

*Texas State*  
**Board Report**

February 2001

TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY  
Austin, Texas

VOL. 72

The quality of

# TECHNICAL

## CONTINUING PROFESSIONAL EDUCATION reported by licensees

By Edward L. Summers, Ph.D., CPA

**D**O TEXAS CPAS REPORT SUBSTANTIVE CPE THAT ENHANCES THEIR READINESS to fulfill their obligations as licensees, or is much of what they report somehow of low quality? The Texas State Board of Public Accountancy has heard several possible answers to this question.

Last year, the Board asked for assistance in finding out more about licensee-reported CPE from the CPE Foundation of the Texas Society of CPAs. They converted all the licensee CPE reports received by the Board during February 2000 (a month chosen at random) into a computer-readable data file. Each of the 12,196 records in this file contained information about one CPE experience (a course, self-study, tape, lecture, etc.) by one licensee. The information included the license ID, sponsor ID, CPE title, type of CPE, delivery mode, and number of credit hours. Of the 2,234 licensees included in the study, 1,809 licensees reported an average of 49 CPE hours each and 425 licensees reported no hours.

The licensees obtained their CPE from

1,301 providers; each provider's total ranged from one hour to 4,023 hours. Of the 918 providers who were registered by the Texas Board and the National Association of State Boards of Accountancy (NASBA), the 144 who were registered with NASBA provided 6,604 hours. The 774 sponsors registered by the Texas Board provided 76,922 hours. Thus, about 92% of all reported CPE was obtained from registered sponsors.

The licensees classified 78,100 hours of the reported CPE as technical. Technical CPE is essentially objective, verifiable knowledge used in the public or private practice of public

*“CPAs in general seem to be doing a much better job of selecting CPE than they are given credit for.”*

Edward L. Summers,  
Chairman  
CPE Committee

See *“Technical CPE”* page 15

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**I**N RESPONSE TO THE AICPA'S RESTRUCTURING OF ITS QUALITY REVIEW STANDARDS, THE Board, at its November, 2000 meeting, amended *Sections 527.4* and *527.6* of its rules to improve quality review for Texas accounting firms.

The Board's amendments continue its commitment to a strong, effective quality review program as an essential element in implementing the *Public Accountancy Act's* mandate to protect the public. The complete text of these rules is shown on pages 4-5.

# Board retains **Quality Review** standards

## **The AICPA's action.**

Effective January 1, 2001, the AICPA changed the quality review required of firms issuing only compilations that substantially omit all disclosures. The new lowest level of review, called a "report review," does not require the reviewer and the CPA to discuss in writing any changes recommended by the reviewer. In addition, the sponsoring organization can resolve these report reviews at the technical reviewer level.

The new report review requires less of the constructive dialogue between the CPA and the reviewer than was required under the AICPA's previous standards. Under the old standards, at the end of an off-site review, the reviewer was required to write the CPA explaining any areas where improvement was needed. The CPA had to either agree to the changes in a letter of response and commit to a corrective plan

or persuade the reviewer or the sponsoring organization that the changes were not necessary. This agreement was the most constructive element of the off-site review, as it ensured

that the CPA understood his or her mistakes and undertook changes where required.

Under the new AICPA standards, however, a CPA is required merely to acknowledge the reviewer's findings by signing the report. In addition, under the old standards, each off-site review was ranked according to the quality of the work reviewed. The rankings were reported to the Board, along with the letters of comment and response. Under the new standards, the report reviews will not be ranked.

## **The Board's reaction.**

The Board determined that it will maintain the existing constructive process. **Therefore, under the amended rules, the Board will accept the new "engagement reviews" and "system reviews" as acceptable quality reviews (peer reviews) but will not accept "report reviews."** Both the new engagement review and the new system review include the constructive agreement process that concludes a review.

The Texas Board has never believed that reducing the quality of peer review was acceptable at either the state or national level. When these changes were first suggested in September 1999, the Board submitted the following written comments to the AICPA.

**AICPA PROPOSAL: Create report reviews**

*"The AICPA changed its standards in part to implement its decision to permit members to issue compilations from unregistered entities. In contrast, Texas licensees must perform all attest work, including compilations, from registered accounting firms. Therefore, the change is not necessary in Texas."*

**for firms that only perform compilation engagements.** The report and letter of comments currently issued in an off-site review would be replaced by a letter expressing the reviewer's findings and recommendations for improvements. No letter of response from the reviewed firm would be required, and the report review letter and related engagement documentation would not be submitted to a sponsoring organization for technical review and acceptance by its report acceptance body. Instead, the letter would be sent to the sponsoring organization, and an acknowledgment of receipt would be sent to the firm.

**BOARD RESPONSE:** The Board disagrees. Off-site reviews have been controversial, both for their cost to small firms and for their lack of depth. However, the Board does not believe that the answer is a reduction to an unregulated and unmonitored exercise between a firm and its contracted reviewer. The Board prefers some form of system review applied to firms performing any form of financial statement reporting engagement under AICPA standards. This would include, when appropriate, issuance of a letter of comment with a required letter of response and written commitment to adopt a corrective action plan.

Even though they do not result in the expression of assurance, compilation engagements fall within the regulated sphere of assurance services. They do, however, require compliance with a body of performance standards and requisite knowledge of accounting standards. Further, the public has come to accept compiled financial statements as meeting the needs of third-party users in many situations. The Board, therefore, prefers firms that perform compilations be subject to peer reviews which are themselves subject to technical review and report acceptance procedures.

Some state boards of accountancy, including Texas, have established peer review requirements for licensees in public practice and have adopted the peer review standards established by the AICPA. In addition, they have approved their state societies as sponsoring organizations for administration of their peer review programs.

With compilation engagements no longer subject to report acceptance, the Board believes state boards in jurisdictions that restrict compilation engagements to licensed CPA firms will need to reconsider whether AICPA standards are sufficient to protect the public and whether to establish separate standards of their own. Differences in AICPA standards

and state-adopted standards could potentially lead to greater public confusion regarding the quality of CPA assurance services.

The change coincides with the change in the AICPA's bylaws that would extend peer review to the CPA-employees of non-licensed alternative practice units, individually. Reducing the reporting, oversight, and acceptance requirements for practices that perform only compilations would be seen as a cave-in to the interests of the organizations that employ or control such practices. This undermines the self-regulatory position taken by our profession with respect to compliance with standards for accounting engagements.

### **The old standards vs. the new.**

The AICPA changed its standards in part to implement its decision to permit members to issue compilations from unregistered entities. In contrast, Texas licensees must perform all attest work, including compilations, from registered accounting firms. Therefore, the change is not necessary in Texas.

Experience under the old standards in Texas established that some constructive corrective dialogue is necessary to ensure that CPAs follow standards even for the simplest of compilations. The Texas Society of CPAs, which administers a program under the AICPA standards, reported that 27% of the firms having their first off-site reviews were found to have had one or more substandard engagements. Corrective action improves the quality of the services offered to the public, however, because only 14% of those having their second reviews have had one or more substandard engagements.

"Even so, these figures are sobering, especially in light of the fact that 20% of all firms reviewed in all categories have had one or more substandard engagement," says Jimmie L. Mason, CPA, the Board's assistant presiding officer and chairman of the Quality Review Committee. "We will continue to monitor the [substandard engagement] situation to see how it can be improved."

The AICPA has defined the system and engagement reviews as described below.

**System review.** This review is the same as an on-site peer review under the previous standards but was renamed to describe more accurately the type of peer review since the reviewer expresses an opinion on the firm's system of quality control. It is intended to provide the reviewer with a reasonable basis for expressing an opinion re-

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Jimmie L. Mason, Chairman  
Quality Review Committee

garding whether the reviewed firm:

- ♦ has designed its system of quality control for its accounting and auditing practice in accordance with AICPA quality control standards; and
- ♦ is complying with its quality control policies and procedures in a way that will provide the firm with reasonable assurance of conforming with professional standards.

A firm that performs engagements under the *Statement on Auditing Standards* or an examination of prospective financial information under the *Statements on Standards for Attestation Engagements* will have a *system review*.

**Engagement review.** A firm that is not required to undergo a *system review* may participate in an *engagement review*. According to the AICPA, the objectives of this review are to provide the reviewer with a reasonable basis for expressing limited assurance that:

- ♦ the financial statements or information and the related accountant's report on the accounting, review, and attestation engagements conform in all material respects with professional standards; and
- ♦ the firm's documentation conforms with *Statement on Standards for Accounting and Review Services* and *Statements on Standards for Attestation Engagements* requirements, as applicable.

This type of review does not, however, cover the firm's system of quality control. Therefore, the reviewer cannot express an opinion on the firm's compliance with its own quality control policies and procedures or with AICPA quality control standards. A firm required to have an engagement review may instead elect to have a system review.

