

State of Alaska  
Department of Commerce, Community and  
Economic Development  
Division of Corporations, Business and Professional Licensing

**BOARD OF PUBLIC ACCOUNTANCY**

**MINUTES OF TELECONFERENCE**

**February 8-9, 2021**

By authority of AS 08.01.070(2), and in compliance with the provisions of AS 44.62, Article 6, a scheduled teleconference of the Board of Public Accountancy was held February 8-9, 2021.

**Monday, February 8, 2021**

**Call to Order/Roll Call**

The meeting was called to order by Leslie Schmitz, at 9:00 a.m. Those present, constituting a quorum of the Board were:

Leslie Schmitz, CPA  
Don Vieira, CPA  
Wesley Tegeler, CPA  
Don Rulien, CPA  
Marja Beltrami, CPA  
Karen Smith, Public Member  
Lance Johnson, Public Member

Present from the Department of Commerce, Community and Economic Development, Division of Corporations, Business and Professional Licensing, were:

Cori Hondolero, Executive Administrator  
Dawn Bundick, Investigator III (agenda item #6)  
Sara Chambers, Director (agenda items #8 & #11)

Visitors present included:

John Rodgers, representing the Alaska Society of CPAs  
Crista Burson, representing the Alaska Society of CPAs (agenda item #8 & #11)  
Malan Paquette, representing herself (agenda item #5)  
Marta Zaniewski, representing the American Institute of CPAs (AICPA) (agenda item #11)

### **Agenda Item 1 – Review Agenda**

Introductions were added; the Board welcomed new member Lance Johnson.

### **Agenda Item 2 – Ethics Report**

It was determined that there was nothing to report.

### **Agenda Item 3 – Review Meeting Minutes**

The Board reviewed the minutes of the last teleconference meetings.

**Upon a motion duly made by Mr. Rulien, seconded by Ms. Smith, and approved unanimously, it was:**

**RESOLVED to approve the minutes of the October 29, 2020, and December 22, 2020 teleconference meetings as written.**

### **Agenda Item 4 - Alaska Society of Certified Public Accountants (ASCPA)**

Mr. Rodgers provided a summary of current AK Society activities:

- Due to covid19, no live/in-person events through 2021
- CPE is all webcast
- February 24<sup>th</sup> Board meeting – virtual
- June 3<sup>rd</sup> annual meeting – virtual
- AICPA spring council meeting – virtual
- 2021/2022 AKCPA Board nominations are open
- The AKCPA Board of Directors sent a letter of support for HB44
- Letter sent to AK Dept. of Labor re: ESC – rate increase
- AKCPA Board of Directors will write letter of support once the sunset extension bill is out
- HB9 re: Income tax; is the Board taking a position? AKCPA will likely discuss
- Several State Societies are requesting that CPAs be added to the list of those who can be priority to receive the covid19 vaccine

Ms. Schmitz asked about the leadership academy. Mr. Rodgers stated that he believes it is still ongoing. Ms. Schmitz asked if about CPE attendance. Mr. Rodgers indicated that there is steady attendance, but that it is not sold out. Mr. Rodgers noted that covid19 has created a different work culture. Some clients want to come in, some just want to drop items off; email traffic is off the charts. Employees are also working varied hours.

### **Agenda Item 5 – Public Comment**

Malan Paquette called in to address the Board. She stated that she is a lifelong Alaskan with degrees in psychology and forensic psychology. Her current focus is anti-fraud and she wanted to share a resource. She stated that community members are concerned by the abundance of vacancies involving accounting work throughout the state. Ms. Malan recommended the Association of Certified Fraud Examiners (ACFE) as a possible resource and noted that they have a mentorship program and might be able to help with notices of vacant state positions. She also suggested that the Board try to have themselves added to the State of Alaska directory of State officials.

### **Agenda Item 7 – CPA Exam**

Ms. Beltrami stated that she remembers hearing that some states have agreed to allow people to become temporarily licensed if the only item missing is the CPA exam; they come back after passing the exam for their full licensure. Mr. Johnson added that in Arizona they recently started allowing lawyers to provide some legal services before being licensed. Ms. Schmitz asked what kind of disclosure is required for someone who has not fulfilled all licensure requirements and is practicing.

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Mr. Rulien stated that he wonders if the five years of education is making it harder to enter the profession. Ms. Schmitz noted that the experience requirement has been reduced from what it used to be; attest requirement removed. Ms. Beltrami added that AICPA is now pushing evolution of the CPA with different concentrations. Mr. Rulien noted that there will likely be changes in education with less brick & mortar institutions.

