

OREGON BOARD OF ACCOUNTANCY
Minutes, August 18, 2008

3218 Pringle Road SE #110

Salem, OR

*The Board of Accountancy protects the public by regulating
the practice and performance of all services
provided by licensed accountants.*

Board Members Present

Kent Bailey, CPA, *Chair*
Jens Andersen, CPA, *Vice-Chair*
Ray Johnson, CPA, *Co-Treasurer*
Eric Lind, *Public Member, Co-Treasurer*
James Gaffney, CPA
Stuart Morris, PA
Roberta Newhouse, CPA

Staff Members

Carol Rives, *Administrator*
Noela Kitterman, *Investigator*
Joyce Everts, *Committee Coordinator*
Heather Shepherd, *Committee Coordinator*

Guests Attending

Jeffrey Dover, Asst. Attorney General
Scott Wright, CPA OSCPA
Janice Essenberg, CPA OSCPA
Cheryl Langley, OSCPA
Sally Flowers, California Board Member
Russell Cramer (1:00 p.m.)
Darrel Jarvis, Esq., Attorney for Cramer
Laura Fournal, CPA (2:00 p.m.)
John Kieran, Esq., Attorney for Fournal
Twyla Lawson DAS-HRS (3:30 p.m.)
Vicki Jorgensen, DAS-HRS (3:30 p.m.)

1. CALL TO ORDER

A quorum being present, Chair Bailey called the meeting to order at 8:20 a.m. and appointed Ray Johnson as Process Observer.

2. APPROVAL OF MINUTES

A. May 18, 2008 Work Session

BOARD ACTION: Moved by Morris and carried to approve the minutes of the May 18, 2008 Work Session.

VOTE: Chair Bailey voted; 6 ayes, 1 abstain (Johnson)

B. May 19, 2008 Board Meeting

BOARD ACTION: Moved by Morris and carried to approve the May 19, 2008 Board meeting minutes.

VOTE: Chair Bailey voted; 6 ayes, 1 abstain (Johnson)

3. REPORT OF CHAIR

A. NASBA

1. 101st Annual Meeting, October 26 – 29, 2008 in Boston, MA.

Board Discussion: The Board agreed to approve travel for one representative to attend the Annual Meeting. The Board members believe that it is more important to have more than one representative attend Regional meetings.

BOARD ACTION: Moved by Johnson and carried to approve travel for the Board Chair to travel to the NASBA Annual Meeting and have delegated voting authority.

VOTE: Chair Bailey voted; 7 ayes

B. NASBA Focus Questions

Board members were requested to review the focus questions and submit comments to Mr. Bailey. Mr. Bailey will compile and respond to NASBA.

C. Administrator Last day of work

The administrator has determined that her last day in the office will be December 31, 2008. Ms. Rives requests the Board to approve Rives' use of earned vacation and personal business hours after December 31, rather than accept a cash buy-out for 250 vacation hours. Approximately 375 earned vacation and personal business hours will extend Rives' salary and benefits until April 1, 2009. The Board agrees that the Administrator is entitled to the full benefit of earned vacation and personal business hours.

BOARD ACTION: Moved by Gaffney and carried to allow Ms. Rives to use earned vacation and personal business hours following her last working day on December 31, extending salary and benefits until approximately April 1, 2009.

VOTE: Chair Bailey voted; 7 ayes

D. NASBA Regional Meeting

The NASBA Regional Meeting was held June 18-20, 2008 in Newport Beach, California. Mr. Bailey and Ms. Newhouse attended the meeting. Topics that were discussed included mobility, 150 vs. 120 education hours, International Financial Standards "IFAC". Ms. Newhouse reported that some states have partnered with universities to schedule Board meetings at different universities. This may encourage students to follow the accounting career path by providing student exposure to the Board. Ms. Flowers is chair of this NASBA committee and mentioned that some states are conducting discussions of specific topics of the Board meeting as a conference call so that the accounting students can listen to the Board discussion. After the conference call, the professor then may conduct a discussion of the topic with the students. Suggestion was made to add this topic to the May 2009 Work Session agenda.

E. PROC Conference Delegate

David Lindley will attend the PROC Conference on a NASBA scholarship. Sally Flowers, California Board member and NASBA representative, suggested submitting all expenses to NASBA: airfare, lodging, tuition and food.

F. Strategic Planning Policy 07-038

The Board reviewed and approved the Best Practices procedures and comments that were developed in August 2007. The comments reflect the current performance of best practices. Review of Best Practice will be included on the May Work Session Agenda each year, so that results are available in time to include in the Annual Performance Progress Report.

BOARD ACTION: Moved by Johnson and carried to approve the performance of Best Practices for fiscal year 2007-08.

VOTE: Chair Bailey voted; 7 ayes

4. REPORT OF VICE CHAIR

A. Work Session

The Board suggested that the following topics be included on the agenda:

- Definitions relating to disciplinary actions
- Procedures for administrative hearings
- Pre-Issuance review standards and procedures
- NASBA 150 Hour White Paper
- Mobility

5. REPORT OF TREASURER

A. June 2008 Budget Report

Rives reviewed the current budget FY-1 and explained that revenue is at its highest point in FY-1 because of firm renewals that occur one time during each biennium. Noting that personal services expenditures exceed budget, Rives explained that the 07-09 budget did not include funds to cover an increase in salaries that was approved by the Governor in July 2007. The increase is to allow employee salaries to “catch-up” from salary freezes that were implemented in the 2003-05 biennium. The shortfall resulting from the increase in salaries has been calculated for each agency and was approved by the E-Board in an Omnibus Package brought by DAS. The increase in salaries for Board staff will be appropriated from our cash reserves.

B. 05-07 Revenue Report *(for comparison)*

C. Budget Strategies, Expenditure Categories Worksheet

The summary shows the percentages for fiscal year 2007-08 (Attachment A). We have completed one fiscal year and should have used nearly 50% of the monies in each category. Professional services are 60% of what was budgeted; other services are based on incoming revenue. Some categories no longer exist and that money has been allocated to other expense categories. We have approximately \$150,000 for on-line licensing and we will incur approximately \$75,000 in consulting fees.

D. Summary 2009-11 Agency Request Budget

Rives met with the Legislative Fiscal Officer (LFO) and the Budget Management Analyst (BAM) to discuss Board policy packages for the 09 -11 budget request. The following strategies were recommended:

- Submit a policy package to enable the Board to continue the Contract Investigator program during 09 -11. Unused funds remain in our cash reserves. This will enable the Board to determine whether funds should be allocated for this purpose each biennium. Rives noted that the amount of this package (\$100,000) can be adjusted before December 1.
- Funding for the on-license project will be better managed when the Board knows the actual cost of the project. This might be accomplished one of two ways: (1) a request to the 2009-11 Emergency Board after responses to the RFP are reviewed, or (2) if the Board has a bid for the project before the budget process is finished, it may be possible to submit a special request for funding to the Ways and Means Committee, to be approved in the 09-11 LAB.

