

**NEW JERSEY STATE BOARD OF ACCOUNTANCY  
PUBLIC SESSION MINUTES  
NOVEMBER 17, 2011  
SOMERSET ROOM - 6<sup>TH</sup> FLOOR**

**I Call to Order and Roll Call - 9:30 A.M.**

A meeting of the New Jersey State Board of Accountancy was convened in accordance with the provisions of the Open Public Meetings Act. Pursuant to those provisions, the proper notifications were made to the Office of the Secretary of State, the Camden Courier-Post, the Trenton Times, the Asbury Park Press, the Record, and the Star-Ledger. Board President Keith Balla called the meeting to order at 9:45 a.m. The following roll call was taken:

Keith Balla, CPA	Present
Robert Cagnassola, CPA	Present
John F. Dailey, Jr., CPA	Present
Daniel J. Geltrude, CPA	Present
Albertus Jenkins, Public Member	Present
Donald Jump, CPA	Excused
Paul J. Lerch, CPA	Excused
Michael S. Taxin, Public Accountant	Present
Steven Weinstein, CPA	Present

Also present at the meeting were William Mandeville, Executive Director; Tobey Palan, Deputy Attorney General; Melba Rodriguez, Secretarial Assistant; Marie Lisa, Staff; Ralph Thomas, Executive Director, NJSCPA; Jeff Kaszerman, NJSCPA and David Plaskow, Editor, NJSCPA Magazine.

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## **II Minutes of the Meeting of October 20, 2011**

On a motion made by John Dailey, seconded by Albertus Jenkins, the Board voted to approve the October 20, 2011 Public Session minutes with corrections. The vote of the Board was unanimous.

## **III President's Remarks**

Board President Balla informed the Board that the Holiday Luncheon would be held on December 15, 2011 following the Board meeting. The Executive Session will be held in the morning with Public Session to follow.

## **IV Executive Director's Remarks**

Executive Director Mandeville had no report for the Board.

## **V Uniform Penalty Letter in Lieu of Formal Complaint for CPE Audit**

### **A REQUESTED VOLUNTARY SURRENDER**

1. Sunil K. Singla
2. Donald Wrigley

On a motion made by John Dailey, seconded by Michael Taxin, the Board voted to approve the Request for Voluntary Surrender. The vote of the Board was unanimous.

### **B PAID PENALTY AND REQUESTED INACTIVE-PAID STATUS**

1. William J. Hackett - \$4,000 - paid
2. Vincent DiMaggio - \$2,500 - paid
3. Wayne R. Clarke - 3,000 - paid

On a motion made by John Dailey, seconded by Michael Taxin, the Board voted to approve the Paid Penalties and Requests for Inactive-Paid Status. The vote of the Board was unanimous.

**C     PAID PENALTY AND WILL MAKE UP CREDITS**

1.     Mark Lazarus - \$2,500 - payment plan - 16 payments
2.     Karen Snyder - \$4,000 - payment plan - 16 payments
3.     Robert J. Kinsey - \$8,000 - payment plan - 16 payments
4.     Marylin Esteves - \$500 - paid

On a motion made by John Dailey, seconded by Michael Taxin, the Board voted to approve the Paid Penalties and requests to Make Up Credits. The vote of the Board was unanimous.

**D     REQUESTED BOARD TO CONSIDER EXPLANATION**

1.     Susan J. Fiore

On a motion made by John Dailey, seconded by Steven Weinstein, the Board voted to uphold the original UPL. The vote of the Board was unanimous.

2.     Oliver Chen

On a motion made by John Dailey, seconded by Steven Weinstein, the Board voted to rescind the UPL. The vote of the Board was unanimous.

3.     John L. Schwegel, Jr.

On a motion made by John Dailey, seconded by Robert Cagnassola, the Board voted to reduce the UPL from \$2,500.00 to \$500.00. Mr. Schwegel is to be informed that he must make up five credits in Accounting and Auditing and 11 in miscellaneous credits. The Board also suggested that the Center for Professional Education be contacted to find out if Mr. Schwegel indeed did complete the NJ Law and Ethics course on December 23, 2008. The vote of the Board was unanimous.

4.     Paul T. Moles

On a motion made by John Dailey, seconded by Michael Taxin, the Board voted to uphold the original UPL. The vote of the Board was unanimous.

5. Veronica L. Galambos

On a motion made by John Dailey, seconded by Albertus Jenkins, the Board voted to request that Ms. Galambos supply the Board with proof of her financial hardship that prevented her from obtaining the required CPE credits for licensing period 2006-2008. The vote of the Board was unanimous.

