

P E N N S Y L V A N I A
STATE BOARD OF
ACCOUNTANCY
NEWSLETTER

SPECIAL EDITION 2009



COMMONWEALTH
OF PENNSYLVANIA

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Pedro A. Cortés
Secretary of the Commonwealth

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*Commissioner,
Bureau of Professional and
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Governor's Newsletter

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Message from the Chairmen

by Samuel J. Stephenson, CPA, Chairman and William J. Park, CPA, Immediate Past Chairman

As the current and immediate past board chairmen, we appreciate this opportunity to discuss the board's role under the CPA Law, the board's administrative and regulatory activities, recent legislation relating to substantial equivalency, and the most common problem areas of licensee noncompliance with the CPA Law and the board's regulations.

Role of the Board

The powers and duties of the State Board of Accountancy are established by the CPA Law (also known as Act 140 of 1996). The board's primary responsibilities are (1) to credential individuals and entities that meet the requirements for certification and licensure as certified public accountants and for licensure as public accounting firms, respectively; (2) to promulgate regulations, consistent with the CPA Law, relating to such matters as qualifications for certification, continuing professional education (CPE), peer review and practice standards; and (3) to take disciplinary against practitioners that fail to comply with the requirements of the CPA Law and the board's regulations.

Although many of the board's day-to-day functions are carried out by its administrative and legal staff, the board members spend most of their time at each board meeting engaged in such matters as conducting deliberations in disciplinary proceedings; evaluating the experience credentials of applicants for certification and licensure as certified public accountants; reviewing the criminal records of candidates for the CPA examination; evaluating applications of CPE program sponsors; and reviewing licensee requests for hardship waivers of CPE requirements.

On July 9, 2008, Governor Rendell signed into law Act 73 of 2008, which amended the CPA Law effective Sept. 8, 2008. Act 73 constitutes the first general revision and updating of the CPA Law since December 1996. The primary focus of Act 73 is to make the CPA Law "substantially equivalent" with the Uniform Accountancy Act by adopting a 150 semester hour education requirement, and to authorize licensees of other states that qualify under substantial equivalency to practice public accounting

in Pennsylvania without notification to the Board or payment of a fee. Pennsylvania joins the ranks of at least 42 states that have adopted substantial equivalency legislation aimed at enhancing the mobility of certified public accountants to practice across state lines; such mobility allows certified public accountants to better serve those who utilize their professional services.

A summary of the major provisions of Act 73 begins on page 6 of this newsletter.

Administrative and Regulatory Activities

On July 28, 2007, the board completed a general updating of its regulations. A total of 20 regulations were affected, primarily in the areas of practice standards and experience qualifications. A summary of the new regulatory changes begins on page 6 of this newsletter.

The board is developing proposed revisions to its CPE regulations, some of which would take effect with the CPE reporting period that begins Jan. 1, 2010. The board is also working with Basil L. Merenda, Commissioner of the Bureau of Professional and Occupational Affairs, to enlarge the board's current schedule of civil penalties under Act 48 of 1993 to include additional CPE violations. The Act 48 citation procedures allow disciplinary actions to be processed more quickly and at reduced cost to both the commonwealth and licensees. More important for licensees, the Act 48 schedule of civil penalties provides advance notice and certainty as to what financial sanctions will be imposed for specific CPE violations.

On the administrative front, the board has changed the start of the biennial license period from May 1 of the even-numbered years to Jan. 1 of the even-numbered years, beginning Jan. 1, 2008. This change aligns the biennial license period with the CPE reporting period, thereby eliminating a source of confusion for many licensees who mistakenly believed that CPE hours could be earned without penalty during the four months between the end of the CPE reporting period and the start of the next biennial license period.

Continued on next page

Common Problem Areas of Noncompliance

While the vast majority of licensees comply with the CPA Law and the board's regulations, the board encounters a number of common problem areas that lead to disciplinary action:

Continuing Professional Education (CPE):

The most common CPE violation occurs when licensees fail to ensure that they obtained their CPE hours from program sponsors approved by the board or by the National Association of State Boards of Accountancy. Failure to obtain CPE hours from approved program sponsors often leads to a licensee being deficient in the overall biennial requirement of 80 hours, in the minimum yearly requirement of 20 hours, and/or in the content minimums of 16 hours in accounting and auditing subjects and eight hours in tax subjects.

Lapsed Licensure: The most common licensure violation occurs when a licensee fails to submit a license renewal application and continues to practice public accounting after the expiration of the license. In many cases, the licensee did not receive a license renewal notice from the board because the licensee had changed mailing addresses since the last renewal and did not apprise the board of such fact. A licensee should notify the board immediately whenever there is a change of mailing address. This can be accomplished online by visiting the board's Web site. A licensee who fails to timely renew a license faces possible disciplinary action by the board for performing, or offering to perform, any attest activity (e.g., issues an audit, review or compilation report) or any activity involving the use of accounting skills while holding out as a certified public accountant, public accountant or public accounting firm. The term "holding out" applies broadly to any oral or written representation, including those that appear in telephone directory listings, office signage, stationery and business cards.

Unlicensed Single-Member Firms: A common licensure violation occurs when a licensed certified public accountant or public accountant forms a single-member professional corporation or single-member limited liability company, but fails to obtain a license for such entity from the board. Under the CPA Law, any "qualified association" — defined to include single-member entities — that engages in the practice of public accounting must be licensed as a public accounting firm. An individual licensee who engages in practice as a sole practitioner, rather than through an entity such as a professional corporation or limited liability company, is not required to obtain an additional license.

Board Information

The board is made up of many dedicated individuals who devote a great deal of time and effort to making sure that the public interest is well served by the state regulation of the public accounting profession. We would like to acknowledge the service of the following individuals who have departed the board since the publication of our last newsletter:

- Joseph M. Alu, CPA, who served as chairman in 2002;
- Robert J. Ciaruffoli, Jr., CPA, who served as chairman in 2004 and 2005;
- George A. Coury, Jr. PA;
- Kevin R. Foley, CPA;
- John P. Hassler, PA;
- James P. Keasey, CPA, who served as chairman in 2003; and
- Diana L. Reed, Esq.

Eight of the current members of the board were appointed since the publication of our last newsletter. Some of our newest members are profiled beginning on page 4 of this newsletter. Others will be profiled in upcoming editions of the new bimonthly electronic newsletter on the board's Web site. A complete listing of the current board members appears on the back cover.

We encourage you to communicate with the board about matters of interest and concern. The board's postal address is P.O. Box 2649, Harrisburg, PA 17105-2649, and its e-mail address is ST-ACCOUNTANCY@state.pa.us.

Meet the Board Members

The following are profiles of some board members who have not previously been profiled in the newsletter. Profiles of the newest board members will appear in the board's bimonthly electronic newsletter, which can be accessed by visiting the board's Web site at www.dos.state.pa.us/account and select "Board Newsletters."

Patrick J. Dugan, CPA

Pat Dugan is a director in the accounting and auditing department of Asher & Co., Ltd., a large regional public accounting firm based in Philadelphia. He serves on the leadership committee of the firm's commercial real estate group. His major client groups include real estate developers, law firms and other service companies, and nonprofit organizations. He has more than 21 years of experience in public accounting.