The Board amended *Section 527.4* of its rules to clarify that a quality review is required every three years, or sooner if the quality review organization so requires and to recognize that **the Board will not accept report reviews as set forth by the AICPA**. This new kind of review involves less dialogue between the practitioner and the reviewer and is potentially a less stringent review by the sponsoring organization than is permitted under current standards. The AICPA's report review is intended to be available for those jurisdictions, unlike Texas, where individual CPAs may issue compilations outside of registered CPA firms.

The amendments to *Section 527.6* allow firms that underwent an SEC Practice Section Peer Review to submit a copy of the report to the Board. Subsection (b) corrects language and clarifies that firms should submit the peer review reports and their comments to the Board.



### Section 527.6. Reporting to the Board

(a) A firm which is a member of the American Institute of Certified Public Accountants (AICPA) Division for CPA Firms or has had a peer review performed by the SEC Practice Section (SECPS) shall submit to the board a copy of the peer review report (the reviewer's opinion letter), letter of comments (LOC), letter of response (LOR), the conditional letter of acceptance (CLOA) if corrective action is required, and final letter of acceptance (FLOA).

(b) A firm shall submit to the board:

(1) a copy of the report and the letter of acceptance from the sponsoring organization, if such report is unmodified with comments or unmodified without comments; or

(2) a copy of the report, LOC, LOR, CLOA, and FLOA if the report is modified in any respect or adverse.

(c) If corrective action is required by the sponsoring organization after a modified or adverse review, the firm shall submit to the board a copy of the final letter of acceptance (FLOA) received from the sponsoring organization. If a second adverse opinion is issued, the firm and the licensees involved may be subject to a hearing under the *Act*.

(d) Any report or document required to be submitted under subsection (b) or (c) of this section shall be filed with the board within ten days of receipt of the notice of acceptance by the sponsoring organization.

(e) Any document submitted to the board under subsection (b) or (c) of this section is confidential pursuant to the *Act*, and after review by the Quality Review Committee shall either be promptly destroyed by the board's staff, or at the instruction of the committee submitted to the enforcement staff for opening an investigation file relative to such submission.

(f) The reviewed firm or sponsoring organization shall complete the Texas State Board of Public Accountancy *Quality Review Compliance Reporting Form*. The form shall be filed with the board upon final acceptance of the review by the sponsoring organization. All the information requested on the form shall be provided. The firm shall complete the appropriate portions of the form. The form and all required letters shall be filed with the board within ten days of receipt of the final letter of acceptance (FLOA).

## Section 527.4. Quality Review Program

The following operations of the program shall be conducted by the board. This section shall not require any firm to become a member of any sponsoring organization.

(1) **Applicability.** Participation in the program is required of each firm licensed or registered with the board that performs accounting and/or auditing engagements, including, but not limited to, audits, reviews, compilations, forecasts, projections, or other special reports.

(2) **Operation.**

(A) Each firm registered with the board shall enroll in the program of an approved sponsoring organization in accordance with paragraph (6) of this section within one year from its initial licensing date or the performance of services that require a review. The firm shall adopt the review due date assigned by the sponsoring organization, and must notify the board of the date within 30 days of its assignment. In addition, the firm shall schedule and begin an additional review within three years of the previous review's due date, or earlier as may be required by the sponsoring organization.

(B) It is the responsibility of the firm to anticipate its needs for review services in sufficient time to enable the reviewer to complete the review by the assigned review due date.

(3) **Standards.** The board adopts system reviews and engagement reviews described in "Standards for Performing and Reporting on Peer Reviews" promulgated by the American Institute of Certified Public Accountants, Inc., as its minimum standards for review of firms. The board does not recognize "report reviews" performed under the AICPA Standards.

(4) **Oversight.** The board shall appoint a Quality Review Oversight Board (QROB) whose function shall be the oversight and monitoring of sponsoring organizations for compliance and implementation of the minimum standards for performing and reporting on reviews. Oversight procedures to be followed by the QROB shall be provided for by rules promulgated by the board. Information concerning a specific firm or reviewer obtained by the QROB during oversight activities shall be confidential, and the firm's or

reviewer's identity shall not be reported to the board. The QROB shall consist of three members, none of whom is a current member of the board. The QROB's membership shall consist of:

(A) one non-licensure member who shall have significant experience in the preparation and/or use of financial statements; and

(B) two certificate or registration holders with extensive current experience in accounting and auditing services.

(5) **Compensation.** Compensation of QROB members shall be set by the board.

(6) **Sponsoring organizations.** Qualified sponsoring organizations shall be the SEC Practice Section (SECPS), American Institute of Certified Public Accountants (AICPA) Peer Review Program, state CPA societies fully involved in the administration of the AICPA Peer Review Program, National Conference of CPA Practitioners (NCCPAP), and such other entities which are approved by the board.

(7) **Mergers, combinations, dissolutions, or separations.** In the event that a firm is merged, otherwise combined, dissolved, or separated, the sponsoring organization shall determine which firm is considered the succeeding firm. The succeeding firm shall retain its peer review status and the review due date.

(8) The board will accept extensions granted by the sponsoring organization to complete a review, provided the board is notified by the firm within 20 days of the date that an extension is granted.

(9) A firm that has been rejected by a sponsoring organization for whatever reason must make an application to the board and receive authorization to enroll in a program of another sponsoring organization.

(10) A firm choosing to change to another sponsoring organization may do so provided that the firm authorizes the previous sponsoring organization to communicate to the succeeding sponsoring organization any outstanding corrective actions related to the firm's most recent review. Any outstanding actions must be cleared and outstanding fees paid prior to transfer between sponsoring organizations.

*"The Texas Board has never believed that reducing the quality of peer review was acceptable at either the state or national level."*

# THANK YOU PROCTORS

THE NOVEMBER 2000 UNIFORM CPA EXAMINATION WAS CONDUCTED at six Texas locations, with 3,345 candidates writing one or more parts. The Board relies on members of the profession to proctor, as it would be unable to conduct an exam of this magnitude without assistance. The Board sends its sincere appreciation to the following individuals who proctored in November and to their employers who allowed them to help in this effort.

## Austin

Corrine Hall	Austin Community College
Anthony Ross	Austin Energy
Charles Thompson	BOXX
Susan Schader	Gindler Chappell Morrison & Co
James Harding	IRS
Heidi Thompson	Maxwell Locke & Ritter
Hugh Higgins	Office of Public Counsel
Katherine Phillips	Ramsey & Phillips
Bobby Cook	Retired
Gerald Cox	Retired
Maxwell Godwin	Retired
Tracy Van Burkleo	Self-employed
Kathryn Mueller	Self-employed
Robert Saegert	Self-employed
Joseph Stanfield	Self-employed
Spencer Stevens	Self-employed
Rita Chase	TX Education Agency
Micaela Hernandez	TSBPA staff
Kurt Hopke	TSBPA staff
Vincent Pina	TSBPA staff
Kym Rusch	TSBPA staff
Barbara Waldrop	TSBPA staff
Betty Works	U.S. Army Audit Agency

## El Paso

Ray Daily	Self-employed
Michael Drapes	Self-employed
Alicia A. Williamson	Self-employed
Jacqueline Guevara	Self-employed
Maria Navar	W.E. Rister & Co.
Brenda Yeager	W.E. Rister & Co.

## Fort Worth

Clifford Bryant	American Electric Power
Kathryn Isbell	Bell & Isbell
Stephanie Corrigan	Burlington Northern Santa Fe
Susan Beaty	Cash America Intl.
Gene Anderson	City of Paris
Mary Womack	Colonial Savings
Ray Cook	Cook McDonald & Co.
Louise Sall	Fort Worth Dallas Ballet
Sandra Norman	Galactic Marketing Incentives
Jamie James	Harris Methodist
Melissa Totsch	H.D. Vest, Inc.
Jennifer Ratcliff	Hecht & Jones
George Lavina	IRS
Bonnie Vaughn	Lange & Assoc.
Rhonda Hopper	Lone Star Bank
Johnna McNeal	Malnory McNeal & Co
Jon van Zanten	McCaslin & Co.
Jennifer Dennis	Pricewaterhouse-Coopers
David Flanigan	Retired
B.P. Lockhart	Retired
Walter Baldree	Self-employed
Terry Bouton	Self-employed
John Harris	Self-employed
Tom Hatfield	Self-employed
Patty Havard	Self-employed
Terry Hobbs	Self-employed
Terri Homberger	Self-employed
Dick Johnson	Self-employed
Shirley Kennemer	Self-employed
Ray McComb	Self-employed
George Moore	Self-employed
James Moyers	Self-employed

Johnny Patin Self-employed  
 Alison Robertson Self-employed  
 A.Z. Smith Self-employed  
 Ruth Ann Walder Self-employed  
 Marilyn Magnusson Simpson & Taylor  
 Susan Ciskowski Stewart Catlin & Co.  
 Cheryl Prachyl Texas Wesleyan Univ.  
 Philip Baker The Rayzor Company  
 Jim Buxton Trophy Club  
 Diane Hartgraves Verizon  
 Roger Merchant Verizon  
 Don Woodliff Walder Chalk Swindle & Co.  
 Donna Chamberlain Whitsell & Co.

