

TEXAS STATE BOARD REPORT

TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY, AUSTIN, TEXAS

Effective Communication Facilitates Complaint Investigations

by J. Randel (Jerry) Hill
TSBPA General Counsel

It takes less than 180 days, on average, for an enforcement committee of the Board to investigate a complaint against a Texas licensee—this is from the date the complaint is received by the Board until its resolution. Although this may seem like an eternity to a licensee wrongly accused, this time frame compares very favorably with similar investigations by other licensing agencies.

Some complaint investigations take substantially longer to investigate and are unnecessarily drawn out because the licensee fails to communicate effectively with the Board.

Recently, an investigation that should have taken only a matter of months took 2½ years to reach a conclusion, largely because the responses by the licensee to information requests by the committee were incomplete, untimely, and sometimes unintelligible. Rather than appearing to be forthcoming and willing to work with the enforcement committee to demonstrate that the complaint allegations were unfounded, the licensee led the enforcement committee members to suspect that he was either attempting to hide something or lacked competence. Either way his actions put the licensee in an unfavorable light.

Enforcement committees are comprised primarily of other CPAs like yourself. They have experienced many of the situations and frustrations that you have experienced in the practice of public accountancy and oftentimes empathize with the situation they are investigating. These committee members are not biased against fellow licensees and are able to draw from their similar experiences in evaluating a complaint.

If your responses to the enforcement committee investigating a complaint against you are evasive, incomplete, and untimely, you are creating more work for the committee and extending the time it will take to complete the investigation. In addition, a lack of cooperation might suggest to the committee a correlation between how you respond to a complaint and how you practice public accountancy.

Responding to a Request From the Board

Should a complaint ever be made against you, you should respond fully, accurately, and in a timely manner to information requests from the Board. By doing so, you save resources and reduce the time it takes to resolve a complaint investigation by helping the committee complete its work. Be assured that CPAs serving on the Board's enforcement committees are just. A prompt response to their inquiries allows them to conduct a fair investigation and reach a timely and equitable conclusion.

When a Complaint Is Filed . . .

1. Enforcement staff reviews complaint to determine if allegation involves professional misconduct.
2. If so, complaint is referred to an enforcement committee to investigate.
3. Case may be dismissed, or, if committee determines that a Board rule has been violated, it may offer the licensee an Agreed Consent Order to settle the matter.
4. If no agreement is reached, the matter may be referred to the State Office of Administrative Hearings for a hearing before an administrative law judge (ALJ). ALJ hears arguments and makes a recommendation to the Board.
5. Board acts on **all** recommendations, whether from staff, enforcement committees, or the ALJ, by accepting, rejecting, or modifying the recommendations.

ALSO IN THIS ISSUE

- 2 CPE Sponsors
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CPE Sponsors Successfully Completing Review
(since November 2008 Board Report)

SPONSOR #	SPONSOR NAME	DATE OF NEXT REVIEW	STATUS
002509	ATKG, LLP	10/11/2010 - 9/30/2011	A
008353	Friedkin Business Services	9/01/2010 - 8/31/2011	A
003081	Microsoft Corporation	8/01/2010 - 7/31/2011	A
009391	Montgomery Coscia Greilich LLP	4/01/2010 - 3/31/2011	A
005846	National Investor Relations Institute	10/01/2010 - 9/30/2011	A
007643	Tax Executive Institute-Ft Worth Chpt	6/01/2010 - 5/31/2011	A
009497	The AES Corporation	6/01/2010 - 5/31/2011	A
009418	University of Tulsa, Center for Executive & Professional	8/01/2010 - 7/31/2011	A
000710	University of Tulsa - CESE	4/01/2010 - 3/31/2011	A
009528	Witherspoon, Yeldell & Wilson, PC	9/01/2010 - 8/31/2011	A
000920	Texas Executive Education	7/01/2010 - 6/30/2011	A
008150	Meadows, Collier, Reed, Cousins, Blau	7/01/2010 - 6/30/2011	A
008173	Countrywide	8/01/2010 - 7/31/2011	A
008556	Wells Fargo Bank, N.A.	8/01/2010 - 7/31/2011	A
009198	Petroleum Extension Service (PETEX)	8/01/2010 - 7/31/2011	A
009509	Hudson Financial Solutions	8/01/2010 - 7/31/2011	E
002400	Dresser Inc	9/01/2010 - 8/31/2011	A
004789	East Texas Estate Planning Council	9/01/2010 - 8/31/2011	A
008574	Wagner Eubank & Nichols, LLP	9/01/2010 - 8/31/2011	A
009522	Faith and Philanthropy Institute	9/01/2010 - 8/31/2011	A
009523	TASSCUBO	9/01/2010 - 8/31/2011	A
001043	Bland Garvey Eads Medlock & Deppe, PC	10/01/2010 - 9/30/2011	A
001846	Cain, Watters & Associates, P.L.L.C.	10/01/2010 - 9/30/2011	A
004259	Hein & Associates	10/01/2010 - 9/30/2011	A
005368	McLane Company	10/01/2010 - 9/30/2011	A
005848	Marathon Oil Company	10/01/2010 - 9/30/2011	A
005850	Texas Association of County Auditors	10/01/2010 - 9/30/2011	A
006255	Auditware Development Co., Inc.	10/01/2010 - 9/30/2011	E
007756	Nextcorp LTD	10/01/2010 - 9/30/2011	A
008382	School Office Services	10/01/2010 - 9/30/2011	A
008782	The Dallas-Fort Worth SEC Reporting Grp	10/01/2010 - 9/30/2011	E
009036	AGA Dallas Chapter	10/01/2010 - 9/30/2011	A
009042	The Rand Group, LLC	10/01/2010 - 9/30/2011	A
009533	Quick Answers, LLC	10/01/2010 - 9/30/2011	E
009535	Willbros USA, Inc.	10/01/2010 - 9/30/2011	A
009544	Tetra Technologies, Inc.	10/01/2010 - 9/30/2011	A
000104	Margolis, Phipps & Wright, PC	11/01/2010 - 10/31/2011	A
001140	Healthcare Financial Management Association	11/01/2010 - 10/31/2011	A
002582	San Antonio Estate Planners Council	11/01/2010 - 10/31/2011	A
004850	Southwest Benefits Association	11/01/2010 - 10/31/2011	A
005396	HEB Grocery Company	11/01/2010 - 10/31/2011	A
007491	Glen Fonner, CHFC	11/01/2010 - 10/31/2011	A
000010	Arkansas Society of CPAs	11/01/2010 - 10/31/2011	A
004712	Winning Referrals, LTD	8/01/2010 - 7/31/2011	A
004309	Church Management & Tax Conference	11/01/2010 - 10/31/2011	A
001811	El Paso Corporation	10/01/2010 - 9/30/2011	A
008075	Perot Systems Corporation	3/01/2010 - 2/28/2011	A
008230	Clear Channel Communications	11/01/2010 - 10/31/2011	A
000225	Collier, Johnson & Woods, PC	11/01/2010 - 10/31/2011	A
009543	Ion Geophysical	10/01/2010 - 9/30/2011	E
006564	Investment Property Exchange Svc's, Inc.	7/01/2010 - 6/30/2011	A
009521	Compeat Restaurant Management Systems	8/01/2010 - 7/31/2011	A

