

NEBRASKA BOARD OF PUBLIC ACCOUNTANCY  
1526 K Street, Suite 4D, Lincoln, Nebraska

Minutes  
November 9, 2017

**Draft Minutes. Minutes are not approved until the next Board meeting on 1-12-18.**

**Thursday, November 9, 2017**

**1. General**

- A. Call to Order and Roll Call.** The Nebraska Board of Public Accountancy (Board) was called to order at 8:30 a.m. on Thursday, November 9, 2017 with Chair Lori Druse presiding. The roll was called with the following members present: Lori Druse, Marcy Luth, Michele Stomp, Michael McClure, Bernie Gutschewski, Glen Waltemath and Ken Brauer. Member Tom Purcell was absent. Also present were Executive Director Dan Sweetwood and staff member Kristen VanWinkle. Staff member Heather Myers was absent. Board Intern Sydney Sackmaster was not available. The meeting was held at the Board Office, 1526 K Street, in Suite 4D, Lincoln, Nebraska. Chair Druse noted the location of the notebook containing the Public Open Meeting Act, and asked if anyone present needed an agenda or had any questions regarding the law. Also present was Dan Vodvarka, Nebraska Society of CPAs President, and Ann Linneman, State Budget Analyst for the Board.
- B. Approval of Meeting Agenda for Thursday, November 9, 2017.** Moved by Luth, seconded by Waltemath to approve the agenda for the Thursday, November 9, 2017 meeting. On a roll call vote, Members Druse, Luth, Stomp, McClure, Gutschewski, Waltemath, and Brauer voted aye. Member Purcell was absent. Motion #1 carried.
- C. Approval of Minutes from September 9, 2017.** Moved by Stomp, seconded by Waltemath, to approve the September 9, 2017 Board minutes. On a roll call vote, Members Druse, Luth, Stomp, McClure, Gutschewski, Waltemath, and Brauer voted aye. Member Purcell was absent. Motion #2 carried.

**2. Public Comment Period (15-minute period)**

**Dan Vodvarka, Nebraska Society of CPAs President** – Mr. Vodvarka stated the CPE course calendar is well underway with 80 courses being delivered so far. Tax courses will be coming up. The annual reception for state senators will be held on January 2, 2018 with the new legislative session starting January 3, 2018. Mr. Vodvarka extends his congratulations to Members Purcell and Waltemath for their reappointment to the Board for another 4-year term and thanks them for their service. There are two revenue/sales tax bills in the legislature that Mr. Vodvarka is watching, however he doesn't think they will come out of committee. ED Sweetwood updated the Board on LB299 which is related to Occupational Licensing and the creation of an Oversight Board. He is watching this bill closely and will provide further updates as necessary to the Legislative Committee.

**Hearing for Robin Richardson** – Hearing Officer Lori Druse opened the Hearing at 9:50 am. Mr. Richardson was given proper notice of the hearing but was not present nor represented by legal counsel. Board Attorney Robert Gruit entered the exhibits into the record. The hearing concluded at 10:05 am.

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**3. Consent Agenda**

- A. Published Notice of Meeting.** Moved by Stomp, seconded by McClure, to approve the consent agenda. On a roll call vote, Members Druse, Luth, Stomp, McClure, Gutschewski, Waltemath, and Brauer voted aye. Member Purcell was absent. Motion #3 carried.
- B. Review of Disbursements for September and October 2017.** Board Secretary Luth overviewed the disbursements for the Board. The disbursement for Tuition Reimbursement for Staff Member Myers was reviewed and approved by the Board. Secretary Luth stated this item will go away as Ms. Myers will graduate in December 2017. ED Sweetwood noted that two state mandated items under Data Processing include DAS to house the Board's server and computer software upgrades. Staff is currently working with DAS and Midwest Microsystems in transferring the server to the State network system. It was determined this was a better solution for the Board.
- C. Review of Board Budget Status Report.** The current budget status report was provided and reviewed by Board Secretary Luth. Several budget items were reviewed.

