Don’t Be That Exam Candidate:
Misconduct and Prohibited Items During Testing

As a Uniform CPA Exam candidate, you know that reviewing the Exam tutorial and sample tests before taking the Exam is very important.

But do you know that reading the Candidate Bulletin and knowing the regulations applicable to Exam candidates at Prometric Testing Centers are just as important?

While there are some obvious prohibited items and behaviors (cheating, bringing study material into the testing room, and communicating with other candidates during testing), there are some less obvious items and behaviors that are prohibited.

Did you know that you can’t wear a watch or a fitness tracker in the testing room? Food and beverages aren’t allowed in the testing room, either.

What about a phone, purse, or wallet? Those items aren’t permitted in the testing rooms.

Boards of accountancy, NASBA, the AICPA, and Prometric have a number of measures in place to prevent and detect candidate misconduct and cheating.

All Exam sessions are audio/video recorded to document the occurrence of any unusual activity, and the test center staff is trained to watch for unusual behavior and incidents during the Exam. Candidate misconduct is reported to boards of accountancy daily.

Consequences of misconduct include, but are not limited to, a warning from test center staff, confiscation of the prohibited item (whether or not in use), expulsion from the test center, invalidation of Exam scores, and the pursuit of civil or criminal charges.

Below are some recent incidents of misconduct reported to boards of accountancy by test center staff:

- Candidate arrived 45 minutes late for the Exam and was told he could not test. Candidate became belligerent and exhibited rude and unprofessional behavior (Disruptive and Rude Conduct).

- Candidate was checking in and was told his ID was expired. Because he was unable to provide another acceptable form of identification, he was told he could not test. Candidate became verbally...

Candidate Misconduct continued on page 5

Final Deadline for CPA License Renewal

North Carolina CPAs who failed to renew their license or request inactive status by July 1, 2017, have received Letters of Demand from the Board.

CPAs who do not complete the license renewal or request inactive status within 30 days of the mailing of the Letter of Demand face automatic forfeiture of their CPA certificate, as required by NCGS 93-12(15).

The online license renewal link will remain available on the Board’s website, www.nccpaboard.gov, through the end of July.

The form to request inactive status is on the Forms and Applications page of the website.

If you have questions about the renewal process, please contact Buck Winslow at buckw@nccpaboard.gov or (919) 733-1423.

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North Carolina State Board of Certified Public Accountant Examiners
Disciplinary Action

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.”

MELANIE D. DRAKE, #19663 | HOLLY SPRINGS, NC

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 May 25, 2017, that:

FINDINGS OF FACT

1. Melanie D. Drake (hereinafter “Respondent”) was the holder of North Carolina certificate number 19663 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-42(a).

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 not present at the Hearing and was not represented by counsel.

7. The Respondent informed the Board on her 2015-2016 individual certificate Renewal (“Renewal”) that between January 1, 2014, and June 30, 2015, she had obtained the requisite forty (40) hours of continuing professional education (“CPE”) to meet the 2014 CPE requirements.

8. Based on the Respondent’s representation, the Board accepted her Renewal.

9. The Board’s Licensing staff requested that the Respondent provide certificates of completion for the CPE reported to meet her 2014 CPE requirements.

10. The Respondent was unable to provide documentation for all 2014 CPE that she claimed on her Renewal.

11. The matter was then referred to the Board’s Professional Standards staff for potential disciplinary action.

12. The Respondent was unresponsive to all correspondence from the Professional Standards staff.

CONCLUSIONS OF LAW


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. As set forth above, the Respondent’s failure to substantiate the CPE hours claimed on her Renewal constitutes a violation of 21 NCAC 08N .0202(a), .0202(b)(3), and .0202(b)(4).

4. As set forth above, the Respondent’s failures to communicate with the Board, or otherwise cooperate with Board inquiries, constitute violations of 21 NCAC 08N .0206.

BASED ON THE FOREGOING, the Board orders in a vote of seven (7) to zero (0) that:

1. The Certified Public Accountant certificate issued to the Respondent Melanie D. Drake is 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 her permanently revoked North Carolina certificate.

Approved by the Board May 25, 2017
Are You Preparing or Compiling?

SSARS 21 has been in effect for over two years now, but a refresher never hurts. SSARS 21, section 70 applies to accounting and bookkeeping engagements when the accountant is required to prepare financial statements on behalf of a client. SSARS 21, section 80 applies to engagements whereby the accountant is required to read the financial statement(s) and report whether the financial statement(s) appear appropriate in form and are free from obvious misstatements.

