



Activity Review

North Carolina State Board of Certified Public Accountant Examiners

1101 Oberlin Rd., Ste. 104 • PO Box 12827 • Raleigh, NC 27605 • 919-733-4222 • nccpaboard.gov • No. 10-2016

Does Your Ethics Course Comply with the Board’s Rules?

21 NCAC 08G .0410(a) requires all active North Carolina CPAs to annually complete two CPE hours of regulatory or behavioral professional ethics and conduct offered by a CPE sponsor registered with the National Association of State Boards of Accountancy (NASBA) National Registry of CPE Sponsors (**NASBAregistry.org**).

To search the Registry for an ethics courses that complies with 21 NCAC 08G .0410(a), navigate to **NASBAregistry.org/cpas** and click the “Search for CPE Courses” link to be directed to the course library.

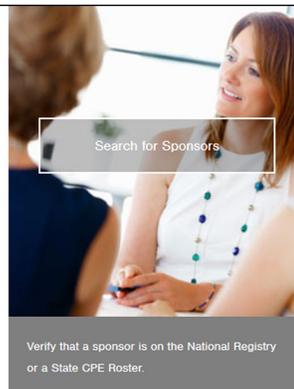
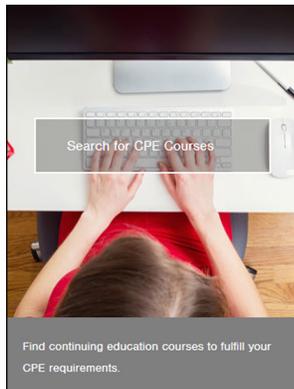
The course library allows you to search for courses and filter the search by field of study, delivery method, month and year, credit range, state, and type of credit.

On the course library screen, select regulatory ethics and behavioral ethics as the fields of study to find ethics courses that comply with 21 NCAC 08G .0410(a).

You may narrow the list by selecting additional criteria (methods of study, credit ranges, etc.) as filters.

A list of all regulatory ethics and behavioral ethics courses that meet the additional criteria will be returned and you may select the course that you prefer.

If you do not search the National Registry of CPE Sponsors for an ethics course because you plan to take an ethics course from a CPE provider recommended to you by your employ-



er, a professional organization, etc., you must confirm that the following statement is on that CPE provider’s materials (website, promotional materials, course materials, etc.):

[CPE Sponsor Name] is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors. State boards of accountancy have final authority on the acceptance of individual courses for CPE credit. Complaints regarding registered sponsors may be submitted to the National Registry of CPE Sponsors through its website **www.NASBAregistry.org**.

[NOTE: Prior to September 1, 2016, the website for the Registry was **www.learningmarket.org**. Some sponsor materials still may have that website address on their materials.]

If this statement is on the aforementioned items, the CPE provider should be a registered sponsor with NASBA and the CPE ethics course will satisfy the requirements in 21 NCAC 08G .0410(a).

If the above statement is not part of the CPE provider’s materials, the provider is likely not registered with NASBA and the ethics course will not satisfy the requirements in 21 NCAC 08G .0410(a).

Ethics

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Disciplinary Actions

Pursuant to NCGS 93-12(9), civil penalties are remitted to the North Carolina Civil Penalty and Forfeiture Fund ("Fund") in accordance with NCGS 115C-457.2. NCGS 115C-457.1(b) states, "The Fund shall be administered by the Office of State Budget and Management. The Fund and all interest accruing to the Fund shall be faithfully used exclusively for maintaining free public schools."

Albert M. Edwards, Jr., #14855
Fayetteville, NC 07/25/2016

THIS CAUSE coming before the North Carolina State Board of Certified Public Accountant Examiners (the "Board") at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, at public hearing ("Hearing"), with a quorum present, the Board finds, based on the evidence presented at the Hearing on July 25, 2016, that:

1. Albert M. Edwards, Jr. (hereinafter "Respondent"), is the holder of North Carolina certificate number 14855 as a Certified Public Accountant.
2. The Board has jurisdiction over the Respondent and the subject matter of this action.
3. The Respondent received at least fifteen (15) days written notice of the Hearing. The notice was achieved by serving a Notice of Hearing by personal service, certified mail, or other method of delivery authorized by N.C. Gen. Stat. §150B-38(c).
4. Venue is proper and the Hearing was properly held at 1101 Oberlin Road, Raleigh, North Carolina.
5. The Respondent did not object to any Board Member's participation in the Hearing of this matter.
6. The Respondent was present at the Hearing and was not represented by counsel.
7. The Board received a complaint from the North Carolina Real Estate Commission regarding services provided by the Respondent to a client.
8. After a preliminary investigation, the Board staff referred the matter to the North Carolina Department of Revenue ("DOR").

9. That referral ultimately led to the Respondent pleading guilty to five (5) misdemeanor counts of willfully failing to supply tax information and five (5) misdemeanor counts of willfully failing to pay North Carolina income tax.
10. On December 17, 2015, the Respondent's guilty plea was accepted by a Superior Court Judge in Wake County Superior Court, and a Judgment was entered against the Respondent.

CONCLUSIONS OF LAW

1. Per N.C. Gen. Stat. §150B-42, this Board Order constitutes a Final Agency Decision of the Board.
2. The Respondent is subject to the provisions of Chapter 93 of the North Carolina General Statutes and Title 21, Chapter 08 of the North Carolina Administrative Code. Pursuant to N.C. Gen. Stat. §93-12(9), the Board has the authority to impose discipline upon the Respondent and the Respondent's certificate and to impose civil monetary penalties.
3. The Respondent's guilty pleas to willfully failing to supply tax information in violation of N.C. Gen. Stat. §105-236(A)(9) constitute convictions of crimes.
4. The Respondent's guilty pleas to willfully failing to supply tax information constitute admissions of a knowing violation of the North Carolina tax laws and regulations. Therefore, the Respondent is subject to discipline pursuant to 21 NCAC 08N .0207.
5. The Respondent's guilty pleas to willfully failing to pay tax constitute a knowing violation of the North Carolina tax laws and regulations. Therefore, the Respon-

- dent is subject to discipline pursuant to 21 NCAC 08N .0207.
6. The Respondent's guilty pleas to willfully failing to supply tax information and willfully failing to pay tax constitute failures to uphold the dignity and honor of the accounting profession and maintain high standards of personal conduct. Therefore, the Respondent is subject to discipline pursuant to 21 NCAC 08N .0201.
7. The Respondent's guilty pleas to willfully failing to supply tax information and willfully failing to pay tax constitute acts discreditable to the accounting profession. Therefore, the Respondent is subject to discipline pursuant to 21 NCAC 08N .0203.

BASED ON THE FOREGOING, the Board orders in a vote of to that:

1. The Certified Public Accountant certificate issued to the Respondent, Albert M. Edwards, Jr., is hereby permanently revoked.
2. The Respondent shall not offer or render services as a CPA or otherwise trade upon or use the CPA title in this State either through CPA mobility provisions or substantial equivalency practice privileges or in any other manner, nor shall the Respondent claim or attempt to use any practice privileges in any other state based upon his permanently revoked North Carolina certificate.

Angela D. Elliott, CPA, #13353
Statesville, NC 09/19/2016

THIS CAUSE, coming before the North Carolina State Board of CPA Examiners ("Board") at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, with a quo-

rum present. Pursuant to N.C. Gen. Stat. §150B-41, the Board and Respondent stipulate to the following:

1. Angela D. Elliott, CPA (hereinafter "Respondent"), is the holder of North Carolina certificate number 13353 as a Certified Public Accountant.
2. The Board received a complaint against the Respondent from one of her prior tax clients ("Complainant").
3. The Complainant alleged that, after termination of the Respondent's services, the Complainant requested that the Respondent provide her records to her new CPA.
4. After numerous unsuccessful requests that the Respondent provide the records to her new CPA, the Complainant filed a complaint with the Board.
5. The Respondent stated that she would provide the records as requested. However, after several communications from the Board staff, the Respondent still had not provided the new CPA with the Complainant's records.
6. The Respondent ultimately provided the Complainant with the requested records. The records were supplied after three (3) months had elapsed since the filing of the complaint.
7. The Respondent wishes to resolve this matter by consent and agrees that the Board staff and counsel may discuss this Consent Order with the Board ex parte, whether or not the Board accepts this Consent Order as written. The Respondent understands and agrees that this Consent Order is subject to review and approval by the Board and is not effective until approved by the Board at a duly constituted Board Meeting.