6. Richard Podmokly

On a motion made by John Dailey, seconded by Albertus Jenkins, the Board voted to request that Mr. Podmokly supply the Board with proof of his financial hardship that prevented him from obtaining the required CPE credits for licensing period 2006-2008. The vote of the Board was unanimous.

7. Michael A. Falzone

On a motion made by John Dailey, seconded by Robert Cagnassola, the Board voted to send Mr. Falzone a letter requesting that he inform the Board what CISM exam means. The Board would also like to know who provides this exam and how it benefits his CPA license. The vote of the Board was unanimous.

8. Wei Philipp

On a motion made by John Dailey, seconded by Robert Cagnassola, the Board voted to request that Mr. Philipp supply the Board with proof of his financial hardship that prevented him from obtaining the required CPE credits for licensing period 2006-2008. The vote of the Board was unanimous.

9. Virginia C. Avrutin

On a motion made by John Dailey, seconded by Robert Cagnassola, the Board voted to uphold the original UPL. The vote of the Board was unanimous.

10. James Orland

On a motion made by John Dailey, seconded by Michael Taxin, the Board voted to reduce the UPL to \$3,500.00. The vote of the Board was unanimous.

11. Hhongwei Lu

On a motion made by John Dailey, seconded by Steven Weinstein, the Board voted to uphold the original UPL. The vote of the Board was unanimous.

12. Sri Haran

On a motion made by John Dailey, seconded by Michael Taxin, the Board voted to uphold the original UPL. The vote of the Board was unanimous.

13. John T. Pello

On a motion made by John Dailey, seconded by Daniel Geltrude, the Board voted to uphold the original UPL. The vote of the Board was unanimous.

14. Alan C. Moidel

On a motion made by John Dailey, seconded by Albertus Jenkins, the Board voted to request that Mr. Moidel supply the Board with proof of his financial hardship that prevented him from obtaining the required CPE credits for licensing period 2006-2008. The vote of the Board was unanimous.

15. Dek-Hwang Cho

On a motion made by John Dailey, seconded by Robert Cagnassola, the Board voted to uphold the original UPL. The vote of the Board was unanimous.

16. John P. Sullivan

On a motion made by John Dailey, seconded by Robert Cagnassola, the Board voted to rescind the UPL. Mr. Sullivan is to be informed that he must take and complete the NJ Law & Ethics course by June 30, 2012. The vote of the of the Board was unanimous.

17. George Acosta

On a motion made by John Dailey, seconded by Robert Cagnassola, the Board voted to request that Mr. Acosta supply the Board with proof of his financial hardship that prevented him from obtaining the required CPE credits for licensing period 2006-2008. The vote of the Board was unanimous.

18. John Mahoney

On a motion made by John Dailey, seconded by Steven Weinstein, the Board voted to uphold the original UPL. The vote of the Board was unanimous.

19. Beth Sosidka

On a motion made by John Dailey, seconded by Daniel Geltrude, the Board voted to rescind the UPL. Mr. Sosidka is to be informed that he must take and complete four credits in NJ Law & Ethics and 12 in Accounting and Auditing credits. The vote of the Board was unanimous.

20. Jill Quigley

On a motion made by John Dailey, seconded by Michael Taxin, the Board voted to rescind the UPL. The vote of the Board was unanimous.

21. William F. Kehoe

On a motion made by John Dailey, seconded by Albertus Jenkins, the Board voted to uphold the original UPL and inform Mr. Kehoe that he has 30 days to supply the Board with his credits. When the information is received, the Board will review the matter again. The vote of the Board was unanimous.

22. Joseph Garagozzo

On a motion made by John Dailey, seconded by Daniel Geltrude, the Board voted to reduce the UPL from \$8,000.00 to \$6,000.00 and inform Mr. Garagozzo that he must take and complete 16 credits in Accounting and Auditing, 48 in Technical subjects and 32 in miscellaneous subjects. The vote of the Board was unanimous.

23. Joseph Colatruglio

On a motion made by John Dailey, seconded by Robert Cagnassola, the Board voted to uphold the original UPL. The vote of the Board was unanimous.

24. Samuel F. Perdue

On a motion made by John Dailey, seconded by Robert Cagnassola, the Board voted to rescind the UPL and inform Mr. Perdue that he must take and complete the NJ Law & Ethics credits. The vote of the Board was unanimous.