<table>
<thead>
<tr>
<th>SSARS 21</th>
<th>PREPARATION</th>
<th>COMPILATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>What service are you trying to perform?</td>
<td>Preparing financial statements in some recognized format</td>
<td>Using financial and reporting expertise to assist management in the preparation of financial statements</td>
</tr>
<tr>
<td>Does the standard apply to me?</td>
<td>Yes, if you are engaged to prepare financial statements</td>
<td>Yes, if you are engaged to perform a compilation of the financial statements</td>
</tr>
<tr>
<td>Is an engagement letter required?</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Do I need to determine if I am independent prior to performing the service?</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>If I am not independent, do I need to disclose that?</td>
<td>N/A</td>
<td>Yes</td>
</tr>
<tr>
<td>Does the service require an accountant’s report?</td>
<td>No, but should disclose on each page of financial statements that no assurance service provided</td>
<td>Yes</td>
</tr>
<tr>
<td>Can the results of the service be shared with outside users of the financial statements?</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>May the financial statements be presented without disclosures?</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Is any level of assurance provided by the service performed?</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Do the NC CPA Board rules require peer review for this service type?</td>
<td>No*</td>
<td>Yes</td>
</tr>
</tbody>
</table>

* Firms performing preparation services only are not subject to peer review. Firms that perform services subject to peer review may have a preparation engagement included in its sample selection based on practice evaluation guidance.
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. Jon-Michael Devine (hereinafter “Mr. Devine”) is the holder of a certificate as a Certified Public Accountant in North Carolina.

2. Mr. Devine failed to timely file the annual firm registration for Jon-Michael Devine, CPA, PLLC, 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. Mr. Devine subsequently renewed his firm registration, which was received by the Board on February 10, 2017, less than sixty (60) days from the annual firm registration date.

4. Pursuant to 21 NCAC 08J .0111(1), because Mr. Devine’s infraction was for a period of less than sixty (60) days, the appropriate penalty is one hundred dollars ($100).

5. Mr. Devine has paid his civil penalty and consents to the entry of this Order and has waived any right to a hearing.

6. The Board members present, representing a quorum of the Board, have unanimously decided to accept Mr. Devine’s payment as full resolution of the aforementioned rules violation.

Approved by the Board June 22, 2017

GALADRIEL E. WILLIAMS, #37886 | WEAVERVILLE, NC

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. Galadriel E. Williams (hereinafter “Ms. Williams”) is the holder of a certificate as a Certified Public Accountant in North Carolina.

2. Ms. Williams failed to timely renew or cancel the annual firm registration for Galady Williams, CPA, 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. On February 21, 2017, Ms. Williams informed the Board that she does not desire to renew the firm registration for Galady Williams, CPA, for the coming year.

4. Pursuant to 21 NCAC 08J .0111(1), because Ms. Williams’ infraction was for a period of less than sixty (60) days, the appropriate penalty is one hundred dollars ($100).

5. Ms. Williams has paid her civil penalty and consents to the entry of this Order and has waived any right to a hearing.

6. The Board members present, representing a quorum of the Board, have unanimously decided to accept Ms. Williams’ payment as full resolution of the aforementioned rules violation.

Approved by the Board June 22, 2017

WARD I. SCOTT, #20594 | CHAPEL HILL, NC

The following matter is excerpted from a Consent Order issued by the Board in response to the findings of the Continuing Professional Education (CPE) audit. To view the full text of the 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.

The Board opened a case against Ward I. Scott (Respondent Scott) for failure to complete an ethics course as required for renewal of his North Carolina CPA license.

Respondent Scott 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 Scott may apply to return his certificate to active status by submitting a reissuance application that 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 accountancy law course as offered by the NCACPA.

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

Approved by the Board June 22, 2017
**Activity Review Available by Mail or Email**

The Board is giving candidates and licensees the option to receive the Activity Review by mail or email. The preferred/default delivery method is email.

The option to choose paper instead of email is part of the 2017-2018 license renewal. Licensees who prefer to receive the newsletter by mail must select that option by clicking the edit button in the address section of the renewal and choosing “paper.” Licensees who want to change their newsletter delivery method to paper, should send an email to communications@nccpaboard.gov that includes your full name and license number, and Board staff will update your preference.