Dugan is a member of the American Institute of Certified Public Accountants (AICPA), Pennsylvania Institute of Certified Public Accountants (PICPA), and Urban Land Institute, an organization of real estate professionals. He is active in his church, coaches youth sports and is a fundraiser for the Multiple Sclerosis Society. He holds a bachelor's degree in accounting from Drexel University.

Dugan, his wife and daughter live in Secane, Delaware County.

Paula J. Hasbach, CPA

Paula Hasbach is a director in the tax department of PricewaterhouseCoopers' Pittsburgh office. She focuses on corporate taxation matters and serves as a liaison to PWC's Tax Process Group. She has more than 27 years of experience in public accounting, including 21 years with PWC and its predecessor.

A graduate of the University of Pittsburgh with a bachelor's degree in economics, Hasbach is a member of the AICPA and PICPA and is past president of the PICPA's Pittsburgh chapter as well as the Allegheny Tax Society, an association of tax professionals. She is a contributor to instructional materials for continuing education programs. She serves on the Women's Leadership Committee of the United Way of Pittsburgh.

Hasbach lives in Pittsburgh. She has two daughters and six grandchildren.

Martin C. Levin, CPA

Since 1999, Marty Levin has been a principal with Levin, Savchak & Associates, PC, a small regional public accounting firm based in Allentown. He directs the firm's accounting and auditing practice group. He has more than 20 years of experience in public accounting.

Levin is a member of the AICPA's Accounting and Review Services Committee, the body that promulgates the Statements on Standards for Accounting and Review Services (SSARS). He is also active in the PICPA and has lectured widely at various colleges and professional development courses. He serves on ad hoc fundraising committees for Kidspace and other nonprofit organizations. He is a summa cum laude graduate of Rowan University with a bachelor's degree in accounting and is currently enrolled in an MBA program at DeSales University.

Levin and his wife live in Weisenberg Township, Lehigh County. They have two grown sons.

Michael J. Menear, CPA

Mike Menear has been a partner with Boyer & Ritter, one of central Pennsylvania's largest regional public accounting firms, since 1976. He serves as chairman of the firm's technology committee and is also an active member of the firm's accounting and auditing committee. His major client groups include automobile dealerships and nonprofit organizations.

A graduate of Penn State University with a bachelor's degree in accounting, Menear is a member of the AICPA and PICPA and is an active speaker on accounting, auditing, internal control and taxation for Pennsylvania trade associations. He also develops and teaches continuing education programs for Harrisburg-area financial institutions and Boyer & Ritter. He has received a CPA/Consultant certification from ADP, Inc. and a Certified for Profits designation from Reynolds & Reynolds.

Menear lives in Mechanicsburg, Cumberland County, with his wife and two children.

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Board Roles, Duties Explained

On June 8, 2009, the Bureau of Professional and Occupational Affairs hosted a day-long seminar for board members of the 28 boards and commissions the bureau provides administrative and legal support to. The annual program is designed primarily for new members. However, many experienced members routinely participate to refresh their knowledge and understanding with regard to their roles and responsibilities. This diligence and studious preparation ensures all board and commission members are better able to serve the commonwealth's residents, who depend on their judgment and oversight.

Darrel Crimmins, deputy director of the Bureau of Enforcement and Investigation, provided an overview of BEI and introduced the audience members to the Council on Licensure, Enforcement and Regulation, an international resource for professional regulation stakeholders. He was followed by the featured speaker, Kathleen Nosbisch, the immediate past president of CLEAR, who educated the board members on their roles and responsibilities and provided insight into the ethics of their positions.

High-performance organizations, she said, have one board, one executive director, one vision and one voice.

Nosbisch spoke repeatedly of the importance of members of a board speaking with a unified voice. She encouraged members to be mindful of board consensus when speaking as a board member, and to accept responsibility and accountability for board decisions.

Nosbisch also urged board members to recognize that the board's role is to make policy, while the staff's role is implement policies adopted by board. In general, board members are not to be involved in the day-to-day management and personnel issues of the office.

Other speakers included Rep. Michael McGeehan, and Jeanne McDonald, director of the Office of Commonwealth Travel Operations. The afternoon session included a presentation by BPOA's legal team, including Executive Deputy Chief Counsel Peter Marks, Deputy Chief Counsel Bernadette Paul and Senior Counsel in Charge Cynthia Montgomery. BPOA Deputy Commissioner Mark Vessella and Cindy Warner, director of operations, tackled administrative issues. Commissioner Basil L. Merenda wrapped up the seminar and sent the attendees home with a smile as well as a deeper understanding of the commonwealth's commitment to protecting the health, safety and welfare of all Pennsylvanians.



Kathleen Nosbisch, the immediate past president of the Council on Licensure, Enforcement and Regulation, addresses the attendees of the June 8 board member seminar.

Meet the Newest Board Members

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Maria L. Mengel

Maria Mengel is a former administrator with the federal government who retired in 2005 after 38 years of service. Prior to her retirement, she served 10 years as administrative officer for the Office of General Counsel in the Social Security Administration's Philadelphia Regional Office.

A graduate of the University of Pennsylvania's Wharton School with a bachelor's degree in business administration, Mengel worked for 20 years in the U.S. Department of Health and Human Services, serving in a number of capacities relating to personnel, management and budgeting.

Mengel and her husband live in King of Prussia, Montgomery County. They have a grown son.

Summary of New Amendments to the CPA Law - Act 73 of 2008

Act 73 of 2008, which was signed into law on July 9, 2008, amended the CPA Law effective Sept. 8, 2008. The complete text of the CPA Law, as amended by Act 73, can be accessed by visiting the board's Web site at www.state.pa.us/account and clicking on "Law."

Following is a discussion of the main provisions of Act 73:

Practice Under Substantial Equivalency

Pennsylvania is now among those states whose education, examination and experience requirements for certified public accountants are considered "substantially equivalent" to the requirements for certified public accountants set forth in the Uniform Accountancy Act (UAA), a model law developed by the National Association of State Boards of Accountancy (NASBA) and the American Institute of Certified Public Accountants. The goal of substantial equivalency under the UAA is to facilitate ease of practice by licensed certified public accountants and public accounting firms across state lines through elimination of the need to obtain certificates, licenses or permits as a condition for practice in other states. The adoption of substantial equivalency in Pennsylvania will not only make it easier for out-of-state licensees to practice public accounting in Pennsylvania, but also will make it easier for Pennsylvania licensees to practice public accounting in other states.

A certified public accountant licensed in another state may practice public accounting in Pennsylvania under substantial equivalency, without notification to the board and without payment of a fee, if the following conditions are met: (1) either the certified public accountant is licensed in a state that allows practice under substantial equivalency without notification and a fee or the certified public accountant's individual qualifications are substantially equivalent to those set forth in the CPA Law, and (2) the certified public accountant's principal place of business is not in Pennsylvania. Information about whether substantial equivalency exists with respect to a particular state or individual practitioner can be obtained by contacting NASBA (www.nasba.org).