The Board discussed the need to continue funding for complex investigations, noting that four years of experience will be helpful in evaluating the benefit of this program.

BOARD ACTION: Moved by Johnson and carried to approve Policy Package 101; Complaint Investigation Management for \$100,000.

VOTE: Chair Bailey did not vote; 6 ayes

6. LEGAL

A. Report of Legal Items

1. Proposed orders from OAH

None

2. Proposed Consent Orders

a. Sheila Lamvik

This item was included as a placeholder in the event that a settlement offer was submitted. None was received.

b. Gary Stapleton

Stapleton deducted alimony on Client's 2003 tax return. The deduction was disallowed by Oregon Department of Revenue. The Board issued a Notice of Proposed License Revocation and \$3,000 Civil Penalty. A hearing was set for July 16, 2008. Prior to hearing BOA entered into settlement negotiations and the hearing was cancelled. This case has not been settled.

BOARD ACTION:

Moved by Johnson and carried to instruct Dover to refer this matter for hearing.

VOTE: Chair Bailey did not vote; 6 ayes

c. Morton Bohn

Oregon Employment Department (Department) contacted clients of Morton Bohn to conduct audits of employer payroll records. Department is authorized to conduct such audits by ORS 657.660. Bohn's clients granted Bohn "Power of Attorney" to represent them before Department. While representing clients before Department, Bohn disregarded Department's authority to schedule audits and disregarded a Department issued subpoena.

History: The Board issued an Order to Cease and Desist and a Notice of Proposed Civil Penalty (\$10,000). The Board received a letter from Bohn's attorney stating that Bohn is willing to agree to the following: Bohn does not accept the Findings of Fact or Conclusion of Law; Bohn is willing to stipulate to the terms of the Cease & Desist Order found in paragraph 20 – "cease and desist from engaging in conduct that interferes with the Oregon Employment Department's statutory authority to audit employee records"; and Bohn is willing to pay a \$1,000 total civil penalty. The Board rejected Bohn's settlement offer and authorized legal counsel to negotiate the civil penalty amount.

Bohn submitted a second offer, agreeing to abide by the language in the Cease and Desist Order and to pay a civil penalty of \$5,000, requesting installment payments of the \$5,000 penalty. The Board agreed that \$5,000 civil penalty is acceptable if paid in cash or credit card; the Board will accept

installment payments of the full penalty of \$10,000, subject to statutory rate of interest.

BOARD ACTION: Moved by Johnson and carried to accept Bohn's settlement offer to pay a \$5,000 civil penalty if paid in a single payment; if installment payments are required, the civil penalty shall remain \$10,000 and is subject to the statutory rate of interest

VOTE: Chair Bailey did not vote; 6 ayes

d. Russell Cramer

This item was included as a placeholder in the event that a settlement offer was submitted. None was received.

e. Curtis Robertson

The Complaints Committee recommends a \$2,500 civil penalty for violation of ORS 673.320(3) Using the CPA designation while in lapsed status. The Board received an offer from Robertson to accept the Complaints Committee recommendation.

BOARD ACTION: Moved by Andersen and carried to accept the offer and assess a \$2,500 civil penalty for violation of ORS 673.320(3) Using the CPA designation while in lapsed status.

VOTE: Chair Bailey did not vote; 6 ayes

3. Other

a. Sykes claim for damages - information only

b. Cramer article

The Board reviewed a report submitted by Russell Cramer that was required by Consent Agreement CO-06-087 (2006).

BOARD ACTION: Moved by Johnson and carried to accept the article.

VOTE: Chair Bailey did not vote; 6 ayes

c. Cramer Reinstatement Application

The Board agreed to defer a decision regarding Cramer's reinstatement application until the current complaint is resolved.

BOARD ACTION: Moved by Johnson and carried to defer.

VOTE: Chair Bailey did not vote; 6 ayes

d. Jerome (Tonk) Fischer

Husband and Wife were clients of Jerome Fischer. When Husband and Wife separated, Fischer agreed to assist Husband and Wife by mediating a property settlement agreement. Fischer informed the parties that providing mediation and tax planning services to both parties was a conflict of interest and also that Fischer believed he could perform such services with objectivity. Fischer did not obtain written authorization from either Husband or Wife to perform those services. Husband complained that Fischer did not act with objectivity when Fischer performed mediation services for Husband and Wife.

The Board issued a Notice of Proposed Civil Penalty totaling \$5,000. Fischer requested a hearing.

The Board agreed to review the investigation report and amend the Notice to clarify the facts with respect to line items 22.a and 22.c. Legal counsel will amend the notice with the assistance of Bailey and Rives.

e. Laura Foumal – Request for Depositions

Laura Foumal and her client formed NCOPR, a non-profit organization, with the purpose of providing temporary mortgage assistance to individuals. Foumal served as President of National Christian Organization for Property Rescue (NCOPR). While serving as an officer of NCOPR, Foumal commingled NCOPR funds with the funds of businesses owned by Fomal.

The Board mailed Notice of Proposed License Revocation and Civil Penalty of \$25,000. Foumal requested a hearing. Legal counsel advised the Board that Foumal made a settlement offer of a \$4,000 civil penalty, six (6) months to one (1) year suspension and numerous hours of CPE. If the Board does not accept Foumal's offer to settle, Foumal's attorney would like to depose Robert Griffiths and Pamela Luchini. Foumal and attorney John Kieran arrived at 2:50 p.m. Kieran made the following statements:

- There was no intent to defraud, even though NCOPR money was commingled
- Foumal used a personal bank account for NCOPR transactions and did not change the name on the account when she used it for NCOPR activity
- Foumal admits to making some errors
- All funds were accounted for in QuickBooks
- NCOPR did not lose money
- Foumal did not come up with the idea to form a non profit organization
- Foumal obtained the advice of an attorney when forming NCOPR, and the attorney "dropped the ball"
- Foumal attempted to wire transfer money from NCOPR's account because NCOPR owed Foumal money for professional services

This complaint was referred to the Board by Department of Justice, Charitable Contributions Division. An audit of NCOPR resulted in the following findings:

- there were no accounting records
- properties were titled in Foumal's name
- loans were made to Foumal family members
- NCOPR activity did not represent that of a non-profit organization
- When Foumal resigned, she wire transferred money from NCOPR's bank account to her own account. NCOPR recovered these funds
- Foumal withdrew \$125,000 from NCOPR accounts for her personal use
- Foumal and NCOPR entered into a settlement under which Foumal paid NCOPR \$75,000.

