

OFFICIAL PUBLICATION OF THE MINNESOTA BOARD OF ACCOUNTANCY

THE BOARD REPORT

Spring/Summer 2013



Top Six List of “Licensee Duties”

Message from the Board Chair

Kate Mooney, PhD, CPA

Professor and Chair, Department of Accounting
St. Cloud State University

What’s involved with being a professional? Here is my list:

1. Keep the Board informed of your current address.

The Board of Accountancy tries to get in touch with almost 10,000 CPAs every year to remind them of tasks important to maintaining their licenses. Yet, many claim they never get the communication and we usually discover that we don’t have a current address on file. Minnesota Rules Chapter 1105.1100 requires licensees to notify the Board in writing within 30 days of any address change or change of employment.

2. Monitor your CPE.

Remember, you need to complete your CPE every year by June 30. The basic requirements include 120 hours in the last three years, with a minimum of 20 hours in any one year. Among the 120 hours, you need to complete at least eight ethics credits. Some claim the restrictions on the amount of CPE allowed in different classifications is confusing. We could make it simpler by changing the rules to one type of delivery from one type of provider, but that would make achieving compliance more difficult, especially for outstate professionals in small organizations. The confusion is the price we pay for flexibility. Want to skip the CPE? You can go ‘inactive’ but your CPE must be current - 120 qualifying hours in the last three years at the time you elect to change your status.

3. Renew your certificate.

The post-2006 language says ‘certificate’ but that really means your license, and you need it to practice. Currently, we are trying to change back to annual license renewal. We heard your concerns and preference for annual certificate renewal and are working with the legislature to get it done. Inactive certificates will also have an annual renewal under proposed legislation.

4. Get your firm’s quality review completed on time.

If your firm (either a CPA firm, RAP firm, or a Sole Proprietor firm) is performing attest functions, then the firm needs to have a quality review completed every three years. For new firms doing attest functions, or firms performing attest functions for the first time, a quality review is due 15 months after the first year a firm becomes subject to the quality review requirements. Remember to submit to the Board a copy of the reviewer’s report, the final acceptance letter from the report acceptance body, and, if required, the letter of response by the date it is due to the Board office.

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Board Contact Information

Phone: 651-296-7938

Fax: 651-282-2644

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www.boa.state.mn.us

Upcoming Board meeting dates can be found on the Board’s website.

5. Don’t ignore letters from the Board.

Normally you have 30 days to respond to communication from the Board (Minnesota Rules, Chapter 1105.1300). Although your professional world is crazy busy, no good can come from putting off the reply and ultimately forgetting it. Your response to the Board can be in the form of a hard copy letter, an email, or a phone call. Notifications from the Board aren’t always bad. They can give you a heads-up on deadlines for CPE reporting and certificate renewal.

6. Keep your nose clean.

The Board of Accountancy is charged with protecting the public interest by making sure that the citizens of Minnesota are provided with professional services in a fair, honest, and trustworthy manner. CPAs don’t want dishonest practitioners tarnishing the profession’s reputation. That’s why the Board enforces the laws and rules—to protect the public and the reputation of the CPA profession.

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.

Note: The facts and remedies below are summaries of full disciplinary orders. To read the complete orders, visit the Board's website at www.boa.state.mn.us.

BOARD MEMBERS

Term Expiration

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 <i>Public Member</i>	January 2015
Sharon Jensen, CPA	January 2014
Thomas Lydon, CPA	January 2016
Mark Sellner, CPA	January 2016
Scott Van Binsbergen <i>Public Member</i>	January 2015
Michael M. Vekich, CPA	January 2013

On April 19, 2013, the Board issued the following orders:

In the Matter of Lisa Ann Callister CPA Certificate #14422

The Board issued a Stipulation and Consent Order. Facts: Respondent failed to complete 120 hours of mandatory continuing professional education during the years ended June 30: 2009, 2010 and 2011.