Registration Status: A = Currently active E = Currently expired

**TEXAS STATE BOARD
OF PUBLIC ACCOUNTANCY**

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Swearing-in Ceremony

November 22, 2008
Arlington, Texas



OUTSTANDING CANDIDATES who were recognized at the November 22 swearing-in ceremony included, I-r, Caitlin Summers Bryan, Laura Catherine Castles, Samuel Joseph Sommer, Vishal Subhash Bhandari, Vira Cretcher, Yifei Jiang, Gabriel Christopher Vaughan, and Kelly Suzanne Steinhebel. Gabriel Vaughan spoke on behalf of the new CPAs.

CPAs who have a son or daughter eligible to receive a CPA certificate at an upcoming swearing-in ceremony may request the opportunity to present the certificate themselves. Please contact Licensing at 512-305-7827 to make arrangements.



Board members, I-r, Dr. James Flagg, CPA; David Duree, CPA; Catherine Rodewald; and John Walton handed out certificates as Executive Director William Treacy, far right, read the names of those receiving their certificates.



Fifty-year honorees recognized at the ceremony included, I-r, Charles Spicer, Abilene; Kenneth McClanahan, Garland; Bob Cunningham, Dallas; and Joseph Hill, Cleburne.



Members of the Fort Worth chapter of the Texas Society of CPAs who assisted during the ceremony were, I-r, Sharon Huang, John Stanbery, Vicki Martin, Pat Admire, Donna Pipes, Willa Mills, Vickie Watson, Susan Adams, and Lei Testa.

ACTIONS TAKEN BY THE BOARD
NOVEMBER 13, 2008

A. AGREED CONSENT ORDERS

BEHAVIORAL ENFORCEMENT COMMITTEE

1. **Investigation No.:** 08-10-06L
Hometown: San Augustine
Respondent: Robin Gail Dawson
Certificate No.: 055069
Rule Violation: 501.90(4)
Act Violations: 901.502(6) and 901.502(11)

Respondent entered into an Agreed Consent Order with the Board whereby respondent's certificate and firm license would be surrendered for revocation in lieu of further disciplinary proceedings. In addition, respondent was ordered to pay \$275.43 in administrative costs within 30 days of the date the Board ratified the order.

On September 25, 2008, respondent pleaded guilty to forgery, a state jail felony offense.

2. **Investigation No.:** 08-05-07L
Hometown: Plano
Respondent: Joshua Andrew Miller
Certificate No.: 079466
Rules Violation: 501.90(5)
Act Violations: 901.502(6) and 901.502(11)

Respondent entered into an Agreed Consent Order with the Board whereby respondent would be placed on probated revocation for two years under the following conditions: Respondent must pay \$440.03 in administrative costs within 30 days of the date the Board ratified the order; make a quarterly report to the Board that includes but is not limited to his continued compliance with the terms of the ACO, the nature of his practice, the completion of his continuing professional education, and (if applicable) any criminal arrests; comply fully with all terms and conditions of probation imposed by the Board; and cooperate fully with Board representatives monitoring and investigating respondent's compliance with probationary terms and conditions.

On January 31, 2008, respondent was convicted on two counts of driving while intoxicated.

3. **Investigation No.:** 08-04-20L
Hometown: Longview
Respondent: James Milam Roberts
Certificate No.: 016892
Rules Violations: 501.80, 501.81, and 501.83
Act Violation: 901.502(6)

Respondent entered into an Agreed Consent Order with the Board whereby respondent would be reprimanded and ordered to pay an

administrative penalty of \$3,000 and \$385.69 in administrative costs within 30 days of the date the Board ratified the order.