## Addendum

### Requested Voluntary Surrender

1. David Altana
2. Harold Cohen
3. Robert Lorenzo
4. Euston D. Stephen
5. Kristen Raeter
6. Thomas J. Chiarella

On a motion made by Michael Taxin, seconded by Albertus Jenkins, the Board voted to approve the Requests for Voluntary Surrender. The vote of the Board was unanimous.

### Pay Penalty and Will Make up Credits

1. Carlyle Fraser - \$3,000 - payment plan - 10 payments
2. Ronald L. Blake - \$3,500 - payment plan - 10 payments
3. Frank Marino - \$7,000 - payment plan - 10 payments

On a motion made by Albertus Jenkins, seconded by Michael Taxin, the Board voted to approve the Penalties to be Paid and requests to Make up Credits. The vote of the Board was unanimous.

### Pay Penalty and Requested Inactive-paid Status

1. Beth Delong-Stone - \$1,500 - paid

On a motion made by Michael Taxin, seconded by Robert Cagnassola, the Board voted to approve the Paid Penalties and request for Inactive-paid Status. The vote of the Board was unanimous.

## VI Committee Reports

### A CPA Examination Committee

Steven Weinstein had no report for the Board.

### B Ethics Committee

Daniel Geltrude reported to the Board that the Committee is working on a standard checklist letter to make it easier to review information provided by the sponsors.

Mr. Geltrude also informed the Board that courses submitted by Gershon and Rigos has been rejected. They have been informed what changes must be made.

### C CPE Committee

Steven Weinstein reported to the Board that he reviewed all the information provided to him.

### D RMA Committee

Robert Cagnassola reported to the Board that the RMA examination will be conducted on Friday, December 2, 2011 at the State Board offices. There are currently 11 individuals registered for this examination.

Mr. Cagnassola also informed the Board that John Tully and Andrew DuBoff have offered to assist with the proctoring of the exam. Mr. Tully has offered to check and grade the RMA exam.

On a motion made by Daniel Geltrude, seconded by Michael Taxin, the Board voted to approve John Tully and Andrew DuBoff to assist in the proctoring of the examination on Friday, December 2, 2011. The vote of the Board was unanimous.

On a second motion made by Robert Cagnassola, seconded by Daniel Geltrude, the Board voted to allow John Tully to assist in the checking and grading of the RMA examination. The vote of the Board was unanimous.

E     Peer Review Program Committee

Robert Cagnassola reported to the Board that Friday, November 18, 2011, the first Peer Review Program Committee will take place at his office in Westfield, NJ. Mr. Cagnassola informed the Board that he has an agenda ready for review and discussion. Board President Balla also informed the Board that Mike Polito has also been added to the Peer Review Program Committee.

F     Education Committee

Albertus Jenkins had no report for the Board.

G     Reciprocity Committee

No report was given.

H     Nominating Committee

No report was given.

I     Statute/Rules/Regulations Committee

John Dailey reported to the Board that there will be a Committee meeting on Tuesday, November 29, 2011. Mr. Dailey informed the Board that Regulatory Analyst Sheehan has reviewed the information given to her regarding teaching credits and she has some thoughts for discussion.

Mr. Dailey informed the Board that he attending the NASBA meeting in Nashville. During the meeting, Mr. Dailey contacted Ken Bishop and requested education requirements from other surrounding states. Mr. Dailey has received the information and is in the process of reviewing it and will share it with the other Board members.

J     Planning Committee

Albertus Jenkins had no report for the Board.

K     Monitoring Profession Committee

John Dailey reported to the Board as to the current status of the CPE audits. Since the October meeting an additional \$40,803.00 in fines have been

assessed. Total fines assessed now exceeds \$3,700,000. At this point, all files selected have been reviewed with additional work still in progress relative to mitigating letters received from licensees.

### **Additional Information for Review**

#### **James Orland**

On a motion made by John Dailey, seconded by Michael Taxin, the Board voted to reduce the UPL to \$3,500.00 and inform Mr. Orland that he must take and complete 44 credits in miscellaneous courses and 14 in technical courses. The vote of the Board was unanimous.

#### **Paul T. Moles**

On a motion made by John Dailey, seconded by Michael Taxin, the Board voted to reduce the UPL to \$2,500.00 and inform Mr. Moles that he must take and complete 22 credits in Accounting and Auditing and 27 in miscellaneous courses. The vote of the Board was unanimous.