Remedy: Respondent's certificate shall be SURRENDERED to the Board. Respondent shall cease and desist from holding herself out as a CPA in Minnesota, practicing as a CPA in Minnesota, or engaging in activities requiring an active CPA certificate in Minnesota. Concurrent with any future application for reinstatement of her CPA certificate, Respondent shall complete and report 120 hours of CPE representing required hours for 2009, 2010 and 2011 that were not reported, shall complete and report an additional 120 hours of CPE for subsequent years, and shall pay the CPE Noncompliance Fee that will be calculated by the Board at the time of reinstatement. Respondent shall cease and desist from violating any statute, rule or order that the Board has issued or is empowered to enforce.

In the Matter of Roger H. Goetz, Jr. CPA Certificate #21507

The Board issued Findings of Fact, Conclusions of Law and Order.

Findings of Fact:

1. Respondent was hired to prepare the final individual income tax returns, the fiduciary income tax return and estate tax return on behalf of the estate of Complainant's deceased father ("the estate").
2. Respondent failed to provide the 2009 individual Federal and State tax returns to Complainant until after August 2011, at which time he mailed the forms to Complainant for signature and filing.
3. On December 23, 2009, Respondent requested that Complainant wire \$115,000 to DeRaad and Goetz, LLC's trust account at Round Bank in Waseca for Respondent to pay the estimated estate taxes owed by the estate to the Minnesota Department of Revenue ("the Department").
4. On December 28, 2011, the Department notified Complainant that it had not received an estate tax return or payment from the estate on behalf of the trust.
5. On April 20, 2012, Respondent sent a letter to Complainant stating that he had submitted the estate's tax return along with check number 3027 in the amount of \$116,637 to the Department for payment of the estate taxes.
6. Complainant filed an estate tax return and submitted payment in the amount of \$137,775.46 to the Department (on behalf of the estate), on May 5, 2012.
7. On May 21, 2012, the Department confirmed that it received the May 5, 2012 filing of the estate tax return and the tax payment, but

BOARD STAFF

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Holly Salmela 651-757-1520	<i>State Program Administrator</i> holly.a.salmela@state.mn.us
Vicky Oehrlein 651-757-1521	<i>Office and Administrative Specialist Intermediate</i> vicky.oehrlein@state.mn.us

PRIORITY APPLICATION PROCESSING

In cooperation with the Minnesota Office of the Lieutenant Governor, the Board has instituted a policy for priority processing of licensure applications for military families. The goal is to speed up the licensure process for these individuals when moving to a new state.

Active duty or recently retired service members and their spouses can now check a box on the Board's licensure applications to indicate that they are an active member of the U.S. military. Their application will be moved to the front of the line for processing.

Failure to Renew Certificate		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 under MN Stat. § 326A.04, subp 2 (b)(2012).			- Respondent's certificate is CENSURED and REPRIMANDED. - Respondent shall pay the fees listed below. - 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.				
Date Stipulation and Order Issued	In the Matter of:	Certificate Expired:	Failed to Renew Certificate in Years:	Date Revoked	Civil Penalty	Inactive Certificate Renewal Fee (\$10 per year)	Annual Delinquency Fee (\$50 per year)	License Surcharge Fee	Reinstatement Application Fee
April 19, 2013	Deborah Birdwell Beech #10019	2004	2005-2010; 2013	4/27/2007	\$750.00	\$110.00	\$350.00	\$15.00	\$20.00
	Chris Robert Fitzmorris #19396	2009	2010; 2013	8/17/2012	\$750.00	\$60.00	\$100.00	\$10.00	\$20.00
	Chad P. Hilgenberg #25416	2009	2010; 2013	8/17/2012	\$750.00	\$60.00	\$100.00	\$10.00	\$20.00
	Roberta Lynn Johnson #16523	2002	2003-2010; 2012	2/15/2005	\$750.00	\$120.00	\$450.00	\$15.00	\$20.00
	Susan Ann Katzenberger #16367	2008	2009; 2010; 2012	5/13/2011	\$750.00	\$60.00	\$150.00	\$15.00	\$20.00
	Ann Christine Viviano #13907	2002	2003-2011	2/16/2005	\$750.00	\$110.00	\$450.00	\$15.00	\$20.00
	Jay D. Wahlin #03410	2009	2010; 2011	10/15/2012	\$750.00	\$40.00	\$100.00	\$10.00	\$20.00
	David Charles Woodbeck #12347	2009	2010; 2011	10/15/2012	\$750.00	\$40.00	\$100.00	\$10.00	\$20.00
	Nga T. Ho CPA #23457	2008	2009; 2010; 2013	5/13/2011	\$750.00	\$315.00	\$150.00	\$32.00	\$20.00

