



# 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. 9-2016

### New Phishing Scheme Mimics Software Providers; Targets Tax Professionals

In mid-August, the IRS alerted tax professionals to an emerging phishing email scam that pretends to be from tax software providers and tries to trick recipients into clicking on a bogus link [IR-2016-103].

The email scheme is the latest in a series of attempts by fraudsters to use the IRS or other tax issues as a cover to trick people into giving up sensitive information such as passwords, Social Security numbers, or credit card numbers or to make unnecessary payments.

In the new scheme identified as part of the IRS Security Summit process, tax professionals are receiving emails pretending to be from tax software companies.

The email scheme requests the recipient to download and install an important software update via a link included in the email.

Once recipients click on the embedded link, they are directed to a website prompting them to download a file appearing to be an update of their software package.

The file has a naming convention that uses the actual name of their software followed by an “.exe extension.”

Upon completion, tax professionals believe they have downloaded a software update when in fact they have loaded a program designed to track the tax professional’s key strokes, which is a common tactic used by cyber thieves to steal login information, passwords and other sensitive data.

Although the IRS knows of only a handful of cases to date, tax professionals are encouraged to be on the lookout for these scams and never to click on unexpected links in emails.

Similar email schemes using tax software names have targeted individual taxpayers.

The IRS recently launched a new campaign to raise awareness among

**Phishing Scheme**  
*continued on page 7*



#### L. Samuel Williams, Jr., CPA, Appointed to Board

Governor Pat McCrory has appointed L. Samuel (Sammy) Williams, Jr., CPA, of Hickory to the North Carolina State Board of CPA Examiners.

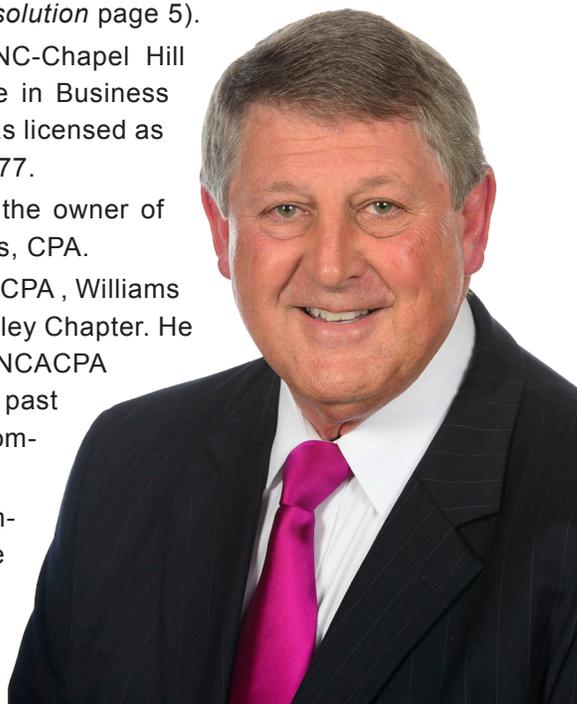
Williams, whose term will expire June 30, 2019, took the Oath of Office at the July 25, 2016, Board meeting. He replaced George W. Rohe, CPA (*Resolution* page 5).

A 1974 graduate of UNC-Chapel Hill with a Bachelor of Science in Business Administration, Williams was licensed as a North Carolina CPA in 1977.

He is self-employed as the owner of the firm, L. Samuel Williams, CPA.

As a member of the NCACPA, Williams is active in the Catawba Valley Chapter. He is a former member of the NCACPA Board of Directors and is a past chair of the Symposium Committee.

Williams is also a member of the AICPA and the National Association of Certified Valuators and Analysts (NACVA).



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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."

**MICHAEL A. NADER, #30449**  
**Raleigh, NC 08/22/2016**

**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. Respondent Michael A. Nader (hereinafter "Respondent") is the holder of North Carolina certificate number 30449 as a Certified Public Accountant.
2. Respondent has confirmed that on or about March 26, 2014, he was charged with a criminal offense. However, on July 29, 2014, when renewing his CPA certificate, Respondent checked "no" in response to the following question:

Have you been charged, arrested, convicted, found guilty of, received a prayer for judgment continued, or pleaded *nolo contendere* to any criminal offense, excluding non-criminal traffic infractions, since filing your last renewal?