Board Discussion: *The Board's responsibility is to determine whether Foumal is fit to practice as a CPA. Foumal cannot legitimize her actions by stating that she relied on the advice of others for her improper or unethical activities. Depositions will clarify the evidence and may provide information relating to the allegations of fraudulent conduct. The Board is concerned that Foumal's conduct may constitute multiple violations of the professional code of conduct, including gross negligence, and repeated acts of professional misconduct.*

BOARD ACTION: Moved by Gaffney and carried to authorize the depositions of Robert Griffiths and Pamela Luchini.

VOTE: Chair Bailey did not vote; 6 ayes

BOARD ACTION: Moved by Gaffney and carried to order a deposition of Laura Fournal.

VOTE: Chair Bailey did not vote; 6 ayes

BOARD ACTION: Moved by Gaffney and carried to request signature blocks for all tax returns signed by Fournal during the appropriate time periods.

VOTE: Chair Bailey did not vote; 6 ayes

7. COMPLAINTS

A. Report of Complaints Committee

1. Acceptance of Minutes

a. June 13, 2008

BOARD ACTION: Moved by Andersen and carried to accept the Committee minutes of June 13, 2008.

VOTE: Chair Bailey did not vote; 6 ayes

B. Consent Agenda

1. Complaint Investigations

** Items removed from consent agenda*

- | | |
|----------------------|-----------|
| *a. Paul Nielson | 07-05-016 |
| *b. Russell Cramer | 07-08-024 |
| *c. Brent Olsen | 07-09-026 |
| d. Nissen and Meyer | 07-09-027 |
| e. Marvis Mackey | 07-11-036 |
| f. Kevin Keithley | 07-11-031 |
| *g. Curtis Robertson | 08-05-016 |
| *h. Gary Leavitt | 08-05-017 |

BOARD ACTION: Moved by Andersen and carried to accept the Consent Agenda.

VOTE: Chair Bailey did not vote; 6 ayes

C. Items Removed from Consent Agenda

Complaint Investigations

1.a. Paul Nielson 07-05-016

While working for a Firm, Nielson reviewed the audit of a County for the year ended June 30, 2001. The United States Department of Health and Human Services (HHS) performed a desk audit and found that a grant was not included in the Schedule of Expenditures of Federal Awards. HHS referred the matter to AICPA.

The AICPA "Ethics Charging Authority" investigated and found that Nielson was in violation of the AICPA Code of Professional Conduct. "AICPA Disciplinary Action" (Action) described the findings of this investigation and included a description of an agreement between AICPA and Nielson (Agreement). The Agreement states that Nielson will complete 65 hours of Continuing Professional Education (CPE) over a period of eighteen months. After the CPE is completed, Nielson will provide the following to AICPA:

... a list to the AICPA Technical Standards Subcommittee of OMB Circular A-133 audit (or highest level of) engagements completed in the 12 months subsequent to completing the CPE hours. One engagement will be selected for review and the AICPA Technical Standards Committee will review the working papers and financial statements of the engagement selected. A peer review undergone by Mr. Nielson's firm will not exempt him from this requirement.

Nielson signed the Agreement on February 27, 2007. Nielson completed and submitted the first 40 hours to AICPA in accordance with the Agreement. Nielson has completed 11 of the 25 hours that are due within the next six months.

A Complaint Committee member reviewed the AICPA Disciplinary Action and Nielson's response to the Board's complaint and reported that the Complaints Committee has adequate information to make a recommendation to the Board without obtaining additional working papers from either AICPA or Nielson.

Committee Discussion: The Committee questioned why a Firm partner and/or the Firm were not held accountable. Firms issue audits, not individual licensees. The Committee also noted additional substandard work (insufficient disclosures on the financial statement) that AICPA did not take action on. The AICPA will conduct a subsequent review. The Committee considered advising the Firm to modify their procedures, however, the work was performed from a Eugene office for a California County and the Board has no jurisdiction in California. To protect the public, it was suggested that the Board discuss the possibility of contacting the Firm and request assurance that the Firm has discussed this issue with its employees.

COMMITTEE RECOMMENDATION: Moved and carried to recommend a violation of OAR 801-030-0010(2) Technical Competence and accept the AICPA requirement for additional CPE (65 hours) with no additional sanctions; the 65 hours of CPE required by the AICPA may not be included in the 80 hours of CPE for the 2008-2010 Oregon permit renewal; require licensee to report the results of the subsequent AICPA review to the Oregon Board of Accountancy.

Board Discussion: *Gaffney recused himself from the discussion. The Board concurred that the 65 CPE hours should be in addition to the 80 CPE hours required for Oregon permit renewal and the Board will require a copy of the results of AICPA's second review of Nielson's audit.*

BOARD ACTION: Moved by Andersen and carried to accept the Committee's recommendation: 65 hours of CPE as described by the committee and by the AICPA, and Respondent is required to provide a copy of the results of the AICPA subsequent review to the Board within 30 days of date such report is issued by AICPA.

VOTE: Chair Bailey did not vote; 5 ayes, 1 abstained (Gaffney)

1.b. Russell Cramer 07-08-024

Clients operated a hair salon and day spa. Russell Cramer (Cramer) prepared Client's 2005 individual income tax return. Cramer and Client entered into a business agreement in which Client would operate the hair

salon and day spa and Cramer would operate a tanning salon. Cramer agreed to provide accounting services for Client's business and Client agreed to oversee the tanning salon.

Cramer leased a building and financed the leasehold improvements. Client agreed to make monthly payments for the leasehold improvements in addition to paying rent. Cramer did not advise Client that he and Client may have differing interests in the business agreement, did not timely obtain permits for the leasehold improvements and refused to provide Client with invoices to support the cost of leasehold improvements. Cramer refused to allow Client to operate the business when Client's rent and loan payment was two days late.

ALLEGED VIOLATION(S)

OAR 801-030-0015(2)(b) Requested Records

Licensees are required to furnish the following records to a client or a former client, upon request, within a reasonable time after such request:

(B) In response to a client's request for client records, made within a reasonable time, that occurs after the issuance of a tax return, financial statement, report or other document prepared by the licensee, the licensee shall furnish to the client or former client:

(ii) Any accounting records belonging to or obtained from or on behalf of the client that the licensee removed from the client's premises or received for the client's account; and

(iii) A copy of the licensee's working papers to the extent that the working papers include records that would ordinarily constitute part of the client's records and are not otherwise available to the client.