**Closed Session**

**Closed Session.** Moved by Stomp, seconded by McClure, that the Board go into closed session at 10:06 a.m., on Thursday, November 9, 2017, for the purpose of discussing the hearing held for Mr. Robin Richardson. On a roll call vote, Members Druse, Luth, Stomp, McClure, Gutschewski, Waltemath, and Brauer voted aye. Member Purcell was absent. Motion #4 carried.

**Return to Open Session.** Moved by McClure, seconded by Brauer, that the Board return to open session at 10:16 a.m., on Thursday, November 9, 2017. On a roll call vote, Members Druse, Luth, Stomp, McClure, Gutschewski, Waltemath, and Brauer voted aye. Member Purcell was absent. Motion #5 carried.

**4. Report of the Chair**

- A. Report of the Chair.** Chair Druse congratulated Members Purcell and Waltemath on their reappointment to the Board for another 4-year term. Ms. Ann Linneman, the Board's new State Budget Analyst, was in attendance and introduced herself. She stated the next budget process starts in the Spring to be finalized in the Summer/Fall.
- B. Review Letter from Governor Ricketts on Spending Restraint.** Ms. Linneman stated with the release of this letter that the process should be very similar to the previous year (i.e. travel should be limited to essential only, etc.)
- C. Review Nebraska State Auditors Attestation Report of the Board Office/FY17.** Chair Druse reviewed the report with the Board. Staff has implemented a spreadsheet to keep track of action items and will have an offsite meeting on November 17, 2017 to address deposit, expenditure, and other policy items as related to the audit findings.

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Three findings required access changes to E1 for which access has already been updated by DAS. Chair Druse discussed the lack of review of the CPAES AT101 report regarding NASBA/CPAES review and procedures. The Executive Committee will review the recommendations regarding this issue and a tuition policy at their December meeting. Staff will review this procedure at the offsite meeting. ED Sweetwood thanked Chair Druse for attending audit meetings including her and Member Stromp for their assistance in reviewing the response to the State Auditor.

**D. Executive Committee Meeting**

**1. Update and Draft Review of Governor's Executive Order #17-04.** ED

Sweetwood thanked Members Druse, Purcell and Luth for their work and input on the #17-04 draft. He also thanked the Board for their input from the September Board meeting. A final draft was passed around for review by the Board. The Board's response is due November 15, 2017.

**E. NASBA Annual Meeting Report, New York City, NY, Oct 29 – Nov 1.** ED

Sweetwood overviewed the items discussed during the NASBA Annual Meeting and provided a report on the meeting to the Board. He noted the NASBA/AICPA UAA Committee received 43 responses from Boards against adding the "Use of Titles" language to the UAA, thus the changes will not be made. He also discussed the AICPA's structure and labeling concerns brought up by several State Boards and the creation of a NASBA Task Force to review and provide input to State Boards on this issue.

**F. Review Board Calendar.** Member Brauer will possibly attend the annual reception for state senators on January 2, 2018.

**Closed Session**

**Closed Session.** Moved by Stromp, seconded by Luth, that the Board go into closed session at 11:06 a.m., on Thursday, November 9, 2017, for the purpose of discussing enforcement matters. On a roll call vote, Members Druse, Luth, Stromp, McClure, Gutschewski, Waltemath, and Brauer voted aye. Member Purcell was absent. Motion #7 carried.

**Return to Open Session.** Moved by Stromp, seconded by McClure, that the Board return to open session at 11:20 a.m., on Thursday, November 9, 2017. On a roll call vote, Members Druse, Luth, Stromp, McClure, Gutschewski, Waltemath, and Brauer voted aye. Member Purcell was absent. Motion #8 carried.

**5. Report of Enforcement of Professional Conduct Committee**

**A. Open Case/LMCO Update.** Committee Chair Stromp gave the report. Moved by Gutschewski, seconded by McClure to approve the FF/CL/ and Final Order for case #17-04. On a roll call vote, Members Druse, Luth, Stromp, McClure, Gutschewski, Waltemath, and Brauer voted aye. Member Purcell was absent. Motion #6 carried.

