

## e-Newsletter Summer 2012

Check out the VBOA website at  
[www.boa.virginia.gov](http://www.boa.virginia.gov)



*Richmond Capitol Building*

## *From The Outgoing Chair*

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At the end of eight years of serving on the Virginia Board of Accountancy, I have been reflecting on some of the areas of progress we have made. One of those areas is in the Enforcement area which we cover in several sections of this newsletter.

Our primary mission at the VBOA is to protect the public and we believe we have fostered a regulatory environment which achieves this goal. We have endeavored to make it easier for CPAs to do business with the Board and to make the law and related rules more understandable.

The Board has approached enforcement cases in a "firm but fair" manner. And while some of the enforcement cases have been eye-opening, the statistics reflect that only a very small percentage of the approximately 25,000 licensed CPAs in

Virginia have enforcement issues. Our experience shows that the majority of CPAs take their responsibilities seriously and strive to do the right thing! Many of the violations exposed were committed by unlicensed individuals. Also, we have not had any major scandals involving CPAs in Virginia.

Additionally, we have begun to publicly disclose disciplinary actions taken by the Board. We hope the benefits of disclosure will include:

- Acting as a deterrent to others;
- Informing the public of violations by CPAs; and
- Raising awareness of the types of violations the Board is experiencing and assisting others from making similar mistakes.

I hope you enjoy the newsletter.

*Larry Samuel*



*Larry Samuel,  
CPA*

## *A Good Balancing Act*

Of all the services the Board provides, enforcement of Virginia Statutes and Regulations may be the least appreciated. Enforcement is the "policing" aspect of the Board's mandate and may engender resentment among those under investigation. In the CPA profession, respect and accountability are intersecting paths. The two-pronged process of investigating complaints and taking Board action to impose penalties when appropriate - enforcement - is really about balance.

In the dictionary *balance* is accompanied by words like *equilibrium*, *poise* and *stability*. Antonyms include *wobble* and *unsteady*. A set of scales is an apt image of balance. The truth is, enforcement is good for the profession as a whole and good for individual CPAs who value ethical standards. *Respect [comes to those] who deliver more than they promise, not to those who promise more than they deliver* (Mark Clement). ▲



**FY13 VBOA Board Members**

Tyrone E. Dickerson, CPA  
Board Chair  
Richmond, VA

Andrea M. Kilmer, CPA, CFF, CGMA  
Board Vice-Chair  
Virginia Beach, VA

W. Barclay Bradshaw, CPA  
Richmond, VA

Regina P. Brayboy, MPA, MBA  
Citizen Member  
Suffolk, VA

Robert J. Cochran, Ph.D., CPA  
Board Educator  
Midlothian, VA

Marc B. Moyers, CPA  
Manakin Sabot, VA

Stephanie S. Saunders, CPA  
Virginia Beach, VA

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*Well Done is Better than Well Said*

In October 2011, the Governor appointed two new Virginia Board of Accountancy members, W. Barclay Bradshaw of Richmond and Robert J. Cochran of Midlothian. Both appointees have a long history of service to the profession but experienced a short learning curve for their new responsibilities as Board members. Bradshaw and Cochran were appointed only five days before the November 2, 2011 Board meeting. Board agenda materials were rushed to them giving the pair only the weekend to prepare for the critical decision-making inherent in Board business. The calm poise and simmering intelligence they displayed left no doubt that the Governor replaced quality with quality on the Board.

W. Barclay Bradshaw, CPA, graduated from the University of Richmond with a bachelor's degree in Business Administration (BBA) and has been licensed as a CPA in Virginia since 1979. After graduation Bradshaw accepted a full-time position with the local firm Gary, Stosch, Walls & Company. In 1988 GSW & Co. merged with Touche and then Deloitte. In 1991 (to the present) Mr. Bradshaw has served as a shareholder with L.P. Martin & Company in Glen Allen. His experience includes providing services to voluntary health and welfare organizations, foundations, religious organizations and a variety of other similar organizations. Bradshaw has also served a variety of construction-related entities as well as multifamily housing projects. In addition, he has provided audit services to private and governmental organizations in compliance with state and federal audit requirements. He is a past-president of the Richmond chapter of the Virginia Society of CPAs and the Robins School of Business Alumni Association.

The service-orientation of Robert J. Cochran, Ph.D., CPA, is manifested differently but no less successfully. Cochran earned a BBA at the College of William and Mary and became licensed in Virginia in 1981. He began his career in Washington, D.C., at Peat, Marwick, Mitchell & Co. In 1984 he left PMM & Co. to pursue a start-up wholesale mortgage banking opportunity eventually becoming the Senior Vice President and Chief Administrative Officer for Crestar Mortgage in Richmond. In 1997 he left banking and enrolled in a doctoral program at Virginia Commonwealth University. *Academia is an environment that fosters the notion of service*, Cochran said to the Virginia Society of CPAs in a recent interview. Since 2001 he has taught accounting and finance at the University of Richmond and (presently) at Longwood University where he was chosen by accounting students as an outstanding professor in 2010. Cochran has held several service positions at Longwood, including sponsor and coach for students participating in the annual Goodman & Company Accounting challenge. Cochran spent the summer of 2010 and 2012 teaching at a sister university in China.

Albert Schweitzer said it well: *The only ones among you who will be really happy are those who have sought and found how to serve.* We look forward to the chapter of service this pair will write as new members of the Virginia Board of Accountancy. ▲

Click to view the listing for  
New Virginia Licensees  
(Individual and Firm)  
on the VBOA website!