Client asked for copies of the receipts to support the leasehold improvement expenditures made by Cramer on Client's behalf. Cramer refused to provide Client with a copy of the receipts requested by Client.

OAR 801-030-0020 (1) Professional misconduct.

(a) A licensee shall not commit any act or engage in any conduct that reflects adversely on the licensee's fitness to practice public accountancy.

(b) Professional misconduct may be established by reference to acts or conduct that would cause a reasonable person to have substantial doubts about the individual's honesty, fairness and respect for the rights of others or for the laws of the state and the Nation. The acts or conduct in question must be rationally connected to the person's fitness to practice public accountancy.

Cramer and Client entered into a verbal agreement that Client would pay Cramer monthly payments for rent and leasehold improvements. The payment was due by the fifth of each month. In May 2007 when Client made the payment on the seventh, Cramer refused Client's payment and denied Client access to the building to operate the hair salon and day spa. Client obtained entry to their business only after requesting assistance from the police.

Cramer did not obtain permits for leasehold improvements made to the rental property. The City of Medford issued a "Notice of Dangerous Building" for remodeling without obtaining permits, violation of Oregon Electrical Specialty Code and for opening for business without a Certificate of Occupancy.

The following conduct would cause a reasonable person to have substantial doubts about Cramer's honesty, fairness and respect for the rights of others or for the laws of the state or nation:

- Leasehold improvements without obtaining permits;
- Refusing to provide invoices to support the cost of leasehold improvements
- Refusing to allow Client to do business after delivering a payment two days late.

OAR 801-030-0020(8) Business transactions with clients

(a) Except for business transactions that occur in the ordinary course of business, licensees shall not enter into a business transaction with a client if the licensee and client have differing interests therein unless the client has consented to the transaction after full disclosure of the differing interests in writing. Disclosure in writing shall be made prior to the time the business transaction is accepted.

Cramer never advised Client that the business transaction could result in differing interests between Cramer and Client, and Cramer did not provide to Client full disclosure in writing of their differing interests; Therefore Client never had the opportunity to consent to the transaction after full disclosure.

SUMMARY

Violation of Consent Order CO-06-087 provided that:

"CPA certificate 10932, issued to Russell C. Cramer on November 4, 2004 is HEREBY REVOKED. Revocation is STAYED for a period of five (5) years, beginning July 1, 2006. If Respondent commits any violation of ORS Chapter 673, OAR Chapter 801, or any term of this Consent Agreement, Stipulation and Order during the stay, the Board may terminate the stay and revoke Respondent's CPA certificate, without providing Respondent the opportunity for hearing or appeal on the merits of revocation as a disciplinary action."

OAR 801-030-0015(2)(b) Requested Records

OAR 801-030-0020(1) Professional misconduct

OAR 801-030-0020(8) Business transactions with clients

Russell Cramer and attorney Darrel Jarvis arrived at the meeting at 11:05 a.m. and presented a written response to the investigation report in addition to the following statements:

- The complainants were not accounting clients
- Cramer provided payroll services for the complainants
- There was no agreement that the complainants would manage the tanning salon

- There was an agreement that rent was due the 1st of each month
- Cramer did not refuse to provide receipts to complainants
- Temporary business licenses were issued
- Complainants were involved in the building and permit processes
- A licensed electrical contractor was hired and applied for electrical permits
- Cramer denies that he advised staff or patrons that complainants were not allowed on the property

In response to Committee questions, Cramer stated the following:

- Construction work started before permits were issued
- The remodel did not have structural changes but permits were required for electrical, plumbing and ADA.
- The electrical permit was the only permit that was applied for prior to the time that work commenced
- Before going into business with complainants, the complainants were not Cramer's clients
- Cramer billed complainants for services when he was employed with Purkeypile & Johannsen CPAs LLP
- Cramer requested that complainant not introduce him as a CPA
- Cramer advised complainants in April 2006 that he could not practice public accounting but did not divulge the reason or any details.
- The problems started when complainants accused Cramer of "stealing" their successful business
- Cramer and complainants had separate bookkeeping records
- Cramer did not use information that he obtained about the complainants or the complainants' business to his personal advantage
- Cramer spent \$150,000 (credit card debt) to remodel leased premises
- Cramer sublet business space to the complainants
- Cramer is currently employed by Michael L. Piels Certified Public Accountants LLP dba Income Tax Help

Committee Discussion: The committee noted that Cramer's certificate is subject of a revocation order and that the revocation was stayed for a five-year period beginning July 1, 2006. If Cramer is found to be in violation of the Board's statutes or administrative rules during this five-year period, the stay would be terminated and the revocation would become effective.

Cramer's CPA permit was also suspended for two years during the five-year stay. The suspension ends June 30, 2008. The Committee requested the investigator to determine whether Cramer signed tax forms as a preparer after July 1, 2006.

In April 2006 (prior to the Order of Revocation of Cramer's CPA certificate) Cramer and Complainants entered into a business transaction that involved a commercial lease, and leasehold improvements to that space. Cramer obtained commercial space for their mutual project and sublet a portion of the space to Complainants. Cramer admits that he made leasehold improvements without obtaining the required permits. All permits were ultimately issued, but it is unclear whether the permits were obtained because of a pending building

inspection or whether they were issued after the work was completed. Complainants state that Cramer did not involve them in the build-out, and they relied on him to file the appropriate permits when required.

Complainants agreed to reimburse Cramer for their share of leasehold improvement expenditures that Cramer incurred in the build out.

Complainants made monthly payments against those expenditures even though Cramer never provided proof of expenditures that he incurred.

The Committee questioned whether Cramer's failure to provide invoices for the costs of the build out and equipment are a record retention violation under Board rules because it does not relate to records or documents obtained during the course of providing public accounting services.

Cramer prepared the 2003 tax return for Complainants in 2004 (while employed by Moss Adams) and the 2005 tax return for Complainants in 2006 (while employed by Purkeypile). Cramer states that in 2005 he assisted Complainants in the preparation of the 2004 tax returns for no fee.

Cramer admits that he did not tell Complainants about the pending revocation of his CPA certificate or about the actual suspension of his CPA permit. He said that he helped complainants with their business records on an unpaid basis because of their friendship.

The relationship between Complainants and Cramer began as a personal friendship and developed into a professional relationship. Complainants followed Cramer to his different employments for tax preparation. Cramer never advised Complainants that his CPA certificate was under order of a stayed revocation or that his permit was suspended. Cramer was a CPA when he entered into the business transaction with Complainants, and was therefore subject to the disclosure requirements of OAR 801-030-0020(8). Cramer continued to perform professional services for complainants while his permit was suspended, and charged a fee for those services (monthly payroll services, quarterly payroll reports and preparation of Complainant's 2006 extension).