**Houston**

Joe Okigbo City of Houston  
 Gary Dullum Comptroller of Public Accounts  
 Cynthia Tzetzou El Paso Energy  
 Isabelle Giraudet Ernst & Young  
 Alvin Tolentino Ernst & Young  
 Paula Sander Exxon Mobil Pipeline  
 Michael Young Green & McElreath  
 Frank Wilson TSCPA Houston  
 Seymour Lebeau IRS  
 Dora Navarro Kingwood Medical Center  
 Angie Chi Laword Real Estate Investments, Inc.  
 M. Lynn Correa Ocean Energy, Inc.  
 Alice Gatlin Pricewaterhouse-Coopers  
 Keith Kerr Reliant Energy  
 Mani Alapat Self-employed  
 G.M. Birziza Self-employed  
 layton Clements Self-employed  
 Lynn Embrey Self-employed  
 Thomas Hill Self-employed  
 Gerald Hollinger Self-employed  
 Allan Korsakov Self-employed  
 Richard Loving Self-employed  
 John Manning Self-employed  
 Dennis Nelson Self-employed  
 Curtis Nicks Self-employed  
 Wendy Norman Self-employed  
 Barbara Parrigin Self-employed  
 Pravin Patel Self-employed  
 Randy Pollard Self-employed  
 Charles Quirk Self-employed  
 Sheila Root Self-employed  
 Rose G. Rose Self-employed

**Lubbock**

Cindy Yanzuk Alamosa PCS  
 Marion Bryant American State Bank  
 Jeremy Royal Bolinger Segars Gilbert & Moss  
 Cheryl Sanford Bolinger Segars Gilbert & Moss  
 Jana Johnston Caraway McMahon & Co.  
 Dottie Lewis City of Lubbock

Jay A. Vise Durbbin & Co.  
 Mark Dickson Mason Warner & Co.  
 Mike McDougal McDougal Properties  
 Diane Hallford PNB Financial  
 Judy Campbell Robinson Burdette Martin  
 Seright & Burrows  
 Elaine Flynt Robinson Burdette Martin  
 Seright & Burrow  
 Anna Borg Self-employed  
 Kerrie Cribbs Self-employed  
 Keith Reeger Self-employed  
 Beverly Cotton Texas Tech Univ.  
 Ben Trotter Texas Tech Univ.  
 Howard Whitfield Texas Tech Univ.

**San Antonio**

Brenda Sparks Alder Hyde & Co  
 Donald Malik Crockett Street Mngt.  
 Maria Luna Frost National Bank  
 Luther Boyd H.B. Zachary  
 Jo L. Timmermann Mullins & Timmerman  
 Willard Lawrence Retired  
 Bonita Warnell SAWS  
 Roland Boyson Self-employed  
 Laura Burt Self-employed  
 Ernie Bubenik Self-employed  
 Glen Hartford Self-employed  
 Ted Meyer Self-employed  
 David Plemons Self-employed  
 Ivan Schultz Self-employed  
 Joyce Swan Self-employed  
 John Green Thompson Williams Diediger  
 Emil Moczygemba Kastor & Young  
 Thompson Williams Diediger  
 Kastor & Young



**WANT TO**  
*proctor*  
**THE EXAM?**

The May 2-3, 2001 examination will be held at the locations shown at right.

If you are interested in proctoring even one session, please call your local TSCPA chapter or contact the Board by e-mail at:

[exam@tsbpa.state.tx.us](mailto:exam@tsbpa.state.tx.us)

**ARLINGTON**  
 ARLINGTON CONVENTION CENTER

**AUSTIN**  
 LESTER E. PALMER AUDITORIUM

**EL PASO**  
 HAWTHORN INN & SUITES

**HOUSTON**  
 GEORGE R. BROWN CONVENTION CENTER

**LUBBOCK**  
 LUBBOCK CIVIC CENTER

**SAN ANTONIO**  
 LIVE OAK CIVIC CENTER

## Emerging trend

THE AICPA HAS AWARDED THE TEXAS BOARD HONOR ROLL STATUS FOR its candidates' scores on the May 2000 exam. The higher scores are generally attributed to the 150-hour educational requirement which became effective in 1998.

Higher grades have also been uniformly reported in other states which have implemented the increased educational requirement.

Increased education contributes to

# Higher exam scores

The Board has heard recent concerns about a possible connection between the implementation of the 150-hour educational requirement and the decline in the number of exam candidates, but even as the number of exam applicants decreased, candidates' scores have risen. The number of Texas candidates

for the November 2000 CPA exam increased over thirteen percent for the May 2000 examination, possibly signifying the start of an upward trend. This is only the second — and the largest — increase in the number of Texas candidates since November 1997, which was the last opportunity to qualify under the old law.

The purpose of the 150-hours is to produce more well-rounded CPAs with a broader education who can better communicate with and serve their clients. The thirty additional hours do not have to be in accounting courses. Contrary to the position of those who were against the requirement, many students have found that earning the additional hours has not been problematic.

For example, when a student changes majors (say from business management to accounting), he or she is often left with credits from the previous major that do not apply to an accounting degree. However, these credits may be applied to the requisite 150-hours of accounting.

Opponents of the increased educational requirement also argued in 1991 that the financial burden of an extra year of schooling would prevent many potential exam candidates from meeting the prerequisites to becoming Texas CPAs. However, when the Texas Legislature enacted the requirement, it also provided for a scholarship fund for fifth-year accounting students who would otherwise be financially unable to earn the additional

hours. This fund, which is overseen by the Texas Higher Education Coordinating Board, has distributed more than \$1,787,000 to eligible accounting students over the past three years.

The Board addressed the decline in the number of exam candidates in an article in the *Texas State Board Report* (January, 2000, Vol. 69). Various individuals, notably, Dr. Jan R. Williams, accounting professor at the University of Tennessee, who has carefully studied the issue for several years, provided us with insight on the subject. He has concluded that there is no single cause for the decline in the number of young people entering the accounting profession; rather the combination of a number of factors contributes to the decline.

Dr. Williams found that many college students would rather pursue a career in information technology where the pay is significantly higher than in accounting. For instance, a starting salary for a college graduate entering the information technology field averages \$60,000, whereas an entry-level accounting graduate can expect to earn \$35,000 to \$40,000.

Another factor in favor of the 150-hour requirement is our increasingly mobile society. Most state legislatures have enacted the 150-hour educational requirement for CPAs, putting the states on a level playing field. This enables a CPA from one state to meet the certification and licensing requirements in another state without having to re-qualify to a higher educational standard in the new state. Uniformity between the various states' exam, licensing, and certification requirements allows for a smoother interstate exchange of information between state boards of accountancy, and, ultimately better serves the CPA. In 1997 the Texas board became the first state board of accountancy to officially adopt a policy of substantial equivalency. ❖

### Texas Candidates 1991 - 2000

CPA Exam Date	Number of Candidates	Difference from Previous Exam
May 1991	7,653	N/A
Nov 1991	5,604	-26.77%
May 1992	6,966	+24.3%
Nov 1992	6,022	-13.55%
May 1993	5,320	-11.66%
Nov 1993	6,210	+16.73%
May 1994	5,096	-17.94%
Nov 1994	5,468	+7.3%
May 1995	4,876	-10.83%
Nov 1995	5,584	+14.52%
May 1996	4,929	-11.73%
Nov 1996	5,562	+12.84%
May 1997	5,279	-5.09%
Nov 1997	7,237	+37.09%
May 1998	4,128	-42.96%
Nov 1998	4,079	-1.19%
May 1999	3,449	-15.45%
Nov 1999	3,855	+11.77%
May 2000	2,935	-23.87%
Nov 2000	3,345	+13.96%

# Long-time and new CPAs honored at November

## Swearing-in Ceremonies

The Board conducted swearing-in ceremonies in Austin and Arlington on November 11, 2000 and in Humble on November 18 where the newest Texas CPAs received their certificates.