Respondent practiced public accountancy with a held, expired individual license and with a delinquent, expired firm license. Respondent also practiced public accountancy with an improper firm name by using the term "Associates," although he was the only CPA in the firm.

4. **Investigation No.:** 08-05-01L
Hometown: Austin
Respondent: Michael Scott Torres
Certificate No.: 064851
Rules Violation: 501.90(5)
Act Violations: 901.502(6) and 901.502(11)

Respondent entered into an Agreed Consent Order with the Board whereby respondent would surrender his certificate for revocation in lieu of further disciplinary proceedings. In addition, respondent must pay \$449.94 in administrative costs within 30 days of the date the Board ratified the order.

On February 21, 2007, respondent pleaded nolo contendere to two counts of assault-family violence.

B. PROPOSAL FOR DECISION

1. **Investigation No.:** 06-03-03L
Hometown: Brownsville
SOAH Docket No.: 457-08-1923
Certificate No.: 025342
Respondent: Sandra Altemeyer
Rules Violation: 501.90(18)
Act Violation: 901.502(6)

Staff of the Texas State Board of Public Accountancy (the "Staff") brought a disciplinary action against Sandra Altemeyer (respondent) at the State Office of Administrative Hearings. Staff alleged that respondent violated Board *Rule 501.90(18)* and *Section 901.502(6)* of the *Public Accountancy Act* when she violated the terms of an Agreed Consent Order. The Administrative Law Judge found that respondent violated Board *Rule 501.90(18)* and *Section 901.502(6)* and recommended that the Board suspend respondent's license for two years, assess an administrative penalty of \$2,000, and assess administrative costs of \$3,718.67.



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ACTIONS TAKEN BY THE BOARD
JANUARY 8, 2009

A. AGREED CONSENT ORDERS

BEHAVIORAL ENFORCEMENT COMMITTEE

1. **Investigation No.:** 08-08-01L
Hometown: Houston
Respondent: Terry Paul Andrews
Certificate No.: 033525
Rule Violation: 501.74
Act Violation: 901.502(6)

Respondent entered into an Agreed Consent Order with the Board whereby respondent would be reprimanded and ordered to pay an administrative penalty of \$1,000 and \$406.80 in administrative costs within 30 days of the date the Board ratified the order.

Respondent prepared a client's 2007 tax return incorrectly by incompletely entering address information, duplicating dependent information, and incorrectly reporting alternative minimum tax.

2. **Investigation No.:** 08-08-05L
Hometown: Amarillo
Respondent: Landon William Blair
Certificate No.: 080872
Rule Violation: 501.90(5)
Act Violations: 901.502(6) and 901.502(11)

Respondent entered into an Agreed Consent Order with the Board whereby respondent would be placed on probated revocation for two years under the following conditions: Respondent must pay an administrative penalty of \$1,000 and \$499.80 in administrative costs within 30 days of the date the Board ratified the order; make a quarterly report to the Board that includes but is not limited to his continued compliance with the terms of the ACO, the nature of his practice, the completion of his continuing professional education, and (if applicable) any criminal arrests; comply fully with all of the terms and conditions of probation imposed by the Board; and cooperate fully with Board representatives monitoring and investigating respondent's compliance with probationary terms and conditions.

On April 24, 1998, respondent was arrested for driving while intoxicated (DWI) and subsequently convicted of deadly conduct. On June 22, 2007, respondent was convicted of DWI.

3. **Investigation No.:** 08-04-21L
Hometown: Mesquite
Respondent: David Thomas Durden
Certificate No.: 056813
Rule Violations: 501.74, 501.80, 501.81, 501.90, and 501.93
Act Violations: 901.502(6) and 901.502(11)

Respondent entered into an Agreed Consent Order with the Board whereby respondent would be placed on probated revocation for two years under the following conditions: Respondent must pay an administrative penalty of \$5,000 and \$624.44 in administrative costs within 30 days of the date the Board ratified the order; respondent must make a quarterly report to the Board, which includes but is not limited to his continued compliance with the terms of the ACO, the nature of his practice, the completion of his continuing professional education, and (if applicable) any criminal arrests; comply fully with all of the terms and conditions of probation imposed by the Board; and cooperate fully with Board representatives monitoring and investigating respondent's compliance with probationary terms and conditions.

Respondent commingled three of a client's escrow accounts into one account and made improper disbursements from the account. Respondent practiced public accountancy with a delinquent, expired individual license and a delinquent, expired firm license. In addition, respondent failed to substantially respond to Board communications dated May 1 and June 27, 2008, and failed to respond to numerous telephone inquiries by Board staff. Further, respondent was arrested for possession of a controlled substance, a 3rd degree felony offense.

4. **Investigation No.:** 08-07-12L
Hometown: Buda
Respondent: Evelyn Pena Edwards
Certificate No.: 082582
Rule Violations: 501.74 and 501.82
Act Violation: 901.502(6)

Respondent entered into an Agreed Consent Order with the Board whereby respondent would be reprimanded and ordered to pay an administrative penalty of \$2,000 and \$921.23 in administrative costs within 30 days of the date the Board ratified the order. Respondent must also complete and submit proof of completion of eight hours of live continuing professional education (CPE) in the area of tax and eight hours of live CPE in construction accounting. This CPE must be completed within 90 days of the date of the order.