*Super Board Members*

Members of the VBOA family have been called out by peers as examples of the best the CPA profession has to offer in Virginia. Partnered with the Virginia Society of CPAs, *Virginia Business Magazine* sent 7,000 official ballots to CPAs of the Commonwealth to name colleagues who were "Super CPAs". On November 1, 2011, the VSCPA published the names of 272 Society members who had been selected. The listing included five current or former Virginia Board of Accountancy members:

W. Barclay Bradshaw, CPA, 2011-2012 Board member

O. Whitfield Broome, Jr., Ph.D., CPA, 2003-2011 Board member, 2009-2010 Board Chair

Dian T. Calderone, CPA, MTX, 2004-2012 Board member, 2008-2009 Board Chair

Harry D. Dickenson, Ph.D., CPA, 2001-2005 Board member, 2004-2005 Board Chair

Stephanie S. Saunders, CPA, 2012 Board member ▲





## *Kudos for First VBOA e-Newsletter in 2011*

- What a great product you and your team have produced ... I especially liked the way you reported on corrective actions in detail by the Board. The detail helps educate all members as they try to comply with their practice requirements. Keep up the good work.
- Been in practice approximately 35 years. This is an excellent newsletter. Timely topics and information that is important to me.
- The newsletter was very informative. I feel this will provide valuable information to licensed CPAs in Virginia.
- Thank you, very nice newsletter, great layout and topics.
- The inaugural newsletter is excellent. Pass along my congratulations.
- Really enjoyed the information and the format. Also liked the "calling out" of folks who don't follow the rules. After all, isn't that one of the reasons for the ethics training?!
- The first issue of the e-Newsletter is excellent in all respects! The content, graphics, layout and writing are all top notch. Congratulations on such a high quality and informative inaugural edition.
- I enjoyed reading the newsletter. It serves as a good reminder to all CPAs in meeting the requisite ethics and CPEs ...Thanks so much for providing us a great source of information and updates that we can rely on involving the profession.

## *On Topic from the Executive Director*

Publishing our second e-Newsletter, I am reminded of the importance of communicating with our licensees, exam candidates and the public. One of my many goals since joining the VBOA staff in April of 2009 was to increase communications to become more efficient, effective and to ensure that our customer's needs are

met and that important information is shared in a timely manner.

We've made significant progress toward reaching that goal; however, were still not quite there! I encourage our customers to let us know what types of information would be useful and informative, so that we can better serve each

of you!

Examples of communication efforts include our new website, e-Newsletter, broadcast emails to exam candidates and licensees, a proposal for a new database for online applications, renewals and complaints, and the introduction of social media to include

Facebook, Twitter and LinkedIn (coming soon).

Please let us know how we're doing and how we can serve you better as we look forward! Best wishes for an enjoyable summer and fall!

*Wade A. Jewell*

## *Board Members, New and Former, Stand Together*



*VBOA Board members and Executive Director at the November 2, 2011, Board meeting in Queally Hall, University of Richmond (left to right): Whitfield Broome, Robert Cochran, Wade Jewell, Dian Calderone, Barclay Bradshan, Andrea Kilmer, Larry Samuel, Steve Holton and Tyrone Dickerson (Regina Brayboy is not pictured).*

### **Scheduled Board Meetings Join Us!**

Tuesday, August 21, 2012  
Tuesday, September 18, 2012

10:00 am to 4:00 pm

2nd Floor Conference Center  
9960 Mayland Drive  
Henrico, Virginia 23233

*Persons desiring to attend the meeting and require special accommodations/interpretive services should contact the Board office at 804-367-8505 at least 10 days prior to the meeting so that suitable arrangements can be made. The Board fully complies with the Americans with Disabilities Act (ADA).*

# ExamIn·tel·li·gence

## Virginia Scores Big

In 2010, two Virginia universities scored high in exam candidate performance, as reported by a 2011 report by NASBA. The University of Virginia scored second highest in the nation for schools with the top overall pass rates for first-time candidates without an advanced degree. James Madison University came in as number 1 in the U.S. for schools with top overall pass rates for first-time candidates with an advanced degree. ▲

## South-of-the-Border Testing

As of February 2012 citizens and long-term residents of Brazil will be able to take the Uniform CPA Examination in their home country. Brazil exam centers will be open to U.S. citizens living abroad as well as citizens and long-term residents of Argentina, Venezuela and Colombia. In 2011 the CPA Exam began to be administered outside the U.S. in Japan, Bahrain, Kuwait, Lebanon and the United Arab Emirates. ▲

## Veterans Get a Helping Hand

Veterans may receive a \$2,000 reimbursement for taking the CPA Exam, says the Department of Veteran Affairs. Military spouses may receive \$4,000 in financial assistance for CPA education and testing under the Department of Defense's Military Career Advancement Account. For more information about the reimbursement program for veterans and active military dependents, go to [www.GIBILL.va.gov](http://www.GIBILL.va.gov). ▲

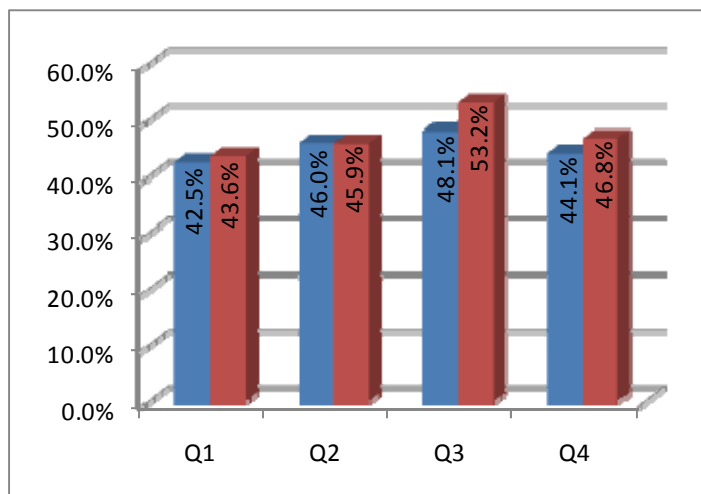


## 2011 Exam Candidate Performance in Virginia & Overall

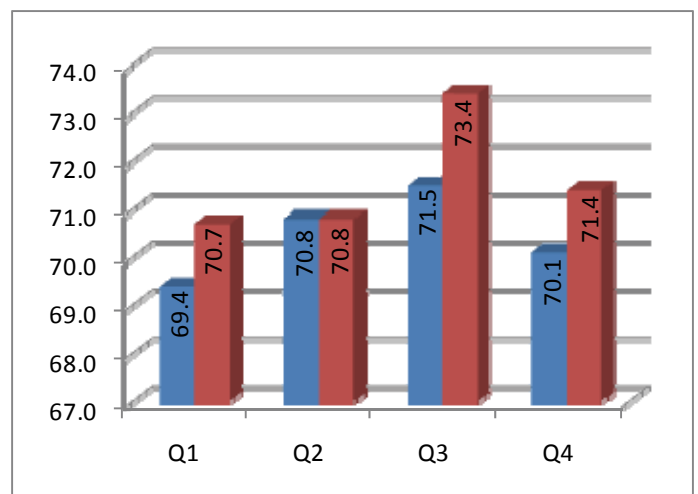
These statistics are reported by the National Association of State Boards of Accountancy (NASBA) in Candidate Performance on the Uniform CPA Examination, 2011 Q1-4 testing windows. Fifty-three out of 55 jurisdictions reported candidate performance data to NASBA in 2011. Unique candidates are considered the number of individuals attempting at least one exam section per testing window. The table and graphs compare the number of unique candidates, sections attempted, pass rates and average scores of candidates in the 53 reporting jurisdictions (blue) and Virginia (red).