3. The charges arose from allegations that Respondent had misappropriated funds from a book-keeping client.
4. Ultimately, Respondent pleaded *nolo contendere* to a misdemeanor count. He was sentenced to forty-five (45) days of probation, and paid full restitution to the client.

5. 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. 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. 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. Respondent's failure to report his criminal charges on his June 29, 2014, CPA certificate renewal constitutes a violation of 21 NCAC 08N .0202.
3. Respondent's *nolo contendere* plea constitutes a "conviction of any crime, an essential element of which is dishonesty, deceit or fraud" in violation of N.C. Gen. Stat. §93-12(9)(b)
4. Per N.C. Gen. Stat. §93-12(9), 93-10(b), and also by virtue of Respondent's consent to this order, 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 Certified Public Accountant certificate issued to Respondent, Michael A. Nader, is hereby permanently revoked.
2. 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 Respondent claim or attempt to use any practice privileges in any other state based upon his permanently revoked North Carolina certificate.

**KI-HYUN CHUN, #14075**  
**KI-HYUN CHUN, CPA**  
**Charlotte, NC 08/22/2016**

**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. Respondent Ki-Hyun Chun ("Respondent") is the holder of North Carolina certificate number 14075 as a Certified Public Accountant.
2. Respondent Firm Ki-Hyun Chun, CPA ("Respondent Firm"), is a properly registered CPA firm in North Carolina.
3. The Board received a document which, on its face, purported to be an audit report ("Report") for

a nonprofit client ("Client"). In the Report, the Respondent provided an opinion that the Client's financial statements fairly presented its financial position.

4. The Report was printed on letterhead identifying the Respondent individually and the Chun Group, Inc. The Chun Group, Inc., is not a registered CPA firm.
5. The Report was not prepared or presented in conformance with audit standards.
6. In response to the Board's inquiry, Respondent and Respondent Firm asserted that the Report was actually a compilation that had been incorrectly titled as an audit report. Neither Respondent nor Respondent Firm obtained an engagement letter, and the report was not prepared in accordance with the reporting standards required for compilation reports.
7. Respondent and Respondent Firm stated that the Report was generated as a free service for a nonprofit organization and that the title on the report was a clerical error.
8. Respondent and Respondent Firm wish to resolve this matter by consent and agree 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 and Respondent Firm understand and agree 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. Respondent and Respondent Firm are subject to the provi-

sions 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. The Report, assuming that it was a compilation report as asserted by the Respondent, failed to conform to Statements on Standards for Accounting and Review Services, in violation of 21 NCAC 08N .0404.
3. By issuing the report under the name Chun Group, Inc., Respondent and Respondent Firm have also violated 21 NCAC 08N .0306(c), which requires a CPA firm to issue all professional service reports under the exact firm name as registered with the Board.
4. Per N.C. Gen. Stat. §93-12(9), 93-10(b) and also by virtue of Respondent's and Respondent Firm's consent to this order, Respondent and Respondent Firm are subject to the discipline set forth below.

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

1. Respondent shall complete eight (8) hours of SSARS CPE annually until Respondent Firm has received a Pass on its next scheduled peer review.
2. Respondent Firm shall pay a civil penalty in the amount of one thousand dollars (\$1,000) for failure to issue an engagement letter as required by the SSARS.
3. Respondent shall sign an affidavit agreeing not to perform any audits, reviews, or agreed-upon procedures unless his firm first obtains a pre-issuance review.

The review must be performed by a CPA mutually agreed upon by Respondent and the Board. The pre-issuance review requirement shall be in effect until the Board is satisfied with his compliance with standards for those attest engagements.