Respondent prepared a client's Form 1120S incorrectly and used improper advertising in her internet website. Specifically, respondent made statements on her website that were not verifiable and implied that her firm had multiple CPAs when she was the only CPA in the firm.

5. **Investigation No.:** 08-11-13L
Hometown: Roeland Park, KS
Respondent: Michael Aaron Fleischaker
Certificate No.: 077765
Rule Violations: 501.90 and 501.90(4)
Act Violations: 901.502(6), 901.502(10), and 901.502(11)

Respondent entered into an Agreed Consent Order with the Board whereby respondent's certificate would be revoked in lieu of further disciplinary proceedings. In addition, respondent must pay \$330.66 in administrative costs within 30 days of the date the Board ratified the order.

Respondent entered into a deferred prosecution agreement in Lafayette County, MO, for possession of a controlled substance, a Class C felony offense. As a result, respondent was placed on probation for 24 months. Respondent also admitted under penalty of perjury that he knowingly possessed alprazolam, a controlled substance, without a prescription.

6. **Investigation No.:** 08-06-05L
Hometown: Red Oak
Respondent: Milton Ben Heckathorn
Certificate No.: 006676
Rule Violations: 501.76, 501.80 and 501.93
Act Violation: 901.502(6)

Respondent entered into an Agreed Consent Order with the Board whereby respondent would be reprimanded and ordered to pay an administrative penalty of \$3,000 and \$533.04 in administrative costs within 30 days of the date the Board ratified the order.

Respondent failed to return client records; practiced public accountancy with a delinquent, expired individual license; and failed to respond to two Board communications.

7. **Investigation No.:** 08-06-12L
Hometown: Houston
Respondent: Robert Wade Malone
Certificate No.: 032440
Rule Violations: 501.76, 501.83 and 501.90(11)
Act Violation: 901.502(6)

Respondent entered into an Agreed Consent Order with the Board whereby respondent would be reprimanded and ordered to pay an administrative penalty of \$3,000 and \$617.92 in administrative costs within 30 days of the date the Board ratified the order.

Respondent failed to return a client's corporate records and failed to respond to the client's inquiries. Respondent also practiced public accountancy with an improper firm name by using the term "Group" although respondent was the only CPA in the firm.

8. **Investigation No.:** 08-07-10L
Hometown: Grapevine
Respondent: Dana Hill McGuffin
Certificate No.: 053066
Rule Violations: 501.81, 501.82, 501.83 and 527.4
Act Violations: 901.502(6) and 901.502(12)

Respondent entered into an Agreed Consent Order with the Board whereby respondent would be reprimanded and ordered to pay an administrative penalty of \$4,000 and \$387.04 in administrative costs within 30 days of the date of the order. Respondent was ordered to enroll in an accelerated peer review within 30 days of the date of

the order and submit proof of completion of the peer review within 180 days of the order.

Respondent practiced public accountancy in an unregistered entity with an improper firm name. In addition, respondent used improper advertising by offering to perform attest services through the unregistered entity and failed to participate in the Board's peer review program.

9. **Investigation No.:** 08-08-04L
Hometown: Houston
Respondent: Charles Kevin Moore
Certificate No.: 010947
Rule Violations: 501.81, 501.82 and 501.83
Act Violation: 901.502(6)

Respondent entered into an Agreed Consent Order with the Board whereby respondent would be reprimanded, ordered to complete and submit proof of completion of four hours of live CPE in the area of ethics, and ordered to pay an administrative penalty of \$3,000 and \$471.56 in administrative costs within 30 days of the date the Board ratified the order.

Respondent practiced public accountancy in an unregistered entity and used improper advertising on his internet website. In addition, respondent practiced public accountancy with an improper firm name by using the term "associates" although he was the only CPA in the firm.

10. **Investigation No.:** 08-04-26L
Hometown: Amarillo
Respondent: John Robert Pendleton
Certificate No.: 010952
Rule Violations: 501.80, 501.81 and 527.4
Act Violations: 901.502(6) and 901.502(12)

Respondent entered into an Agreed Consent Order with the Board whereby respondent would be reprimanded and ordered to pay an administrative penalty of \$3,000 and \$492.79 in administrative costs within 30 days of the date of the order. Respondent must also complete and submit proof of completion of peer review within 180 days of the date of the order.

Respondent practiced public accountancy with a delinquent, expired individual license for approximately one year and practiced public accountancy in an unregistered entity from January 1990 through July 2008. Respondent also failed to participate in the Board's peer review program.

11. **Investigation No.:** 08-07-13L
Hometown: Tyrone, OK
Respondent: James Lee Ridley
Certificate No.: 019342
Rule Violations: 501.90(5), 501.90(6) and 501.91
Act Violation: 901.502(6)

Respondent entered into an Agreed Consent Order with the Board whereby respondent would be placed on probated suspension for

two years under the following conditions: Respondent must pay an administrative penalty of \$3,000 and \$323.70 in administrative costs within 30 days of the date the Board ratified the order; must make a quarterly report to the Board, which includes but is not limited to his continued compliance with the terms of the ACO, the nature of his practice, the completion of his continuing professional education, and (if applicable) any criminal arrests; comply fully with all of the terms and conditions of probation imposed by the Board; and cooperate fully with Board representatives monitoring and investigating respondent's compliance with probationary terms and conditions.