In addition, the Board recognized ten of these individuals for having the highest cumulative exam scores of all the candidates qualified to receive their certificates at the three ceremonies. The candidates receiving the Board's "Top Ten" award were:

Joanna B. Hightower-Bruce, April Qualls Hunter, Pamela King, Patrick Joseph Landers, James

Matthew Larkin, Sherrie Lynn Pickard, Joseph Clinton Porche, Peter Alan Prescott, Deborah Russell, and John Stuart Wechsler. Peter Prescott, in addition, was presented with the AICPA's Elijah Watt Sells Silver Medal for earning the second-highest cumulative exam score in the nation at the time he took the exam.

The Board also honored the 47 individuals listed at right who have maintained their Texas CPA licenses for fifty years, including former Board members Dwight L. Kinard and Miller Montag.

**ILLINOIS** Tussing, Robert T.  
**SOUTH DAKOTA** Warren, Steve P.  
**MARYLAND** Moffitt, H.F.; Weaver, Charles C.  
**TEXAS (Abilene)** Kinard, Dwight L.  
**(Amarillo)** Brandon, James E.; Dowell, Rupert L.  
**(Baytown)** Bobbitt, M. Cecil  
**(Brownsville)** Chilton, Carl S.  
**(Burton)** Hooper, John T.  
**(Dallas)** Baskett, Robert E.; Bennett, John P.; Foote, Guy M.; Goodfellow, Robert W.; Helms, Robert E.; Lane, Jerome H.; Manley, James K.; Murrell, William I.; Spray, Norman E.  
**(Fort Worth)** Bateman, Roy A.; Cameron, Jack C.; Johnson, Robert H.  
**(Georgetown)** McKinney, Eugene D.; Orr, Robert H.  
**(Houston)** Bixby, John E.; Goodman, Robert W. Jr.; Leder, Oscar; Mullins, Charles M.; Sahakian, Van; Spain, Sam  
**(Kerrville)** Griffin, F. O'Neil  
**(Knippa)** Ede, Woodrow  
**(Lindale)** Davis, John M.  
**(Lubbock)** Chisholm, Samuel W.  
**(Lufkin)** Arnold, Paul E.  
**(Midland)** Ross, James D.  
**(Midway)** Boyd, W. Dale  
**(Montgomery)** Graves, James B.  
**(Odessa)** Chappell, Robert L.  
**(Pecos)** Pattee, James F.  
**(San Antonio)** Doehne, Louis C.; Montag, Miller; Williams, George M.  
**(Sugar Land)** Ledermann, Richard S.  
**(Waco)** Peterson, John T.; Ressler, Parke E.  
**(Wimberley)** Austin, V. Leon

Looking  
for ushers

The Board needs ushers for the swearing-in ceremonies each June and November. For information, or to volunteer about two hours of your time at one of the ceremonies, contact the Board office at (512) 305-7803.

# ENFORCEMENT ACTIONS

## Disciplinary Actions

**Respondent:** Frederick E. Aschbacher (Huntsville)

**Certificate No.:** 038535

**Complaint No.:** 99-10-16L

**Docket No.:** 457-00-2155

**Date of Board ratification:** 11/9/00

**Disposition:** The respondent entered into an agreed consent order with the Board whereby the respondent's certificate was voluntarily revoked in lieu of further disciplinary action. The respondent was convicted of first degree murder in Bexar County in 1999. The respondent's conduct violated *Sections 901.502(6) and 901.502(11) of the Act and Section 501.41(4) (Discreditable Acts) of the Rules.*

**Respondent:** Leslie R. Bottke (The Colony)

**Certificate No.:** 063887

**Complaint No.:** 00-07-11L

**Date of Board ratification:** 11/9/00

**Disposition:** The respondent entered into an agreed consent order with the Board under which the respondent's certificate was placed on probated suspension for one year with the requirement that the respondent successfully complete his criminal probation. The respondent accepted deferred adjudication for two misdemeanor assaults. As a result, the respondent was placed on community supervision for one year. The respondent's conduct violated *Section 901.502(11) of the Act.*

**Respondent:** James Ralph Gilger Jr. (Austin)

**Certificate No.:** 023800

**Complaint No.:** 00-07-24L

**Date of Board ratification:** 11/9/00

**Disposition:** The respondent entered into an agreed consent order in which the respondent was required to complete by July 31, 2001 sixteen additional hours of continuing professional education consisting of eight hours on internal auditor standards offered

through the Institute of Internal Auditors and eight hours covering generally accepted auditing standards. The respondent incorrectly used language approved for independent auditor's reports in internal audit reports prepared for a school district. The respondent's conduct violated *Section 901.502(6) of the Act and Section 501.61 (Accounting Principles) of the Rules.*

**Respondent:** Donald W. Jones (Graham)

**Certificate No.:** 012966

**Complaint Nos.:** 99-12-21L and 00-02-24L

**Date of Board ratification:** 11/9/00

**Disposition:** The respondent entered into an agreed consent order in which the respondent is prohibited from performing audits, reviews, compilations or other attestation work until he receives written permission from the Board to re-enter this part of his practice. In addition, the respondent is on two years' probated suspension and required to meet regularly with representatives of the TSCPA Concerned CPA Network program. The respondent must submit quarterly reports to the Board. In the first of two complaints redressed by this order, the respondent practiced public accountancy without a practice unit and with a personal license that was delinquent, expired. In the second complaint, the respondent issued an audit report for a volunteer fire department that contained significant technical defects. The respondent's conduct violated *Sections 901.502(6) and 901.502(11) of the Act and Sections 501.4 (Practice of Public Accountancy), 501.22 (Accounting Principles), 501.23 (Auditing Standards), and 501.40 (Registration Requirements) of the Rules.*

**Respondent:** Scott Thomas Kingsbury (Murfreesboro, TN)

**Certificate No.:** 049293

**Complaint No.:** 00-05-07L

**Date of Board ratification:** 11/9/00

**Disposition:** The respondent entered into an

agreed consent order in which the respondent's certificate was reprimanded. The respondent violated a cease and desist order issued by the Tennessee Board of Public Accountancy. The respondent's conduct violated *Section 901.502(6) of the Act and Section 501.41(18) (Discreditable Acts) of the Rules.*

**Respondent:** George F. Littlejohn (Round Rock)

**Certificate No.:** 075677

**Complaint No.:** 00-03-01L

**Date of Board ratification:** 7/20/00

**Disposition:** The respondent entered into an agreed consent order with the Board whereby the respondent was reprimanded. In addition, the respondent's certificate was placed on probated suspension for one year with the requirement that the respondent complete four hours of live instruction ethics CPE within 120 days of the Board order. The respondent failed to disclose DWI and bad check charges on his signed application to receive a CPA certificate. The respondent's conduct violated *Sections 501.41(1) and 501.41(14) (Discreditable Acts) of the Rules.*

**Respondent:** Michael Onwuka Mbah (Houston)

**Complaint No.:** 99-08-10L

**Certificate No.:** 069770

**Date of Board ratification:** 7/20/00

**Disposition:** The respondent entered into an agreed consent order with the Board whereby the respondent was reprimanded for his blatant disregard of auditing standards. He is: (1) required to engage a qualified outside technical consultant acceptable to the Technical Standards Review Committee chair to pre-approve the issuance of all future audit or review engagements; (2) barred from performing compilations without pre-issuance approval; (3) required to complete an accelerated quality review by September 1, 2000; and (4) required to complete 24 additional hours of live instructor CPE consisting of eight hours in financial statement disclosure and two eight-hour courses in compilations by September 1, 2000. The respondent failed to satisfy generally accepted auditing standards in an audit for a client in violation of *Sections 901.502(2), 901.502(6), and 901.502(11) of the Act and Section 501.22 (Auditing Standards) of the Rules.*

**Respondent:** Henry A. Pardo, Jr. (Dallas)

**Certificate No.:** 034299

**Complaint Nos.:** 99-08-13L and 99-08-14L

**Docket No.:** 457-00-1056

**Date of Board ratification:** 7/20/00

**Disposition:** The respondent's certificate was revoked, administrative costs of \$838.60 and administrative penalties of \$4,000.00 were assessed against the respondent. The respondent violated *Sections 901.502(6) and 901.502(11) of the Act and Sections 501.21 (Competence) and 501.41(12) (Responses)*. The respondent failed to complete 1999 tax engagements, to prepare 1998 tax returns for two clients, and to respond to inquiries by the two clients.

**Respondent:** Stephen L. Tottenham (Watauga)

**Certificate No.:** 016424

**Complaint Nos.:** 00-04-19L, 00-05-01L, 00-05-06L, 00-06-29L, 00-07-06L, and 00-08-22L

**Date of Board ratification:** 11/9/00

**Disposition:** The respondent entered into an agreed consent order in which the respondent's certificate was revoked in lieu of further disciplinary action. In the six complaints redressed by this order, the respondent failed to complete engagements to complete 1999 personal income tax returns, failed to respond to client inquiries, and failed to return client records upon request. The respondent's conduct violated *Sections 901.502(6) and 901.502(11) of the Act as well as Sections 501.21 (Competence), 501.32 (Records), 501.41(12) (Discreditable Acts), and 501.48 (Responses) of the Rules*.