The Committee sees a need for public protection in this type of situation when the boundaries of personal and professional relationships are blurred. The Committee also reviewed the definition of "client".

The Committee did not address the Revocation Order because they believe that is for the Board to determine.

COMMITTEE RECOMMENDATION: Moved and carried to recommend the following:

- . OAR 801-030-0015(2)(b) Requested Records (invoices for build out)
No Jurisdiction
- . OAR 801-030-0020(1) Professional misconduct (building permits)
No Action
- . OAR 801-030-0020(8) Business transactions with clients
\$5,000 civil penalty, and if the Board decides to continue the stayed revocation (CO-06-087) then for the remaining three years, licensee is required to complete 8 hours of continuing professional education in ethics in each of the three years (8 hours per year x 3 years); the 24 CPE hours are in addition to the number of ethics hours required for license renewal.

Russell Cramer and attorney Darrel Jarvis arrived at the Board meeting at 1:10 p.m. The Board reviewed a letter dated August 7, 2008 in which Jarvis stated that:

- Cramer was not holding out as a CPA when the problems transpired
- In April 2006, the clients/friends (Ws) were not looking at Cramer for professional advice
- After the relationship deteriorated, Cramer did not use any knowledge that he had about the Ws to better himself.

Cramer responded to Board questions:

- Cramer worked for Moss Adams until June 2004
- Ws were not clients of Moss Adams
- Ws were clients of Purkeypile & Johannsen
- Cramer was licensed in November 2004
- Cramer has had some bad luck, but claims to have done nothing wrong
- Ws had a hair salon and Cramer wanted to open a tanning salon
- Cramer and Ws teamed up
- Cramer was the primary lessee and Ws sublet a portion of the building
- Cramer and Ws kept separate books and had separate office space
- Cramer remodeled the salon and bought most of the equipment
- The Ws were to repay Cramer for part of the remodel cost and for the equipment that Cramer purchased on the Ws' behalf (loan)
- Cramer prepared, but did not sign Ws' tax returns for 2005
- Cramer stated that the Ws viewed him as a friend rather than a CPA
- There were no written agreements
- Cramer did not do the Ws' payroll until October 2006
- Cramer prepared an extension for the Ws' 2006 tax return and it was filed in 2007
- Cramer prepared but did not sign the Ws' 2006 extensions
- Cramer told the Ws that his license was suspended, but did not describe the reasons for the suspension and did not provide written disclosure
- Cramer has known the Ws since 1991; they stood up at each others' weddings

Board Discussion: *Gaffney did not request to be recused from the discussion or voting in this matter, having no conflict with the facts of this complaint.*

The Board discussed Cramer's relationship with the Ws, the fact that they were both friends and possible clients. Cramer did not formally address this issue with the Ws. Cramer should have advised the Ws that they were only business partners and Cramer should not have prepared their taxes. The Board noted that payroll reports do not have to be prepared by a CPA and Cramer did not sign any tax returns. The Board stated that CPAs have rules to follow to avoid this very situation and the "best practice" is to err on the side of caution.

Both the lease and loan agreements should have been in writing. The Ws were accounting clients before partnering with Cramer in a business relationship. There

was a relationship carryover and the Ws may not have understood the transition because Cramer was not candid about the status of his CPA license. There is evidence that the Ws continued to consider Cramer as their CPA. Cramer did not provide any written document advising the Ws that he was no longer a licensed CPA, and Cramer admits that he never told them that he was not a licensed CPA or that his license was under Board order.

BOARD ACTION: Moved by Andersen and carried to accept the Committee's recommendation:

- OAR 801-030-0015(2)(b) Requested Records (invoices for build out): No Jurisdiction
- OAR 801-030-0020(1) Professional misconduct (building permits): No Action
- OAR 801-030-0020(8) Business transactions with clients
\$5,000 civil penalty, and if the Board decides to continue the stayed revocation (CO-06-087) then for the remaining three years, requirement to complete 8 hours of continuing professional education in ethics in each of the three years (8 hours per year x 3 years); the 24 CPE hours are in addition to the number of ethics hours required for license renewal.

VOTE: Chair Bailey voted; 6 ayes, 1 nay (Johnson)

BOARD ACTION: Moved by Gaffney and carried to continue to stay the revocation.

VOTE: Chair Bailey did not vote; 6 ayes

The Board convened in Executive session for 15 minutes.

Board Discussion: *With respect to Cramer's reinstatement, the Board has a concern about Cramer's fitness to practice. The circumstances surrounding the transactions and the conflicting stories about what Cramer told the Complaints Committee and what Cramer told the Board gives the Board reasonable doubt about Cramer's fitness to practice. The Board is not ready to revoke Cramer's permit, and is not willing to accept Cramer's reinstatement application. Cramer's permit continues to be suspended until the Board approves a reinstatement application.*

BOARD ACTION: Moved by Johnson and carried to deny the current reinstatement application (covering renewal period 2008–2010), and agree to consider a reinstatement application for the 2010-2012 renewal period.

VOTE: Chair Bailey did not vote; 6 ayes

1.c. Brent Olsen 07-09-026

Olsen prepared personal and business tax returns for Client. Client consulted with Olsen about avoiding payment of capital gains by obtaining a medical waiver if Client sold her house after living in it for only three months. According to Client, Olsen affirmed that Client could avoid payment of capital gains under a medical waiver. After Client sold the house, Olsen prepared Client's tax return reporting capital gains tax on the sale of Client's home.

Olsen reported activity for Client's single member LLC on Form 1065.

ALLEGED VIOLATION(S)

OAR 801-030-0010 (1) General Standards

Licensees shall comply with the following general standards.

(a) Professional Competence Licensees shall undertake only those professional services that the licensee or the licensee's firm can reasonably expect to be completed with professional competence.

(b) Due Professional Care Licensees shall exercise due professional care in the performance of professional services.
and;

OAR 801-030-0010 (4) Tax Standards

Licensees shall not perform tax planning services, recommend tax return positions or prepare or sign tax returns (including amended returns, claims for refunds and information returns) filed with any taxing authority unless the licensee has complied with Statements on Standards for Tax Services issued by the Tax Executive Committee of the American Institute of Certified Public Accountants and with the United States Department of Treasury Circular No. 230.

Client asked Olsen about selling her home that she had occupied less than two years, to find out if she could avoid capital gains by using a medical exclusion. Client stated that Olsen told her "You should be ok". Olsen stated that he advised Client that she made a good point about saving money if Client were to sell her home and move her business into her home. It is unclear if Olsen advised Client that she could avoid capital gains by using a medical waiver when selling her home.

