Vigen, Karl William #17377
 Voigt, Wade Martin #06630
 Vyskocil, Richard Edward #05331
 Whitsitt, William E. #18977
 Wierzbinski, Brian John #06193
 Wilcox, Jennifer Ferguson #15247
 Wright, Margaret Ann Roser #07778
 Zack, Jay Abram #06638
 Zander, Jeffry Gerard #09536

Complaint Statistics
July 1, 2012 - October 15, 2013

Number of complaints opened: 522
 Number of certificates revoked: 260
 Number of complaints closed: 557
 Number of open complaints: 163

Allegation	Total
Advertising	8
Conduct Reflecting Adversely	10
Criminal Charges	1
Failure to Apply in a Timely Manner	8
Failure to Comply with CPE Requirement	115
Failure to Renew Firm Permit	1
Failure to Renew Individual Certificate	331
Holding Client Records	5
Holding Out as Licensed	13
MN Revenue Tax/Child Support Liability	3
Negligent Conduct Relating to Services	5
No Firm Permit	1
Non-Compliance with Quality Review	25
Practicing without a License	3
Right to Practice Denied or Revoked	1
Substandard Tax Work	4
Substandard Work	9
Unprofessional Conduct	5

It is the duty of a licensee to report possible violations of the Board's statutes and rules. To file a complaint, please complete the complaint registration form found on the Board's website at www.boa.state.mn.us. You must sign and date the form and deliver it to the Board office in person or via u.s. Mail. *The Board cannot accept anonymous complaints or complaints submitted via e-mail or fax.*

If you have questions about how to file a complaint or any other complaint or disciplinary matter, please contact the Board office at 651-296-7938.

Congratulations!

Michael M. Vekich, CPA, was reappointed by Governor Dayton to the Board of Accountancy through January 2, 2017. Mr. Vekich served on the Board from 1984-1992 and again from 2005 to the present. He has served as chairman of several of the Board's committees as well as Board Chair. Mr. Vekich is the Chief Executive Officer of Vekich Chartered in Minneapolis.

How Can I Become A Board Member?

The Board of Accountancy consists of nine citizens of Minnesota, two of whom are public members and seven of whom are certified public accountants. Board members are appointed by the Governor to four-year terms. At least five of the CPAs must be owners or employees of a CPA firm that holds a current permit and provides professional services at the time of appointment. At least two Board members, who may be any of the seven CPAs, must be owners or employees of a CPA firm that holds a current permit, provides professional services, and consists of ten or fewer CPAs. Public members are individuals who do not fall under the jurisdiction of the Board.

If you or someone you know would like to become a Board member, call the Board office for an application. Applicants apply to the Secretary of State and applications are kept on file for three years.

Board Member Openings

In January 2014, the Board will have an opening for a Certified Public Accountant. In January 2015, the Board will have openings for two public members and a Certified Public Accountant. Applications may be completed and filed at any time.

Communications from the Board

When you are contacted by the Board of Accountancy, you are receiving one of two types of communication. You are being asked to respond and provide the Board with information or documentation, like the CPE audit or response to a complaint; or, you are being provided information that is essential to keep your license in compliance with the law, like renewal information, notifications of rule changes or the Board's newsletter.

When you receive correspondence from the Board, please take a few minutes to read it over and determine if it requires a response. It is important for you to timely respond to the Board when necessary, and important for you to remain informed of changes and updates that could affect your licensure. Failure to respond to the Board when requested can result in additional ramifications such as disciplinary action.

Many notifications arrive in the form of a postcard, so please watch your mail for postcards from the Board. Please help the Board and yourself by reading all correspondence and taking the necessary action within the established time frame.



Board Welcomes Complaint Specialist

Meet the Board's newest staff member: Kufre Eyoh. Kufre serves as the Board's Complaint Specialist. Some of his duties include answering questions regarding the complaint process, opening complaint files and working on investigations including, but not limited to, continuing education audits.

Kufre graduated from Mankato State University with a Bachelor's of Science degree in Finance. In his free time he enjoys kayaking with friends and playing badminton with his club.