	Q1 Testing Window		Q2 Testing Window		Q3 Testing Window		Q4 Testing Window	
	53 Jurisdictions	Virginia	53 Jurisdictions	Virginia	53 Jurisdictions	Virginia	53 Jurisdictions	Virginia
Unique Candidates	33,133	1,049	40,036	1,252	47,916	1,665	48,278	1,496
Sections Attempted	40,953	1,230	53,270	1,585	70,368	2,685	65,970	1,943

Pass Rate



Average Score





## Wanted: Calling All Specialists

The National Association of State Boards of Accountancy (NASBA) is recruiting CPAs across the nation with specialties in accounting, auditing and tax to join the newly organized **Registry Reviewer Program**, designed to develop a roster of qualified CPA professionals (including educators) to review CPE courses for technical accuracy and sufficiency for continuing professional education credits.

Virginia CPAs may qualify for the reviewer program with:

- A valid Virginia CPA License;

- Fulfillment of CPE requirements as defined by Virginia Statutes and Board Regulations;
- No record of Board disciplinary actions or charges; and
- At least five years experience in the specialty field (either as a provider or educator).

NASBA has created an online application process for the registry. Go to the [Learning Market](#) on NASBA's website for information on reviewer resources, responsibilities, expectations, compensation and how to apply. ▲

## Mobility in Motion

In general terms, mobility is a practice privilege that permits a licensee in good standing from a substantially equivalent jurisdiction to use the CPA Title and provide services outside his/her principal place of business without obtaining another license. Most of the 55 U.S. jurisdictions have adopted mobility legislation. In the past year, mobility has been gaining momentum.

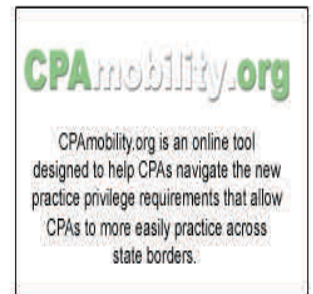
In August 2011, New York's gover-

nor, Andrew Cuomo, enacted legislation to make the empire state the 48<sup>th</sup> to accept substantially equivalent legislation and enact CPA mobility.

In October 2011, the Washington, D.C. mayor moved mobility along by signing the Accounting Mobility Act. Funding for the FY2013 budget is being sought. Supporters hope mobility will be effective in time for the January 1, 2013

licensing renewal date.

The VBOA and Virginia Society of CPAs have been long-time advocates of mobility before national support developed. Last year, an online mobility search engine for CPAs was launched by NASBA. The tool searches licensure requirements for out-of-state licensees for the 55 jurisdictions. The VBOA invites you to use the [CPAmobility.org](#) link. ▲



## The CPA Profession on the Horizon

In 2010, the American Institute of CPAs (AICPA) undertook an exploration of challenges facing the CPA profession over the next 15 years. The initiative called on CPAs across the profession to *define the future for themselves and those they serve*. A 22 member advisory board oversaw the ambitious project. Panel membership was diverse in age, gender and ethnicity, from sole practitioners to medium and large firms hailing from the bucolic heartland to metropolitan hotspots. Over 5,600 CPAs spent 6,000 hours producing 75,000 statements which coalesced into meaningful discourse on purpose, skill and direction. The *CPA Horizons 2025 Report* was published in the fall of 2011. Below is an example of the report's offerings, a study in the *essential and enduring beliefs upheld over time*, or core values. ▲

Integrity	Competence	Lifelong Learning	Objectivity	Excellence	Relevance
A CPA conducts him/herself with integrity and honesty, holding to rigorous standards of professional ethics.	A CPA demonstrates superior technical proficiency by performing with a high level of expertise and knowledge.	A CPA highly values education beyond certification and continually pursues broad skills and knowledge.	A CPA maintains impartiality and intellectual honesty by remaining free of personal bias and conflicts of interest.	A CPA continually delivers exemplary, high-quality services.	A CPA enhances value by meeting the ever-changing needs of the global marketplace.



## Hong Kong Colleagues

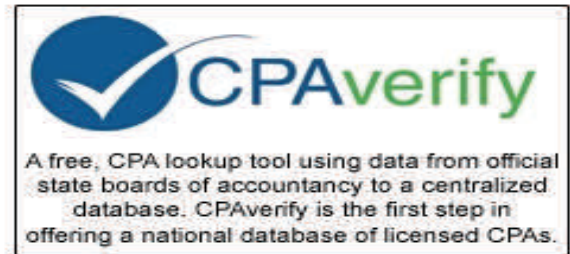
Around the world, on the south eastern tip of Asia, lies the tiny island of Hong Kong, a British colony for nearly the entire 20th century; now a thriving city-state of China. With a land mass of only 426 square miles and a population of seven million, Hong Kong is one of the most densely populated zip codes in the world.

CPAs in Hong Kong have been holding their collective breath for recognition from across the Pacific. It came in October 2011 when a five-year mutual recognition agreement establishing reciprocity between United States and Hong Kong accounting professionals was signed by the Hong Kong Institute of Certified Public Accountants (HKICPA) and the U.S. International Qualifications Appraisal Board (IQAB), a joint body of the AICPA and NASBA. William Treacy, chair of IQAB, said at the Nashville, TN ceremony, *We have thoroughly evaluated the educational, examination and experience require-*

*ments of CPAs in Hong Kong and are confident they are substantially equivalent to those of the U.S. CPA. Our agreement with Hong Kong validates our purposeful and determined quest to be truly global and allows qualified accountants in the U.S. and Hong Kong to work across borders.*