BASED UPON THE FOREGOING, the Board makes the following Conclusions of Law:

1. The Respondent is subject to the provisions of Chapter 93 of

the North Carolina General Statutes and Title 21, Chapter 08 of the North Carolina Administrative Code, including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.

2. Per 21 NCAC 08N .0305(a) client records must be returned upon demand of a client, to wit:
Return Upon Demand. A CPA shall return client records in his or her possession to the client after a demand is made for their return. The records shall be returned upon demand unless circumstances make some delay reasonable in order to retrieve a closed file or to extract the CPA's work papers described in Paragraph (f) of this Rule. If the records cannot be returned upon demand, the CPA shall immediately notify the client of the date the records will be returned. Nothing in this Rule shall be interpreted to require a CPA to pay delivery costs when the records are returned to the client.
3. The Board concludes that an unreasonable amount of time elapsed before the Complainant's records were provided.
4. Per N.C. Gen. Stat. §93-12(9), 93-10(b) and also by virtue of the Respondent's consent to this order, the Respondent is subject to the discipline set forth below.

BASED ON THE FOREGOING and in lieu of further proceedings, the Board and Respondent agree to the following Order:

1. The Respondent, Angela D. Elliott, CPA, is censured.
2. The Respondent shall remit, with this signed Consent Order, a civil penalty in the amount of one thousand dollars (\$1,000) for failure to timely provide client records upon demand.

Rosenthal & Kaplin, P.C.
Atlanta, GA 09/19/2016

THIS CAUSE, coming before the North Carolina State Board of CPA Examiners ("Board") at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, with a quorum present. Pursuant to N.C. Gen. Stat. §150B-41, the Board and Respondent stipulate to the following:

1. Rosenthal & Kaplin, P.C. (hereinafter "Respondent Firm"), has a principal place of business outside of North Carolina and has no office in North Carolina. Respondent Firm is not a registered certified public accounting firm in North Carolina.
2. Respondent Firm performed multiple audits of retirement plans sponsored in North Carolina ("ERISA audits").
3. The North Carolina Accountancy Act, at N.C. Gen. Stat. §93-10(c)(3), requires firms to provide notice without a fee to the Board prior to performing financial statement audits or other engagements performed in accordance with the Statements on Auditing Standards. The members or partners of Respondent Firm were unaware of the notice requirement.
4. Respondent Firm did not provide the Board with a Notification of Intent to Practice ("Notice") prior to performing the ERISA audits.
5. Respondent Firm wishes to resolve this matter by consent and agrees that the Board staff and counsel may discuss this Consent Order with the Board ex parte, whether or not the Board accepts this Consent Order as written. Respondent Firm understands and agrees that this Consent Order is subject to review and approval by the Board and is not effective until

Disciplinary Actions
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Ethics

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All certificates of completion issued by CPE providers registered with the NASBA National Registry of must include the following statement:

[NASBA Registry of CPE Sponsors ID Number (6-digit number)].

In accordance with the standards of the National Registry of CPE Sponsors, CPE credits have been granted based on a 50-minute hour.

If the NASBA Registry of CPE Sponsors ID Number and the required statement are not on the certificate of completion you receive from the ethics course provider, the CPE provider is not on the Registry. Therefore, the CPE ethics course will not satisfy the requirements in 21 NCAC 08G .0410(a).

There are many CPE providers offering ethics courses, but not all of those providers are listed on the National Registry of CPE Sponsors.

Some CPE providers include language on their websites, promotional materials, and course materials such as:

Our courses may be submitted for credit by CPAs in the following states [state names]. These states do not require a formal sponsorship agreement with continuing professional education providers.

This statement means that the Board will accept non-ethics CPE courses from those providers if the providers comply with the CPE standards set forth in the Board's rules.