Exam candidates who want to receive the newsletter by mail instead of email should send an email to communications@nccpaboard.gov that includes their full name and address.

Licensees and candidates with non-US addresses will receive the newsletter by email only.

**Candidate Misconduct continued from front page**

- Candidate decided to take a break and when he was asked to sign his correct name on the sign-out sheet, he used vulgar language and was verbally abusive to the test center staff (Disruptive and Abusive Conduct).
- Candidate took a break, went to his locker, removed his review course notes and began reading them (Prohibited Item and Conduct).
- Candidate concealed exam review notes in the waistband of her pants. She pulled them out and starting reading them (Prohibited Item and Conduct).
- Candidate began waving his scratch paper in the testing room and complaining that an item was missing on his Exam. Test center staff attempted to speak with him, but he continued to speak loudly, disrupting the testing room (Disruptive and Abusive Conduct).

If the test center staff suspects misconduct, a warning will be given to the candidate for any of the following situations:

- Communicating, orally or otherwise, with another candidate or person
- Copying from or looking at another candidate’s materials or workstation
- Allowing another candidate to copy from or look at materials or workstation
- Giving or receiving assistance in answering examination questions or problems
- Reading multiple-choice questions, task-based simulations, or written communication tasks aloud
- Engaging in conduct that interferes with the administration of the examination or unnecessarily disturbing staff or other candidates

Preparing for the Uniform CPA Examination requires hours of study, tremendous dedication, and resolve.

Don’t be that candidate whose test-day behavior ruins all your hard work. Reading the Candidate Bulletin (nasba.org/exams/exam-resources/) and reviewing the Prometric test center regulations and lists of prohibited and permitted items (www.prometric.com) can keep you out of trouble and on your path to becoming a CPA.

If you have questions about test center regulations, prohibited or permitted items, or test center misconduct, please contact David R. Nance, CPA, the Board’s Deputy Director, at dnance@nccpaboard.gov.
Inactive Status

Between May 19, 2017, and June 20, 2017, 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)].