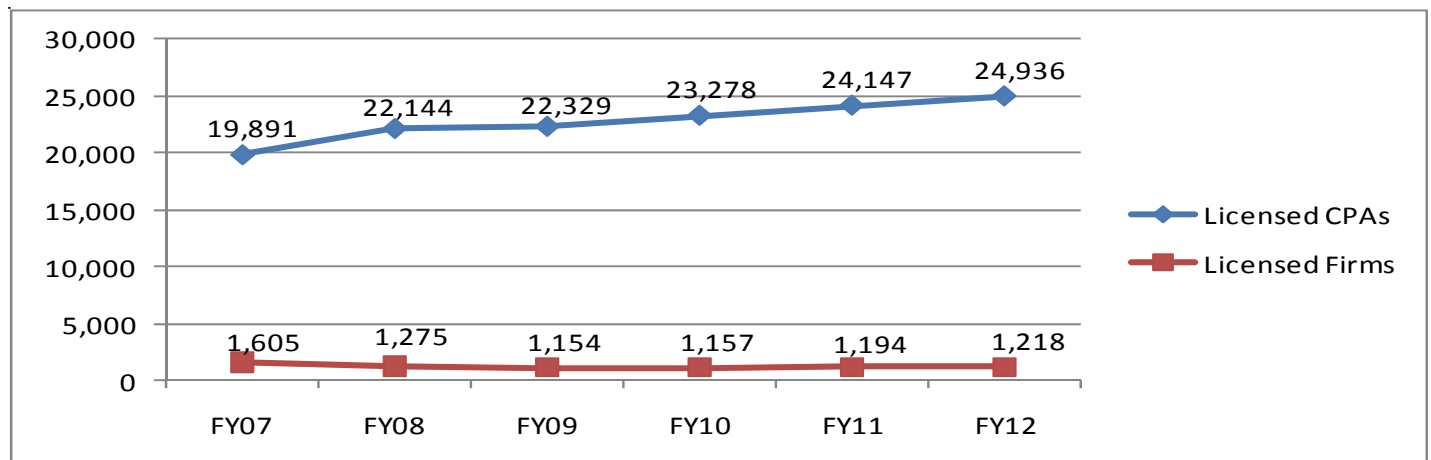
This is the sixth agreement the IQAB has signed with non-U.S. accounting organizations. The HKICPA has joined like-qualified professional groups in Australia, Canada, Ireland, Mexico and New Zealand.

Although approved by national organizations, mutual recognition agreements that assist cross-border reciprocity must be accepted by individual state boards of accountancy. The VBOA did so at the November 2, 2011 board meeting, staged in the Robins School of Business, University of Richmond, Virginia. ▲



## Number of Virginia Licensees, Individuals and Firms

FY = fiscal year, the annual period beginning July 1 and ending June 30. From FY07 to FY12, the number of licensed CPAs in Virginia increased from 19.9K to 24.9K, a 25.4 percent increase. From FY07 to FY09, the number of licensed CPA firms decreased from 1.6K to 1.2K, a 28.1 percent decrease. However, firm licensure requirements changed, requiring only the firms performing attest and/or compilation services to be licensed. As a result many tax-only practices surrendered their firm licenses. From FY09 to FY12, the number of licensed CPA firms in Virginia increased from 1.15K to 1.22K, a 5.5 percent increase. ▲







## Enforcement FAQs: Public Perspective

### Can I file a complaint anonymously?

The VBOA will investigate an anonymous complaint provided that enough information and supporting documentation is submitted with the [Complaint Form](#). If you do not provide sufficient documentation and the VBOA is unable to contact you for further information, the investigation may be determined as "no probable cause".

### What happens after I file a complaint?

The VBOA sends a copy of the allegation to the respondent (individual or firm named in the complaint) requesting a written response. The VBOA may request additional information from you and/or the respondent. All documentation is sent to the VBOA Enforcement Committee for review. If there is sufficient evidence that a violation has occurred, the Enforcement Committee will make a recommendation to the Board to impose sanctions.

**Are complaints filed against a CPA, firm or unlicensed individual available to the public?** Open complaint cases are not public information. However, once the case is closed it becomes public information. Disciplinary actions by the Board are posted on the VBOA website and published in an electronic newsletter. A copy of a closed case may be obtained through a Freedom of Information Act (FOIA) request.

**I am bringing charges against my CPA in civil/criminal court. I also want to file a complaint with the VBOA so I will have more leverage in court. What is the Board's policy regarding this?** It is generally the Board's preference to defer investigation of a complaint until after the court has resolved the civil/criminal matter.

### Can I check to see if a CPA has had previous complaints and/or disciplinary action taken against him/her?

You may contact the VBOA's Enforcement Manager at (804) 367-0725 or email [jean.grant@boa.virginia.gov](mailto:jean.grant@boa.virginia.gov) to request a status report on an individual CPA or firm.

**I think my CPA overcharged me for services. Does the Board regulate fees charged by CPAs?** The VBOA has no authority to regulate fees charged by

CPAs. Fee disputes are civil matters and should be handled through the courts.

**My CPA will not return tax documents that I gave him because I have refused to pay him/her. How can I get my tax documents back so I can file my taxes?** IRS Circular 230, subsection 10.28, states that a CPA must, at the request of a client, promptly return any and all records of the client necessary to comply with federal tax obligations. Generally, a fee dispute does not relieve the CPA of his/her responsibility under this section. Nevertheless, if applicable state law allows the CPA to keep client's records in a dispute over fees for services rendered, the CPA need only return those tax documents that must be attached to the taxpayer's income tax return.

**My CPA did not file my taxes in a timely manner resulting in a late penalty from the IRS. Can the Board force the CPA or firm to reimburse me?** No. The Board has no statutory authority to award restitution. If the Board determines that a CPA or firm has violated a statute or Board Regulation the individual or firm will be sanctioned accordingly. You may file a civil lawsuit against an individual or firm to recover lost fees/penalties.

**Where can I get a copy of the code of conduct and regulations that a CPA must follow?** Visit the VBOA website. On the lower right corner of the [home page](#) are links to the Code of Virginia Statutes and Board Regulations that govern the practice of CPAs and CPA firms. Visit the website of the American Institute of CPAs (AICPA) for the [AICPA Code of Professional Conduct](#).

### Enforcement Customer Service

For information regarding the VBOA enforcement process, phone or email Jean Grant at (804) 367-0725 or [jean.grant@boa.virginia.gov](mailto:jean.grant@boa.virginia.gov).