However, the Board will not accept an **ethics** course from those providers unless those providers are the Registry.

Don't be that CPA who did not verify that the CPE ethics course or provider would meet the annual ethics CPE requirement in 21 NCAC 08G .0410(a).

Failure to comply with the ethics requirement may result in forfeiture of your NC CPA certificate.

IRS Changes W-2 & 1099 Filing Deadlines

Effective with the 2016 reporting year, deadlines for filing Form W-2 with the Social Security Administration (SSA) and Form 1099-MISC with the IRS are changing to January 31.

In the past, employers were required to provide both the W-2 and 1099-MISC forms to recipients by January 31 with a later submission date for filings with the SSA and the IRS (February 28 for paper filings or March 31 for electronic filings).

Beginning in 2017, the 2016 reporting forms will now have one filing deadline--January 31--for all federal W-2s. This is true for both employee and agency copies regardless of filing type.

Be aware, many states, including North Carolina, have adopted the Federal change to the January 31 deadline.

The new January 31 deadline also applies if you're filing Form 1099-MISC and reporting amounts in Box 7: Nonemployee Compensation (which is a fairly common practice).

If you don't have amounts in Box 7, then the deadline remains February 28 for paper filings or March 31 for electronic filings.

As a reminder, the IRS recently eliminated the automatic 30-day extension of time to file W-2 forms.

You may still file for an extension, but the IRS states that it will only grant the extension in extraordinary circumstances or due to a catastrophe.

With the timing of the new deadline, it is important that employers, and their CPAs, are well prepared to complete these year-end tasks.

E-Service Account Protections Strengthened

The Internal Revenue Service (IRS) is strengthening the protections for e-services accounts by requiring a stronger identity verification process for existing and new e-services users.

Existing e-services users will be required to re-register and verify their identities, most through the new Secure Access platform. Users must re-validate their identity to maintain access to e-services products.

Secure Access is a two-factor authentication process which includes proving the user's identity, verification using financial records, and mobile phone verification.

Anyone who currently has an e-services account is affected. This includes individuals who are registered as:

- Electronic Return Originators;
- Transmitters;

- Large Business Taxpayers with e-file mandates;
- Software Developers;
- ACA insurance provider fee/ Branded prescription drug filers;
- ACA Information Return Transmitter/Issuer;
- Reporting agents,
- Not for Profit (VITA/TCE/LITC) users;
- States that use Transcript Delivery Service; and
- IVES Participants.

E-services account holders who use only the taxpayer identification number (TIN) matching program will also need to validate their identity, but will have a streamlined process because they do not exchange sensitive data.

For more information, go to www.irs.gov/for-tax-pros and click on "Important Update about Your e-Services Account."



Disciplinary Actions

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approved by the Board at a duly constituted Board Meeting.

BASED UPON THE FOREGOING, the Board makes the following Conclusions of Law:

1. Respondent Firm is subject to the provisions of Chapter 93 of the North Carolina General Statutes and Title 21, Chapter 08 of the North Carolina Administrative Code, including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.
2. By exercising the practice privilege afforded by N.C. Gen. Stat. §93-10(c) of the Accountancy Act, Respondent Firm consented to comply with the laws of this State and to be subject to the jurisdiction and disciplinary authority of the Board.
3. Respondent Firm's failure to comply with N.C. Gen. Stat. §93-10(c) of the Accountancy Act as set out above constitutes a violation of 21 NCAC 08N .0213.
4. Per N.C. Gen. Stat. §93-12(9), 93-10(b) and also by virtue of Respondent Firm's consent to this order, Respondent Firm is subject to the discipline set forth below.

BASED ON THE FOREGOING and in lieu of further proceedings, the Board and Respondent Firm agree to the following Order:

1. Respondent Firm shall remit, with this signed Order, a one thousand dollar (\$1,000) civil penalty.
2. Respondent Firm shall remit, with this signed Order, a five hundred dollar (\$500) payment for administrative costs.