A Pennsylvania-licensed public accounting firm may practice public accounting in

Pennsylvania through a certified public accountant who has the right to practice in Pennsylvania under substantial equivalency. A public accounting firm licensed in another state (referred to in the CPA Law as a "qualified unlicensed entity") may practice public accounting in Pennsylvania through a Pennsylvania-licensed certified public accountant or a certified public accountant who has the right to practice in Pennsylvania under substantial equivalency, if the following conditions are met: (1) the firm is licensed in a state that allows practice under substantial equivalency without notification and a fee and (2) the firm does not have an office in Pennsylvania.

A certified public accountant or firm licensed in another state that practices public accounting in Pennsylvania under substantial equivalency is deemed to have consented, among other things, to the disciplinary authority of the board for committing violations of the CPA Law and the board's regulations. Disciplinary charges may be served upon a certified public accountant or firm at the office of the accountancy licensing board in the state where the principal place of business of the certified public accountant or firm is located. The board has disciplinary authority to suspend or revoke a certified public accountant's or firm's right to practice under substantial equivalency, and is required to provide notice of its disciplinary action to other states where the certified public accountant or firm has been granted a certificate or license.

A Pennsylvania-licensed certified public accountant or firm that practices public accounting in another state under substantial equivalency is subject to disciplinary action in Pennsylvania for any act or omission in the other state that subjects the licensee to discipline in the other state or that would subject the licensee to discipline in Pennsylvania.

150 Semester Hour Education Requirement

Until the enactment of Act 73, the CPA Law was not considered substantially equivalent to the UAA because it did not require a candidate for a CPA certificate to have completed 150 semester hours of post-secondary education, possessing at least a bachelor's degree, with an appropriate number of semester hours in accounting-related subjects. 150 semester hours is the equivalent of five years of academic study.

Summary of New Amendments

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Under Act 73, a candidate for a CPA certificate must have completed 150 semester hours of post-secondary education, possessing at least a bachelor's degree, with 36 semester hours in accounting-related subjects. This requirement does not apply to a candidate who passed at least one part of the CPA examination before Dec. 31, 2011. As in the past, a candidate for the CPA examination must possess at least a bachelor's degree and have completed 24 semester hours in accounting-related subjects.

Time for Obtaining Qualifying Experience

A candidate for a CPA certificate who first sat for the CPA examination before Dec. 31, 2011, must have completed qualifying experience within 120 months preceding the date of application for the certificate. A candidate for a CPA certificate who first sat for the CPA examination on or after Dec. 31, 2011, must have completed qualifying experience within 60 months preceding the date of application for the certificate.

As in the past, a candidate for a CPA certificate who possesses a post-graduate degree or has otherwise completed 150 semester hours of post-secondary education must have obtained one year of qualifying experience, while a candidate who possesses a bachelor's degree but has not completed 150 semester hours of post-secondary education overall must have obtained two years of qualifying experience.

Increased Nonlicensee Ownership of Public Accounting Firms

Nonlicensees may constitute up to 49 percent of a public accounting firm's owners and may own, in the aggregate, up to 49 percent of a public accounting firm's equity interest. The former limit on nonlicensee participation in the ownership of a public accounting firm was 33 percent.

New Peer Review Compliance Procedures

A firm or sole practitioner that performs audit or review engagements is no longer required to submit a copy of a current peer review completion letter at the time of application for license renewal. However, the firm or sole practitioner will be required to certify on the renewal application that it is in compliance with the peer review requirement and to furnish the name of the organization that administered its most recent peer review, the date of acceptance of that peer review,

and the period covered by that peer review. The board is authorized to contact the peer review administering organization to confirm the accuracy of the peer review information included on the renewal application.

A firm or sole practitioner that was not previously required to undergo a peer review must notify the board within 30 days after accepting an audit or review engagement and must undergo a peer review within 18 months after commencing the engagement.

Increased Civil Penalties; Assessment of Investigative Costs

The maximum civil penalty that the board may impose for a violation of the CPA Law is increased from \$1,000 to \$10,000. The maximum aggregate civil penalty that the board may impose for a related series of violations remains at \$200,000.

The board may assess costs of investigation as part of the disciplinary sanction that it imposes against a respondent for committing one or more violations of the CPA Law.

Retention of Working Papers and Other Materials

Except as may be provided by another law, a licensee must retain for at least seven years all working papers, statements, records, reports, schedules and memoranda that are prepared incident to, or in the course of, the practice of public accounting.

Summary of New Regulatory Changes

On July 28, 2007, the board completed a general updating of its regulations at 49 Pa. Code, Chapter 11. The general revisions were intended to provide greater consistency with the language of the CPA Law, to clarify certain qualifications and practice issues, and to improve organization and comprehension. Twenty regulations were affected by the revisions.

The complete text of the board's regulations, as revised, can be accessed by visiting the board's Web site at www.dos.state.pa.us/account and clicking on "Rules and Regulations."

Following is a summary of the major substantive changes to the board's regulations:

Temporary Practice

An out-of-state licensee who maintains an office in Pennsylvania is no longer disqualified from being eligible for issuance of a temporary practice permit. The rationale for the prior prohibition was to prevent a temporary practitioner in Pennsylvania from establishing a permanent practice without the requirement of licensure. However, because the temporary practice regulation contemplates that a temporary practice permitholder may practice regularly in Pennsylvania for periods of relatively short duration (i.e., through a one-year renewable permit for up to 500 hours of work) or episodically in Pennsylvania for periods of relatively long duration (i.e., through a nonrenewable one-year permit for an unlimited number of hours on a single, nonrecurring engagement), the board determined that allowing a temporary practice permitholder to maintain an office in Pennsylvania affords greater conveniences to Pennsylvania clients.

Use of CPA Credential Without Current License

The conditions under which an individual who possesses a certificate of certified public accountant but not a current license to practice public accounting may use the designation "certified public accountant" and the abbreviation "CPA" as a mark of achievement have been modified. The new conditions are as follows: (1) the certificate of certified public accountant has not been suspended or revoked; (2) the individual has notified the board in writing to be placed on inactive status; (3) the individual does not practice or offer to practice public accounting and is not a member or employee of a public accounting firm; (4) the individual does not hold out to be in the practice of public accounting when performing or offering to perform accounting, bookkeeping, tax or accounting-related matters; (5) the individual does

not use the designation "certified public accountant" or the abbreviation "CPA" in any form of advertising; (6) the individual does not display the certificate of certified public accountant in a manner that suggests authorization to practice public accounting; and (7) the individual's use of the designation "certified public accountant" and the abbreviation "CPA" is limited to business cards, letterhead or other stationery, and résumés, provided (i) the word "inactive" appears immediately adjacent to the designation or abbreviation and (ii) the business cards, letterhead and other stationery include the name of the individual's employer and job title or, if the individual is self-employed, the nature of the individual's business.

Independence

The board's former regulation on independence set forth the circumstances under which a licensee's independence would be impaired based on the interpretations of the American Institute of Certified Public Accountants' (AICPA) Professional Standards Rule 101. In recognition of the fact that the AICPA's independence rule may not include the requirements of other regulatory bodies with jurisdiction over the attest activities of the board's licensees, the revised regulation provides that a licensee's independence will be considered impaired if the licensee has not complied with the independence rules and requirements of a recognized public or private standard-setting body as applicable under the circumstances. Examples of standard-setting bodies include the AICPA, Public Company Accounting Oversight Board (PCAOB), Securities and Exchange Commission (SEC), General Accounting Office, and Department of Labor.