*July 2011 to June 2012*

## *Board Disciplinary Actions*

### *Suspensions & Revocations*

*Tax-related Issues, Due Professional Care and Discreditable Acts*

Name	License #	City, State	Violation	Date	Statutes/Regulations
Abod, Jr., Kenneth J.	12729	Annandale, VA	Due Professional Care; SEC Suspension	2/21/2012	§ <a href="#">54.1-4413.3</a>
<b>Final Order</b>					
The Board ordered the suspension of Mr. Abod's Virginia CPA License to run concurrent with the SEC suspension that began on 7/23/2010. In addition, the Board ordered Mr. Abod to: 1) Provide proof to the Board of his application for reinstatement to practice before the SEC prior to applying for reinstatement of his Virginia CPA License; and 2) Reimburse the VBOA \$1,000 for investigative costs.					

Name	License #	City, State	Violation	Date	Statutes/Regulations
Covington, II, John B.	27679	Pamplin, VA	Discreditable Acts; Due Professional Care	6/26/2012	§ <a href="#">54.1-4413.3</a> and <a href="#">18VAC5-22-170</a> (A.3)
<b>Final Order</b>					
The Board ordered the revocation of Mr. Covington's Virginia CPA License. In addition, the Board ordered Mr. Covington to 1) Return his wall certificate within 30 days of the entry date of the Final Order; 2) Pay \$10,000 monetary penalty; and 3) Reimburse the VBOA \$500 for investigative costs.					

Name	License #	City, State	Violation	Date	Statutes/Regulations
Edley, Jr., Robert	23085	Richmond, VA	Discreditable Acts; Sanctioned by State Bar	12/15/2011	§ <a href="#">54.1-4413.4</a>
<b>Final Order</b>					
The Board ordered the suspension of Mr. Edley's Virginia CPA License for a period of no less than three years beginning December 15, 2011. In addition, the Board ordered Mr. Edley to: 1) Remove the CPA designation from all signage, business cards, letterhead, resume, print/internet advertisements, email, software, websites and search engines; 2) Reimburse the VBOA \$500 for investigative costs; and 3) Appear before the Board after the three-year suspension to demonstrate his competency, provide proof of having met his CPE requirements with certificates of completion and show his responsibilities as a CPA under Virginia law. For the Board to consider license reinstatement Mr. Edley is required to complete all terms and conditions of the Order.					

**Policy Notice:** *It is the policy of the VBOA to publish the information of licensees against whom the Board has taken a disciplinary action resulting in suspensions and revocations and for other professional violations. The VBOA publishes information of licensees found to be deficient in CPE credit-hours only in the event of a previous CPE deficiency finding or previous professional violation. This policy is subject to change without notice at any time.*

## *Suspensions & Revocations, continued*

### *Tax-Related Issues, Due Professional Care and Discreditable Acts*

Name	License #	City, State	Violation	Date	Statutes/Regulations
Ferrara, Cheryl L.	37372	Silver Spring, MD	Discreditable Acts; Pled Gully in U.S. District Ct	12/7/2011	§ <a href="#">54.1-4413.4</a>

#### **Consent Order**

Ms. Ferrara agreed to the Board's suspension of Ms. Ferrara's Virginia CPA License for a period of no less than three years starting from December 7, 2011. In addition, Ms. Ferrara agreed to: 1) Complete an additional 40 hours of CPE ethics approved by the Board and provide certificates of completion to the Board; 2) Reimburse the VBOA \$500 for investigative costs; and 3) Appear before the Board after the three-year suspension to demonstrate the importance of exercising sensitive professional and moral judgment in all activities and acting in a way that serves the public interest, honors the public trust and commitment to professionalism. For the Board to consider license reinstatement Ms. Ferrara is required to complete all terms and conditions of the Order.

Name	License #	City, State	Violation	Date	Statutes/Regulations
Grant, Stewart N.	15134	Virginia Beach, VA	Due Professional Care; CPE Deficiency	11/2/2011	§ <a href="#">54.1-4413.3</a> and 18VAC5-21-170 (A,D)

#### **Consent Order**

Mr. Grant agreed to the Board's suspension of Mr. Grant's Virginia CPA License until he proves compliance with all the requirements of the Consent Order. In addition, Mr. Grant agreed to: 1) Complete 120 hours of CPE for 2008, 2009 and 2010, including two hours of Virginia-specific ethics (two hours may not be considered part of the annual CPE ethics requirements for 2011); 2) Submit to the Board a written summary of the Virginia Statutes and Regulations encompassing the requirements and responsibilities of being licensed as a CPA in Virginia; and 3) Reimburse the VBOA \$500 for investigative costs.

Name	License #	City, State	Violation	Date	Statutes/Regulations
Lorusso, Jr., John M.	14260	South Riding, VA	Discreditable Acts; Due Professional Care	5/2/2012	§ <a href="#">54.1-4413.3</a>

#### **Final Order**

The Board ordered the suspension of Mr. Lorusso's Virginia CPA License for a period of no less than one year from the entry date of the Final Order. In addition, the Board ordered Mr. Lorusso to: 1) Remove the CPA designation from all signage, business cards, letterhead, resume, print/internet advertisements, email, software, websites and search engines; 2) Complete the following CPE and provide certificates of completion to the Board for: a) 8 hours in IRS Circular 230; b) 8 hours in the AICPA Code of Professional Conduct; c) 8 hours in the Statement of Standards for Tax Services (SSTS); d) 8 hours in ethics (may not be considered part of the annual CPE ethics requirements for the reporting years of 2012 or 2013); and e) 20 hours in Practice Management; 3) Make a presentation before the Board on the responsibilities of a Virginia CPA to his clients and to regulatory boards, such as the VBOA; 4) Pay \$2,500 monetary penalty for failing to provide to the Board upon request all CPE certificates of completion for the reporting years of 2008, 2009 and 2010; 5) Pay \$250 monetary penalty for failing to communicate with the Board upon request within the required 30 days; and 6) Reimburse the VBOA \$500 for investigative costs. For the Board to consider license reinstatement Mr. Lorusso is required to complete all terms and conditions of the Order.

Name	License #	City, State	Violation	Date	Statutes/Regulations
Zelubowski, Kenneth A.	5992	Virginia Beach, VA	Discreditable Acts; Due Professional Care	4/26/2012	§ <a href="#">54.1-4413.3</a> (1,2,4) and <a href="#">18VAC5-22-170</a> (A.3)

#### **Consent Order**

Mr. Zelubowski agreed to the Board's immediate revocation of Mr. Zelubowski's Virginia CPA License for the failure to protect confidential financial client records and failing to respond to the Board upon request to a filed complaint. In addition, Mr. Zelubowski agreed to: 1) Return his wall certificate within 30 days of the entry date of the Order; and 2) Reimburse the VBOA \$500 for investigative costs.