Disciplinary Actions Resulting from CPE Audit

The following matters are excerpted from Consent Orders issued by the Board in response to the findings of the Continuing Professional Education (CPE) audit. To view the full text of a Consent Order, use the Licensee Search function of the Board's website, nccpaboard.gov, to look up the licensee's record. In the record, click on the "Details" link and select "View" under the Public Documents heading.

John Charles Sherrill, Jr., #19442
Chocowinity, NC 09/19/2016

The Board opened a case against John Charles Sherrill, Jr. (Respondent Sherrill) for failure to complete sufficient CPE, including an ethics course, as required for renewal of his North Carolina CPA license.

Respondent Sherrill signed a Consent Order in which he accepted the denial of the renewal of his CPA license; the forfeiture for at least one year of his CPA license; and the return of his CPA certificate to the Board within 15 days of his receipt of the Board's notification of its approval of the Consent Order.

Respondent Sherrill may apply to return his certificate to active status by submitting a reissuance application which includes payment of the application fee; three moral character affidavits; payment of a \$1,000 civil penalty; and proof of completion of at least 40 hours of CPE including an eight-hour group study accountancy law course offered by the NCACPA.

Failure to timely comply with any terms of the Consent Order will be sufficient grounds to revoke Respondent Sherrill's CPA license.

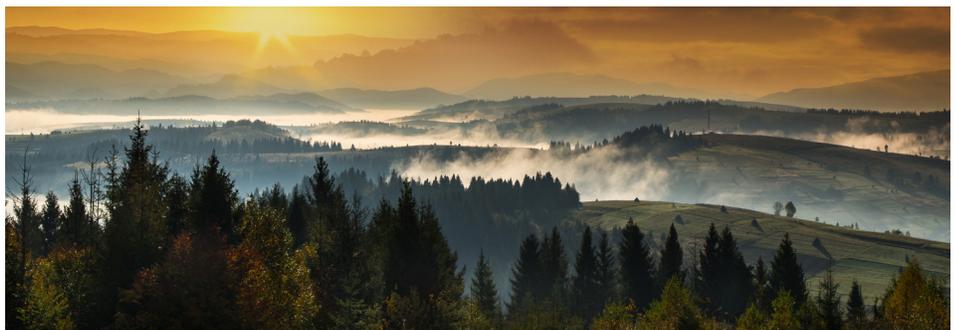
Suzanne M. Martin, #25527
Atlanta, GA 09/19/2016

The Board opened a case against Suzanne M. Martin (Respondent Martin) for failure to complete sufficient CPE, including an ethics course, as required for renewal of her North Carolina CPA license.

Respondent Martin signed a Consent Order in which she accepted the denial of the renewal of her CPA license; the forfeiture for at least one year of her CPA license; and the return of her CPA certificate to the Board within 15 days of her receipt of the Board's notification of its approval of the Consent Order.

Respondent Martin may apply to return her certificate to active status by submitting a reissuance application which includes payment of the application fee; three moral character affidavits; payment of a \$1,000 civil penalty; and proof of completion of at least 40 hours of CPE including an eight-hour group study accountancy law course offered by the NCACPA.

Failure to timely comply with any terms of the Consent Order will be sufficient grounds to revoke Respondent Martin's CPA license.



Board Meetings

Monday, November 21

Monday, December 19

Unless otherwise noted, meetings are held at 1101 Oberlin Road, Raleigh, and are scheduled to begin at 10:00 a.m.

Meetings are open to the public, except when under State law, some portions may be closed to the public.

Office Closed

In accordance with the holiday schedule adopted by the State of North Carolina, the Board office will be closed as follows:

Veteran's Day

Friday, November 11

Thanksgiving

Thursday, November 24

Friday, November 25

Christmas

Friday, December 23

Monday, December 26

Tuesday, December 27

Certificates Issued

On September 19, 2016, the Board approved the following applicants for certification as North Carolina CPAs:

Severino Michael Alvarez
Jordan Fisher August
Nathan Todd Bell
Alison Irene Bilderback
Nicholas Riordan Caporale
Chase Martin Clemens
Ciera Marie Combs
Kolby John Dougherty
Patrick Carroll Duffy
David Lane Ferguson
Elijah Emanuel Francois
Patrick Anthony George
Caroline Ellington Gilbert
Devin Reshea Hairston
Jack Lamar Haymore
Blake Jordan Hetrick
Amanda Mae Johnson
Justin Swanner Jordan
Melissa Elizabeth Kenealy
Jeramee Kyle Kerl
Jeffrey Tyler Kirk
James Harshaw Lane, III
Madeline Heninger Leetz

Kent Lewis Mackman
Zachary Harris Matthews
Jacob Allen Miller
Jennifer Ann Miller
Leah Hope Moss
Todd Shippey Oldenburg
Edward Arthur Pejeau
Morgan Lea Phillips
David Domingo Rodriguez
Kenrick Carl Samuelson, II
Adam Robert Scarboro
Steven George Schulz
Colby Williams Smith
Daniel Charles Smith
Meaghann Elizabeth Smith
Natalie Carol Wiggins Smith
Leslie Berry Steele
Cameron Johnson Strubinger
Brenna Johnson Stutts
Kristopher Michael Willis
Samantha Lauren Wolpert
Johnathan Reaves Worley
Francesca Ann Zappa

Reclassifications

On September 19, 2016, the Board approved the reclassification applications of the following individuals:

Reinstatement

Wanda Gayle Watson Casteel, #32731	Winston-Salem, NC
Jieqin Liu, #34481	North York, Ontario
Melissa Ellen Cole Miller, #35746	Raleigh, NC
Angela Coates Walsh, #19024	Pharett, GA

Reissuance

Robert David Calcutta, #14485	Charlotte, NC
Joshua Landon Chambers, #37574	Wilson, NC

Inactive Status

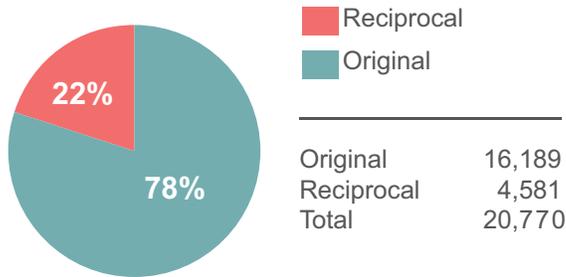
From August 25, 2016, through September 19, 2016, the individuals listed below were approved for inactive status by the Board. "Inactive," when used to refer to the status of a person, describes a person who has requested inactive status and been approved by the Board and who does not use the title "certified public accountant" nor does he or she allow anyone to refer to him or her as a "certified public accountant," and neither he nor she nor anyone else refers to him or her in any representation as described in Rule .0308(b) of this Section [21 NCAC 08A .0301(b)(20)].

Gerald Kenneth DeBusk, #17933	Wilmington, NC
Cynthia Connolly Williams, #23340	Raleigh, NC
Derek Gene Epley, #22165	Valdese, NC
Ritchie Lee Bond, #12838	Hartsville, SC

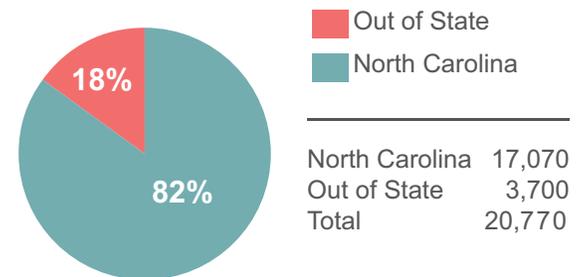
North Carolina Licensee Statistics for 2016