Contingent Fees

The board's regulations define "contingent fee" as a fee established for the performance of a service under an arrangement in which no fee will be charged unless a specified finding or result is attained, or in which the amount of the fee is otherwise dependent upon the finding or result of the service. Prior to its being revised, the board's regulation on contingent fees prohibited a licensee from collecting, or seeking to collect, a contingent fee for performing a professional service during any period in which the licensee has also been engaged to perform an attest function for the client, or for preparing an original or amended tax return or a claim for a tax refund; documents generated during an engagement in which the licensee was collecting a contingent fee must have contained a statement that no attest function was being performed. As revised,

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Summary of New Regulatory Changes

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the regulation on contingent fees provides that a licensee who seeks to collect a contingent fee must comply with the rules of the AICPA, PCAOB, SEC and other recognized public or private-standard setting bodies as applicable to the professional services being performed. Like the revised regulation on independence, the revised regulation on contingent fees recognizes the jurisdiction of multiple standard-setting bodies – with varying rules – over the professional services rendered by the board’s licensees.

Return of Client Records

The revised regulation relating to client records provides that a licensee who is requested by a client or former client to furnish a document to which the client or former client is entitled under the CPA Law must comply with the request within “a reasonable period of time.”

Form of Business Name; Disclosure

A new regulation clarifies that a public accounting firm or sole practitioner may utilize a fictitious name as a business name. The regulation also provides that a sole practitioner who utilizes a business name bearing the words “and company,” “and associates,” or some variation of those words must (i) provide written disclosure to a client that he is a sole practitioner before renewing an engagement agreement with the client and (ii) provide written disclosure to a potential client that he is a sole practitioner before entering into an engagement

agreement with the potential client. The board added the disclosure requirement because a sole practitioner’s use of the words “and company” or “and associates” implies at least the existence of a multi-individual practice (if not a formal entity such as a partnership or professional corporation) and, as such, could be construed as misleading under the CPA Law if the sole practitioner is the only professional-level individual in the practice.

Qualifying Experience for CPA Certification

The revised regulations modify the categories of acceptable attest and nonattest experience for certification as a certified public accountant. Training sessions on the attest function that occur on or after Jan. 1, 2008, no longer qualify as attest experience. The board deleted the category because it believes qualifying attest experience should be based on a candidate’s actual participation in an attest activity. The category of audits of financial statements in accordance with Generally Accepted Auditing Standards was expanded to include audits of financial statements in accordance with Generally Accepted Government Auditing Standards or standards promulgated by the PCAOB. A new category of attest experience in public accounting includes attestation engagements in accordance with Statement on Standards for Attestation Engagements. A new category of attest experience in private industry includes compliance audits of government contracts performed on behalf of a government agency that result in the issuance of an opinion or report. Opinions on financial forecasts and projections were reclassified as nonattest experience.

Reminder...

Renew Your License Online

You are eligible to renew online if:

- You are currently in your license renewal period
- Your license is delinquent by no more than 30 days

First-time users need the following information:

- Pennsylvania License Number
- Registration Code
- Current mailing address
- Credit Card information
- E-mail address

**Go to the Department’s Web site at
www.dos.state.pa.us**

**Click on RENEW a Professional License
(www.myLicense.state.pa.us).**

**Then simply follow the instructions
to renew your license online.**

Peer Review and License Renewal: What Licensees Need to Know

A public accounting firm or sole practitioner that has performed an audit or review engagement since May 1, 1998, will be required to provide peer review information at the time of biennial renewal of licensure. This article addresses the administrative aspects of the renewal process as it relates to peer review.

License Renewal Application

The license renewal application, in both its online and paper formats, includes a question that asks whether the applicant has performed an audit or review since May 1, 1998. A public accounting firm or sole practitioner that has performed an audit or review engagement needs to answer “Yes,” but an individual licensee who has performed an audit or review engagement as a member or employee of a public accounting firm needs to answer “No.” A “Yes” answer will require the applicant either to certify compliance with the peer review requirement or to submit documentation showing eligibility for an exemption. The board’s administrative office will not issue a license to an applicant answering “Yes” until the required certification is provided or the required documentation is submitted. Although the board’s administrative office may send a postal notice or e-mail reminding an applicant claiming an exemption to submit the required documentation, it is the applicant’s responsibility to ensure that the documentation is submitted.

A “Yes” answer will require the applicant either to certify compliance with the peer review requirement or to submit documentation showing eligibility for an exemption. The board’s administrative office will not issue a license to an applicant answering “Yes” until the required certification is provided or the required documentation is submitted. Although the board’s administrative office may send a postal notice or e-mail reminding an applicant claiming an exemption to submit the required documentation, it is the applicant’s responsibility to ensure that the documentation is submitted.

Peer Review Compliance

A firm or sole practitioner that is subject to peer review is required to certify on the renewal application that it is compliance with the peer requirement and to provide the name of the organization that administered its most recent peer review, the date of acceptance of that peer review, and the time period covered by that peer review. The board no longer requires submission of a peer review completion letter from the peer review administering organization; however, the board may contact the peer review administering organization to confirm the accuracy of the peer review information provided on the renewal application.

The peer review administering organization does not consider the peer review complete until the peer review report has been accepted by the peer review committee and any follow-up actions requested by the committee are completed. In scheduling a peer review, a firm or sole practitioner should leave enough time between when the peer reviewer issues the peer review report and when the peer review is “complete” in order to meet the license renewal deadline. This would include any time necessary for required corrective action. During the most recent license renewal cycle, a number of licensees waited too long to schedule a peer review and consequently were unable to timely renew their licenses.

A firm with three or more licensees must complete a peer review every three years, while a sole practitioner or a firm with one or two licensees must complete a peer review every five years. For example, if a sole practitioner submits a license renewal application on Dec. 15, 2009, for the 2010-2011 license period (Jan. 1, 2010 – Dec. 31, 2011), the board would consider any peer review that was completed on or after Dec. 15, 2004, to be timely, even if such sole practitioner was in the process of undergoing a fresh peer review at the time of submitting the renewal application.

Peer Review Exemptions

A firm or sole practitioner that has performed an audit or review engagement after May 1, 1998, may nevertheless be exempt from having to provide certification of compliance with the peer review requirement at the time of license renewal.