Olsen prepared Client's 2005 and 2006 single member LLC using Form 1065. Internal Revenue Service publication 3402 states that if the only member of the LLC is an individual, the LLC income and expenses are reported on Form 1040, Schedule C, E or F. Publication 3402 also states "single-member LLCs may not file a partnership return".

OAR 801-030-0020 (1) Professional misconduct.

(a) A licensee shall not commit any act or engage in any conduct that reflects adversely on the licensee's fitness to practice public accountancy.

(b) Professional misconduct may be established by reference to acts or conduct that would cause a reasonable person to have substantial doubts about the individual's honesty, fairness and respect for the rights of others or for the laws of the state and the Nation. The acts or conduct in question must be rationally connected to the person's fitness to practice public accountancy.

Olsen did not return Client's phone calls, stating that he did not have Client's phone number.

SUMMARY

OAR 801-030-0010 (1) General Standards.

(a) Professional Competence

(b) Due Professional Care

OAR 801-030-0010 (4) Tax Standards

OAR 801-030-0020 (1) Professional misconduct

Committee Discussion: Committee members agree that Olsen failed to thoroughly research the capital gains and medical exclusion laws. He incorrectly used Form 1065 to prepare Client's single member LLC.

COMMITTEE RECOMMENDATION: Moved by Brown and carried to recommend 16 hours of Continuing Professional Education in Technical *Partnership and/or LLC* and assess a \$2,000 civil penalty as follows:

- \$1,000 for violation of OAR 801-030-0010(a) Professional Competence
- \$1,000 for violation of OAR 801-030-0010(4) Tax Standards

COMMITTEE RECOMMENDATION: Moved and carried to recommend no action (lack of evidence) for violation of OAR 801-030-0020(1), Professional Misconduct.

Board Discussion: *The Board concurred with the Committee's recommendation.*

BOARD ACTION: Moved by Andersen and carried to accept the Committee recommendation:

- 16 hours of Continuing Professional Education in Technical *Partnership and/or LLC*
- assess a \$2,000 civil penalty as follows:
 - \$1,000 for violation of OAR 801-030-0010(a) Professional Competence
 - \$1,000 for violation of OAR 801-030-0010(4) Tax Standards
- No action (lack of evidence) for violation of OAR 801-030-0020(1), Professional Misconduct

VOTE: Chair Bailey did not vote; 6 ayes

1.g. Curtis Robertson 08-05-016

Use of the CPA designation without an Oregon Certified Public Accountant certificate or permit.

ALLEGED VIOLATION(S)

ORS 673.320(3) Permit or registration

A person shall not assume or use the title or designation "certified public accountant" or "CPA" or any other title, designation, words, letters, abbreviation, sign, card or device tending to indicate that the person is a certified public accountant, unless the person holds a valid certificate of certified public accountant issued under ORS 673.040 and a permit issued pursuant to ORS 673.150.

SUMMARY

ORS 673.320(3) Permit or registration

Robertson arrived at the meeting at 1:05 p.m. and apologized for practicing with a lapsed CPA permit. He stated that he takes full responsibility and made the following statement:

- He works in a retirement complex where most of his clients live
- His staff opens and distributes the mail and his renewal application was probably misplaced in a client file
- When he realized that he was late applying for his renewal permit he completed additional CPE

- The Board did not accept the additional CPE certificate as his name was not on the certificate
- The Board of Accountancy CPE coordinator called Robertson and Robertson did not return the call
- The Board of Accountancy returned Robertson's renewal check

When questioned by the Committee, Robertson responded:

- He charges clients an hourly fee
- He does not have engagement letters
- He had a Peer Review as he completes two (2) compilations per year
- He is not named as conservator for any clients
- He does not offer or sell securities to clients
- He does not provide financial advice to clients

Committee Discussion: The Committee concurred that continuing professional education is critical to the CPA profession and Robertson was practicing with a lapsed CPA permit.

COMMITTEE RECOMMENDATION: Moved and carried to recommend a \$2,500 civil penalty for violation of ORS 673.320(3) Using the CPA designation while in lapsed status.

Board Discussion: *The Board received an email from Robertson dated August 13, 2008, in which Robertson accepted full responsibility for failure to renew his CPA permit and agreed to pay a \$2,500 civil penalty.*

BOARD ACTION: Moved by Andersen and carried to accept the Committee recommendation and issue a Consent Order assessing a \$2,500 civil penalty for violations of ORS 673.320(3), using the CPA designation while in lapsed status

VOTE: Chair Bailey did not vote; 6 ayes

1.h. Gary Leavitt 08-05-017

Gary Leavitt prepared Client's 2006 and 2007 tax returns. Leavitt did not report dependent care benefits listed on Client's W-2, causing Client to receive a larger credit for child and dependent care expenses and a larger tax refund than Client was due.

ALLEGED VIOLATION(S)

OAR 801-030-0010 (1) General Standards

Licensees shall comply with the following general standards.

(a) Professional Competence *Licensees shall undertake only those professional services that the licensee or the licensee's firm can reasonably expect to be completed with professional competence.*

(b) Due Professional Care *Licensees shall exercise due professional care in the performance of professional services.*

and;

OAR 801-030-0010 (4) Tax Standards

Licensees shall not perform tax planning services, recommend tax return positions or prepare or sign tax returns (including amended returns, claims for refunds and information returns) filed with any taxing authority unless the licensee has complied with Statements on Standards for Tax

Services issued by the Tax Executive Committee of the American Institute of Certified Public Accountants and with the United States Department of Treasury Circular No. 230.

Leavitt did not include dependent care benefits on form 2441 when Leavitt prepared Client's 2006 and 2007 tax returns. The omission of the dependent care benefits caused Client to receive a larger credit for child and dependent care expenses and a larger tax refund than was due to Client.

OAR 801-030-0020 (1) Professional misconduct.

(a) A licensee shall not commit any act or engage in any conduct that reflects adversely on the licensee's fitness to practice public accountancy.

(b) Professional misconduct may be established by reference to acts or conduct that would cause a reasonable person to have substantial doubts about the individual's honesty, fairness and respect for the rights of others or for the laws of the state and the Nation. The acts or conduct in question must be rationally connected to the person's fitness to practice public accountancy.

Client stated that Leavitt did not return phone calls. Leavitt explained that he was on vacation when Client called and that he asked other individuals in the Firm to call Client in his absence.

SUMMARY

OAR 801-030-0010 (1) General Standards.

(a) Professional Competence

(b) Due Professional Care

OAR 801-030-0010 (4) Tax Standards

OAR 801-030-0020 (1) Professional misconduct

Committee Discussion: Dorrell knows Leavitt, but has no conflict of interest. Leavitt admits that he failed to compare the W-2 to the client's tax return. The Committee agreed that this is a system error in review.