**Respondent:** Miguel J. Ubben (Garland)

**Certificate No.:** 068070

**Complaint No.:** 99-10-13L

**Date of Board ratification:** 7/20/00

**Disposition:** The respondent entered into an agreed consent order with the Board whereby the respondent was reprimanded. In addition, the respondent's certificate was placed on probated suspension for one year with the requirement that the respondent complete 28 hours of live instruction CPE within 120 days of the order. In an engagement to prepare personal and corporate tax returns, the respondent failed to promptly respond to client inquiries, failed to competently complete the engagement, and did not inform the client when the client's files were transferred to another tax preparer.

The respondent's conduct violated *Sections 901.502(6) and 901.502(11) of the Act and Sections 501.21 (Competence), 501.31 (Confidential Client Communications), and 501.41(12) (Discreditable Acts) of the Rules*.

**Respondents:** James A. Ullrich, CPA and

James A. Ullrich, PC (Conroe)

**Certificate Nos.:** 010650 and C01767

**Complaint Nos.:** 00-01-02L and 00-01-03L

**Date of Board ratification:** 7/20/00

**Disposition:** The respondent entered into an agreed consent order with the Board whereby the respondent was reprimanded for lack of independence. Both the respondent and his firm are required to engage a qualified outside technical consultant acceptable to the Technical Standards Review Committee chair to pre-approve the issuance of all future audit or review engagements. The respondent failed to satisfy the independence standard in his audits of a client because he and his spouse owned over \$400,000 of the audit client's promissory notes during the audit engagement. The respondent's conduct violated *Section 901.502(6) of the Act and Section 501.11 (Independence)*.

**Respondent:** Jaime Valderrama (Pasadena)

**Certificate No.:** 008095

**Complaint No.:** 00-02-02L

**Date of Board ratification:** 7/20/00

**Disposition:** The respondent voluntarily surrendered his certificate in lieu of further disciplinary action by mailing it to the Board, paid delinquent licensing fees and administrative penalties in the amount of \$1,600.00 to the Board, and signed an agreed permanent injunction barring him from the unauthorized practice of public accountancy. A public hearing scheduled for June 19, 2000 was mooted and his case before the State Office of Administrative Hearings was dismissed because of his acquiescence to the requests of the Enforcement Division on behalf of the Board. The respondent practiced public accounting for several years while claiming retirement status, paying reduced annual license fees and claiming a retired exemption to his continuing professional education during that time.

The respondent's conduct violated *Sections 901.351, 901.401, 901.502(6), and 901.502(11) of the Act and Sections 501.25 (Mandatory Continuing Professional Education Requirements), 501.40 (Registration Requirements), and 501.41 (Discreditable Acts)*.

**Respondent:** Noorollah (David) Zareie (Dallas)

**Certificate No.:** 041220

**Investigation No.:** 99-12-24L

**Date of Board ratification:** 9/13/00

**Disposition:** The respondent entered into an agreed consent order with the Board whereby the respondent's certificate was placed on probated suspension for one year with the requirement that, within 120 days,

the respondent: (1) complete eight hours of live instruction CPE in the area of compilations; and (2) engage a qualified peer reviewer to conduct a peer review on the respondent's firm. The respondent issued compilations without a registered practice unit. The respondent's conduct violated *Sections 901.502(6) and 901.502(11) of the Act and Sections 501.4 (Practice of Public Accountancy) and 501.40 (Registration Requirements) of the Rules*.

## CPE Actions

**Respondents: CALIFORNIA:** Bloch, Darren Allen

**COLORADO:** Harris, Dale Thomas

**DISTRICT OF COLUMBIA:** Wrappe, Steven Christopher

**GEORGIA:** Husbands, Scott Hamilton

**TENNESSEE:** Daniel, Donald

**TEXAS: (Amarillo)** Bim, Brian Ardene

**(Arlington)** Fehleison, James Michael; Hamrick, Joey Ray

**(Cleburne)** Pettibon, Ray D.

**(De Soto)** Mowery, David P.

**(Deer Park)** Fields, Joseph Todd

**(Duncanville)** Firestone, James Craig

**(El Paso)** Sanders, William Charles; Stockton, Nancy Ann Derrick; Suarez, Richard

**(Fair Oaks Ranch)** Smith, Allen Lee

**(Farmers Branch)** Rivera, Christine

**(Fort Worth)** Schwartz, Carol Ann; Ward, Gwendolyn Rae Hickey

**(Friendswood)** Downs, James Robert

**(Houston)** Andrews, Richard Kevin; Armstrong, Richard Allen; Finch, Allan Andrew; Margolin, Richard Foster; Nance, Ruby Roark III

**(Irving)** Davis, Mary Ann Burnett

**(Plano)** McDaniel, Joyce

**(San Antonio)** Ramirez, Daniel Reyes

**(Southlake)** Latham, Laurie Kay Lorenz

**(Waco)** Franklin, Eugene Richard

**(Wylie)** Dixon, Glenis

**VIRGINIA:** Hall, James Lamon

**WASHINGTON:** Tillman, Rebecca Frances Watson

**Complaint Nos.:** 00-03-10001 through 00-03-10349

**Docket No.:** 457-00-0704.A

**Date of Board ratification:** 7/20/00

**Disposition:** The license of each respondent not in compliance with the Board's CPE requirements as of the July 20, 2000 Board meeting was suspended for three years, or until the respondent complies with the licensing requirements of the Act, whichever is sooner. In addition, a \$100 penalty was imposed for each year the respondent was in

non-compliance. The respondents failed to report sufficient continuing professional education credits under *Section 901.401* of the *Act*. The respondents are in violation of *Section 901.411* of the *Act* and *Sections 501.25 (Mandatory Continuing Professional Education)* and *523.62 (Mandatory CPE Reporting)* of the *Rules*.

**Respondents: TEXAS: (Arlington)** McCutcheon, Tracy Michele  
**(Austin)** Yancy, Howard Charles  
**(Coppell)** Lee, Nancy Kay  
**(Dallas)** Eaton, Kevin Paul; Jenkins, Sherry Leigh  
**(El Paso)** Pyke, Ronald Alan  
**(Flint)** Sloan, Jenny Ann  
**(Houston)** Cole, Robert Jones; Fogle, Bobby Joe; Grunfeldt, Anders; Mitcham, Michael Lynn; Ramke, Michael Glen; Smith, Lawrence Walter; Tuttle, Nathan Talmadge; Walker, James Lawrence  
**(Kingwood)** Mashburn, Brian Layne  
**(McKinney)** Montgomery, James Thomas Jr.  
**(Meadows Place)** Kiobassa, Frank Edward  
**(Navasota)** White, Debra Mason Wyatt  
**(Orange)** Meads, Jerry Daniel  
**(Richardson)** Llewellyn, Robert Gerald  
**(San Antonio)** Wiesner, Bodo Karl Jr.  
**(Spring)** Taylor, Lindsey Gregg  
**(Tyler)** Townley, Kenneth Marshall  
**(Webster)** Hadjisavvas, Socrates  
**VIRGINIA:** Spencer, Stuart Michael  
**Complaint Nos.:** 00-04-10096 through 00-04-10350  
**Docket No.:** 457-00-0803.B  
**Date of Board ratification:** 7/20/00  
**Disposition:** The license of each respondent not in compliance as of the July 20, 2000 Board meeting was suspended for three years, or until the respondent complies with the licensing requirements of the *Act*, whichever is sooner. A \$100 penalty was imposed for each year the respondent was in non-compliance with the Board's CPE requirements. The respondents failed to report sufficient continuing professional education credits under *Section 901.401* of the *Act*. The respondents are in violation of *Section 901.411* of the *Act* and *Section 523.62* of the *Rules*.

**Respondents: CALIFORNIA:** Eppich, Dana Neucere  
**TEXAS: (Austin)** Ruiz, Paul; Taylor, Mary Accapadi  
**(Boerne)** Page, Robert Allen  
**(Dallas)** Crowl, Kurt William; Hudson, John Herbert; McCrary, Thomas Alton  
**(Houston)** Hagemeyer, James Frederick

**(Humble)** De Leon, Rene Harry  
**(Kingwood)** Williams, Joseph Lawrence  
**(Plano)** Yarbrough-Griffin, Ida  
**(Sugar Land)** Aubin, Maurice Gilles; Galbraith, Andrew Patrick  
**VIRGINIA:** Reagan, Donald Lane  
**Complaint Nos.:** 00-05-10064 through 00-05-10196  
**Docket No.:** 457-00-1300.B  
**Date of Board ratification:** 9/13/00  
**Disposition:** The license of each respondent not in compliance as of the September 13, 2000 Board meeting was suspended for three years, or until that the respondent complies with the licensing requirements of the *Act*, whichever is sooner. Additionally, a \$100 penalty was imposed for each year the respondent was in non-compliance with the Board's CPE requirements. The respondents failed to report sufficient continuing professional education credits under *Section 901.401* of the *Act*. The respondents are in violation of *Section 901.411* of the *Act* and *Sections 501.25 (Mandatory Continuing Professional Education)* and *523.62 (Mandatory CPE Reporting)* of the *Rules*.