Respondent was placed on deferred adjudication for driving under the influence, careless driving, and failure to wear a safety belt in Texas County, OK. The Oklahoma Accountancy Board (OAB) placed respondent on probation for two years for practicing public accountancy with an expired permit. Respondent failed to report the deferred adjudication or the OAB disciplinary action to the Board within 30 days of the events.

TECHNICAL STANDARDS REVIEW I

- 1. **Investigation Nos.:** 93-04-15L and 03-10-01L
Hometown: Bedford
Respondent: Kyle K. Morse
Certificate No.: 023695

On September 2, 1993, the Board revoked respondent's certificate. On December 5, 2008, he was reinstated, but placed on probation and prohibited from performing audits or reviews during the two-year probationary period. Respondent may perform compilations. Respondent must also complete at least 20 hours of continuing professional education (CPE) in a live classroom setting each year for two years.

- 2. **Investigation Nos.:** 08-02-03L and 08-02-04L
Hometown: Lubbock
Respondents: James W. Kingery and James W. Kingery, CPA
Certificate Nos.: 050191 and T05801
Rule Violation: 527.5(d)
Act Violation: 901.502(12)

Respondent Kingery had agreed to an admonishment by the American Institute of Certified Public Accountants (AICPA) and the Texas Society of Certified Public Accountants (TSCPA) in regard to several alleged violations of the AICPA and TSCPA Codes of Professional Conduct. Respondent Kingery entered into an Agreed Consent Order with the Board on behalf of himself and his firm in which he and the firm would be placed on limited scope status.

The Board is requiring the respondent to complete 40 hours of CPE in specified areas and to submit to the Board within 10 days of its receipt, the results of the AICPA review of an attest service selected by the AICPA. AICPA had required respondent Kingery to submit all of his audit and review engagements for review to a

preissuance reviewer acceptable to the AICPA Subcommittee, prior to his issuing the applicable report to his client. By the tenth day of the succeeding month, respondent Kingery must provide a report to the Board detailing the audit and review work reviewed by the preissuance reviewer and the reviewer's evaluation for the prior month. Respondent Kingery must pay \$470.20 in administrative costs within 30 days of the date of the Board order.

B. AGREED CEASE AND DESIST ORDERS

The Board voted to accept the following seven Agreed Cease and Desist Orders offered by nonlicensees in settlement of their admitted violation of the unlicensed practice of public accountancy provisions of the *Public Accountancy Act*.

- 1. **Investigation No.:** 08-07-18N
Hometown: Allen
Respondent: Me'Lissa Ann Collins-Kutch
Act Violation: 901.451

Respondent entered into an Agreed Cease and Desist Order with the Board whereby respondent will cease and desist from providing attest services and using reserved terms until or unless respondent complies with the registration and licensing provisions of the *Act*, and until or unless respondent has obtained a license to practice public accountancy or certified public accountancy.

Respondent used the CPA designation although respondent does not hold a license in Texas.

- 2. **Investigation No.:** 08-08-19N
Hometown: Houston
Respondent: Juan B. Calles
Act Violation: 901.452

Respondent entered into an Agreed Cease and Desist Order with the Board whereby respondent will cease and desist from providing attest services and using reserved terms until or unless respondent complies with the registration and licensing provisions of the *Act*, and until or unless respondent has obtained a license to practice public accountancy or certified public accountancy.

Respondent used the term "Public Accountant" although respondent does not hold a license in Texas.

- 3. **Investigation No.:** 08-10-05N
Hometown: Odessa
Respondent: Polanco Bookkeeping & Tax Service
Act Violation: 901.451

Respondent entered into an Agreed Cease and Desist Order with the Board whereby respondent will cease and desist from providing attest services and using reserved terms until or unless respondent complies with the registration and licensing provisions of the *Act*, and until or unless respondent has obtained a license to practice public accountancy or certified public accountancy.

Respondent used the term “Accountant” and offered audits, reviews, and compilations although respondent does not hold a license in Texas.

4. **Investigation No.:** 08-10-12N
Hometown: Fort Worth
Respondent: Don Beene
Act Violation: 901.451

Respondent entered into an Agreed Cease and Desist Order with the Board whereby respondent will cease and desist from providing attest services and using reserved terms until or unless respondent complies with the registration and licensing provisions of the *Act*, and until or unless respondent has obtained a license to practice public accountancy or certified public accountancy.

Respondent used the CPA designation although respondent does not hold a license in Texas.

5. **Investigation No.:** 08-10-16N
Hometown: Houston
Respondent: Calles Associates
Act Violation: 901.451

Respondent entered into an Agreed Cease and Desist Order with the Board whereby respondent will cease and desist from providing attest services and using reserved terms until or unless respondent complies with the registration and licensing provisions of the *Act*, and until or unless respondent has obtained a license to practice public accountancy or certified public accountancy.

Respondent offered attest services although respondent does not hold a license in Texas.

6. **Investigation No.:** 08-10-17N
Hometown: Houston
Respondent: Gary S. Wolfe
Act Violation: 901.451

Respondent entered into an Agreed Cease and Desist Order with the Board whereby respondent will cease and desist from providing attest services and using reserved terms until or unless respondent complies with the registration and licensing provisions of the *Act*, and until or unless respondent has obtained a license to practice public accountancy or certified public accountancy.

Respondent used the CPA designation although respondent does not hold a license in Texas.