that it had not received check number 3027, in the amount of \$116,637, from Respondent.

8. Respondent failed to file the estate tax return and pay the estimated taxes (\$115,000) to the Department on behalf of the estate.
9. Respondent failed to provide any evidence that the Department cashed the check in the amount of \$116,637, or any accounting as to the whereabouts of those monies.
10. The estate paid the Department \$12,830.07 in penalties and \$9,128.97 in interest because Respondent failed to file the estate tax return and pay the estimated estate taxes.
11. Respondent failed to appear, or request a continuance, at the Prehearing Conference scheduled by the Board's Complaint Committee.
12. Because Respondent failed to appear at the Prehearing Conference, he is in default.

Conclusions:

1. Respondent was given timely and proper notice of the Prehearing Conference in this matter.

2. The Board has complied with all legal and procedural requirements.
3. Respondent is in default because of his failure to appear at the Prehearing Conference.
4. When a party defaults, the allegations and the issues set out in the Notice and Order for Prehearing Conference may be accepted as true and deemed proven. The ALJ, therefore, deems the allegations to be true.

Order: Respondent's Certified Public Accountant certificate is REVOKED. Respondent shall pay a CIVIL PENALTY of \$4,000.

**In the Matter of Michael James Murray
CPA Certificate #03537**

The Board issued a Stipulation and Consent Order. Facts: During the years 1991-2010, Respondent was the primary tax return preparer for Jeffrey John Wirth and his businesses, including

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MINNESOTA BOARD OF ACCOUNTANCY

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Return Service Requested

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The Wirth Companies (“TWC”). From approximately 1991 until 2006, Respondent was the primary tax return preparer for Jeffrey John Wirth’s then-wife, Holly Claire Damiani, formerly known as Holly Claire Wirth.

On October 26, 2012, pursuant to a guilty plea, Respondent was convicted of one count of violation of 26 U.S.C. Section 7206(2), procuring a false corporate tax return for TWC for 2005, and sentenced to 18 months incarceration, followed by supervised release of one (1) year, with a fine of \$50,000.

In his Plea Agreement and Sentencing Stipulations, dated May 14, 2012, Respondent admitted that on or about September 15, 2006, Respondent willfully aided and assisted in, and procured, counseled, and advised the preparation and presentation to the Internal Revenue Service, a U.S. Corporation Income Tax Return, Form 1120S, on behalf of TWC, for the calendar year 2005, which return he knew was false and fraudulent as to a material matter. Specifically, the Respondent agreed that he prepared the Form 1120S to reflect on Schedule K, Line 16d, reported property distributions to be \$0, whereas, as the Respondent then and there well knew and believed, the property distributions were substantially more than \$0.

Remedy: Respondent’s CPA Certificate is REVOKED. Respondent shall not offer to perform or perform services required by law to be performed by a CPA 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 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. Respondent agrees that he will not petition the Board for reinstatement of his CPA certificate for at least 4 years.

SEPTEMBER BOARD MEETING

The Board is pleased to announce that the regularly scheduled Board meeting on September 16, 2013 will be hosted at the office of the Minnesota Society of Certified Public Accountants (MNCPA). You are invited!

Who: All licensees and the public

What: Board of Accountancy Board meeting

When: September 16, 2013

Time: 8:00 AM

Where: MNCPA Office

1650 W. 82nd St, Suite 600, Bloomington

Why: Members from AICPA and NASBA will give a presentation about the CPA Examination process - everything you need to know from beginning to end.

Please join us!