Elijah Watt Sells Award Winners

This award is presented to the three CPA candidates who obtain the highest combined grades when taking all four sections of the Uniform Certified Public Accountant Examination at one administration.

The award was created in 1923 to honor Elijah Watt Sells, a founding partner of Haskins & Sells, which was a predecessor to the international firm Deloitte & Touche. Mr. Sells was active in the creation of the AICPA.

Bradley, J. Ostendorf of Blaine, Minnesota is a 2012 graduate of Minnesota State University Moorhead with a Bachelor's Degree in Accounting. He was licensed as a CPA in Minnesota on May 13, 2013.



Michael J. Gorter of Ridgewood, New Jersey is a 2012 graduate of Dordt College with a Bachelor's Degree in Accounting and Finance. He is currently employed by Deloitte as a staff auditor in Minneapolis, MN.



Andrew Buss of Minneapolis, Minnesota graduated from the University of Wisconsin - Madison with his Bachelor's Degree in Business Administration in 2011 and his Master's Degree in Accounting in 2012. He is currently employed by Ernst & Young, LLP in Minneapolis, MN.

Congratulations on achieving this award!

IRS Office of Professional Responsibility

News from the Internal Revenue Service

By Carole Smith, Stakeholder Liaison, IRS

Foreign Tax Credit Compliance Tips

If you have received foreign sourced qualified dividends and/or capital gains (including long-term capital gains, unrecaptured section 1250 gain, and/or section 1231 gains) that are taxed in the U.S. at a reduced tax rate, you must adjust the foreign source income that you report on Form 1116, line 1a. For more information search “Foreign Tax Credit Compliance” on IRS.gov.

IRS Announced All Legal Same-Sex Marriages Recognized For Federal Tax Purposes

The Internal Revenue Service ruled that same-sex couples, legally married in jurisdictions that recognize their marriages, will be treated as married for federal tax purposes. The ruling applies regardless of whether the couple lives in a jurisdiction that recognizes same-sex marriage or a jurisdiction that does not recognize same-sex marriage. More information is available, including a link to frequently asked questions, by searching “IR-2013-72” on IRS.gov.

Proper Allocation of Taxpayers’ Refunds

Taxpayers may direct their refunds to more than one account at a bank or other financial institution in the United States using Form 8888, Allocation of Refund; however, they may not request deposit of their refunds to accounts that are not in their names, such as their tax preparers’ accounts. And per regulations in Circular No. 230, a practitioner who prepares tax returns may not endorse or otherwise negotiate any check issued to a client by the government in respect of a federal tax liability.

IRS Proposes Higher Fees for Installment Agreements, Offers in Compromise

REG-144990-12 contains proposed amendments to the regulations that provide user fees for installment agreements and offers in compromise. The proposed fees for entering into an installment agreement and for restructuring or reinstating an installment agreement is \$120 and \$50, respectively. The fee for a direct debit installment agreement remains \$52, and low income taxpayers, as defined in 26 CFR 300.1(b)(2), would continue to pay \$43 for any new installment agreement, including a direct debit installment agreement. The proposed regulations do not increase the fee for direct debit installment agreements because these agreements have a significantly higher completion rate. The proposed fees balance the need to recover costs with the goals of encouraging the use of installment agreements in general and direct debit installment agreements in particular. The proposed fee for processing an offer to compromise is \$186. A public hearing is scheduled for October 1, 2013, at 10 a.m.

Guidance for a Taxpayer Seeking Equitable Relief From Income Tax Liability

Revenue Procedure 2013-34 provides guidance for a requesting spouse seeking equitable relief from joint and several income tax liability under section 6015(f), or equitable relief under section 66(c) from income tax liability resulting from the operation of community property law. Revenue Procedure 2003-61 is superseded.

Don’t Forget!

Every year, there are a number of CPAs who forget to renew their license. Failure to renew is a serious matter which may result in disciplinary action. Leave time to resolve renewal issues and avoid the last minute rush by renewing now. You can renew online at any time between now and December 31. Check the expiration date on your license card or look it up on the Board’s website to determine whether or not you are required to renew this year.