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BEFORE THE STATE BOARD OF  
PUBLIC ACCOUNTANCY OF THE STATE OF NEBRASKA

STATE OF NEBRASKA, ex. Rel.,	)	
STATE BOARD OF PUBLIC	)	
ACCOUNTANCY OF THE STATE OF	)	
NEBRASKA,	)	
	)	<b>FINDINGS OF FACT,</b>
Plaintiff,	)	<b>CONCLUSIONS OF LAW, DECISION</b>
	)	<b>AND ORDER FOR</b>
	)	<b>ROBIN R. RICHARDSON</b>
vs.	)	
	)	
ROBIN R. RICHARDSON,	)	
	)	
Respondent.	)	

On the 9<sup>th</sup> day of November, 2017, a formal hearing was held on the Petition of the Nebraska State Board of Public Accountancy (Board) against Robin R. Richardson, Respondent, at the office of the Board. The hearing was conducted by the Board Chair, Lori J. Druse. The Board was represented by Robert T. Gemit. The Respondent did not appear. All Board members were present and in attendance at the hearing except Tom Purcell, CPA, and voted in favor of this Decision and Order.

The Plaintiff's Exhibits 1-12 were offered and received into evidence. The records and exhibits properly reflect that notice and service were made on the Respondent for the date and time of the hearing.

Upon consideration of the matter, the Board finds as follows:

**FINDINGS OF FACT**

In May of 2017, the District Court of Douglas County, Nebraska, entered orders (Exhibit Nos. 4, 5, and 6) finding, in part, Respondent guilty of Count I, Attempted Vulnerable Adult Abuse and Count II, Attempted Theft by Unlawful Taking \$500 to \$1500, Class I Misdemeanors. The Respondent's conduct involved dishonesty and fraud. Exhibit No. 10 demonstrated that Respondent has an extensive history of lack of compliance with Board rules and procedures. Therefore, there is no reason to consider mitigation of discipline for a criminal conviction involving dishonesty and fraud.

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**CONCLUSIONS OF LAW**

By reason of the conduct of Respondent as set forth above, the above-mentioned criminal conviction, Respondent has subjected himself to disciplinary action by the Board, under the provisions of §1-137 of the Public Accountancy Act which state that the Board may discipline a licensee for cause, which Act defines cause as:

(4) Violation of a rule of professional conduct adopted and promulgated by the board under the authority granted by the act; and

(6) Conviction of a crime, an element of which is dishonesty or fraud...

The rules of professional conduct adopted and promulgated by the Board under the authority granted by the Act which were violated by Respondent are as follows:

**Title 288, Chapter 5-007.01**

**Acts discreditable.** A licensee shall not commit an act that reflects adversely on his fitness to engage in the practice of public accountancy.

Respondent violated §1-137(4) and §1-137(6) and the above-mentioned rule and regulation of the Board and each separate violation constitutes a separate and additional basis for action by the Board and discipline.

The Board has authority under §1-148 of the Public Accountancy Act to discipline the Respondent.

**DECISION AND ORDER**

The Board finds that the Respondent did violate the provisions of the Public Accountancy Act, and further violated the Board's Rules and Regulations as set forth in the Findings of Fact and Conclusions of Law set forth above. The Board further finds that the Respondent's Certificate No. 0001745 shall be revoked. Furthermore, Respondent's status as "Inactive Retired" shall be revoked.

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WHEREFORE, IT IS THEREFORE ORDER, ADJUDGED AND DECREED that the Respondent's Certificate No. 0001745 is hereby revoked. Furthermore, Respondent's status as "Inactive Retired" is hereby revoked.

IT IS SO ORDERED.

DATED this 9 day of November, 2017.

STATE BOARD OF PUBLIC  
ACCOUNTANCY OF THE STATE OF  
NEBRASKA, Plaintiff

BY:

  
Lori J. Druse, Chair

1374406

**B. Ratification of LMCOs, if any** - There were no LMCO's.

**C. Recommended Cases to Close –**

**#17-02** - Complainant upset by lack of communication with the owner of the firm over billing practices, late tax work and providing client records. He alleges he continues to receive bills after he has paid them. Staff attempted to find professional standards related to the billing practices including contacting the AICPA/PEEC but to no avail.