7. **Investigation No.:** 08-10-18N
Hometown: Grapevine
Respondent: Russell D. Flowers
Act Violation: 901.451

Respondent entered into an Agreed Cease and Desist Order with the Board whereby respondent will cease and desist from providing

attest services and using reserved terms until or unless respondent complies with the registration and licensing provisions of the *Act*, and until or unless respondent has obtained a license to practice public accountancy or certified public accountancy.

Respondent used the CPA designation although respondent does not hold a license in Texas.

C. PROPOSAL FOR DECISION

1. **Investigation No.:** 07-09-02L
Hometown: Laredo
SOAH Docket No.: 457-08-3792
Certificate No.: 080003
Respondent: Edward Hinojosa
Rule Violations: 501.80 and 501.90(9)
Act Violations: 901.502(6) and 901.502(11)

Staff of the Texas State Board of Public Accountancy (the “Staff”) brought a disciplinary action against Edward Hinojosa (respondent) at the State Office of Administrative Hearings. Staff alleged that respondent violated Board *Rule 501.90(9)* and *Sections 901.502(6)* and *901.502(11)* of the *Public Accountancy Act* by embezzling \$2,307,703.73 from a client. In addition, staff alleged that respondent violated Board *Rule 501.80* and *Section 901.502(6)* of the *Public Accountancy Act* when he practiced public accountancy without a valid license. Although respondent was given an opportunity to appear and respond to the allegations against him, he did not appear and he was not represented at the hearing. The Administrative Law Judge found that respondent violated Board *Rules 501.80* and *501.90(9)* and *Sections 901.502(6)* and *901.502(11)* of the *Public Accountancy Act* and recommended that the Board revoke respondent’s certificate, assess an administrative penalty of \$76,000, and assess administrative costs of \$654.23.

The Board adopted the recommendation of the Administrative Law Judge and revoked Mr. Hinojosa’s certificate and assessed the recommended penalties and administrative costs.

D. MOTIONS FOR REHEARING

1. The Board considered the Motions for Rehearing filed on behalf of the respondents in the cases listed below:
 - a. Texas State Board of Public Accountancy v. Thomas Bauer Investigation No. 02-01-12L
 - b. Texas State Board of Public Accountancy v. Carl Bass Investigation No. 02-12-01L

The Board denied the Motions for Rehearing, letting stand its earlier decisions to revoke the certificates of Thomas Bauer and Carl Bass and assess penalties and administrative costs.



Volunteer members of the Constructive Enforcement Advisory Committee were sworn in during a training session in Austin on October 22. They will help the Board identify instances of the unauthorized practice of public accountancy by unlicensed individuals and businesses.

Briefly . . .

When you renew your license, you will receive a new card that has been redesigned to fit into your wallet. The new cards are also plastic coated for better durability.

If you complete the renewal process online, reporting your CPE and paying fees, it is not necessary to mail the hard copies of the renewal documents to the Board.

Moving??

Be sure to let us know.

Board rules require licensees to inform the Board within 30 days of a change of address.

Use any of these methods:

- **Online under "Online Services" at www.tsbpa.state.tx.us**
- **Email: licensing@tsbpa.state.tx.us**
- **Phone: 512-305-7853**
- **Mail: TSBPA
333 Guadalupe, Twr 3, Ste 900
Austin, TX 78701**

**HELP US IDENTIFY
THE UNAUTHORIZED PRACTICE
OF PUBLIC ACCOUNTANCY**

To protect the public from the practice of public accountancy by non-licensees, the *Public Accountancy Act* prohibits the use of the terms "Accounting," "Accountant," "Certified Public Accountant," and "CPA" by individuals or firms not licensed by the Board.

If you suspect that the *Act* has been violated by unlicensed entities, please contact the Board:

Email:
enforcement@tsbpa.state.tx.us

Mail: TSBPA
Attention: UPPA
333 Guadalupe, Twr 3, Ste 900
Austin, Texas 78701

Phone: 512-305-7872

Include as much information as possible to assist us in enforcing the *Public Accountancy Act*.

CPE ACTIONS

The certificate of each respondent listed below was not in compliance with the Board’s CPE requirements as of the date of the Board meeting. Each respondent was suspended for a period of three years or until the respondent complies with the licensing requirements of the *Public Accountancy Act*, whichever is earlier. Additionally, a \$100 penalty was imposed for each year the respondent continues to be in noncompliance with the Board’s CPE requirements. The respondents were found to be in violation of *Section 501.94* of the Board’s *Rules (mandatory CPE)* and *Section 523.111 (mandatory CPE reporting)*, as well as *Section 901.411 (CPE)* of the *Act*.