**All monetary penalties are transferred to the State Literary Fund and not available for use by the VBOA.** Failure to pay monetary penalty shall be subject to collection efforts through the Department of Debt Collections of the State Attorney General's office. The debt to the Commonwealth will be recorded with the Virginia Department of Taxation for collections by attachment to any and all Virginia income tax refunds or any other tax monies.

## Other Professional Violations

*Unlicensed Activity; Practicing with Expired License, Use of CPA Title, Tax-Related Issues, Due Professional Care, Discreditable Acts and CPE Deficiency*

Name	License #	City, State	Violation	Date	Statutes/Regulations
Becker, Lyn A.	32040	Norfolk, VA	Due Professional Care	5/2/2012	§ <a href="#">54.1-4413.3</a> and <a href="#">18VAC5-22-170</a>

### Final Order

The Board ordered Ms. Becker to: 1) Complete the following CPE to be approved by the Executive Director prior to participation and provide certificates of completion to the Board within 90 days of the entry date of the Final Order: a) 8 hours in Practice Management; and b) 4 hours in the AICPA Code of Professional Conduct (the 12 additional hours may not be considered part of the annual CPE requirements for 2012); 2) Pay \$250 monetary penalty for failure to respond to the Board upon request; and 3) Reimburse the VBOA \$500 for investigative costs. All terms and conditions of the Final Order must be met prior to the renewal of Ms. Becker's Virginia CPA License.

Name	License #	City, State	Violation	Date	Statutes/Regulations
Beeks, Jr., Paul R.	Never Licensed	Alexandria, VA	Unlicensed Activity; Use of CPA Title	12/15/2011	§§§ <a href="#">54.1-4414</a> , <a href="#">54.1-4409.1</a> and <a href="#">54.1-111</a>

### Final Order

The Board ordered Mr. Beeks to: 1) Refrain from practicing as a CPA and/or using the CPA Title in Virginia until duly licensed by the Board; 2) Pay \$10,000 monetary penalty; and 3) Reimburse the VBOA \$500 for investigative costs.

Name	License #	City, State	Violation	Date	Statutes/Regulations
Boe, Douglas J.	9732	Woodbridge, VA	Practicing with Expired License; Use of CPA Title	9/8/2011	§§§ <a href="#">54.1-4414</a> , <a href="#">54.1-4409.1</a> and <a href="#">54.1-111</a>

### Consent Order

Mr. Boe agreed to: 1) Refrain from practicing as a CPA and/or using the CPA Title in Virginia until duly reinstated by the Board or until he meets the substantially equivalent provisions through licensure in another jurisdiction; 2) Remove the CPA designation from all signage, business cards, letterhead, resume, print/internet advertisements, email, software, websites and search engines; and 3) Receive a written reprimand from the Board for the unauthorized use of the CPA Title in Virginia.

Name	License #	City, State	Violation	Date	Statutes/Regulations
Campbell, Richard K.	7383	Boyce, VA	Practicing with Expired License; Use of CPA Title	12/7/2011	§§§ <a href="#">54.1-4414</a> , <a href="#">54.1-4409.1</a> and <a href="#">54.1-111</a>

### Consent Order

Mr. Campbell agreed to: 1) Refrain from practicing as a CPA and/or using the CPA Title in Virginia until duly reinstated by the Board; 2) Remove the CPA designation from all signage, business cards, letterhead, resume, print/internet advertisements, email, software, websites and search engines; 3) Receive a written reprimand from the Board for the unauthorized use of the CPA Title in Virginia; 4) Pay \$2,000 monetary penalty; and 5) Reimburse the VBOA \$500 for investigative costs. For the Board to consider license reinstatement Mr. Campbell is required to complete all terms and conditions of the Order.

Name	License #	City, State	Violation	Date	Statutes/Regulations
Cho, Stanley Kyung Jin	20391	Herndon, VA	Practicing with Expired License; Use of CPA Title	9/8/2011	§§§ <a href="#">54.1-4414</a> , <a href="#">54.1-4409.1</a> and <a href="#">54.1-111</a>

### Consent Order

Mr. Cho agreed to: 1) Refrain from practicing as a CPA and/or using the CPA Title in Virginia until duly reinstated by the Board; 2) Remove the CPA designation from all signage, business cards, letterhead, resume, print/internet advertisements, email, software, websites and search engines; 3) Submit to the Board a written summary of the statutes and regulations encompassing the requirements and responsibilities of being licensed as a CPA in Virginia; and 4) Pay \$8,000 monetary penalty. For the Board to consider license reinstatement Mr. Cho is required to complete all terms and conditions of the Order.



## Other Professional Violations, continued

*Unlicensed Activity; Practicing with Expired License, Use of CPA Title, Tax-Related Issues, Due Professional Care, Discreditable Acts and CPE Deficiency*

Name	License #	City, State	Violation	Date	Statutes/Regulations
Davis, Robert W.	15510	Syosset, NY	Due Professional Care; SEC Suspension	5/2/2012	§ <a href="#">54.1-4413.3</a>

### Final Order

The Board ordered Mr. Davis to: 1) Receive a written reprimand for failing to exercise due professional care regarding improper accruals; and 2) Reimburse the VBOA \$1,000 for investigative costs.

Name	License #	City, State	Violation	Date	Statutes/Regulations
Enwerem, III, Marcel C.	25606	Alexandria, VA	Due Professional Care	11/14/2011	§ <a href="#">54.1-4413.3</a> and IRS Circular 230 § 10.22 (A)

### Final Order

The Board ordered Mr. Enwerem to: 1) Remove the CPA designation from all signage, business cards, letterhead, resume, print/internet advertisements, email, software, websites and search engines; 2) Provide a signed and notarized Affidavit stating that he understands that he cannot sign a Power of Attorney or a federal tax return as a CPA; 3) Complete additional CPE and submit certificates of completion to the Board for: a) 8 hours of CPE in IRS Circular 230; and b) 5 hours in Best Practices in Tax Preparation and the AICPA's Statements on Standards for Tax Services (SSTS); 4) Send a letter to all his clients that he has voluntarily surrendered his individual and firm licenses; 5) Pay \$1,000 monetary penalty; and 6) Reimburse the VBOA \$500 for investigative costs. For the Board to consider license reinstatement Mr. Enwerem is required to complete all terms and conditions of the Order.