Motion out of committee to close case #17-02. On a roll call vote, Members Druse, Luth, Stromp, McClure, Gutschewski, Waltemath, and Brauer voted aye. Member Purcell was absent. Motion #9 carried.

**\*\*\*Member Stromp had to leave at 11:30 am.**

**6. Report of Continuing Professional Education (CPE) Committee**

**A. Report of the Committee.** Member McClure gave the report in Committee Chair Purcell's absence. Motion out of committee to forward 1 reinstatement application to the Licensing Committee for approval. On a roll call vote, Members Druse, Luth, McClure, Gutschewski, Waltemath, and Brauer voted aye. Members Purcell and Stromp were absent. Motion #11 carried.

**B. Ratification of Staff Program Qualification Evaluations.** The Committee reviewed a total of 108 courses from September 1 – October 27, 2017 with 108 courses recommended for Board approval and none denied. Motion out of committee to ratify Board approval of 108 courses. On a roll call vote, Members Druse, Luth, McClure,

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Gutschewski, Waltemath, and Brauer voted aye. Members Purcell and Stomp were absent. Motion #10 carried.

- C. **Ratification of CPE Sponsor.** The committee reviewed one Sponsorship application. Motion out of Committee to ratify Board approval of CPE Sponsorship to Cpethink.com, Ltd. On a roll call vote, Members Druse, Luth, McClure, Gutschewski, Waltemath, and Brauer voted aye. Members Purcell and Stomp were absent. Motion #12 carried.

**7. Report of Education & Exam (E&E) Committee**

- A. **Report of the Committee.** Committee Chair Luth gave the report. The Committee reviewed six courses from various exam candidates. Since member Purcell was absent for the committee meeting, the Committee chose to wait to get his input before making any decisions on whether to accept the courses or not. The Committee received and reviewed one exam extension request and felt the request was reasonable. Motion out of Committee to grant exam candidate one extra window (Q4-2017) to complete the exam. On a roll call vote, Members Druse, Luth, McClure, Gutschewski, Waltemath, and Brauer voted aye. Members Purcell and Stomp were absent. Motion #14 carried. The Committee also reviewed the recommendations from the Subject Area Review Task Force for changes to Chapter 9 education requirements.
- B. **Approval of Exam Scores from July – August, 2017, if available** – Chair Luth overviewed the score report with the Board. She noted the number of attempts were up from the previous quarter. Moved by Luth, seconded by Waltemath to accept July – August, 2017 exam scores. On a roll call vote, Members Druse, Luth, McClure, Gutschewski, Waltemath, and Brauer voted aye. Members Purcell and Stomp were absent. Motion #13 carried.

**8. Report of the Legislative Committee**

- A. **Report on Legislation:** ED Sweetwood gave the report. He provided an update on the status of the LB867 project, as well as a copy of the drafted guideline index. Moved by Luth, seconded by Waltemath to approve the guideline index for LB867 and be submitted as required. He indicated this would be an “evergreen document” and as other policy’s and/or guidance documents were identified they would be included as required by LB 867 and approved by the Board. On a roll call vote, Members Druse, Luth, McClure, Gutschewski, Waltemath, and Brauer voted aye. Members Purcell and Stomp were absent. Motion #15 carried.
1. **Approval by Governor Ricketts of the 2017 Rule Package.** ED Sweetwood thanked E & E Chair Luth for her leadership and the committee’s assistance in drafting the new rule. He also thanked the EAC for their assistance. A press release has been put on the Board’s website. He stated he believed that with the changes reducing the burden on exam candidates that is what helped push this change through.

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**9. Report of the Peer Review Committee**

- A. **Report of the Committee.** Committee Chair McClure gave the report. He noted he will be in Nashville next week for a NASBA/CAC Peer Review meeting. ED Sweetwood overviewed an issue reported to the Board by a firm regarding a letter received from the Nevada Society regarding an additional fee to remain in the state program.