*As of September 12, 2016

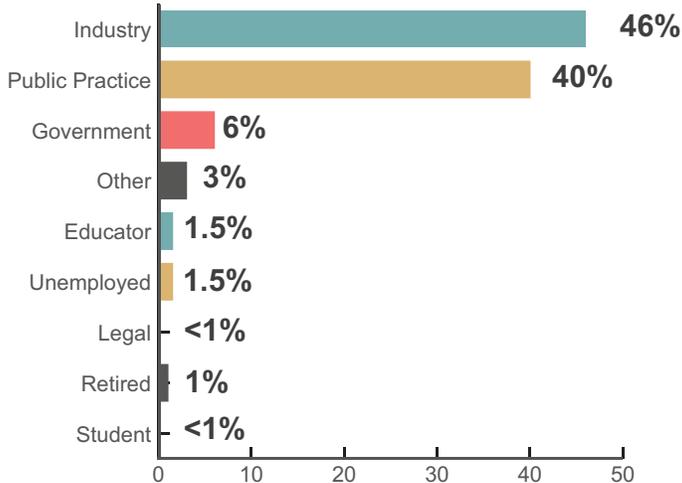
Licensees by License Type



Licensees by Residence

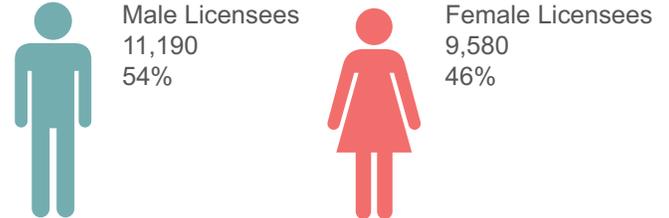


Licensees by Occupation

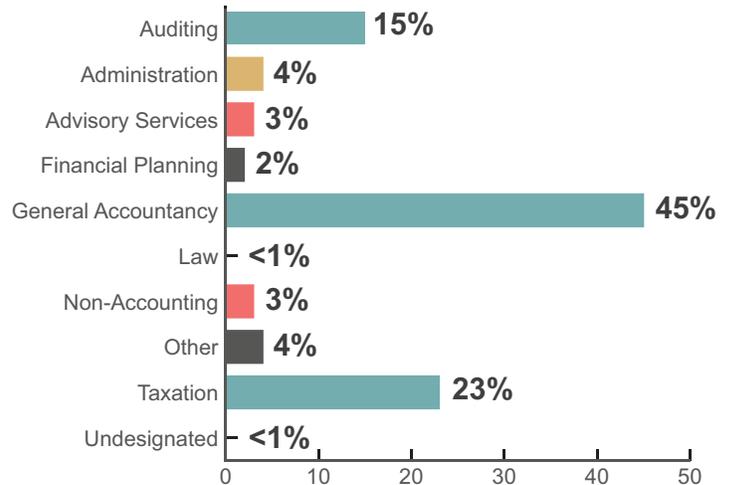


Industry	
Accounting	8,134
Non-Accounting	1,490
SUBTOTAL	9,624
Public Practice	
CPA Firm Staff	4,110
CPA Firm Partner	1,319
CPA Firm PC Shareholder	852
CPA Firm PLLC Member	415
Individual Practitioner	1,535
SUBTOTAL	8,231
Government	
Accounting	1,075
Non-Accounting	106
SUBTOTAL	1,181
Other	688
Educator	316
Unemployed	292
Legal	192
Retired	215
Student	31
TOTAL	20,770

Licensees by Gender



Licensees by Concentration



Auditing	3,053
Administration	818
Advisory Services	712
Financial Planning	519
General Accountancy	9,313
Law	149
Non-Accounting	638
Other	797
Taxation	4,715
Undesignated	56
TOTAL	20,770

Please Note: Because of rounding, percentages may not add up to 100%.



North Carolina State Board of
 Certified Public Accountant Examiners
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23,000 copies of this document were printed in October 2016 at an estimated cost of \$4,600 or approximately 20¢ per copy.

Notice of Address Change

Please Print Legibly

Full Name:	
Certificate No.:	Last 4 Digits of SSN:
Home Address:	
City/State/Zip:	
Home Phone:	Home Fax:
Home Email:	
Firm/Business Name:	
Business Address:	
City/State/Zip:	
Business Phone:	Business Fax:
Business Email:	
Signature:	
Date:	Send mail to: <input type="checkbox"/> Home <input type="checkbox"/> Business

Mail form to: PO Box 12827, Raleigh, NC 27605

Fax form to: (919) 733-4209

Pursuant to 21 NCAC 08J .0107, all certificate holders & CPA firms shall notify the Board in writing within 30 days of any change in home address & phone number; CPA firm address & phone number; business location & phone number; & email address.