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Upcoming 2009 Meetings

Sept. 15
Oct. 20
Nov. 17
Dec. 15

*Visit www.dos.state.pa.us
for an updated monthly
schedule*

Peer Review and License Renewal: What Licensees Need to Know

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Following are the exemptions:

- A firm or sole practitioner that has not performed an audit or review engagement since the start of the current biennial renewal period and does not intend to perform an audit or review engagement in the future may claim an exemption from peer review by submitting a notarized statement that the firm or sole practitioner has not accepted or performed an audit or review engagement during the current biennial renewal period and that it does not intend to accept or perform an audit or review engagement during the next biennial renewal period.
- A firm or sole practitioner that was issued an initial license less than 18 months before the license renewal deadline may claim an exemption from peer review by submitting a statement to that effect and averring that it will undergo a peer review within 18 months after issuance of such initial license. This exemption does not apply to a merger where a new firm is not created.
- A firm or sole practitioner licensed for more than 18 months that did not commence its first audit or review engagement until less than 18 months before the license renewal deadline may claim an exemption from peer review by submitting a statement to that effect and averring that it will undergo a peer review within 18 months after commencing the engagement.
- A firm or sole practitioner that has completed a qualifying peer review in any other state may claim an exemption from peer review in Pennsylvania by submitting (i) a letter from the out-of-state peer review administering organization evidencing completion of a peer review, within three years of the date of the license renewal application, that satisfies the requirements of the CPA Law and the board's regulations and (ii) a statement from the firm or sole practitioner that its internal inspection and monitoring procedures require personnel from an out-of-state office to perform an inspection of its Pennsylvania office at least once every three years.
- A firm or sole practitioner that has good cause for not timely completing a peer review may claim a temporary exemption by submitting (i) a physician's statement that a specified medical condition prevents timely completion of a peer review; (ii) a statement from the appropriate military authority that military services prevents timely completion of a peer review; or (iii) a notarized statement that unforeseen exigent circumstances prevents timely completion of a peer review.

The board may not grant a temporary exemption, in the aggregate, that exceeds 12 months from the compliance deadline. The board does not recognize extensions that are granted by a peer review administering organization. A firm or sole practitioner desiring a temporary exemption should apply to the board at the earliest practicable opportunity prior to the compliance deadline.

More Information

Firms and sole practitioners desiring additional information about the peer review requirements of the CPA Law and the board's regulations may contact the board at ST-ACCOUNTANCY@state.pa.us.

Act 25 to Strengthen Consumer Protection

On Friday, July 17, 2009, Governor Edward G. Rendell signed Act 25 into law, which is a major legislative accomplishment for the Bureau for Professional and Occupational Affairs and its boards. This law amends Act 48 of 1993 by adding a provision raising the maximum fine the board imposes for violations of the licensing laws or regulations from \$1,000 to \$10,000 as well as authorizing the licensing boards to impose the costs of investigation. Furthermore, the Act provides privilege protection to Department of State investigative files, as well as confidentiality requirements.

“BPOA has been working to pass this legislation since 2004,” Commissioner Basil L. Merenda said.

“This is an important law because the new maximum fine acts as a very strong deterrent to delinquent unlawful activity by licensees, which in turn will enable us to more effectively protect the health, safety and welfare of every consumer in the commonwealth.”



Act 25 will affect all 29 boards where professionals range from physicians and cosmetologists to accountants and funeral directors. The law, which was passed in the Legislature as Senate Bill 142, will go into effect 60 days after its enactment. At that time, prosecutors will be able to recommend to the respective licensing board to impose the maximum fine if the violation is egregious.

Many people helped the Department of State in the passage of this bill, including the prime sponsor of the bill, Senator Tomlinson, Representative McGeehan, other members of the Senate and House Representatives and their staff, and Meredith Biggica, Director of the Office of Legislative Affairs. Mobilizing board members to reach across party lines to contact Senators and Representatives was also key in the enactment of this bill. The board members explained, from their viewpoint, why this legislation needed to be passed to effectively carry out BPOA and each board's mission.

Future plans for legislation includes proposals to create a statutory obligation for a licensee to cooperate with investigators and prosecutors in disciplinary matters and granting the boards authority to expunge a disciplinary history of a license for minor violations such as failure to complete the continuing education requirement.

Disciplinary Actions

Following is a chronological listing of significant disciplinary actions taken by the board from May 19, 2005, through June 23, 2009. These disciplinary actions involve revocation, suspension or voluntary surrender of professional credentials or the assessment of a civil penalty of \$5,000 or more. A complete listing of all board disciplinary actions can be accessed by visiting the Department of State's Web site at www.dos.state.pa.us and clicking on "Professional Licensure" followed by "Disciplinary Actions."

Each entry below includes the name, certificate or registration number (if any), and last known address of the respondent; the disciplinary sanction imposed; a brief description of the basis of the disciplinary sanction; the effective date of the disciplinary sanction; and whether the disciplinary sanction was taken pursuant to an Order (O), Adjudication and Order (A&O), or Consent Agreement and Order (C&O).

Every effort has been made to ensure that the following information is correct. However, this information should not be relied on without verification from the Prothonotary's Office of the Bureau of Professional and Occupational Affairs. One may obtain verification of individual disciplinary action by writing or telephoning the Prothonotary's Office at P.O. Box 2649, Harrisburg, PA 17105-2649; (717) 772-2686. Please note that the names of persons listed below may be similar to the names of persons who have not been disciplined by the board.

Kenneth W. Rubenstein, certificate no. CA008110L, of Coconut Creek, Fla., agreed to the permanent and voluntary surrender of his right to practice public accounting in Pennsylvania for being disciplined by the Florida accountancy regulatory authorities. (5/19/05) (C&O)

James J. Sauers, certificate no. CA020662L, of Dresher, Montgomery County, had his certificate of certified public accountant suspended for one year and was assessed a \$1,000 civil penalty for improperly holding out as a certified public accountant without a current license. (5/27/05) (A&O)

Robert J. Davey, III, certificate no. CA019286L, of Greenville, S.C., had his certificate of certified public accountant suspended for one year and was assessed a \$1,000 civil penalty for improperly holding out as a certified public accountant without a current license. (5/27/05) (A&O)

Robert C. Olivieri, Jr., certificate no. CA020306L, of Bensalem, Bucks County, had his certificate of certified public accountant revoked for failing to comply with a board adjudication and order that directed him to surrender his previously suspended certificate and to pay a previously assessed civil penalty. (6/2/05, retroactive to 5/27/05) (O)

David R. Wandrisco, certificate no. CA006655L, of Pittsburgh Allegheny County, had his certificate of certified public accountant and current license suspended for a minimum of two years and was assessed an \$8,000 civil penalty for engaging in misleading advertising, practicing public accounting without a current license, and improperly holding out as a certified public accountant without

a current license. Termination of the suspension after two years was conditioned on Wandrisco's payment of the civil penalty. Wandrisco timely paid the civil penalty and served only the minimum suspension. (6/7/05, effective 7/7/05) (A&O)

John Harvey Griesemer, Jr., registration no. PA000788L, of Boyertown, Berks County, had his public accountant registration and current license suspended for a minimum of one year and was assessed a \$6,000 civil penalty for practicing public accounting without a current license and improperly holding out as a public accountant without a current license. Termination of the suspension after one year was conditioned on Griesemer's payment of the civil penalty. Griesemer timely paid the civil penalty and served only the minimum suspension. (6/22/05, effective 7/22/05) (A&O)

Nelson Thomas Rabenold, certificate no. CA014923L, of Allentown, Lehigh County, had his certificate of certified public accountant and current license suspended for a minimum of one year and was assessed a \$3,000 civil penalty for practicing public accounting without a current license and improperly holding out as a certificate public accountant without a current license. Termination of the suspension after one year was conditioned on Rabenold's payment of the civil penalty. Rabenold timely paid the civil penalty and served only the minimum suspension. (6/27/05, effective 7/27/05) (A&O)