**BAUKNIGHT PIETRAS & STORMER, P.A.**

**Columbia, SC 08/22/2016**

**THIS MATTER** having come before the Board with a quorum present, and having been consented to by the Respondent, the Board finds and orders as follows:

1. Bauknight Pietras & Stormer, P.A. (hereinafter "Respondent Firm") was a registered certified public accounting firm in North Carolina.
2. Respondent Firm failed to timely renew or cancel its annual firm registration in accordance with provisions as required by N.C. Gen. Stat. §93-12(7b) and 21 NCAC 08J .0108(b) and (g), and 08N .0213.
3. Pursuant to 21 NCAC 08J .0111(1), because Respondent Firm's infraction was for a period of more than one hundred twenty (120) days, the appropriate penalty is five hundred dollars (\$500).
4. Respondent Firm has paid its civil penalty and consents to the entry of this Order and has waived any right to a hearing.
5. The Board members present, representing a quorum of the Board, have unanimously decided to accept Bauknight Pietras & Stormer, P.A.'s payment as full resolution of the aforementioned rules violation.

**Disciplinary Actions**  
*continued on page 6*

# Summary of 2016 Q-2 Exam Performance for NC Candidates

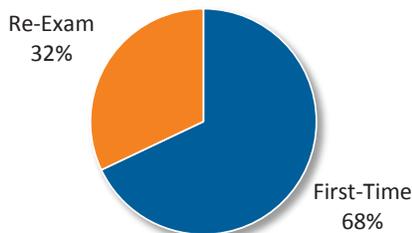
Unique Candidates	<b>1,079</b>
New Candidates	<b>420</b>
Total Sections	<b>1,498</b>
Passing 4th Section	<b>126</b>
Sections/Candidate	<b>1.39</b>
Pass Rate	<b>58.7%</b>
Average Score	<b>74.8</b>

## Jurisdiction Rankings (1 to 53)

Candidates	Sections
<b>15</b>	<b>13</b>
Pass Rate	Avg Score
<b>4</b>	<b>4</b>

	Sections	Score	% Pass
First-Time	<b>1,018</b>	<b>76.2</b>	<b>64.8%</b>
Re-Exam	<b>480</b>	<b>71.9</b>	<b>45.6%</b>
AUD	<b>475</b>	<b>76.8</b>	<b>58.5%</b>
BEC	<b>306</b>	<b>76.3</b>	<b>68.0%</b>
FAR	<b>370</b>	<b>73.1</b>	<b>57.3%</b>
REG	<b>347</b>	<b>72.5</b>	<b>52.2%</b>

## Exam Type by Percent



## Certificates Issued

On August 22, 2016, the Board approved the following applicants for certification as North Carolina CPAs:

Kristen Brooke Adams	Poonam Kulkarni
Thomas Robert Arland	Cameron English Landreth
Tyler Edwards Carson	Gerald Broden Littley
Devin Mark Cass	Diania Lee McRae
Scott Richard Crews	Scott Allen Millikan
Chelsea Elizabeth Cunningham	Jose Alexander Pena
Monica Batts Davis	Alexander Prytyskach
Evan James Dupe	Zoya Khalid Qureshi
Michael Edward Ellis	Holden Tyler Rudd
Erica Whitney Fink	Adam Michael Sawchak
Austin Lloyd Flynn	Alex Gray Speight
Jennifer Buckner Fox	Traci Leigh Spooner
Matthew Scott Fussell	Seth Edwin Starner
Kellyn Rose Gombert	Peter L. Tomkie
Benjamin Maxcey Kenneth Gupton	Kaleb Edward Tucker
Robert William Hales	Kaeli Paige Weaver
Caroline Elizabeth Henry	Richard Edward Westbay
Stuart Preston Huller	Amber Dawn Williams
Jeremy Marc Jacobs	Lindsey Harper Willis
Andrew Michael Jarrett	Nellie Annabelle Wilson
Nicole Rene King	Rachel Edwards Wright
Kugapiriya Kuganendran	Ting Zheng

## New Email Addresses Introduced for NC Department of Revenue Employees

Effective August 2, 2016, the domain name for email addresses for NC Department of Revenue (NCDOR) employees changed from dornc.com to ncdor.gov. The first part of the email addresses has not changed.

To make the transition easier for taxpayers and others outside the agency, the old email addresses will continue to work for one year.

In addition to the email change, NCDOR employees who have agency mobile phones will be issued new phone numbers.

Tax preparers and other constituents are encouraged to update contact information for NCDOR employees.



