

Connecticut State Board of Accountancy
Meeting Minutes
July 2, 2024

Chairman Schuyler called the meeting to order at 10:02 am via Microsoft Teams.

Board Members Present

John H. Schuyler, Chairman, Public Member
Timothy F. Egan, Certified Public Accountant
Peter J. Niedermeyer, Certified Public Accountant
Bud McDonald, Certified Public Accountant
Stacy R. Farber, Certified Public Accountant
Dannell R. Lyne, Certified Public Accountant
Robert L. Day III, Esq., Public Member

Board Members Not Present

Karla H. Fox, Esq., Public Member

Board Vacancies: (1) Public Member

DCP Staff Present

Cat Arsenault, Staff Attorney
Tiffany Colon, Investigations Accounts Examiner
Rachelle Hyburg, Board Coordinator
Shameeka Grose, Paralegal Specialist
Giovanni Gonzalez, Paralegal Specialist
Tymina Follins, Investigator
Jason Cohen, Director of Operations
John Mesner, Occupational Trades Manager
Pamela Brown, Director of Investigations

Public Present

Bonnie Stewart
Jodi E. Lopez

Note: The administrative functions of the Boards, Commissions, and Councils are carried out by the Department of Consumer Protection.

Website: www.ct.gov/dcp Board Administration: dcp.boards.commissionsandhearings@ct.gov

Enforcement issues: dcp.accounting@ct.gov

Approval of minutes from previous meetings:

- May 7, 2024 Meeting Minutes
 - Board Member Niedermeyer made a motion to approve. Board Member Day seconded the motion. The motion passed (5-0-2).

COMMENTS OR CONCERNS REGARDING THE MEETING AGENDA

- None

LEGAL DIVISION

1) Case #2022-81, Ernest & Young LLP

- a. This case stemmed from SEC Order No. 95167, issued on June 28, 2022. Between 2017-2021 a number of Ernest & Young audit professionals cheated on the ethics component of the CPA exam and on some CPE courses by sharing exam answer keys. For some years prior to that, a number of Ernest & Young audit professionals across the country exploited a software flaw in Ernest & Young's CPE testing platform so that they could pass CPE exams with fewer correct answers. Additionally, the SEC found that EY withheld this misconduct from an SEC investigation. In 2019, the SEC had sent EY a formal request for information about complaints the firm had received regarding cheating on exams. On the same day that EY received this request, the firm received a tip that an audit professional had shared an answer key to a CPA ethics exam. EY did not correct its response to the SEC's request to include this tip, and based on that, the SEC found that EY's response to the Commission was misleading. However, the SEC finding was not unanimous.
- b. The Settlement agreement is as follows:
 - i. Ernest & Young CT firm permit is suspended for 30 days, but the suspension is stayed, and Ernest & Young is placed on probation for two years on the conditions that (1) Ernest & Young comply with all orders and undertakings in the SEC order and in this Settlement Agreement, and (2) EY will disseminate this Settlement Agreement to all professional personnel licensed or officed in CT. Upon successful completion of probation, EY's firm permit will be fully restored. Lastly, EY will pay a fee of \$164,000.
 - ii. Board Member Lyne made a motion to accept the settlement agreement as is. Board Member Farber seconded the motion. The motion passed unanimously.

OLD BUSINESS

- None

NEW BUSINESS

1. CPE Extension Requests

- a. DCP's Shameeka Grose approached the Board to add the following CPAs to the agenda for CPE extensions
 - i. Alfred Fratoni
 - ii. Robert Jones
 - iii. Edward Cleary
 - iv. Ronald Messick
 - v. Patricia Reheman
- b. Board Member Egan made a motion to accept. Board Member Day seconded the motion. The motion passed unanimously.
- c. Richard Baude
 - i. Board Member McDonald made a motion to accept the extension request. Board Member Niedermeyer seconded the motion. The motion passed unanimously.
- d. Michael Thibodeau
 - i. Board Member Farber made a motion to defer the request until additional documentation is provided. Board Member Day seconded the motion. The motion passed unanimously.
- e. Richard Landino
 - i. Board Member Day made a motion to approve. Board Member McDonald seconded the motion. The motion passed unanimously.
- f. Alfred Fratoni
 - i. Board Member Egan made a motion to approve. Board Member Lyne seconded the motion. The motion passed unanimously.
- g. Ronald Nossick
 - i. Board Member Farber made a motion to approve. Board Member McDonald seconded the motion. The motion passed (6-0-1).
- h. Robert Jones
 - i. Board Member Day made a motion to defer the request until further supporting documentation has been submitted. Board Member Farber seconded the motion. The motion passed unanimously.
- i. Edward Cleary
 - i. Board Member Lyne made a motion to approve. Board Member Egan seconded the motion. The motion passed unanimously.
- j. Patricia Rehermann
 - i. Board Member Farber made a motion to approve. Board Member Day seconded the motion. The motion passed unanimously.

2. Discussion on AICPA's National Pipeline Advisory Group (NPAG) and NASBA's Professional Licensure Task Force (PLTF) with Bonnie Stewart.
 - a. Noted that there are significant changes in leadership for both AICPA and NASBA.
 - b. AICPA's NPAG
 - a. Identified 6 key areas to address
 - i. Tell a more compelling story
 - ii. Make the academic experience more engaging
 - iii. Addressing the time and cost of education
 - iv. Gross support for CPA candidates
 - v. Expanding access to the underrepresented groups
 - vi. Enhancing the employee experience
 - b. Continued discussion on alternative pathways, they report that there is a general agreement in allowing alternative pathways. However, there is no clear majority agreement on what pathways and how they will work at this time.
3. Discussion on reviving the "summer retreat"
 - a. A meeting set aside with DCP's Commissioner to discuss issues, plans for the future and training opportunities.
 - b. Board Members will send their ideas for training/talking points for the meeting to Chairman Schuyler.
4. Confirm NASBA conference attendance of Board Members.
 - a. Board members interested in attending will alert Chairman Schuyler.
5. Determine which upcoming meeting will be held in-person
 - a. September 3
 - i. Board Member Lyne made a motion to change the September 3rd meeting to in-person. Board Farber member seconded the motion. The motion passed unanimously.
 - b. November 5

COMMENTS OR CONCERNS OF ANY PERSON PRESENT TODAY

- None

ADJOURNMENT

Board Member Farber made a motion to adjourn the meeting. Board Member Day seconded the motion. The motion passed unanimously, and the meeting adjourned at 11:23 am.

Respectfully submitted,

Rachelle Hyburg
Board Coordinator

2024 Scheduled Board Meetings

September 3
November 5