Charles V. Cleghorn, certificate no. CA004907L, of Jenkintown, Montgomery County, had his certificate of certified public accountant suspended and was assessed a \$1,000 civil

Disciplinary Actions

penalty for practicing public accounting without a current license. Termination of the suspension was conditioned on Cleghorn's payment of the civil penalty and his either satisfying the requirements for obtaining a current license or submitting a sworn affidavit that he is retired from the practice of public accounting. (7/20/05) (A&O)

Denise K. Wagner, certificate no. CA030043L, of Trevoise, Bucks County, had her certificate of certified public accountant suspended and was assessed a \$4,000 civil penalty for engaging in unprofessional conduct, committing dishonesty in the practice of public accounting, engaging in conduct that brings the public accounting profession into disrepute or that lowers public esteem for the profession, and practicing public accounting without a current license. Termination of the suspension was conditioned on Wagner's payment of the civil penalty and her providing verification that she has refunded her professional fees to the complainant and returned the complainant's tax records. (7/21/05) (A&O)

Fabian M. O'Connor, certificate no. CA020644L, of Pittsburgh, Allegheny County, had his certificate of certified public accountant suspended for failing to comply with a board adjudication and order that assessed him a civil penalty. The suspension was terminated after 10 days when O'Connor paid the civil penalty. (8/24/05, retroactive to 8/19/05) (O)

Bruce C. Beard, certificate no. CA029089L, of Uniontown, Fayette County, has his certificate of certified public accountant revoked for failing to comply with a board adjudication and order that directed him to pay new and previously assessed

civil penalties and to surrender his previously suspended certificate. (9/22/05, retroactive to 8/22/05) (O)

Malcolm P. Johnson, certificate no. CA025306R, of DeBary, Fla., was assessed a \$5,000 civil penalty for engaging in unprofessional conduct. (11/15/05) (C&O)

Margaret Kintz, of Altoona, Blair County, was assessed a \$6,000 civil penalty for practicing public accounting without being a licensed certified public accountant. (12/23/05) (A&O)

Joseph E. Mendola, certificate no. CA019191L, of Charleroi, Washington County, had his certificate of certified public accountant suspended and was assessed a \$3,000 civil penalty for practicing public accounting without a current license. Termination of the suspension was conditioned on Mendola's payment of the civil penalty and his satisfying the requirements for obtaining a current license. (1/17/06) (A&O)

Irving C. Jaffe, certificate no. CA005268L, of Bala Cynwyd, Montgomery County, had his certificate of certified public accountant revoked and was assessed a \$1,000 civil penalty for failing to comply with a board order that suspended his certificate. (5/15/06) (A&O)

Craig F. Kirsch, certificate no. CA046640, of Wexford, Allegheny County, had his certificate of certified public accountant and current license suspended for 18 months and was assessed a \$4,000 civil penalty for holding out as a certified public accountant prior to obtaining a certificate of certified public accountant. (5/25/06, retroactive to 1/23/06) (O)

Kirk Joseph Dischino, certificate no. CA015220L, of Waldwick, N.J., permanently and voluntarily surrendered his certificate of certified public accountant for having his right to appear or practice before the Securities and Exchange Commission (SEC) as an accountant suspended. (7/17/06) (C&O)

Keith M. Getty, certificate no. CA035147L, of Lemoyne, Cumberland County, had his certificate of certified public accountant revoked for engaging in conduct that brings the public accounting profession into disrepute or that lowers public esteem for the profession. (7/17/06) (C&O)

Franklyn Michael Bergonzi, certificate no. CA008020L, of Hummelstown, Dauphin County, had his certificate of certified public accountant revoked for pleading guilty to a federal felony charge of conspiracy to defraud the U.S. (7/17/06) (C&O)

Louis Anthony Esola, certificate no. CA015826L, of Greensburg, Westmoreland County, had his certificate of certified public accountant suspended and was assessed an \$8,000 civil penalty for engaging in unprofessional conduct and improperly holding out as a certified public accountant without a current license. Termination of the suspension is conditioned on Esola's payment of the civil penalty and his satisfying the requirements for obtaining a current license. (9/20/06) (A&O)

Theodore Vasilios Konas, certificate no. CA017893L, of Lancaster, Lancaster County, permanently and voluntarily surrendered his certificate of certified public accountant for pleading guilty to a federal felony charge of making false statements on a loan and credit application. (9/19/06) (C&O)

Continued on next page

Disciplinary Actions

Thomas Joseph Motley, certificate no. CA012413L, of Swarthmore, Delaware County, had his certificate of certified public accountant revoked for pleading guilty to state felony charges of theft by deception, deceptive or fraudulent business practices and securities fraud. (10/18/06) (A&O)

Carrow, Doyle & Associates, LLP, license no. AF000066L, of Berwyn, Chester County, was reprimanded and assessed an \$8,000 civil penalty for practicing public accounting without a current license. (10/20/06) (C&O)

Charles V. Cleghorn, certificate no. CA004907L, of Jenkintown, Montgomery County, had his certificate of certified public accountant revoked for failing to comply with a board adjudication and order that directed him to surrender his previously suspended certificate and to pay a previously assessed civil penalty. (12/5/06, retroactive to 11/20/06) (O)

Barry Korcan, certificate no. CA018618L, of Berwyn, Chester County, had his certificate of certified public accountant revoked

for pleading guilty to federal felony charges of mail fraud and income tax evasion. (1/17/07) (A&O)

Andrew P. Goldner, certificate no. CA006570L, of Wynnewood, Montgomery County, had his certificate of certified public accountant and current license revoked and was assessed a \$2,000 civil penalty for pleading guilty to a federal felony charge of willfully aiding and abetting in the preparation of a materially false and fraudulent income tax return. (2/7/07) (A&O)

Robert Ivan Goldstein, certificate no. CA010466L, of Pittsburgh, Allegheny County, was assessed a \$5,000 civil penalty for practicing public accounting without a current license and improperly holding out as a certified public accountant without a current license. (4/19/07) (C&O)

William E. Caswell, certificate no. CA017032L, of Pittsburgh, Allegheny County, had his certificate of certified public accountant and current license suspended for two years for having his right to appear or practice before the SEC as an accountant suspended. (4/19/07, retroactive to 10/1/05) (C&O)

Charles Kevin Crown, certificate no. CA-038014, of Blakeslee, Monroe County, had his certificate of certified public accountant revoked and was assessed a \$4,000 civil penalty for engaging in unprofessional conduct, committing dishonesty in the practice of public accounting, practicing public accounting without a current license and improperly holding out as a certified public accountant without a current license. (4/24/07) (A&O)

Thomas J. Dausch, certificate no. CA033395L, of Pittsburgh, Allegheny County, was assessed a \$6,000 civil penalty for practicing public accounting without a current license and improperly holding out as a certified public accountant without a current license. (4/25/07) (A&O)

Paul Joseph Cobb, certificate no. CA033793L, of Moscow, Lackawanna County, had his certificate of certified public accountant revoked and was assessed a \$2,000 civil penalty for pleading guilty to a state felony charge of violating the conflict-of-interest provisions of the Ethics Act. (5/2/07, effective 6/1/07) (A&O)

Notify the board if...

Licensees must contact the board with any changes in name or address.

Name changes require a copy of a court order, marriage certificate or divorce decree.

