



DEPARTMENT OF CONSUMER AFFAIRS
 CALIFORNIA BOARD OF ACCOUNTANCY
 2000 EVERGREEN STREET, SUITE 250
 SACRAMENTO, CA 95815-3832
 TELEPHONE: (916) 263-3680
 FACSIMILE: (916) 263-3675
 WEB ADDRESS: <http://www.cba.ca.gov>



DEPARTMENT OF CONSUMER AFFAIRS
 CALIFORNIA BOARD OF ACCOUNTANCY (CBA)
 ENFORCEMENT ADVISORY COMMITTEE (EAC)

**MINUTES OF THE
 MAY 1, 2014
 EAC MEETING**

DRAFT

Hilton Los Angeles Airport
 5711 West Century Blvd.
 Los Angeles, CA 90045
 Telephone: (310) 410-4000

I. Roll Call and Call to Order.

The regularly scheduled meeting of the EAC was called to order at 9:00 a.m. on May 1, 2014 by EAC Chair, Cheryl Gerhardt.

Members

Cheryl Gerhardt, Chair	Present
Jeffrey De Lyser, Vice Chair	Present
Joe Buniva	Present
Gary Caine	Present
Nancy Corrigan	Present
Mary Rose Caras	Present
Bill Donnelly	Present
Robert A. Lee	Present
Mervyn McCulloch	Present
Joseph Rosenbaum	Present
Seid Sadat	Present
Michael Schwarz	Present
Dale Best	Present

CBA Members Observing

Michael Savoy, CBA President
 Kay Ko

CBA Member Liaison

Herschel Elkins

CBA Staff and Legal Counsel

Patti Bowers, Executive Officer

Rafael Ixta, Chief, Enforcement Division
Paul Fisher, Supervising Investigative CPA
DeAnn MacConell, Investigative CPA
David Jones, Investigative CPA
Kay Lewis, Investigative CPA
Marla Weitzman, Investigative CPA
Allison Nightingale, Enforcement Secretary
Carl Sonne, Deputy Attorney General, Department of Justice

II. Review Enforcement Files on Individual Licensees.

The EAC adjourned into closed session under provisions of Government Code section 11126(c)(2) and Business and Professions (B&P) Code section 5020. EAC members convened into closed session at 9:05 a.m. and reconvened into open session at 10:30 a.m.

III. Report of the Committee Chair (**Cheryl Gerhardt**).

A. Approval of the January 30, 2014 EAC Meeting Minutes.

It was moved by Mr. Caine, seconded by Mr. Schwarz, and unanimously carried to approve the minutes of the January 30, 2014 EAC meeting.

The minutes for this meeting will be submitted to the CBA members for review and adoption at the next CBA meeting.

B. Ms. Gerhardt reported that the CBA members appointed Dale Best to the EAC and reappointed Mary Rose Caras to the EAC.

IV. Welcome Message From the CBA President (**Michael M. Savoy, CPA**).

Mr. Savoy thanked the EAC members for their hard work and dedication to the EAC. Mr. Savoy discussed how the CBA is pursuing legislation to authorize the collection of e-mail addresses from licensees for more effective dissemination of information. Mr. Savoy also discussed the CBA's legislative proposal to allow academia to qualify as general accounting experience for CPA licensure. He further reported on the formation of the new Mobility Stakeholder Group (MSG), which has been tasked to monitor the new mobility provisions implemented on July 1, 2013.

V. Report of the CBA Liaison (**Herschel Elkins**).

A. Report of the March 20-21, 2014 CBA and Committee Meetings.

Mr. Elkins reported that the CBA's current year fiscal budget is now set at \$11,557,852 which is slightly reduced from the previous figure reported in the first-quarter financial statement mainly due to delays in BreZE expenditures and an increase in employee compensation. He further stated that the Fiscal Year (FY) 2014-2015 CBA budget has been preliminarily set at \$13,413,000 which is an increase of \$1.86 million over the FY 2013-2014 budget, with the majority of the increase due to additional Budget Change Proposal positions.

Mr. Elkins also reported that the CBA approved using an online survey to collect data from all state boards of accountancy regarding the attest experience

requirement for CPA licensure, in order to assist the CBA in future deliberations regarding the attest requirement. This is in addition to a survey for California, which will be discussed at the May CBA meeting.

Mr. Elkins also reported that the CBA took positions on various bills, including one that would impose timeframes for the licensure process.

Mr. Elkins also stated that the CBA accepted the Enforcement Program Oversight Committee's motion to add staff's suggested changes to the Disciplinary Guidelines and Model Orders, regarding notification of pending criminal charges for practice privilege holders, to the current regulatory proposal.

VI. Report of the Enforcement Chief (**Rafael Ixta**).

A. Enforcement Activity Report.

Mr. Ixta provided an overview of the report. Mr. Ixta reported that the Enforcement Division currently has received 2,845 complaints in FY 2013/14. The number of complaints have increased since the previous reporting period. The CBA received 720 internal non-peer review related complaints since July 1, 2013, which represents more internal complaints than all of FY 2012/13 due to the increased internal complaints which are criminal convictions and unlicensed practice referrals. Mr. Ixta further reported that the enforcement management hired four Retired Annuitants (RA) to assist as the CBA transitions to the BreEze system. The RAs are being trained in investigations and will assist with enforcement workload when permanent CBA staff are redirected to BreEze. Mr. Ixta also reported that the enforcement management is currently recruiting Investigative CPAs and Enforcement Analyst positions. The report was provided in the EAC packets.

VII. Public Comments for Items Not on the Agenda.

There were no comments from the public for items not on the Agenda.

VIII. Conduct Closed Hearings.

[The Committee will meet in closed session as authorized by Government Code sections 11126(c)(2) and (f)(3) and B&P Code section 5020 to conduct closed sessions to interview and consider possible disciplinary action against an individual licensee or applicant prior to the filing of an accusation.]

IX. Adjournment.

The next EAC meeting is scheduled for July 10, 2014 at the California Board of Accountancy in Sacramento.

Having no further business to conduct, the EAC general meeting adjourned at approximately 11:30 a.m. to reconvene in closed session at 1:00 p.m. Closed session adjourned at approximately 5:00 p.m.

Cheryl Gerhardt, CPA, Chair
Enforcement Advisory Committee

Prepared by: Allison Nightingale, Enforcement Secretary