Mr. Rodgers stated that the exam is too hard for younger people with less experience; there is a known drop in those taking the CPA exam. Ms. Beltrami added that she believes the 18-month testing window doesn't work. Ms. Schmitz noted that the Board follows the regulations regarding the exam.

### **Agenda Item 6 – Investigative Report**

Investigator Bundick joined the meeting and provided a summary of the investigative report in the packet:

- 17 open cases
- 7 closed cases

Ms. Schmitz asked about the older cases and what the timeline was for allowing licensees to respond. Ms. Bundick stated that usually two weeks are allowed, but covid has caused some delays. Ms. Schmitz asked for clarification on a

“normal” case, when there is no response after about 30 days; what is the next step? Ms. Bundick indicated that if the respondent is being difficult, she will work with her supervisor.

Ms. Schmitz asked if all the cases on the open list have been sent to a Board member for review. Ms. Bundick stated that not all have been reviewed and they try to remind respondents if they have not heard from them. If a Board member determines that there is a violation and the respondent is not communicating in a timely manner filing of an accusation could be the next step.

Ms. Schmitz asked if the cases that were passed to her from the prior investigator(s) required her to start from scratch. Ms. Bundick indicated that that there were already files started and she needed to review them when she started with the program. Ms. Smith stated that it is concerning to see cases open this long. Ms. Beltrami stated that length of time for investigations was mentioned in the recent legislative audit, so the Board has a responsibility to follow up. Ms. Bundick noted that she is not able to speak about the open cases. Ms. Schmitz asked again about the rules for getting licensees to respond; why do we just keep waiting. Ms. Bundick noted that things are handled on a case by case basis regarding how much time is allowed to respond. The Board requested that time for investigative overview be added to the May meeting agenda.

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Ms. Schmitz asked if the Board could end up not being able to take action on something because the process took too long. Ms. Bundick stated that yes, this has happened. Standard operating procedures (SOPs) indicate that they aim to have cases closed in 180 days; cases don't just drop off. Ms. Smith asked about the closed cases marked incomplete complaint; are these when the complainant does not respond. Ms. Bundick indicated that yes, that is when the complainant does not respond.

Ms. Schmitz asked if the reviewing Board member can ask for clarification from a respondent. Ms. Bundick stated yes, but the request would go through investigations. Mr. Rodgers asked how long a respondent can manipulate the system and if there is a way to determine if a case should be sped up. Mr. Johnson stated that it appears the investigative process is open ended and wonders if the Board needs to look at the process and add more teeth. Ms. Schmitz asked if there is anything the Board can do to help; how can they advocate to make things speedier. Ms. Bundick stated that there is nothing for the Board to do at this point.

Mr. Johnson asked what litigation means on the report. Ms. Bundick indicated that is when the complainant/respondent are in litigation. Mr. Johnson stated that maybe if there is a legal case, the investigation could be closed for now. Ms. Schmitz asked if a respondent is presented with a consent agreement and they choose not to sign, are they able to request a hearing. Ms. Schmitz noted that

the Board members are just trying to understand the process. The Board thanked Ms. Bundick for her report.

### **Agenda Item 7 – CPA Exam**

The Board continued their discussion on remote testing. Mr. Vieira stated he sees there being an increase in cheating. Mr. Johnson indicated that he agrees that is true, but security will need to respond and more requirements will be added. Ms. Schmitz noted that it is important for all exam candidates to have an equitable experience. The Board requested that NASBA be invited to a future meeting to discuss remote testing.

### **Agenda Item 8 – Board Business**

Director Chambers joined the meeting to discuss fees and legislation.

#### **Fees**

Ms. Chambers stated that the fiscal goal is charging enough to cover the program, but not accumulating too large of a surplus. There should be a slight cushion for litigation and the Division will always try to avoid a fee rollercoaster. The general guideline is to have one year of expenses in reserves. Ms. Chambers noted that hopefully any fee adjustment can be made before the next renewal; fees could be finalized this summer after we know if the legislation passed.

Ms. Schmitz asked about the one year of expenses; is this one biennium or one fiscal year. Ms. Chambers stated that it is the average of the last two fiscal years. Ms. Schmitz noted that it is hard to know what the legal expenses might be; some years are higher than others. Should the Board advise the Division if they anticipate increased expenses? Ms. Chambers indicated that the Board could email her.

Ms. Beltrami stated that she has concerns about restricted travel and does not want the fees to be dropped to accommodate less travel expense being taken out. Ms. Chambers clarified that Boards can always submit requests; they must cite business need/justification. Covid has also impacted travel, but management will review all requests. Ms. Schmitz added that the Board feels the need to send more than one person to attend the conferences. Ms. Chambers indicated that the Board must articulate this in their request and that request must go up the chain for review and approval.