Licensees must also notify the board within 90 days if another state board takes disciplinary action against them. Criminal convictions must be reported to the board within 30 days.

Send information to:

State Board of Accountancy
P.O. Box 2649
Harrisburg, PA 17105-2649
 or email ST-ACCOUNTANCY@state.pa.us

Disciplinary Actions

Lawrence H. Goldman, certificate no. CA020716L, of Waynesboro, Franklin County, had his certificate of certified public accountant and current license revoked for pleading guilty in Maryland to a state felony charge of voluntary manslaughter. (6/6/07, effective 7/6/07) (A&O)

Patrick Dever, certificate no. CA005617L, of Sharpsville, Mercer County, was reprimanded and assessed a \$7,000 civil penalty for engaging in misleading advertising and practicing public accounting without a current license. (6/12/07) (C&O)

Mark Steven Lynch, certificate no. CA025455L, of Vienna, Va., had his certificate of certified public accountant suspended for four years, four months and 22 days for having his right to appear or practice before the SEC as an accountant suspended. (7/6/07, retroactive to 1/17/01) (A&O)

William F. Buettner, Jr., certificate no. CA011575L, of Pittsburgh, Allegheny County, had his certificate of certified public accountant suspended for a minimum of four years, and was reprimanded and assessed a \$1,000 civil penalty, for having his right to appear or practice before the SEC as an accountant suspended. Termination of the suspension is conditioned on Buettner's payment of the civil penalty and his being reinstated to appear or practice before the SEC. (7/16/07, retroactive to 8/2/04) (A&O)

Mark D. Kirstein, certificate no. CA027868L, of Chicago, Ill., had his certificate of certified public accountant suspended for two years, and was reprimanded and assessed a \$1,000 civil

penalty, for having his right to appear or practice before the SEC as an accountant suspended. (7/16/07, retroactive to 7/28/04) (A&O)

Amy Susan Frazier, certificate no. CA034106L, of Philadelphia, Philadelphia County, had her certificate of certified public accountant and current license suspended for two years, and was reprimanded and assessed a \$1,000 civil penalty, for having her right to appear or practice before the SEC as an accountant suspended. (7/16/07, retroactive to 7/28/04) (A&O)

Deborah Dover Hiller, certificate no. CA014745L, of Tyrone, Blair County, had her certificate of certified public accountant and current license revoked for pleading guilty to a state felony charge of theft by failure to make required disposition of funds received. (7/16/07, effective 8/15/07) (A&O)

Thomas P. Hauke, certificate no. CA039674L, of New York, N.Y., had his certificate of certified public accountant revoked for pleading guilty to a federal felony charge of conspiracy to commit securities fraud, being disciplined by the New York and New Jersey accountancy regulatory authorities, practicing public accounting without a current license, and improperly holding out as a certified public accountant without a current license. (7/16/07) (A&O)

Alan P. Brecese, certificate no. CA032375L, of Tarpon Springs, Fla., permanently and voluntarily surrendered his certificate of certified public accountant and current license for obtaining the biennial renewal of his license by false representation and failing to complete required continuing professional education (CPE) for license renewal. (9/18/07) (C&O)

Louis Anthony Esola, certificate no. CA015826L, of Greensburg, Westmoreland County, had the current suspension of his certificate of certified public accountant extended by 60 days for failing to timely comply with the directives of a board adjudication and order. (9/21/07) (A&O)

David Brian Moul, certificate no. CA017719L, of York, York County, had his certificate of certified public accountant revoked and was assessed a \$4,000 civil penalty for practicing public accounting without a current license and improperly holding out as a certified public accountant without a current license. (9/21/07, effective 9/28/07) (A&O)

UNETHICAL OR UNLICENSED ACTIVITY

If you believe the practice or service provided by a licensed professional to be unethical, below an acceptable standard or out of the scope of the profession; or if you are aware of unlicensed practice, please call the Bureau of Professional and Occupational Affairs complaints hotline at:

In Pennsylvania:
1-800-822-2113

Out of State:
1-717-783-4854

A complaint form is available on the Department of State's Web site at
www.dos.state.pa.us

Disciplinary Actions

Anthony C. Capwell, certificate no. CA036440L, of Scranton, Lackawanna County, had his certificate of certified public accountant suspended for failing to pay a civil penalty assessed by a board adjudication and order. Termination of the suspension was conditioned on Capwell's payment of the civil penalty. (10/29/07, retroactive to 10/24/07) (O)

Thomas Joseph Delorenzo, certificate no. CA031641L, of New Castle, Lawrence County, had his certificate of certified public accountant and current license suspended for failing to pay a civil penalty assessed by a hearing examiner's default judgment order. The suspension was terminated after 315 days when Delorenzo paid the civil penalty. (11/16/07) (O)

Scalese and Associates, P.C., license no. AF050665, of Pittsburgh, Allegheny County, had its license to practice as a public accounting firm suspended for failing to pay a civil penalty assessed by a board adjudication and order. The suspension was terminated after 16 days when Scalese & Associates, P.C. paid the civil penalty. (11/20/07, retroactive to 11/14/07) (O)

Carol A. Scalese, certificate no. CA028018L, of Pittsburgh, Allegheny County, had her certificate of certified public accountant and current license suspended for failing to pay a civil penalty assessed by a board adjudication and order. The suspension was terminated after 16 days when Scalese paid the civil penalty. (11/20/07, retroactive to 11/14/07) (O)

Allen, Rogers & Osgood, CPAs, license no. AF000109L, of Troy, Bradford County, was reprimanded and assessed a \$15,000 civil penalty for

engaging in unprofessional conduct. (1/13/08) (C&O)

Stephen Sean Lewis, certificate no. CA030321L, of Altoona, Blair County, had his certificate of certified public accountant suspended for failing to submit documentation of make-up CPE required under a consent agreement and order approved by the board. The suspension was terminated after 21 days when Lewis submitted the CPE documentation. (3/27/08, retroactive to 3/19/08) (O)

Kenneth Donald Perkins, certificate no. CA013430R, of Sewickley, Allegheny County, was assessed a \$10,000 civil penalty for improperly holding out as a certified public accountant without a current license. (4/17/08) (C&O)

Edward B. Schwoyer, of Allentown, Lehigh County, was assessed a \$6,500 civil penalty for practicing public accounting without being a licensed certified public accountant. (4/17/08) (C&O)

Ronald L. Fassett, certificate no. CA029937R, of Greenville, Mercer County, had his certificate of certified public accountant and current license suspended for failing to submit documentation of make-up CPE required under a consent agreement and order approved by the board. The suspension was terminated after 203 days when Fassett submitted the CPE documentation. (4/18/08, retroactive to 4/10/08) (O)

John R. Berhrmann, certificate no. CA005819L, of York, York County, permanently and voluntarily surrendered his certificate of certified public accountant for having his right to appear or practice before the SEC as an accountant suspended, engaging in unprofessional

conduct, and engaging conduct that brings the public accounting profession into disrepute or that lowers public esteem for the profession. (5/13/08) (C&O)