Respondent, Location / Country	Board Date	Respondent, Location / Country	Board Date
David Curtis Agnew, Port Arthur, TX	01/08/2009	Larry Ted Marek, San Antonio, TX	11/13/2008
David Carl Baggett, Jr., Houston, TX	01/08/2009	Brook Lance Massey, Lutz, FL	11/13/2008
Frank Gus Vincent Beaulieu, San Antonio, TX	01/08/2009	Harold Norman May, Houston, TX	01/08/2009
Jennifer Lynne Billig, San Antonio, TX	01/08/2009	Brent Clark Gregory McCarty, Dallas, TX	11/13/2008
Neil K. Brighton, Spring, TX	01/08/2009	Terry Lee Moore, Houston, TX	01/08/2009
Christina Ramirez Brown, Parker, TX	11/13/2008	Kevin D. Morgan, Carrollton, TX	01/08/2009
Reuben Wayne Byrd, Galveston, TX	01/08/2009	Michael Wayne Orchar, Cypress, TX	01/08/2009
Scott Alan Caudle, Pearland, TX	11/13/2008	Kent G. Percy, Houston, TX	11/13/2008
Tsuichung Ruth Chang, San Antonio, TX	11/13/2008	Elizabeth Ellen Peters, Dallas, TX	11/13/2008
Qi Chen, Leshan, China	01/08/2009	Sandra Joyce Peters, Long Island City, NY	01/08/2009
Paul Elden Christensen, Mansfield, TX	11/13/2008	Warren Andrew Peters, Littleton, CO	01/08/2009
Daniel Carl Clower, Huntsville, TX	01/08/2009	Michael Aren Prentiss, Carrollton, TX	01/08/2009
Richard James Cocco, Cypress, TX	11/13/2008	Frank Edward Puryear, Jr., Houston, TX	11/13/2008
Raiford Wayne Crawford, Houston, TX	01/08/2009	Manuel Arnulfo Rangel, Laredo, TX	01/08/2009
John Ray Davis, Fort Worth, TX	01/08/2009	Ulys Ray Reid, Mobile, AL	01/08/2009
Katherine Ann Dees, McKinney, TX	11/13/2008	Christopher Alan Reinecker, Houston, TX	01/08/2009
Marc Joseph Dupont, Conroe, TX	01/08/2009	Jaime Martinez Sepulveda, The Woodlands, TX	11/13/2008
Catherine Fomby, Galveston, TX	11/13/2008	Larry Thomas Smith, Tampa, FL	11/13/2008
Bobby Ray Ford, Houston, TX	01/08/2009	Mark Daniel Sprague, Houston, TX	11/13/2008
Jack Loran Garvin, Austin, TX	01/08/2009	Timothy Austin Stansel, Glen Rock, NJ	11/13/2008
Mark Alan Gill, Spring, TX	01/08/2009	Lena Michelle Stewart, The Woodlands, TX	01/08/2009
Michael David Gilliam, Dallas, TX	11/13/2008	Richard Scott Stubing, Richardson, TX	01/08/2009
Kevin James Goodwin, Houston, TX	11/13/2008	James Roger Taylor, Jr, Fort Worth, TX	01/08/2009
Jerry Halfant, Earlysville, VA	01/08/2009	Mary Jane Collier Tohlen, Grapevine, TX	11/13/2008
Brent Davidson Harris, El Paso, TX	11/13/2008	James Tyler, The Woodlands, TX	01/08/2009
William Todd Huskinson, Houston, TX	01/08/2009	John Frederick Wasmuth, Houston, TX	01/08/2009
Jeffrey Lane Lauderdale, Bryan, TX	01/08/2009	Douglas Greg Wilks, Garland, TX	01/08/2009
Thomas Andrew Loveless, Keller, TX	11/13/2008	Shaleen Kimberley Wunrow, Decatur, TX	01/08/2009
Joe Luna, Jr., Dallas, TX	01/08/2009	Deanna Mitchell Young, Beaumont, TX	01/08/2009
Harold Clyde MacDonald, Galveston, TX	01/08/2009		

THREE-YEAR DELINQUENT ACTIONS

The respondents listed below violated *Sections 901.502(4)* and *901.502(11)* of the *Public Accountancy Act* when they failed to pay license fees for three consecutive license periods. The certificate of each respondent was revoked without prejudice as the respondent was not in compliance as of the Board meeting date. 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*.

Respondent, Location / Country	Board Date	Respondent, Location / Country	Board Date
Lisa Deane Alexander, Southlake, TX	01/08/2009	Algernon S. Brown, Bellaire, TX	01/08/2009
Samia Ahmed Ali, Arlington, TX	01/08/2009	Alexandra Nichole Brunet, Houston, TX	11/13/2008
Cheryl Annette Basinger, Oklahoma City, OK	01/08/2009	David Randall Burch, Austin, TX	11/13/2008
David Warren Batson, Stephenville, TX	01/08/2009	Melisa Chrylene Adams Bush, Green Island, NY	11/13/2008
Milton Casper Beck, Jr., San Antonio, TX	01/08/2009	Robert Franklin Campbell, San Antonio, TX	11/13/2008