Ms. Schmitz also asked about investigative costs; the Board has no control over these costs. Looking back at FY20, costs were down overall, but not investigations. It was noted that many items remain unresolved. The Board lost their main assigned investigator in 2020 and had multiple temporary investigators assigned. Once a new investigator was assigned, cases have had to

be reworked. The Board stated that they are looking for more detailed tracking, by case number, not just direct program charges. Ms. Chambers stated that there is a cost involved in training as people move on, it is a balancing act. The Division wants to continue to hear any concerns and it open to changes.

Ms. Schmitz stated the Board is just trying to understand the context of some of the cases that are lagging. With limits on what can be shared, the Board is not able to help manage the process. Ms. Chambers indicated that the Division is responsible for finances and staff, not the Board. The Board is responsible for governance of the program.

Ms. Beltrami noted that in the recent sunset audit the only finding was for length of investigations, but this is something the Board cannot have impact on. Ms. Chambers indicated that she (Director) and the Chief investigator worked on the Division response to that finding in the report.

#### Legislation

Ms. Chambers noted that a legislator needs to sponsor the Board extension bill; HB44 could be the vehicle to do this or a different angle would be a standalone bill. Ms. Schmitz stated that she would check with Lynette (Representative Thompson's office) to see how best to accomplish this. Ms. Chambers indicated that the House is still organizing, but the Board could seek a sponsor on the Senate side. Ms. Chambers noted that Crystal Koeneman is in Representative Thompson's office and may also be a good person to contact. It was also noted that there is a one-year wind down period built in, so the Board could keep doing business if the extension did not pass this year.

Ms. Schmitz indicated that there are newer members and some that have not testified before. Ms. Chambers stated that the bill will be assigned to committees of referral, such as labor & commerce and finance. Most committees will hear the bill at least twice. If there is no big controversy, they will move it forward. The Schedule is posted in advance; members should utilize the bill tracker and have Board members available when bills are in committee. For the sunset audit, Legislative Audit will outline and the Division will be available to answer questions. There is usually no formal presentation from the Board.

Ms. Schmitz asked if the Division sees any issues with HB44. Ms. Chambers stated that the Boards advocacy will be essential. The Board could also make calls to committee members that will hear the bill. Give the committee Chair a call to outline the major bullet points of the bill. Board members can communicate with legislators, but the Division requests that copies of correspondence be forwarded to Ms. Hondolero, so the Division is aware. It was suggested that the Board draft up an outline to show that there are only a few main topics being addressed in the bill. Pre-explain any potential issues. Ms. Chambers stated that Board members are welcome to call or email her with any

questions. The Board thanked Ms. Chambers for her participation and the information that she provided.

Mr. Rulien and Ms. Beltrami indicated that they would be willing to testify/present if there were committee hearings before their terms end. Ms. Schmitz and Mr. Tegeler also indicated that they could testify. Ms. Schmitz noted that Lynette had sent another sectional analysis for Board review.

#### ED Report

Update regarding members terming out and new members who will start March 1<sup>st</sup>. Reinstatement is now required for any CPA whose license has been lapsed more than one year (lapsed 2019). NASBA still assisting with screening of NTS and exam score extension requests.

### Agenda Item 9 – NASBA Updates

#### Meetings

Ms. Smith stated that the Board should keep asking for travel and seek approval for multi-member attendance. If there will be in person meetings, the Board will request scholarships for the new members.

ED Conference – April 12-14, 2021; this meeting will be virtual.

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Western Regional meeting – June 8-10, 2021

Annual Meeting – October 31-Nov 3, 2021

#### Committees

Ms. Schmitz – Ethics Committee – It was more of an organizational meeting – NOCLAR confidentiality issues discussed; don't have client's permission to disclose under new revision.

Mr. Rulien – Uniform Accountancy Act (UAA) Committee – brief recent meeting regarding NOCLAR; this will be on hold until further notice. New model rules out for review and the committee will discuss remote testing at a future meeting.

Ms. Beltrami – Legislative Support Committee – No recent meetings.

Mr. Tegeler – Enforcement Resources Committee – was not able to attend the recent meeting, but there is another meeting coming up soon. The charge of this committee is to promote effective, efficient and where appropriate, uniform enforcement of professional standards by Boards of Accountancy.

### Agenda Item 10 – Correspondence

The Board reviewed the correspondence in the meeting packet and noted that none of the items required response.

### **Agenda Item 11 – Statute/Regulation Projects**

Marta Zaniewski, vice president for State Regulatory and Legislative Affairs (AICPA) joined the meeting. Ms. Zaniewski indicated that NASBA and AICPA would be sending a joint letter of support for HB44 to Representative Thompson's office.