**NORTH CAROLINA STATE BOARD OF  
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS**



**RESOLUTION**

*WHEREAS, George W. Rohe, CPA, has served as a member of the North Carolina State Board of Certified Public Accountant Examiners since 2014;*

*WHEREAS, during his tenure, he served as a member of the Professional Education & Applications Committee;*

*WHEREAS, during his tenure, he served as Chair of the Professional Education & Applications Committee;*

*WHEREAS, during his tenure he served as a member the Audit Committee;*

*WHEREAS, during his tenure he has faithfully and tirelessly served as a leader in the profession and is an eloquent spokesman for the best interests of the public and the profession;*

**BE IT THEREFORE RESOLVED** that the members of the North Carolina State Board of Certified Public Accountant Examiners thank George W. Rohe, CPA, for his dedicated service, his personal sacrifice to serve the public interest, and his leadership to the Board.

*This the 22d day of August 2016.*

North Carolina State Board of  
Certified Public Accountant Examiners

  
\_\_\_\_\_  
Michael H. Womble, CPA, President



**CALLAHAN CPA**  
**Wendell, NC 08/22/2016**

**THIS MATTER** having come before the Board with a quorum present, and having been consented to by the Respondent, the Board finds and orders as follows:

1. Callahan CPA (hereinafter "Respondent Firm") was a registered certified public accounting firm in North Carolina.
2. Respondent Firm failed to timely renew or cancel its annual firm registration in accordance with provisions as required by N.C. Gen. Stat. §93-12(7b) and 21 NCAC 08J .0108(b) and (g), and 08N .0213.
3. Pursuant to 21 NCAC 08J .0111(1), because Respondent Firm's infraction was for a period of more than one hundred twenty (120) days, the appropriate penalty is five hundred dollars (\$500).
4. Respondent Firm has paid its civil penalty and consents to the entry of this Order and has waived any right to a hearing.
5. The Board members present, representing a quorum of the Board, have unanimously decided to accept Callahan CPA's

payment as full resolution of the aforementioned rules violation.

**GREIG DAVIS CPA, P.C.**  
**Farmington Hills, MI 08/22/2016**

**THIS MATTER** having come before the Board with a quorum present, and having been consented to by the Respondent, the Board finds and orders as follows:

1. Greig Davis CPA, P.C. (hereinafter "Respondent Firm") was a registered certified public accounting firm in North Carolina.
2. Respondent Firm failed to timely renew or cancel its annual firm registration in accordance with provisions as required by N.C. Gen. Stat. §93-12(7b) and 21 NCAC 08J .0108(b) and (g), and 08N .0213.
3. Pursuant to 21 NCAC 08J .0111(1), because Respondent Firm's infraction was for a period of more than one hundred twenty (120) days, the appropriate penalty is five hundred dollars (\$500).
4. Respondent Firm has paid its civil penalty and consents to the entry of this Order and has waived any right to a hearing.

5. The Board members present, representing a quorum of the Board, have unanimously decided to accept Greig Davis CPA, P.C.'s payment as full resolution of the aforementioned rules violation.

**Reclassifications**

On August 22, 2016, the Board approved the reclassification applications of the following individuals:

**Reinstatement**

George Laurence Baer Summerfeld, NC	#25854
Tiffany Dern Foster Raleigh, NC	#25041
Emily Drescher Hansen Kirkland, WA	#33679
Christi Thompson Piner New Braunfels, TX	#24174
Mark Owen Smith Chapel Hill, NC	#37443

**Reissuance**

James Daniel McClelland, Jr. Chapel Hill, NC	#34182
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NORTH CAROLINA  
DARE COUNTY

IN THE OFFICE OF  
ADMINISTRATIVE HEARINGS  
15 CPA 04488

N.C. STATE BOARD OF CERTIFIED )  
PUBLIC ACCOUNTANT EXAMINERS, )  
Petitioner )  
) )  
v. )  
) )  
LINDA R. SHARP, )  
Respondent )

**FINAL AGENCY DECISION  
BY THE N.C. STATE BOARD OF  
CERTIFIED PUBLIC ACCOUNTANT  
EXAMINERS**

**FINAL DECISION**

Based on Findings of Fact and Conclusions of Law, the Board adopted the Administrative Law Judge's proposed decision regarding Linda R. Sharp, CPA. The final decision may be viewed on the Board's searchable database on the Board's website in the file of Linda R. Sharp, NC CPA Certificate #11285.