**Respondents: MINNESOTA:** Riches, Gene Arthur  
**NEW JERSEY:** Guarasci, Michael Ernest  
**TEXAS: (Austin)** Dunkerley, Betty Jean McAdams  
**(Dallas)** Parsley, Brett Scott  
**(Denton)** Gould, Wayne Alan  
**(Garland)** Jones, Daniel Mason III  
**(Houston)** Rose, Michael Elvin  
**(Mesquite)** Murrey, Gary Lynn  
**(San Antonio)** Ort, Christopher Patrick  
**(Sugar Land)** Adelung, Louisa Frances Watson; Vernon, Mary Ann Seale  
**Investigation Nos.:** 00-06-10124 through 00-06-10282  
**Docket No.:** 457-00-1767.B  
**Date of Board ratification:** 9/13/00  
**Disposition:** The license of each respondent not in compliance as of the September 13, 2000 Board meeting was suspended for three years, or until the respondent complies with the licensing requirements of the *Act*, whichever is sooner. Additionally a \$100 penalty was imposed for each year the respondent was in non-compliance with the Board's CPE requirements. The respondents failed to report sufficient continuing professional education credits under *Section 901.401* of the *Act*. The respondents are in violation of *Section 901.411* of the *Act*, and *Sections 501.25 (Mandatory Continuing Professional Education)* and *523.62 (Mandatory CPE Reporting)*.

**Respondents: TENNESSEE:** Deck, Rodney Carlton  
**TEXAS: (Austin)** Hall, Peter Brucks  
**(Dallas)** Farmer, Carol Colquitt; Norton, Stephen Hart  
**(Denton)** Anderson, Lenita Simone  
**(Flower Mound)** Chaires, Janine; Parman, Kalon Eugene  
**(Fort Worth)** Hackler, Leslie Clem Jr.; Ludwig, Curtis Aaron  
**(Houston)** Hass, Todd Allan; Houston, Daniel Temple; Shaw, Aimee Baggett; Sperling, Scott; Wurm, William Glen  
**(Irving)** Reynolds, John Edward  
**(Richardson)** Lewis, Grenville IV; Schroeder, Constance Carol  
**(Sugar Land)** Crow, Kirkland Woodrow; Reingold, Belinda Gail; Vorst, Darren Jay  
**Complaint Nos.:** 00-07-10090 through 00-07-10393  
**Docket No.:** 457-00-1969.B  
**Date of Board ratification:** 11/9/00  
**Disposition:** The license of each respondent not in compliance as of the November 9, 2000 Board meeting was suspended for three years, or until the respondent complies with the licensing requirements of the *Act*, whichever is sooner. Additionally, a \$100 penalty was imposed for each year the respondent was in non-compliance with the Board's CPE requirements. The respondents failed to report sufficient continuing professional education credits required under *Section 901.411* of the *Act*. The respondents are in violation of *Section 901.411* of the *Act*, and *Sections 501.25 (Mandatory Continuing Professional Education)* and *523.62 (Mandatory CPE Reporting)*.

### Three-Year Delinquent Actions

**Respondents: ARIZONA:** Hensley, Joseph Allen; Masters, Sue Ann  
**ARKANSAS:** Jazeski, Susan Grieser  
**CALIFORNIA:** Culver, Tipton Emerson; Goldhirsh, Joel B.; Harper, Alan Wayne; Var Konda, Christine Louise; Villarreal, Ronald Lee  
**FLORIDA:** Fetherston, Ray Chester; Schultz, Douglas R.; Stoudenmire, Sterling Franklin III  
**GEORGIA:** Baiye, Obafemi  
**ILLINOIS:** Fisher, Bryan Kenneth  
**KANSAS:** Rowe, Mark Steven  
**LOUISIANA:** Landwehr, Lawrence George  
**MASSACHUSETTS:** Cormney, Tyler Craft  
**NEW MEXICO:** Hull, Arthur Vernon II; Westlake, Kelly Aubrey  
**NEW YORK:** Dalli, Bartolo Frank  
**OREGON:** Earls, Lisa B.

**PENNSYLVANIA** Roberts, Richard Mark  
**REPUBLIC OF CHINA:** Chen, Chien-Hung  
**TENNESSEE:** Williams, James Michael  
**TEXAS: (Austin)** Cavazos, Gail Ann; Fields, Fredric Earwood; Kieley, Kenneth Clifford; Lokken, Michael Owen; Ramsey, Henry Vernal; Taylor, Harry Lee  
**(Baytown)** Archambault, Kathleen M.  
**(Buffalo)** Newsom, Shirley  
**(Carrollton)** Holmes, Steven Lee  
**(Colleyville)** Puangco, Jose Halili  
**(Coppell)** Kirby, Gregory Lyle  
**(Dallas)** Devoss, Hugh Arlen; Fredericksen, Michael William; Gensler, Gordon Wayne; Hollenshead, Todd Stephen; Jamme, William Donahue; Kinard, Nina Sparks; Marsh, Garry Charles; Sanner, Alan Dean; Washburn, Charles Emmett; Zale, Eugene  
**(Fort Worth)** Langford, Maurice Coffman; Strange, Philip N.  
**(Harlingen)** Ramirez, Tranquilino Jr.  
**(Houston)** Alexander, Julie Anne Brook; Dunn, Thomas Francis; Edick, Stacy Hendricks; Hebert, Brian Anthony Jr.; Holmes, Don Abbott; Ligon, John Drew; Macias, Ernesto; Tyler, Robert Sullivan; Woo, Thomas Nelson  
**(Irving)** Harding, Barry Lee  
**(Katy)** Parker, Richard Donnard  
**(McKinney)** Kuehler, Martin Anthony  
**(Missouri City)** McGee, Patrick Earl  
**(Pearland)** Titterington, Christopher Michael  
**(Plano)** Lareau, John Albert; Norris, Dwain Lee; Yen, Su-Fen C.  
**(Richardson)** Taliancich, Ronald Peter  
**(Saginaw)** Rokita, John Robert  
**(San Antonio)** Boley, Francis Daniel; Elder, David Arthur; Franklin, Larry Daniel; Petit, Robert Joseph  
**(Sanger)** Hamner, Tommy Mac  
**(Temple)** Malone, Sandra K.  
**(The Woodlands)** Sharp, Marie Monique  
**(Trenton)** Sealey, Constance W.  
**(Tyler)** Wollard, Bobby Lee  
**VIRGINIA:** Krennek, Alan  
**WASHINGTON:** Lovell, Paul Artell  
**Complaint Nos.:** 00-03-10350 through 00-03-10460  
**Docket No.:** 457-00-0704.B  
**Date of Board ratification:** 7/20/00  
**Disposition:** The certificate of each respondent not in compliance as of the July 20, 2000 Board meeting was revoked without prejudice. Each respondent may regain his or her certificate by paying all required license fees and penalties and by otherwise coming into compliance with the *Act*. The respondents are in violation of *Section 901.502(3)* of the *Act*. The respondents failed to pay the licensing fees and penalties required under *Sec-*

*tion 901.401* of the *Act* for three consecutive license periods.