COMMITTEE RECOMMENDATION: Moved and carried to recommend a \$500 civil penalty for violation of OAR 801-030-0010(1)(b), Due Professional care.

COMMITTEE RECOMMENDATION: Moved and carried to recommend a no violation for OAR 801-030-0010 (1) (a) Professional Competence and OAR 801-030-0010 (4) Tax Standards

Board Discussion: *The Board received a letter from Leavitt dated August 11, 2008 requesting relief from the proposed civil penalty citing two reasons: (1) due to the error, the Firm changed their review policy and (2) the Firm resolved the client's complaint to the client's satisfaction. The Board concurred that mistakes happen and Leavitt's corrective actions support the request for a reduced civil penalty. However, the Board will open a complaint against the firm, Sherman Young & Associates PC, for entering into a non-disclosure agreement in violation of OAR 801-030-0020(13).*

BOARD ACTION: Moved by Andersen and carried to assess a \$100 civil penalty for violation of OAR 801-030-0010(1)(b), Due Professional care; and refer to investigator potential violation of OAR 801-030-0020(13) non-disclosure agreement

VOTE: Chair Bailey did not vote; 6 ayes

8. REPORT OF ADMINISTRATOR

A. Initial and Reciprocal CPA Certificates Issued

The Board reviewed a worksheet showing the fiscal impact of SB 748.

B. Executive Appointments to Boards and Commissions

The Governor has received interest forms from Jessie Bridgham, CPA and Fred Erickson, CPA for the Board position beginning January 1, 2009 when Jens Andersen's term ends.

Mr. Kenneth Ulbricht, PA , has indicated an interest in the PA member position beginning January 1, 2009 when Stuart Morris' term ends

C. Complaints Committee Members Needed

As of January 1, 2009 the Complaints Committee will have two vacancies. Board staff will review licensees who have expressed interest in serving on a Board committee. The committee is in need of large firm representation. The Board and committee welcome any nominees.

D. Oswald West Award Recipient

The Board will present Mr. Dean Baker with the Oswald West Award on October 7, 2008 at 1:00 p.m. in the atrium at the Board office.

E. Secretary of State – Audits Division Audit Report Review Letters

Audits Division Audit Report Review Letters are being submitted to the Board of Accountancy as requested. The Board reviewed three (3) reports and agreed to open complaints on all.

F. Administrative Rule Changes

This item deferred to October 2008.

G. Twyla Lawson DAS-HRS: Administrator Recruitment Schedule

Ms. Twyla Lawson presented the job announcement and tentative timeline for the administrator position for review and acceptance by the Board members. Ms. Lawson requested that a sub-committee be available to review the candidates who qualify for the position. Mr. Bailey and Mr. Morris volunteered to serve as the sub-committee.

BOARD ACTION: Moved by Mr. Johnson and carried to approve the job announcement and schedule for administrator recruitment.

VOTE: Chair Bailey voted; 7 ayes

H. Pre-Issuance Review Task Force Minutes

The Task Force met on August 12, 2008 and discussed the following topics with respect to state board requirements:

1. *Does the report that was reviewed conform to applicable professional standards?*
2. *Are the workpapers in compliance with applicable professional standards?*
3. *How should disagreement between the engagement reviewer and the firm be managed?*
4. *Are all financial issues in compliance with applicable professional standards.*

The Task Force discussed the AICPA Report on Statement on Quality Control Standards #7 with respect to definitions, nature, timing and extent of the engagement quality control and documentation of the engagement review.

The Task Force considered the report format for Consultation Engagements and the report format for Agreed-upon Procedures Engagements. An area of concern is practitioner liability related to Board ordered Engagement Reviews (see minutes – Attachment B).

9. PUBLIC COMMENTS

None

10. REPORT OF OAIA

No report

11. REPORT OF OSCPA

The Society invited Board members to attend each of the Tour Stops and report on current Board topics. The Board members agreed to attend and will discuss non-disclosure statements, mobility, pre-issuance reviews and the recent recipient of the Oswald West award. The Society has been working on its strategic business plan with emphasis on retaining members.

12. OLD BUSINESS

A. Mobility Task Force Report (discussion by phone conference 4:00 p.m.)

Gerry Burns, CPA joined this discussion by telephone conference. The Task Force convened, but did not reach consensus for a recommendation to the Board. It was suggested during this meeting that the appropriate speakers from AICPA and NASBA be invited to attend the October work session. The Board agreed to this suggestion.

13. CONTINUING PROFESSIONAL EDUCATION

A. Report of CPE Committee

1. No meeting held
(One muni auditor license approved by fax)
2. Consent Agenda
 - a. Recommendations
None
3. **Municipal Auditor Applications**
 - a. **Mindy Davis, Accept**

BOARD ACTION: Moved by Morris and carried to approve the Municipal Auditor Application submitted by Mindy Davis.

VOTE: Chair Bailey voted; 7 ayes

14. PEER REVIEW OVERSIGHT

A. Peer Review Oversight Committee

1. Acceptance of Minutes

a. July 8, 2008

BOARD ACTION: Moved by Gaffney and carried to approve the minutes of the July 8, 2008 Peer Review Oversight Committee.

VOTE: Chair Bailey did not vote; 6 ayes

2. Items Removed from Consent Agenda

a. OAR 801-040-0010(2) *defer to October 2008 Board meeting*

b. Draft Peer Review Oversight Committee Bylaws

BOARD ACTION: Moved by Gaffney and carried to approve the changes to the PRO Committee Bylaws.

VOTE: Chair Bailey did not vote; 6 ayes

15. QUALIFICATIONS COMMITTEE

A. Report of Qualifications Committee

1. Acceptance of Minutes

a. July 22, 2008

BOARD ACTION: Moved by Newhouse and carried to accept the minutes of the July 22, 2008 meeting.

VOTE: Chair Bailey voted; 7 ayes

B. Consent Agenda

BOARD ACTION: Moved by Newhouse and carried to approve the applications presented.

VOTE: Chair Bailey voted; 7 ayes

1. Recommendations

a. Jenny Bodenlos

08-05-013

Ms. Bodenlos gained her experience with the following employers:

Nike	17 mos.	All competencies
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KPMG	9.5 mos.	No competencies
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Ms. Bodenlos passed the CPA exam on August 14, 2006. The applicant is the senior analyst at Nike and has also worked on the Sarbanes Oxley 404 Compliance, Corporate Audit, Technical Accounting and Controls and Affiliates Finance Teams. Ms. Wolcott indicated that the write-up sufficiently demonstrated that the applicant met the seven core competencies.