Tanya I. Aleman, #23111 Madison, AL Joffre Wesley Ray, Jr., #11531 Durham, NC
Thomas Clinton Eubanks, #29487 Charlotte, NC Titus Benjamin Ball, #30141 Scottsdale, AZ
David Lawrence Tetzlaff, #18980 Signal Mountain, TN Shanna Tonia Berry, #36004 South Orange, NJ
Karen Joyce Brostowicz, #16046 Hendersonville, NC Sedrick Ray Britt, #9718 Fayetteville, NC
Charles Edward Brown, #23710 Spartanburg, SC Tejib Singh Dhillon, #35425 Durham, NC
Selina Grace Carter, #30283 Winston-Salem, NC Thomas Ramey Stewart, #37395 Apex, NC
Bonnie Jean Conaway, #25471 Cary, NC Abebe Zeru, #33802 Charlotte, NC
Bertha Woodard Davis, #23822 Wendell, NC Tyler Clifton Crosby, #38357 Charlotte, NC
Walter Clayton Gaynor, #10053 Roanoke, VA William Hrabovecky, #23254 Pinheurth, NC
David W. Holt, #38960 Grand Forks, ND William Lawton Wells, #32287 Fort Myers Beach, FL
Charlotte Elaine Dietrich Kepler, #38927 Holly Springs, NC Charles Leonard Anderson, III, #26334 San Francisco, CA
Patricia Ruth Ogden, #25728 San Diego, CA Laura Wiggins Avent, #33925 Raleigh, NC
Kathryn P. Schrell, #13242 Tega Cay, SC Jonathan Rhett Eser, #34425 Canton, GA
Mercer Ward Simmons, Jr., #13080 Charlotte, NC Edward John Jacques, #35094 Isle of Palms, SC
Jerry T. Ward, #15952 Murfreesboro, TN Duncan John Kerr, #13437 Raleigh, NC
Deborah Weaver Caldwell, #17619 Greensboro, NC Patricia Barnes Kerr, #27988 Raleigh, NC
Elizabeth M. Hazi, #34788 Milwaukee, WI Jennifer Ellen Kimmel, #35811 Glastonbury, CT
Gary Martin Hill, #13979 Rocky Mount, NC Sandra L. Droster Patrick, #20069 Spartanburg, SC
Edith Ragin Saxton, #17554 Charlotte, NC C. F. Steinegger, III, #13753 Raleigh, NC
Christopher Brock Conner, #40178 Johnson City, TN Gail Shill Miller, #14501 Asheville, NC
Linda T. Davidson, #32122 Wilmington, NC Jorge Del Alamo, Jr., #9431 Corpus Christi, TX
Bobby Jackson Eason, #2802 Smithfield, NC Megan Kathleen Dix, #32011 Atlanta, GA
Joanna Foster, #30437 Bryson City, NC Ginger Reese Hachtell, #23615 Murphy, NC
Robert W. Johns, #31026 Atlanta, GA Ira Heller, #18060 Chapel Hill, NC
Scott Glenn Lowery, #23199 Simpsonville, SC Patrick G. Landry, III, #22964 Oak Ridge, NC
Andrew Vaughn Evans, #35765 Kansas City, MO James Errick Mason, Jr., #34003 Wake Forest, NC
Siyu Ge, #40051 San Jose, CA Linda Marie McGeehe, #19679 Winterville, NC
Robert Anthony LaTourrette, #36251 Charlotte, NC Douglas Alan Shackelford, #14200 Chapel Hill, NC
Yanfen Wu, #33783 San Francisco, CA Debra Baise Todd, #21999 Beaufort, NC
James George Hoard, Jr., #13432 Southport, NC Kathleen Lorraine White, #29960 Sarasota, FL
Edmund Tayloe Knott, #3669 New Bern, NC Jerry Wayne Brown, #30365 Bladenboro, NC
Sophie Yussef Malati, #38325 Atlanta, GA Janice Lou Thompson Burke, #11536 Raleigh, NC
Stephen Wood Martin, #27724 Nashville, TN Reginald Louis Dupree, #11590 Fuquay-Varina, NC
Susan Richelle Menke-Fleischer, #3965 Spreng, TX Emmett Ferri, #35559 AUSTRALIA
Brenda G. Nisinger, #21857 Sims, NC Rebecca Lynn Fri, #36262 Andover, MA
David Anthony Hartman, #25182 Ellicott City, MD Richard William Malinofsky, #38953 Oak Island, NC
James Vernon Johnston, #10122 Winterville, NC Leonard S. Relford, #38384 Woodbury, MN
Michael Allen Roberts, #22537 Thompsons Station, TN Ana Maria Alvarez, #39120 Huntersville, NC
William Burdett Buchanan, #12800 Rocky Mount, NC Robert Charles Gibson, #3300 Matthews, NC
Barbara Sue Jones, #30940 Burlington, NC Artuur Heller, #17311 Cashiers, NC
Stanley Wayne Mancl, #37974 Advance, NC Jonell Reavis Hutchinson, #17070 Clemmons, NC
Peter Michael Messana, #29465 Matalaw, NJ Pieter Volkekreum, #38010 New York, NY
Rebecca Howard Robinson, #22880 Wilmington, DE Daniel Leo Stilphen, #38235 Cleveland, OH
Elaine Stiles Sullivan, #14765 Roanoke, VA Jaclyn Marie Deason, #33566 Charlotte, NC
R. Wensell Grablek #1167 Durham, NC Frank Howard Driscoll, #39382 Winston-Salem, NC
Lynn Hetzell McDowell, #1356 Oak Island, NC Jonathan David Elton, #36653 Ferndale, MI
David S. Burnett, #30959 Mount Pleasant, SC Jonathan Thomas Hansen, #32407 Timonium, MD
John Raphel Hodge, III, #7113 Raleigh, NC Gary Wayne Lewis, #24913 Hendersonville, NC
David Bryan Wilson, #2738 Southport, NC Rebecca McKenzie Olmsed, #14137 Raleigh, NC
Timothy Baran Gavigan, #20095 Charlotte, NC Maureen D. Webb, #32167 Mayodon, NC
Jeffrey Alan Gould, #7954 Asheville, NC Virginia Wilcox Whittle, #15236 Winston-Salem, NC
James William Helms, Jr., #22090 Rock Hill, SC Kathryn Rosser Winward, #36775 Bel Air, MD
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Fax   (919) 733-4209

WEB
www.nccpaboard.gov

FACEBOOK
facebook.com/NCCPABoard

TWITTER
@NCCPABoard

Board Meetings

August 21
September 18
October 26
November 20
December 18

Unless otherwise noted, meetings are held at the Board office at 1101 Oberlin Road, Raleigh, and begin at 10:00 a.m.
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: Home 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.