**Respondents: ALASKA:** Butterworth, Stephen Mark  
**ARIZONA:** Andrews, John Thomas III; Cashman, Kristina Kay; Datuin, Manuel Lamsen; Wilson, Robert Gary  
**CALIFORNIA:** Lyon, Gregory K.; Moore, Francis Aldrich III; Patton, Fredjack; Williams, Paul Edward;  
**DISTRICT OF COLUMBIA:** Saret, Lewis Jay  
**FLORIDA:** Bowden, Bryan Joel  
**MASSACHUSETTS:** Adam, Hanno Ralph  
**MISSOURI:** DesRoches, Darlene Mary; Letsinger, Katherine Lee; Letsinger, Richard Keith  
**NORTH CAROLINA:** Edwards, Barbara Anne Rozzelle  
**NEW JERSEY:** Woo, Jimmy Ming-Der  
**NEW MEXICO:** Beran, Debra Lynne  
**NEVADA:** Avery, Marsden Ronald III  
**SOUTH CAROLINA:** Alcorn, Willie Frank  
**TEXAS: (Amarillo)** Hood, Thomas Eric  
**(Arlington)** Crow, Donald Roy  
**(Austin)** Kirchofer, Louis Leslie Jr.  
**(Bedford)** Motley, Marsalyn King  
**(Carrollton)** Majors, Deborah M.; Prejean, David Clyde  
**(Clyde)** Herod, Jon Steven  
**(Cypress)** Roll, Royce Stuart  
**(Dallas)** Anderson, Charlton Robbins; Griffin, Allen Kay; Hood, Larry Gardell; Komnenovich, Dan Peter; McDowell, Frank Carl; Monge, David Douglas; Parrish, Verna Lee Jones; Roberts, John Patterson; Williams, Wallace D. Jr.  
**(El Paso)** Red, Alfonso  
**(Flower Mound)** Weatherhead, Wayne Anthony  
**(Fort Worth)** Jury, Donald Keith; Wilkin, Raymond Edmond  
**(Frisco)** Swain, Britton Walton III  
**(Grapevine)** Followell, Jay Stanley  
**(Houston)** Brumlow, Alva Lee Price Jr.; Mason, Richard Bruce; Mueck, George Jerry; Pape, Kenneth Lee; Porche, Henry Lloyd; Rasmussen, Nicholas Roberts; Robbins, Martha Catherine; Segroves, Thomas Daniel Jr.; Teoh, Andrea Chua Tan; Wong, Spencer Ming-Po  
**(Irving)** Sims, Christine I.  
**(League City)** Watson, Samuel James  
**(Liberty)** Randel, Randy Wayne  
**(Plano)** Fegley, Craig Eugene  
**(San Antonio)** Hartman, William Emmett; Havekost, Lloyd Walter  
**(Spring)** Carter, John Stephen; Kornblith, Harvey Lee; Shuford, Jane Bryan  
**(Sugar Land)** McDonald, Randal Boyd Jr.

**(Temple)** Eddy, Ronald Richard  
**VIRGINIA:** Rainey, Norman Jeffrey  
**Complaint Nos.:** 00-04-10001 through 00-04-10095  
**Docket No.:** 457-00-0803.A  
**Date of Board ratification:** 7/20/00  
**Disposition:** The certificate of each respondent not in compliance as of the July 20, 2000 Board meeting was revoked without prejudice. The respondent may regain his or her certificate by paying all required license fees and penalties and by otherwise coming into compliance with the *Act*. The respondents failed to pay the licensing fees and penalties required under *Section 901.401* of the *Act* for three consecutive license periods. The respondents are in violation of *Section 901.502* of the *Act*.

**Respondents: ARKANSAS:** Mapes, Todd Lee  
**CALIFORNIA:** Harrigan, James Patrick  
**COLORADO:** McDougald, Christine Sue  
**CONNECTICUT:** Baumann, Steven Francis  
**ENGLAND:** Ragland, Marian Elaine Munchrath  
**FLORIDA:** Kaye, Teri Maybruck; Noyes, Robert Slater  
**GEORGIA:** Sobotta, Thu Dang  
**ILLINOIS:** Bussell, Julius Layne; Fox, Jon Alan  
**LOUISIANA:** Wild, Dirk Jonathan  
**MISSOURI:** Scoma, Deanna Joyce  
**OKLAHOMA:** Auer, David Bruce; Cleveland, Shelly Ann  
**OREGON:** Wilson, James R.  
**SAUDI ARABIA:** Harmon, Kimberly Anne  
**TEXAS: (Austin)** Edington, Glen Allan; Hunter, Louise Wade  
**(Carrollton)** Friederick, Michelle Marie  
**(Dallas)** Allen, Len William Jr.; Brigham, Gary Thomas; Drennan, John Craddock IV; Stewart, Thomas Roland  
**(Houston)** Musyimi, Philip Mukando; Parham, Merle Gordon; Sumrow, Amiel Franklin  
**(Missouri City)** Honeycutt, Milburn Earl  
**(Plano)** Barto, Allison; Brown, Mary Ann McFall; Simon, Craig Forrest  
**(Portland)** Nevill, Bobby Dorian;  
**(Richardson)** Carnes, Carl Edward;  
**(Spring)** Brunson, James Daniel;  
**(Stafford)** Barton, Judith Faith;  
**(Sugar Land)** Matthys, David Gene;  
**(Tyler)** Mallard, Arch Richard Jr.;  
**(Waco)** Baker, Lisa M.;  
**VIRGINIA:** Conroy, Linda Karen Nordman  
**Complaint Nos.:** 00-05-10001 through 00-05-10056  
**Docket No.:** 457-00-1300.A

**Date of Board ratification:** 9/13/00

**Disposition:** The certificate of each respondent not in compliance as of the September 13, 2000 Board meeting was revoked without prejudice. Each respondent may regain his or her certificate by paying all the required license fees and penalties and by otherwise coming into compliance with the *Act*. The respondents failed to pay the licensing fees and penalties required under *Section 901.401* of the *Act* for three consecutive license periods. The respondents are in violation of *Section 901.502* of the *Act*.

**Respondents:** **CALIFORNIA:** Kim, Dong Kyu; Su, Yufen

**COLORADO:** Jones, Alvis Reid; Kulick, Timothy Joseph

**ENGLAND:** Lutz, Genie G.

**FLORIDA:** Garza, Celia Dymphna; Munson, Michael Paul; Vollmer, Ohn Edwin III

**GEORGIA:** Young, Dianne Patrice

**KANSAS:** Strick, Catherine Marie

**NEW YORK:** Deagle, Elizabeth Patricia

**OKLAHOMA:** Edwards, Judy Elaine Webb

**SOUTH CAROLINA:** Linhardt, Paul Michael

**TEXAS: (Alvarado)** Funakura, Sonja Renee

**(Clifton)** Galvan, Vanessa Machac

**(Crandall)** Butler, Charles Leroy II

**(Dallas)** Bravard, Tammy Kay McGriff

Grimshaw; Burch, David Frank; Garland, Dorothy Elizabeth; Kinzie, Catherine L.;

Rayner, Frederick Hunt III

**(Fort Worth)** McConathy, Richard Brett

**(Houston)** Arbour, James Gerard; Arensdorf,

John Roger; Cater, Stuart C.; Goodyear, Susan Elizabeth; Grabow, Denise Rachelle;

Longhofer, Carla Manley

**(Lucas)** Drabik, Frank Walter

**(McAllen)** Palenske, Ann Sykora

**(Midland)** Kempf, Hal Lee

**(Ovilla)** Glaeser, Alan Dale

**(Pearland)** Evenson, Kurt Evan

**(Plano)** Gingerich, Thomas Jay

**(San Antonio)** Smith, Amy Lynn

**(Southlake)** Gaona, Irene Inez; Marler, Susan Head

**(Sugar Land)** Minear, Pamela Santi

**UTAH:** Holt, Richard Clyde

**WASHINGTON:** Crosley, Susan Leigh Franklin

**Complaint Nos.:** 00-06-10002 through 00-06-10061

**Docket No.:** 457-00-1767.A

**Date of Board ratification:** 9/13/00

**Disposition:** The certificate of each respondent not in compliance as of the September 13, 2000 Board meeting was revoked without prejudice. Each respondent may regain his or her certificate by paying all the required

license fees and penalties and by otherwise coming into compliance with the *Act*. The respondents failed to pay for three consecutive license periods the licensing fees and penalties required under *Section 901.401* of the *Act*. The respondents are in violation of *Section 901.502* of the *Act*.