Ronald Francis Wasilowski, certificate no. CA008932L, of Natrona Heights, Allegheny County, had his certificate of certified public accountant revoked and was assessed a \$6,000 civil penalty for failing to return client records, committing gross negligence in the practice of public accounting, engaging in unprofessional conduct, engaging in conduct that brings the profession of public accounting into disrepute or that lowers public esteem for the profession, and practicing public accounting without a current license. (5/16/08) (A&O)

Arthur F. Dorn, certificate no. CA031198L, of Mullica Hill, N.J., had his certificate of certified public accountant suspended for failing to submit documentation of make-up CPE required under a consent agreement and order approved by the board. The suspension was terminated after 69 days when Dorn submitted the CPE documentation. (5/23/08, retroactive to 5/13/08) (O)

Karen Ann Forsette, certificate no. CA032057L, of Forest City, Susquehanna County, had her certificate of certified public accountant and current license suspended for failing to submit documentation of make-up CPE required under a consent agreement and order approved by the board. Termination of the suspension was conditioned on Forsette's submitting the CPE documentation. (5/23/08, retroactive to 5/13/08) (O)

Continued on next page

Disciplinary Actions

Thomas Edward Beck, certificate no. CA032077L, of Mifflinburg, Union County, had his certificate of certified public accountant and current license suspended for failing to submit documentation of make-up CPE required under a consent agreement and order approved by the board. The suspension was terminated after 10 days when Beck submitted the CPE documentation. (5/23/08, retroactive to 5/13/08) (O)

Eugene A. Brunozzi, Jr., certificate no. CA009635L, of Pittsburgh, Allegheny County, had his certificate of certified public accountant and current license suspended for a minimum of six months and was assessed a \$2,000 civil penalty for committing dishonesty in the practice of public accounting and engaging in conduct that brings the public accounting profession into disrepute or that lowers public esteem for the profession. Termination of the suspension after six months was conditioned on Brunozzi's payment of the civil penalty. Brunozzi timely paid the civil penalty and served only the minimum suspensions. (5/30/08, effective 6/30/08) (A&O)

Elizabeth Ann Ley, certificate no. CA030814L, of Pittsburgh, Allegheny County, had her certificate of certified public accountant suspended for failing to pay a civil penalty assessed by a board adjudication and order. The suspension was terminated after 40 days when Ley paid the civil penalty. (7/7/08, retroactive to 6/28/08) (O)

Donnelly & Worthington, P.C., license no. AF050220, of Havertown, Delaware County, was assessed a \$6,000 civil

penalty for practicing public accounting without a current license. (7/8/08) (C&O)

Joseph A. Critelli, certificate no. CA032205L, of Manalapan, N.J., had his certificate of certified public accountant and current license suspended for failing to submit documentation of make-up CPE required under a consent agreement and order approved by the board. The suspension was terminated after 17 days when Critelli submitted the CPE documentation. (7/22/08, retroactive to 7/15/08) (O)

Joseph J. Shew, certificate no. CA027631L, of West Chester, Chester County, had his certificate of certified public accountant revoked for pleading guilty to a federal felony charge of conspiracy to defraud the U.S. and having his right to appear or practice before the SEC as an accountant suspended. (8/27/08, retroactive to 10/9/07) (A&O)

The Schonbraun McCann Group, LLP, of Roseland, N.J., was assessed a \$7,000 for practicing public accounting without being a licensed public accounting firm. (9/15/08) (C&O)

Bruno Albert Fedele, certificate no. CA009225L, of Upper Darby, Delaware County, had his certificate of certified public accountant and current license suspended for 30 days and was assessed a \$5,000 civil penalty for engaging in unprofessional conduct and engaging in conduct that brings the profession of public accounting into disrepute or that lowers public esteem for the profession. (9/15/08) (C&O)

Jane Antley, certificate no. CA029067L, of West Chester, Chester County, had her certificate of certified public

accountant and current license suspended for a minimum of 90 days, was assessed a \$4,000 civil penalty, and was directed to complete make-up CPE for failing to complete required CPE and obtaining the renewal of her license by false representation. The suspension was terminated after 153 days when Antley paid the civil penalty and submitted the CPE documentation. (9/22/08, effective 10/22/08) (A&O)

Frederick Lopez, certificate no. CA030625L, of Voorhees, N.J., had his certificate of certified public accountant suspended for failing to submit documentation of make-up CPE required under a consent agreement and order approved by the board. Termination of the suspension was conditioned on Lopez's submitting the CPE documentation. (10/24/08, retroactive to 10/18/08) (O)

Michael J. Reilly, certificate no. CA031512R, of Syracuse, N.Y., had his certificate of certified public accountant and current license suspended for failing to submit documentation of make-up CPE required under a consent agreement and order approved by the board. The suspension was terminated after six days when Reilly submitted the CPE documentation. (10/24/08, retroactive to 10/18/08) (O)

Erwin Andrews, certificate no. CA022806L, of San Anselmo, Cal., had his certificate of certified public and current license suspended for failing to submit documentation of make-up CPE required under a consent agreement and order approved by the board. Termination of the suspension was conditioned on Andrews's submitting the CPE documentation. (10/24/08, retroactive to 10/18/08) (O)

Disciplinary Actions

John Joseph Rovito, certificate no. CA014377L, of Collegeville, Montgomery County, had his certificate of certified public accountant revoked for engaging in conduct that brings the profession of public accounting into disrepute or that lowers public esteem for the profession. (11/10/08) (C&O)

David A. Burkholder, certificate no. CA008744L, of Chambersburg, Franklin County, permanently and voluntarily surrendered his certificate of certified public accountant for pleading guilty to a federal felony charge of conspiracy to defraud the U.S. (11/10/08) (C&O)

Charles A. Reilly, certificate no. CA049643, of Flemington, N.J., had his certificate of certified public accountant and current license suspended for failing to pay a civil penalty assessed

by a hearing examiner's default judgment order. Termination of the suspension was conditioned on Reilly's payment of the civil penalty. (12/18/08) (O)

Karen Holmes McDougal, certificate no. CA031709L, of Pottstown, Chester County, had her certificate of certified public accountant suspended for failing to submit make-up CPE required under a board adjudication and order. The suspension was terminated after one day when McDougal submitted the CPE documentation. (12/23/08, retroactive to 12/17/08) (O)

George Aloysius Donnelly, III, certificate no. CA032358L, of Havertown, Delaware County, had his certificate of certified public accountant and current license suspended for failing to submit make-up CPE required under a board adjudication and order.

The suspension was terminated after eight days when Donnelly submitted the CPE documentation. (12/23/08, retroactive to 12/17/08) (O)

Robert Harry Baird, certificate no. CA009738L, of Gore, Okla., permanently and voluntarily surrendered his certificate of certified public accountant for being disciplined by the Oklahoma accountancy regulatory authorities. (4/21/09) (C&O)

Electronic Newsletters to Appear Bi-monthly

The Department of State has revamped the newsletter process.

Now all of the board's newsletters will be more concise and more readily available, with a new electronic edition every other month. The bureau will no longer mail paper newsletters, in an effort to provide fresh information more frequently and save time, cost and resources.

The newsletters will continue to be available on the board's Web site, and this fall licensees will begin to receive newsletters directly via e-mail.

**Visit the State Board of Accountancy Web Site
at www.dos.state.pa.us/account for more information.**

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