#### **Shannon Williams**

On a motion made by Robert Cagnassola, seconded by Steven Weinstein, the Board voted to rescind the UPL and inform Ms. Williams that she must complete the four credits in NJ Law & Ethics. The vote of the Board was unanimous.

## **VII Public Comments**

### **Important Society Dates**

- December 9, 2011- Society's Board Meeting and Holiday Luncheon
- December 13, 2011- NJBIA Public Policy Forum at the Renaissance Woodbridge Hotel, Iselin, NJ where the Society is an event sponsor and Carole Hedinger, NJSCPA President, will be a panelist on the Economic Outlook Panel
- January 17, 2012- NJSCPA Town Hall Meeting at the Woodbridge Hilton, Iselin, NJ with Bill Carlino, Editor, *Accounting Today*, as the featured speaker
- April 19, 2012- NJSCPA Annual Scholarship Awards Ceremony at the Renaissance Woodbridge, NJ
- June 6-8, 2012 - NJSCPA Convention and Expo at the Taj Mahal, Atlantic City, NJ.

## **Society Activities and Engagements on the Legislative and Regulatory Front**

We are monitoring the following legislative and regulatory activities in Trenton and Washington, DC:

- The recent November elections for all 120 seats in the legislature did not result in any significant changes as the Democrats picked up only one additional seat in the Assembly and the Senate remained the same. It was noted that there would be some changes in some key leadership positions when the new legislative sessions begins in January 2012.
- An update was provided regarding the Society's efforts to encourage CPAs and end users of small businesses' financial statements to sign on to the AICPA petition urging FAF to reconsider its proposal in response to the Blue Ribbon Panel's recommendations.
- The AICPA continues to monitor the IRS's activities regarding the registration of unlicensed tax preparers. Most recently, the AICPA has weighed in on the Service's distribution of PTIN holders information to third parties under the Freedom of Information Act. As a result of the AICPA's outreach to the IRS, the Service has put a hold on future requests for information regarding PTIN holders. The AICPA has suggested that PTIN holders should have an option to opt in to have their information provided to third parties. Additionally, the AICPA has weighed in on the background check process requiring PTIN holders who are not CPAs, attorneys or enrolled agents to be finger printed. The AICPA has suggested that the IRS consider other alternatives to finger printing.

## **Additional Comments/Questions**

- Ralph Thomas provided a brief update regarding his experience at the NASBA Annual meeting in Nashville, TN. He commented on the presentations made by PCAOB Chair Jim Doty and FASB Chair Leslie Seidman. Ralph noted that Mr Doty had comments in his presentation regarding audit firm rotation and the need to revisit this discussion. Ms. Seidman's presentation addressed the FAF's recent proposal in response to the Blue Ribbon Panel recommendations about a reporting model for small businesses and a separate board opposite FASB to recommend exceptions to GAAP.
- Ralph Thomas indicated the Society's Issues Paper recommending the State Board of Accountancy make the necessary changes to the regulations regarding educational requirements to sit for the CPA Exam would be forthcoming shortly.
- It was noted that the IRS had sent approximately 21,000 letters to return preparers. Recipients of these letters were selected based upon the kind of

returns that typically contain errors, with an emphasis on individual tax returns that include Schedules A, C and E. The IRS will begin to call approximately 2,100 return preparers soon to schedule a visit by an IRS agent.

- The Society indicated it was in the final stages of completing revisions to its Law and Ethics course to reflect recent changes to the Accountancy Statutes and Regulations. These revisions should be completed and ready to present to the Board's Ethics Committee for their review by the December State Board of Accountancy meeting. The Society expressed concern about the consistency and standardization of the Law and Ethics Programs. Thus, the Society recommended the Board oversight providers of the program by having State Board members attend and critique courses presented by approved providers. By over sighting Law and Ethics programs, the Board would ensure providers and their presenters/instructors were covering the appropriate materials, rules and regulations and not straying away from content that should be covered in the course presentation. On behalf of the Society, Ralph offered to have the Society's program over sighted and critiqued by members of the Board.

On a motion made by Robert Cagnassola, seconded by Daniel Geltrude, the Board voted to adjourn the Public Session agenda at 11:00 A.M. to enter into Executive Session to discuss the results of the Investigative Inquiry conducted, five UPL in Lieu of Complaint - Audit, one Old Business, five Request for CPE Waivers, one Request for Extension to Complete the CPE credits, one Request for Reinstatement, the PCAOB Reports, one miscellaneous matter and two Consumer Complaints. The vote of the Board was unanimous.

Respectfully submitted

William Mandeville  
Executive Director