**Respondents:** **ARIZONA:** Duncan, William Arthur

**ARKANSAS:** Walton, Tracy Victoria

**CALIFORNIA:** Gilani, Najeeb

**COLORADO:** Fox, Mark Anthony

**GEORGIA:** Hall, Deborah Ann Ponder

**GHANA:** Yaw Gyasi,

**ILLINOIS:** Doyle, Christine L.

**LOUISIANA:** Giles, Deborah Lynn

**MASSACHUSETTS:** Godin, David Henry

**MICHIGAN:** Hirsch Howard Russell

**MINNESOTA:** Johnson, Diane Michele

**MONTANA:** Chisholm, Dan Thomas

**NEW MEXICO:** Jones, Brent Curtis

**OKLAHOMA:** Leforce, Trenton Wayne

**OREGON:** Wolfe, Lanai Elaine

**TEXAS: (Arlington)** Mills, Willajo

**(Arlington)** O'Brien, Michael Lee

**(Carrollton)** Johnson, Kenneth Arthur

**(Coppell)** Meenan, William Meares

**(Dallas)** Farmer, William J.; Foshee, Milissa Ann; Woodruff, Kevin Lee

**(Fort Worth)** Rabb, Cecil Avon

**(Houston)** Hanlon, Gerald Reed; Montgomery, Charles Evans; Palmer, Sandra Delisa;

Ypma, Leanne Carol

**(Irving)** Plana, Diana Jean

**(Katy)** Curzadd, Allen Wayne

**(Laredo)** Oldham, Cesar Javier

**(McKinney)** Lewis, Paul Ray

**(Richardson)** Blagg, Karen Ann Kusch

**(San Antonio)** Carlisle, Debra Sue;

Thomson, Lynn Palmer; Williams, Sharon Kay

**(Spring)** Morgan, Derryl Dean

**(Sugar Land)** Mosk, Milton Stanford Jr.

**Complaint Nos.:** 00-07-10001 through 00-07-10058

**Docket No.:** 457-00-1969.A

**Date of Board ratification:** 11/9/00

**Disposition:** The certificate of each respondent not in compliance as of the November 9, 2000 Board meeting was revoked without prejudice. The respondent may regain his or her certificate by paying all the required

license fees and penalties and by otherwise coming into compliance with the *Act*. The respondents failed to pay for three consecutive license periods the licensing fees and penalties required under *Section 901.502(4)* of the *Act*. The respondents are in violation of *Section 901.502* of the *Act*.

## Failure to Renew Actions

**Respondent:** Susan Castanza (Houston)

**Certificate No.:** 016113

**Complaint No.:** 00-03-10465

**Docket No.:** 457-00-0704.C

**License No.** 016113

**Date of Board ratification:** 7/20/00

**Disposition:** The respondent's certificate was revoked without prejudice until such time as she complies with the licensing requirements of the *Act*. The respondent failed to complete the license renewal notice in violation of *Section 515.1 (License)* of the *Rules*. The respondent is in violation of *Section 515.1* of the *Rules* and *Sections 901.502(6)* and *901.502(11)* of the *Act*.

**Respondent:** Brian Peccarelli (Plano)

**Certificate No.:** 040068

**Complaint No.:** 00-06-10297

**Docket No.:** 457-00-1767.C

**Date of Board ratification:** 9/13/00

**Disposition:** The respondent's certificate was revoked without prejudice until such time as the respondent complies with the licensing requirements of the *Act*. The respondent is in violation of *Section 515.1* of the *Rules*, and *Section 901.502(11)* of the *Act*.

**Respondent:** Alan Blaine Shouse (McKinney)

**Certificate No.:** 014069

**Complaint No.:** 00-07-10060

**Docket No.:** 457-00-1969.C

**Date of Board ratification:** 11/9/00

**Disposition:** The respondent's certificate was revoked without prejudice until such time as the respondent complies with the licensing requirements of the *Act*. The respondent failed to complete the license renewal notice in violation of *Section 515.1 (License)*. The respondent is in violation of *Sections 901.502(6)* and *901.502(11)* of the *Act* and *Section 515.1 (License)* of the *Rules*.

**Respondents:** (Firms) **NEW MEXICO:** Roy Woodard & Associates

**OKLAHOMA:** Gerald I. Davis, Inc., PC

**TEXAS: (Amarillo)** Brian Ardene Bim

**(Arlington)** Livesay & Associates, PC

**(Austin)** James Dunn Russell Jr.;

Jesse de la Cruz, MBA, CPA, PC

**(Conroe)** Beverly Darnell

**(Corpus Christi)** Byoung Lee

**(Dallas)** Howard Ray Akin, Jr.; Jane M. Douglass

**(Fort Worth)** Marcus Jerome Tatum

**(Hamshire)** Brenda Braquet Wilber

**(Houston)** Alfredo Gaxiola; O'Neal,

McGuinness & Company, PLLC

**(McAllen)** Jose Luis Flores; Kenneth Burford  
**(Mt. Vernon)** Stephen Earl Brazier  
**(Ovilla)** Cora Anna Colson  
**(Plano)** Stephen E. Lutz  
**(Seabrook)** Scott F. Orr  
**(Tivoli)** Fred Nicholas Fagan  
**(Woodville)** Carlton Wade Cotten  
**Complaint Nos.:** 00-06-10062 through 00-06-10122  
**Docket No.:** 457-00-1767.D  
**Date of Board ratification:** 9/13/00

**Disposition:** The registration of each respondent not in compliance as of the September 13, 2000 Board meeting was revoked without prejudice until such time as the firm's license renewal complies with the licensing requirements of the *Act*. The respondents failed to complete the renewal of their licenses in violation of *Section 515.1(b)* of the *Rules*. The respondents are in violation of *Section 515.1(b)* of the *Rules*, and *Section 901.502* of the *Act*. ❖

**Technical CPE**  
 continued from page 1

accounting. So, GAAP Update, Introduction to Excel, and courses on hostile takeovers are "technical," while Dress for Success, Motivating Staff, and courses covering delivery of a staff performance review are *not* "technical."

Having only the course titles from which to infer course content proves to be a real handicap. Inspection and interpretation of course titles indicate that about one-third of the reported technical CPE probably covers financial reporting, auditing, taxation, and information technology. The remaining two-thirds show considerable diversity, and mostly appear to be legitimately technical. Only about 3% of the reported hours appear to be incorrectly classified as technical. Many of these seem to be ethics courses misclassified as technical, or courses too vaguely described to give a clue as to their contents.

Some hold the opinion that CPE delivered by means of "correspondence" or "self-study" is not as desirable as CPE delivered by other modes. About 21% of the technical CPE was reported as delivered by these modes. So, even if this opinion were true, this still leaves over 61,000 hours of non-correspondence, non-self-study technical CPE.

Having a CPA license means that the State of Texas believes the licensee can meet the public's reasonable expectations of competence and professional-

ism in providing the services traditionally associated with a CPA. The public looks to the CPA to provide accounting, tax, and attest services. Notwithstanding that many CPAs don't provide any of these traditional services, these are still the services the public expects of a CPA. To what extent does the reported CPE appear to equip certificate holders to meet the public's expectations of competence? Out of 2,234 certificate holders, a total of 1,650 reported some CPE whose titles contained words or parts of words like "tax", "aud", or "acc", and 1,338 certificate holders reported eight or more hours of such CPE.

Does this mean that all the CPE correctly reported as "technical" is of high quality? Not necessarily. Many course titles raise questions about quality, for one reason or another. However, this study does not show a major crisis in the quality of technical CPE reported by Texas licensees.

*Bottom line?* CPAs in general seem to be doing a much better job of selecting CPE than they are given credit for. Rather than resolving a crisis, the profession and CPE providers have the challenge of making incremental improvements in the CPE taken and reported by licensees. The State Board stands ready to do its part to meet that challenge. ❖

*Board member Edward L. Summers, Ph.D., CPA, who chairs the Board's CPE Committee, is the Wilton & Catherine Thomas professor of accounting at the University of Texas at Austin. He is past president of the Texas Society of CPAs.*

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**Accounting/Administration**

(512) 305-7800 ♦ FAX (512) 305-7854  
 accounting@tsbpa.state.tx.us

**CPE**

(512) 305-7844 ♦ FAX (512) 305-7875  
 licensing@tsbpa.state.tx.us

**Enforcement**

(512) 305-7866 ♦ FAX (512) 305-7854  
 enforcement@tsbpa.state.tx.us

**Executive Director**

(512) 305-7800 ♦ FAX (512) 305-7854  
 executive@tsbpa.state.tx.us

**Licensing**

(512) 305-7853 ♦ FAX (512) 305-7875  
 licensing@tsbpa.state.tx.us

**Public Information**

(512) 305-7802 ♦ FAX (512) 305-7854  
 publicinfo@tsbpa.state.tx.us

**Qualifications**

(512) 305-7851 ♦ FAX (512) 305-7875  
 exam@tsbpa.state.tx.us

**Quality Review**

(512) 305-7860 ♦ FAX (512) 305-7875  
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# ***CONCERNED CPA NETWORK***

Offering ***CONFIDENTIAL*** assistance to CPAs, exam candidates, and accounting students who may have a drug or alcohol dependency problem or mental health issues.

***For information call  
(800) 289-7053***

The network is sponsored by the TSCPA and is endorsed by the Board.

**LEGAL NOTICE:** The identity and communications and fact of membership of anyone attending this group are confidential and protected under penalty of law under *Chapter 467* of the *Texas Health and Safety Code*.

## ***DID YOU KNOW?***

Volunteers in the *Concerned CPA Network* receive training about:

- ♦ chemical dependency and mental illness;
- ♦ guidelines for identification;
- ♦ intervention skills; and
- ♦ policies and procedures used by the TSCPA Peer Assistance Program.

If you are interested in becoming a volunteer, call for a confidential referral to a member of the *Concerned CPA Network* near you for information about the training.

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