COMMITTEE RECOMMENDATION: Ms. Wolcott recommends approval.

Vote: 8 ayes

b. Ling Cai

08-05-012

Ms. Cai gained her experience with the following employer:

Dept. of Revenue	12 mos	All competencies
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Ms. Cai passed the CPA exam in November 2003. The documentation provided demonstrates that the applicant has met the seven core competencies. Mr. Rawls recommends approval stating that the write up was sufficient to show the applicant met the competencies.

COMMITTEE RECOMMENDATION: Mr. Rawls recommends approval.

Vote: 8 ayes

c. Tara Johnson 08-06-015

Ms. Johnson gained her experience with the following employer:

Les Schwab 22 mos All competencies

Ms. Johnson passed the CPA exam on October 3, 2006. Ms. Lee reports that the write-up provided demonstrates that the applicant has met the competencies working in the internal audit department.

COMMITTEE RECOMMENDATION: Ms. Lee recommends approval.

Vote: 8 ayes

d. Jing Li 08-05-014

Ms. Li gained her experience with the following employer:

Electro Scientific Ind 19.5 mos. All competencies

Ms. Li passed the CPA examination on November 30, 2004. The applicant gained a broad base of experience by working as the International accountant for ESI. Mr. Forehand contacted the supervisor licensee for clarification regarding the write-up and received sufficient evidence that the applicant has demonstrated competency in the core areas and also that the supervisor relationship was well defined.

COMMITTEE RECOMMENDATION: Mr. Forehand recommends approval.

Vote: 8 ayes

e. Susan Luce 08-06-016

Ms. Luce gained her experience with the following employer:

Multnomah County Finance 22 mos. All competencies

Ms. Luce passed the CPA examination on May 27, 2005. The reviewer reported that the documentation provided was very well presented and clearly shows that the applicant has met the competencies.

COMMITTEE RECOMMENDATION: Mr. Martin recommends this file be approved for certification.

Vote: 8 ayes

f. Katherine Stock 08-07-018

Ms. Stock gained her experience with the following employer:

PacifiCorp 30 mos. All competencies

Ms. Stock passed the CPA examination in January 2008. Ms. Stock's work experience with PacifiCorp covered many diverse areas and therefore gave her a broad base of experience.

COMMITTEE RECOMMENDATION: Ms. Santiago recommends approval of the application for certification for Ms. Stock.

Vote: 8 ayes

g. Ning Zhou **08-06-017**

Ms. Zhou gained her experience with the following employers:

Intel	28 mos.	All competencies
Martin & Shadid	7 mos.	No competencies

Ms. Zhou passed the CPA examination in May 2001. Mr. Selid reported that the documentation provided was thorough and well documented. The applicant has clearly demonstrated that each competency has been met.

COMMITTEE RECOMMENDATION: Mr. Selid recommends approval.

Vote: 8 ayes

2. Other

a. Kirk Kaufman

Mr. Kaufman gained his experience with the following employer:

Liberty NW Insurance	22 mos.	All competencies
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Mr. Kaufman passed the CPA examination on November 29, 2006. This applicant has previously applied for certification and was found to be ineligible because the experience gained while employed as an accounts receivable manager did not adequately demonstrate competency in each of the seven areas. Ms. Santiago does not believe that the write-up adequately shows that the applicant has gained any further experience that would provide for assurance that he has competency in all areas required. Staff will send a letter to the employer asking for further detail of the work performed and provide examples of write-ups for their review.

COMMITTEE RECOMMENDATION: Ms. Santiago recommends this file be deferred for further information.

Vote: 7 ayes; 1 absent (Selid)

Staff sent a letter to the employer asking for more specific information regarding the competencies. The response was received and reviewed by the committee. The additional information clarified that the applicant has met the competencies.

COMMITTEE RECOMMENDATION: Approve Kaufman application

Vote: 8 ayes

b. Sarah Pansevicius (Byer)

Ms. Pansevicius gained her experience with the following employer:

Fidelity Nat'l Financial	12 mos.	All competencies
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Ms. Pansevicius passed the CPA examination on February 5, 2007. The documentation provided by the supervisor licensee does not adequately demonstrate competency in the seven core areas. In addition, the committee questions the specific oversight provided by the direct supervisor and other supervisor licensees mentioned in the write-up. Staff will send a letter asking for further information on the level and quality of supervision, how the supervision occurred, and an organizational chart of the supervisor licensees with relation to the applicant.

COMMITTEE RECOMMENDATION: Defer for further information.

Staff sent letter to the employer at Fidelity National Financial asking for further information to demonstrate a broader base of experience. The employer responded and the committee reviewed. The additional information is sufficient to show that Ms. Pansevicius has met the competencies.

COMMITTEE RECOMMENDATION: Moved by Santiago to approve application.

Vote: 8 ayes.

3. Approval of Applications

a. CPA Certificates/Permits

103 CPA Applications

b. PA Licenses/Permits

None

c. Firm Registrations

20 Firm Applications

d. Substantial Equivalency Approval

18 Substantial Equivalency Authorizations

C. Items Removed from Consent Agenda

None

16. CPA EXAM

A. NASBA Candidate Concerns

The Board received the *Candidate Care Department, Candidate Concerns* for January 1 – March 31, 2008. The report includes a table of Center Problem Reports from Prometric. The Board has requested staff to inquire if the Examinee Misconduct information is available in detail to the Board.

B. CPA Exam Ownership AICPA vs. NASBA

This item will be included on the October 2008 work session agenda

C. CBT Statistics

For information only

D. AICPA Exam Team

The AICPA Exam Team will be issuing a report to NASBA regarding cheaters at exam sites. It is unclear at this time if all states will have access to this report or only states in which their candidate was involved.

17. CODE OF PROFESSIONAL CONDUCT

A. Report of Code of Professional Conduct Committee

No meeting held

18. NEW BUSINESS

A. None

19. PROCESS OBSERVER REPORT

Mr. Johnson reported that the Board took additional time where needed on the agenda and was able get through complicated issues very smoothly. Mr. Gaffney did a good job keeping guests on track for the purpose of the meeting.

20. NEXT MEETING: Date: October 5, 6, and 7, 2008

October 5, 2008 Work Session and Exec Session
Call to Order 8:00 am
Executive Session 2:00 pm

October 6, 2008 Regular meeting
Call to Order 8:30 am

October 7, 2008 Executive Session and Public Meeting
Executive Session 8:45 am
Public Meeting 12:00 pm Oswald West Award

**Location: Oregon Board of Accountancy
Large Conference Room
3218 Pringle Rd SE #110
Salem OR 97302**

21. ADJOURNED

There being no further business, the meeting adjourned at 5:50 p.m.