## New Phishing Scheme

*continued from page 1*

tax professionals about security thefts posed by identity theft issues targeting their industry.

The “Protect Your Clients; Protect Yourself” campaign features an ongoing effort to urge tax professionals to step up their security protections and be aware they increasingly are targets of cyber criminals.

The IRS urges all tax preparers to take the following steps:

- Be alert for phishing scams: do not click on links or open attachments contained in emails and always utilize a software provider’s main webpage for connecting to them.
- Run a security “deep scan” to search for viruses and malware;
- Strengthen passwords for both computer access and software access; make sure your password is a minimum of 8 digits long (more is better) with a mix of numbers, letters, and special characters;
- Educate all staff members about the dangers of phishing scams in the form of emails, texts, and calls;
- Review any software that your employees use to remotely access your network and/or your IT support vendor uses to remotely troubleshoot technical problems and support your systems. Remote access software is a potential target for bad actors to gain entry and take control of a machine.

Tax professionals should review Publication 4557, “Safeguarding Taxpayer Data, A Guide for Your Business,” which provides a checklist to help safeguard taxpayer information and enhance office security.



### Board Meetings

October 27  
November 21  
December 19

## Inactive Status

From July 22, 2016, through August 24, 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)].

Walter Bost, Jr., #14283	Hickory, NC
Reshma Naresh Mulchandani, #38984	Saratoga Springs, NY
Thu Thuy Tran, #30820	Alexandria, VA
William Charles Green, #33815	Streetsboro, OH
Elizabeth Anne Peterson, #32157	Cary, NC
Douglas Albert Hollowell, #19371	Tyner, NC
Adam David Kipen, #39834	Hudsonville, MI
Suzanne Mary Martin, #25527	Atlanta, GA
James A. Oakley, #29993	Concord, NC
Nathan Victor Burton Siehr, #33180	Santa Monica, CA
Patricia Diane Gaunt, #31278	Matthews, NC
Donna Musgrave Gordin, #15356	Lewisville, NC
Ervin Timothy Johnson, #9524	Mooresville, NC
Valerie Mitchell Snyder, #34915	Bel Air, MD
Robert Leon Watson, Jr., #13005	Advance, NC
Susan Ruth Eisenman, #24817	High Point, NC
Kesval Govender, #37304	Centerville, OH
Dustin Andrew Houdyshell, #38821	Charlotte, NC
Joseph Weston Norton, #28442	Charlotte, NC
Tricia O. Clement, #30813	Charlotte, NC
Michael Dane DeVaughn, #13052	Louisburg, NC
Dwaine Edward Eastham, II, #30376	Winter Garden, FL
Susan Lambert Hart, #28700	Franklin, TN
Timothy Edward Mullis, #18432	Milton, GA
Bruce Thornton Nash, II, #15103	Clemmons, NC
Michael Todd Orlando, #29221	Austin, TX
Donald Overby, #15106	Wilmington, NC
Robert Allan Watling, #39369	Prosper, TX
John Elliott Barnhardt, #10844	Raleigh, NC
Scott Lee Frazier, #32604	Concord, NC
Albert Jack Jacobson, #934	Greensboro, NC
Kaitlin Wilkes Jones, #37264	Charleston, SC
Joseph S Lane, Jr., #21266	Asheville, NC
Nhan Chan Nguyen, #38288	Pineville, NC
Cynthia Colleen Perry, #15695	Burlington, NC
Michael Sean Ryan, #37502	Baltimore, MD
John Charles Sherrill, Jr., #19442	Chocowinity, NC
Joseph Daniel Simms, #24296	Atlanta, GA
Bereket Ezra Baissa, #37794	Oakland, CA
Jeanna King Blinson, #19152	Raleigh, NC
Kevin Matthew Fusick, #35673	New York, NY



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23,000 copies of this document were printed in September 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.