**10. Report of the Licensing Committee**

- A. **Report of the Committee.** Committee Chair Druse gave the report.  
Committee discussed three Business, Governmental, Academia (BGA) experience and three State Auditor /Dept. of Revenue applications  
Motion out of Committee to recommend approval of Gustavo Lima's application. On a roll call vote, Members Druse, Luth, McClure, Gutschewski, Waltemath, and Brauer voted aye. Members Purcell and Stomp were absent. Motion #16 carried.  
Motion out of Committee to recommend approval of Azalia Khousnoutdinova's application. On a roll call vote, Members Druse, Luth, McClure, Gutschewski, Waltemath, and Brauer voted aye. Members Purcell and Stomp were absent. Motion #17 carried.  
Motion out of Committee to recommend approval of Christopher Herman's application. On a roll call vote, Members Druse, Luth, McClure, Gutschewski, Waltemath, and Brauer voted aye. Members Purcell and Stomp were absent. Motion #18 carried.  
The Committee discussed one other BGA application and requested staff go back to clarify supervision from signing supervisor.  
The Committee discussed two applications from the State Auditor's office and requested staff go back to supervisor to clarify supervision.  
The Committee discussed one Certificate applicant who checked "yes" to disclosure question #2 on the application. On the recommendation of the Licensing Committee, moved by Luth, seconded by Brauer to deny CPA Certificate Application #AC11917. On a roll call vote, Members Druse, Luth, McClure, Gutschewski, Waltemath, and Brauer voted aye. Members Purcell and Stomp were absent. Motion #19 carried. The applicant can request a hearing before the Board at the January meeting.
- B. **Ratification of initial permits to practice issued, certificates issued, firm permits.**  
Moved by Luth, seconded by Waltemath, to approve initial permits to practice issued, certificates issued, firm permits issued from September 7 – November 8, 2017. On a roll call vote, Members Druse, Luth, McClure, Gutschewski, Waltemath, and Brauer voted aye. Members Purcell and Stomp were absent. Motion #20 carried.
- C. **Reinstatements to Active Permit, Inactive Retired Affidavits, Surrendered Certificates.**  
Moved by Luth, seconded by Brauer, to approve Reinstatements to Active Permit, Inactive Retired Affidavits, Surrendered Certificates from September 7 – November 8, 2017. On a roll call vote, Members Druse, Luth, McClure, Gutschewski, Waltemath, and Brauer voted aye. Members Purcell and Stomp were absent. Motion #21 carried.



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Reinstatements:

- Diane Mills – Weeping Water, NE

Inactive - Retired affidavits:

Surrendered Certificates:

- Sheila Miller – Golden, CO
- Ruth Pelphrey – Austin, TX
- Teresa Piccolo – Omaha, NE
- Paul Zastrow – Minneapolis, MN

**11. Report of the Executive Director**

- A. Budget Status.** ED Sweetwood overviewed the status of the budget with no items of significance.
- B. Staffing & General Office Issues.** ED Sweetwood noted the Board's intern, Sydney Sackmaster, will be leaving in May 2018 for a Summer internship in Kansas City, MO. Staff Myers and VanWinkle will begin the process next year to hire a new intern. He noted and congratulated Ms. Myers who will be graduating from Doane University with a degree in Business in December 2017. He thanked the Board for their support in her endeavor to complete her degree. He updated the Board on a project staff has been working on with Nebraska Interactive to get the annual Certificate Registration process online. An online process will help us meet our paperless office goals and will reduce funds spent on postage. The online process is now on the website with postcards going out soon. Nebraska Interactive did a great job keeping the project moving and making the online application easy to use. Based off of feedback from the September Board meeting, the Board purchased an electronic hole puncher.

**12. New Business**

- A. NASBA Items:**
- B. Other Miscellaneous Items: FYI articles**
- 1. LJS Article – "Licensure reform must stay focus for Legislature"**
  - 2. Journal of Accountancy Article – "Inspiring the next generation: How CPAs can contribute on campus"**

**13. Adjournment**

Moved by Waltemath, seconded by McClure, to adjourn the meeting at 12:49 p.m. on November 9, 2017. On a roll call vote, Members Druse, Luth, McClure, Gutschewski, Waltemath, and Brauer voted aye. Members Purcell and Stomp were absent. Motion #22 carried.

Respectfully submitted by,

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Board Secretary  
**Marcy Luth**