ENFORCEMENT ACTIONS

Respondent, Location / Country	Board Date	Respondent, Location / Country	Board Date
Robert Bell Cannon, Sugar Land, TX	01/08/2009	Sheri Lyn Law, Dallas, TX	01/08/2009
Carol Jean Capodice-Vest, Hawthorn Woods, IL	01/08/2009	Judy Diane Slough Lemons, Fort Worth, TX	01/08/2009
Lawrence Lee Carpenter, The Woodlands, TX	01/08/2009	Sharon Lynn Lynch, Plano, TX	11/13/2008
Steven John Carter, Dallas, TX	01/08/2009	Patrick Christian Mays, Los Angeles, CA	01/08/2009
Melinda Eyerl Cater, London, United Kingdom	11/13/2008	Forres McGraw, Dallas, TX	11/13/2008
Paulino Rivera Clores, Van Nuys, CA	01/08/2009	Kerstin Mai McMullen, Spring, TX	11/13/2008
James Dwight Cole, Dallas, TX	11/13/2008	Rita Eads Milazzo, Birmingham, AL	11/13/2008
Charles Joseph Connor, Dallas, TX	01/08/2009	Terrie Elaine Moore, Wylie, TX	01/08/2009
Audra Renay Cooper, McKinney, TX	01/08/2009	Greta Wiechman Parr, Southlake, TX	11/13/2008
Kevin Michael Cunningham, Cypress, TX	11/13/2008	David Emanuel Pickney, Keller, TX	11/13/2008
Harriet Czarnopys, Missouri City, TX	01/08/2009	Kelly Powers Pittman, San Antonio, TX	01/08/2009
Michel John Dingeldein, Louisville, KY	01/08/2009	James Mark Plog, Arlington, TX	11/13/2008
Martha Reichenstein Doyle, Pearland, TX	11/13/2008	Lisa Carol Proctor, Arlington, TN	11/13/2008
Caroline Lee Harris Drews, Laguna Niguel, CA	11/13/2008	Barbara Joan Raasch, New York, NY	11/13/2008
Alicia Rena Duncan, Auburn, AL	11/13/2008	Brian R. Richson, Mequon, WI	11/13/2008
Paul Joseph Ellenburg, Aventura, FL	01/08/2009	Kevin Ferdinand Roach, College Station, TX	01/08/2009
Nancy Pate Gault, Marietta, GA	11/13/2008	Kevin Ray Roberson, West Grove, PA	01/08/2009
Bert Lamar Gentry, Austin, TX	01/08/2009	Steven Kirk Rogers, Dickinson, TX	11/13/2008
James Paul Gietz, Houston, TX	11/13/2008	Sherre Denise Heinze Ross, Wills Point, TX	11/13/2008
Tonja Leah Gleason, Southlake, TX	01/08/2009	Karin Schmedtje, Dallas, TX	11/13/2008
Patrice Runte Graffigna, Grapevine, TX	01/08/2009	Rita Frances Lipe Schooley, Fairfax, VA	01/08/2009
James Dale Grier, Dallas, TX	01/08/2009	Glenn Ronald Smith, Addison, TX	01/08/2009
Victor Elias Grijalva, Coppell, TX	11/13/2008	Daniel Louis Sosa, Middleburg, VA	01/08/2009
William Poage Hassell, Oak Hill, VA	11/13/2008	Elizabeth Thayer Speicher, Dallas, TX	11/13/2008
Polly Elizabeth Hodges, Falls Church, VA	11/13/2008	David Clifford Stephens, Dallas, TX	01/08/2009
Charles Roger Hoover, League City, TX	11/13/2008	Wayne Douglas Thompson, Jr., Mandeville, LA	01/08/2009
Marina Ann Houghton, Detroit, MI	11/13/2008	Brandon Bob Toombs, New Braunfels, TX	11/13/2008
William Cordell Jacobs, Mount Pleasant, TX	01/08/2009	Diana Rene' Upton, Rosebury, OR	01/08/2009
Jacob Emanuel Jhingree, Houston, TX	11/13/2008	Scott Ryan Van Duinen, Dallas, TX	01/08/2009
Bonnie Lanford Keibler, Sorrento, LA	11/13/2008	Ena Rochelle Wady, Pflugerville, TX	01/08/2009
Craig Walter Kemple, Houston, TX	11/13/2008	Rebecca Lynn Warren, Duke, OK	11/13/2008
John Edward Kinney, Brooklyn, NY	01/08/2009	Michael Donald Wetzel, Euless, TX	11/13/2008
Carol Rudder Knowles, Overland Park, KS	01/08/2009	Britt Bun Yuet Leung Wong, Houston, TX	01/08/2009
Deborah Ann Kost, Arlington, TX	01/08/2009	James Jeffrey Zehentbauer, San Diego, CA	11/13/2008
Stephen Mark Lacy, Grapevine, TX	01/08/2009	Debra Janille Zemler, Carrollton, TX	11/13/2008
Robert Ragsdale Lanier, Jr., Austin, TX	01/08/2009		

FAILURE TO COMPLETE LICENSE RENEWAL

The respondents listed below were found to be in violation of *Section 501.80 (practice of public accountancy)* and *501.93 (responses)* of the Board's *Rules*, and were also found to be in violation of *Sections 901.502(6) (violation of a rule of professional conduct)* and *901.502(11) (conduct indicating a lack of fitness to serve the public as a professional accountant)* of the *Act*. The certificate of each respondent who was not in compliance at the time of the Board meeting was revoked without prejudice until such time as the respondent complies with the licensing requirements of the *Act*.

Respondent, Location / Country	Board Date	Respondent, Location / Country	Board Date
Ben Labit Bailey, Austin, TX	01/08/2009	Kelly Todd Newton, San Antonio, TX	01/08/2009
Irfan A. Dossani, McKinney, TX	01/08/2009	Edson Richards, Dallas, TX	01/08/2009
Jeffrey Reid Farmer, League City, TX	01/08/2009	Charles Donald Roe, Salt Lake City, UT	11/13/2008
Rodney Lee Felton, Peoria, AZ	11/13/2008	Janelle Cathleen Smith Templeton, Beaumont, TX	01/08/2009
David Thomas Hiscocks, Jakarta, Indonesia	01/08/2009	Hans Joseph Venable, Coupland, TX	01/08/2009
Louis Julius Kahane, Jr., Magnolia, TX	01/08/2009	Rosalyn Lum Vera, Houston, TX	01/08/2009
Ralph Clayton Mason, Gonzales, TX	01/08/2009	Renee Elizabeth Wilson, Houston, TX	01/08/2009
H. Byron Matthews, Annapolis, MD	01/08/2009		