Name	License #	City, State	Violation	Date	Statutes/Regulations
Higgins, III, Horace R.	21632	Charlottesville, VA	Practicing with Expired License; Use of CPA Title	6/26/2012	§§§ <a href="#">54.1-4414</a> , <a href="#">54.1-4409.1</a> and <a href="#">54.1-111</a>

### Consent Order

Mr. Higgins agreed to: 1) Refrain from practicing as a CPA and/or using the CPA Title in Virginia until duly licensed by the Board or until he meets the substantially equivalent provisions through licensure in another jurisdiction; 2) Remove the CPA designation from all signage, business cards, letterhead, resume, print/internet advertisements, email, software, websites and search engines; 3) Receive a written reprimand for the unauthorized use of the CPA Title in Virginia; 4) Provide to the Board a five-page essay explaining when a person can and cannot use the CPA Title in Virginia (to include references of past Board disciplinary actions); and 4) Reimburse the VBOA \$500 for investigative costs. For the Board to consider license reinstatement Mr. Higgins is required to complete all terms and conditions of the Order.

Name	License #	City, State	Violation	Date	Statutes/Regulations
Kresslein, Jr., George H.	9996	Annandale, VA	Due Professional Care	1/24/2012	§ <a href="#">54.1-4413.3</a> (3)

### Consent Order

Mr. Kresslein agreed to: 1) Receive a written reprimand for failing to complete a client's tax return; 2) Prepare and submit to the Board a 1,000 word essay detailing the requirements of being licensed as a CPA in Virginia; and 3) Reimburse the VBOA \$500 for investigative costs.

Name	License #	City, State	Violation	Date	Statutes/Regulations
Myers, Pamela F.	Never Licensed	Lynchburg, VA	Unlicensed Activity; Use of CPA Title	4/26/2012	§§§ <a href="#">54.1-4414</a> , <a href="#">54.1-4409.1</a> and <a href="#">54.1-111</a>

### Consent Order

Ms. Myers agreed to: 1) Refrain from practicing as a CPA and/or using the CPA Title in Virginia until she is duly licensed by the Board or until she meets the substantially equivalent provisions through licensure in another jurisdiction; 2) Remove the CPA designation from all signage, business cards, letterhead, resume, print/internet advertisements, email, software, websites and search engines; and 3) Pay \$2,000 monetary penalty.

## Other Professional Violations, continued

*Unlicensed Activity; Practicing with Expired License, Use of CPA Title, Tax-Related Issues, Due Professional Care, Discreditable Acts and CPE Deficiency*

Name	License #	City, State	Violation	Date	Statutes/Regulations
O'Conner, Michael F.	33704	Woodbridge, VA	Due Professional Care	9/16/2011	§ <a href="#">54.1-4413.3</a> and IRS Circular 230 § 10.33

### Final Order

The Board ordered Mr. O'Conner to: 1) Complete additional CPE and submit certificates of completion to the Board for: a) 8 hours in IRS Circular 230 and the AICPA's Statements on Standards for Tax Services (SSTS); b) 4 hours in Best Practices for Tax Preparers; c) 20 hours in accounting and auditing, especially focusing on preparation of financial statements; and d) 2 hours in Virginia-specific ethics (may be used for annual CPE ethics requirement); and 2) Reimburse the VBOA \$500 for investigative costs.

Name	License #	City, State	Violation	Date	Statutes/Regulations
Reed, Gregory A.	14228	Purcellville, VA	Practicing with Expired License; Use of CPA Title; CPE Deficiency	11/2/2011	§§§ <a href="#">54.1-4414</a> , <a href="#">54.1-4409.1</a> and <a href="#">54.1-111</a>

### Consent Order

Mr. Reed agreed to: 1) Refrain from practicing as a CPA and/or using the CPA Title in Virginia until he is duly reinstated by the Board; 2) Remove the CPA designation from all signage, business cards, letterhead, resume, print/internet advertisements, email, software, websites and search engines; 3) Submit certificates of completion for all CPE completed in 2012, 2013 and 2014; 4) Complete additional CPE and submit certificates of completion to the Board for: a) 8 hours in IRS Circular 230; b) 16 hours in the AICPA's Code of Conduct; and c) 4 hours in the AICPA's Statements on Standards for Tax Services (SSTS); and 5) Pay \$8,000 monetary penalty. For the Board to consider license reinstatement Mr. Reed is required to complete all terms and conditions of the Order.

Name	License #	City, State	Violation	Date	Statutes/Regulations
Rovner, Philip S.	Never Licensed	Virginia Beach, VA	Unlicensed Activity; Use of CPA Title	9/8/2011	§§§ <a href="#">54.1-4414</a> , <a href="#">54.1-4409.1</a> and <a href="#">54.1-111</a>

### Consent Order

Mr. Rovner agreed to: 1) Refrain from practicing as a CPA and/or using the CPA Title in Virginia until he is duly licensed by the Board or until he meets the substantially equivalent provisions through licensure in another jurisdiction; 2) Remove the CPA designation from all signage, business cards, letterhead, resume, print/internet advertisements, email, software, websites and search engines; and 3) Pay \$2,000 monetary penalty.

Name	License #	City, State	Violation	Date	Statutes/Regulations
Roy, Sally Lawson	1374	Williamsburg, VA	Due Professional Care	9/8/2011	§ <a href="#">54.1-4413.3</a>

### Consent Order

Ms. Roy agreed to: 1) Receive a reprimand from the Board for failing to complete and file the client's fiduciary income tax for a trust and return phone calls in a timely manner; and 2) Reimburse the VBOA \$500 for investigative costs.

Name	License #	City, State	Violation	Date	Statutes/Regulations
Vance, Scott A.	21071	Virginia Beach, VA	Due Professional Care	1/24/2012	§ <a href="#">54.1-4413.3</a>

### Consent Order

Mr. Vance agreed to: 1) Receive a written reprimand for failing to exercise sensitive professional and moral judgment in all activities; 2) Complete additional CPE and provide certificates of completion to the Board by June 30, 2012 for: a) 20 hours in IRS Circular 230, the AICPA Code of Professional Conduct and the AICPA Statement on Standards for Tax Services (SSTS); and b) 20 hours on Federal Income Tax laws (the 40 additional hours may not be considered part of the annual CPE requirements for reporting years of 2011 or 2012); and 3) Reimburse the VBOA \$500 for investigative costs. Failure to complete all terms and conditions of the Order will result in the automatic suspension of his Virginia CPA License.