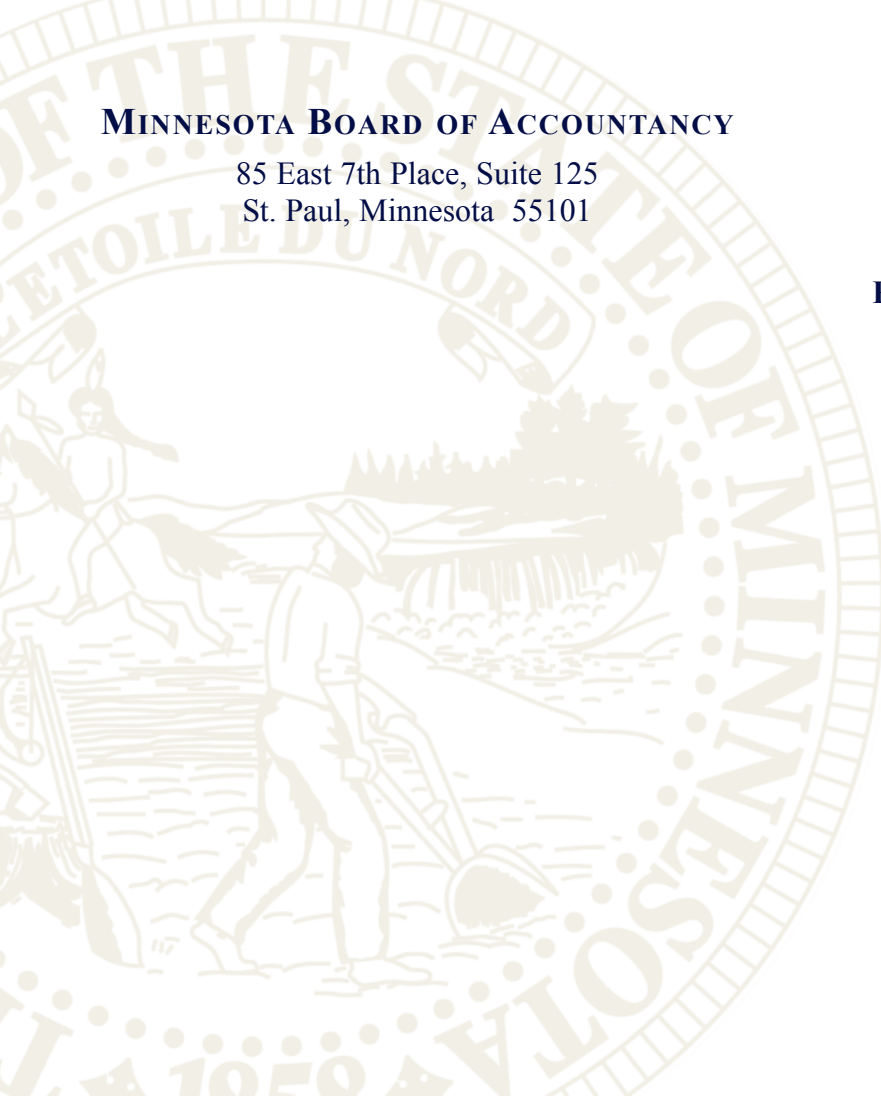


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2 0 1 4 B O A R D C A L E N D A R

*All Board meetings are subject to time change.
Contact the Board office for specific meeting times.*

January

16 Complaint Committee Meeting
17 Board Meeting

February

3 Complaint Committee Meeting
24 Board Meeting

March

No meetings will be held.

April

3 Complaint Committee Meeting
8 Board Meeting

May

6 Complaint Committee Meeting
12 Board Meeting

June

3 Complaint Committee Meeting
9 Board Meeting

July

No Board Meeting will be held.
8 Complaint Committee Meeting

August

No Board Meeting will be held.
6 Complaint Committee Meeting

September

11 Complaint Committee Meeting
15 Board Meeting

October

7 Complaint Committee Meeting
20 Board Meeting

November

No Board Meeting will be held.
(TBD) Complaint Committee Meeting

December

5 Board Meeting
(TBD) Complaint Committee Meeting