## Statistics of Closed Investigations, 2007-2011

In carrying out its mission to protect the citizens of the Commonwealth through a regulatory program of licensure and compliance of Certified Public Accountants and CPA firms, the VBOA is responsible for investigating complaints against individuals and firms. Complaints originate from numerous sources including the public, other CPAs, federal or state regulators or agency oversight programs. A statistical analysis of closed investigations is presented by source, allegation/issue and resolution.



Number of Closed Cases	Calendar Year				
	2007	2008	2009	2010	2011
	46	54	86	94	79

Source of Complaint	2007 Cases		2008 Cases		2009 Cases		2010 Cases		2011 Cases	
	#	%	#	%	#	%	#	%	#	%
VBOA CPE compliance review	3	7	12	22	37	43	79	84	41	52
Client	19	42	17	31	15	17	8	9	9	11
Employer/Employee	5	11	2	4	10	12	1	1	2	3
Other CPA	2	4	3	6	4	5	0	0	9	11
Anonymous	7	15	13	24	12	14	4	4	5	6
Federal, state, local or international agency/jurisdiction <sup>(1)</sup>	2	4	1	2	0	0	0	0	3	4
Non-governmental professional organization <sup>(2)</sup>	2	4	4	7	5	6	1	1	1	2
Public	6	13	2	4	3	3	1	1	9	11
<b>TOTALS</b>	<b>46</b>	100	<b>54</b>	100	<b>86</b>	100	<b>94</b>	100	<b>79</b>	100

(1) Examples: IRS, PCAOB, SCC, SEC and HUD

(2) Examples: AICPA, NASBA and VSCPA

The client was the source of the complaint in 42 percent of the cases in 2007 and 11 percent in 2011. A VBOA-initiated CPE compliance review was the source of the complaint in seven percent of the cases in 2007 and 52 percent in 2011.

### On a case-by-case basis, the Board takes disciplinary action that:

- Protects the public;
- Promotes respect for Virginia Statutes and Board Regulations;
- Encourages education so as not to repeat the violation;
- Imposes sanctions appropriate to the violation; and
- Affords adequate deterrence.



## *Closed Investigations, 2007-2011, continued*

Allegation/Issue	2007 Cases		2008 Cases		2009 Cases		2010 Cases		2011 Cases	
	#	%	#	%	#	%	#	%	#	%
Unlicensed Activity	14	30	8	15	19	22	10	11	11	14
Due Professional Care	13	28	19	35	22	26	1	1	5	6
Tax-Related Matters	4	9	1	2	1	1	1	1	6	8
Discreditable Act	6	13	12	22	6	7	0	0	4	5
CPA Exam Candidates	6	13	2	4	1	1	1	1	8	10
CPE Deficiency	3	7	12	22	37	43	79	84	41	52
Holding Client Files	0	0	0	0	0	0	2	2	4	5
<b>TOTALS</b>	<b>46</b>	100	<b>54</b>	100	<b>86</b>	100	<b>94</b>	100	<b>79</b>	100

Unlicensed activity comprised 30 percent of the complaint cases in 2007 and 14 percent in 2011. Due professional care was a factor in 28 percent of the cases in 2007 and six percent in 2011. A CPE deficiency finding made up seven percent of the cases in 2007 and 52 percent in 2011.

Board Action / Resolution		2007 Cases		2008 Cases		2009 Cases		2010 Cases		2011 Cases	
		#	%	#	%	#	%	#	%	#	%
Closed by Board Order or Consent Order <sup>(1)</sup>	Revocation	1	2	0	0	2	2	0	0	0	0
	Suspension	1	2	1	2	4	5	1	1	3	4
	Probation	1	2	2	4	2	2	0	0	0	0
	Monetary Penalty	7	15	7	13	25	29	19	20	26	32
	Reprimand	1	2	13	24	20	23	64	68	35	44
	Other <sup>(2)</sup>	3	7	2	4	1	1	0	0	0	0
Closed by Other Means	Denial of CPA Exam Request	6	13	2	4	1	1	2	2	7	9
	No Violation Found	14	30	25	46	19	22	7	7	6	8
	Withdrawal of Complaint	4	10	0	0	7	8	1	1	2	3
	Other <sup>(3)</sup>	8	17	2	4	5	6	0	0	0	0
<b>TOTALS</b>		<b>46</b>	100	<b>54</b>	100	<b>86</b>	100	<b>94</b>	100	<b>79</b>	100

(1) Many Board Orders and Consent Orders contain multiple penalties. In cases with more than one penalty, the resolution is classified by the most severe penalty. Penalties listed above range from most severe to least severe.

(2) Examples: Additional CPE, written/oral essay and appearance before Board.

(3) Examples: Closed by mediation, closed by another state board, judged outside the Board's jurisdiction and passing the case to Commonwealth Attorney's office for prosecution.

The Board resolved 15 percent of cases with a monetary penalty in 2007 and 32 percent in 2011. A reprimand was issued by the Board one time in 2007 and 35 times in 2011 (44 percent). The Board found no violation in 30 percent of the cases in 2007 and eight percent in 2011.

## Virginia Board of Accountancy

For comments and/or questions on the VBOA e-Newsletter, contact:

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*The Virginia Board of Accountancy (VBOA) regulates Certified Public Accountants in Virginia through a program of examination, licensure of individuals and CPA firms, consumer protection through enforcement of VBOA statutes and regulations, continuing professional education and peer review.*

*The mission of the VBOA is to protect the citizens of the Commonwealth through a regulatory program of licensure and compliance of CPAs and CPA firms.*

*Update your Contact Information ([form](#) on VBOA website)*

NAME CHANGE / CORRECTION		
<b>FORMER</b>		
First Name	Middle Name	Last Name
<b>CURRENT</b>		
First Name	Middle Name	Last Name
Effective Date of Change:		

CONTACT INFORMATION CHANGE / CORRECTION					
Street Address:			Phone:		
City:			Email Address:		
State:			Fax Number:		
Postal Code:			Province:		
Effective Date of Change:			Country:		

AUTHORIZATION				
Signature:			Date:	

Legal documentation must be included as support for a name change. Fax or mail form to the VBOA. Do NOT email form. The VBOA is not responsible for sensitive information transmitted electronically.