Ms. Burson noted that there may be pushback regarding fees for sole proprietors. Ms. Schmitz noted that the Board will work with the Division to try to avoid fees bouncing around. The firm permits for sole practitioners may be the issue that comes up with the bill. Ms. Zaniewski mentioned that she would send the Board some language regarding firms/sole proprietors.

Ms. Zaniewski noted that it might be helpful to outline the top items addressed in the bill:

- Definition of firm – sole proprietors included
- “Quality” review being updated to “peer” review
  - Slightly updated definition of peer review to include compilation

It was noted that these changes provide conforming language with the Uniform Accountancy Act (UAA) and will help modernize the statutes.

It was noted that for a firm doing only compilation there is a reduced peer review; engagement review. Ms. Schmitz indicated that she would contact past Board member Ms. Brewer-Tarver to ask about the updated definition of peer review and compilation being added. It may have been the intent not to pull in those who only do compilation. Historically compilation was specifically exempted.

The Board moved on to review and discuss possible regulation updates. Ms. Schmitz noted that the US CPA license has a lot of value. Mr. Vieira stated that the regulation says that a reference must be able to verify the applicants “good moral character.” The reference may not fully understand Alaska laws. Mr. Tegeler added that if the Board moves to a required reference form, he does not feel it needs to be notarized. Ms. Zaniewski added that North Carolina is looking at this issue now and that she would review to see what other states are doing. Ms. Schmitz stated that this information would be helpful. Mr. Vieira asked about adding a good moral character question to the experience verification form.

- 12 AAC 04.004 – reference material date needs to be updated
- 12 AAC 04.038 – reference material date needs to be updated
- 12 AAC 04.160 – create/require professional reference form?



- 12 AAC 04.165; ok to add/mirror requirements (5) & (6) from 12 AAC 04.175
- All licensure applications should require notarization
- 12 AAC 04.185 Board is ok with removing references to the university of Alaska
- 12 AAC 04.205 – repeal is just clean up
- 12 AAC 04.300(b) -repeal effective 1/1/22
- 12 AAC 04.370 – repeal effective 1/1/22
- 12 AAC 04.390 - repeal effective 1/1/22
- 12 AAC 04.430 – add clarifying language
- 12 AAC 04.610 – reference material date needs to be updated

Ms. Zaniewski stated that the core competencies are not going away with the evolution of the CPA. Ms. Schmitz noted that you would not be able to tell some courses are CLEP based on the way they are listed on the transcripts. Mr. Vieira wondered if there could be a potential issue with military personnel and their ability to earn credits; does not think that a new section barring the use of certain credit types is necessary. Ms. Hondolero noted that UAA language is changing regarding accreditation; there may not necessarily be regional accreditation in the future.

Ms. Schmitz asked if there were any additional areas not already covered that the Board should review. Ms. Beltrami noted that she would still like to see streamlining of the reciprocity process. With substantial equivalency a reciprocity applicant should not have to send in verification of experience.

### **Agenda Item 14 – Administrative Business**

#### **Confirm Upcoming Meeting Dates/Locations**

- May 6-7, 2021
- August 26-27, 2021
- November 8-9, 2021

The Board determined they would discuss the Chair and Secretary positions at the May meeting.

Ms. Schmitz thanked Mr. Rulien and Ms. Beltrami for their service on the Board.

The meeting was recessed at 4:10 p.m., until Tuesday, February 9, 2021.

**Tuesday, February 9, 2021**

#### **Call to Order/Roll Call**

The meeting was called to order by Leslie Schmitz, at 9:02 a.m. Those present, constituting a quorum of the Board were:

Leslie Schmitz, CPA  
Donovan Rulien II, CPA  
Don Vieira, CPA  
Marja Beltrami, CPA  
Wesley Tegeler, CPA  
Karen Smith, Public Member  
Lance Johnson, Public Member

Present from the Department of Commerce, Community and Economic Development, Division of Corporations, Business and Professional Licensing, were:

Cori Hondolero, Executive Administrator  
Marilyn Zimmerman, Paralegal II (agenda item #13)

Visitors present included:

2 people called in, but did not identify themselves

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### **Agenda Item 12 – Review Agenda**

It was noted that the Board had already covered agenda item #14 by setting meeting dates and signing adopted minutes.

### **Agenda Item 13 – Application Review**

Board members reviewed applications and took the following action:

It was noted that the Board had received a letter from Meredith Saum requesting a waiver of the experience requirements (CPA supervision). The Board noted that they cannot waive statutory or regulatory requirements. Specifically, the requirements on 12 AAC 04.180; Ms. Hondolero will email Ms. Saum to notify her of the Boards response.

**Upon a motion duly made by Ms. Beltrami seconded by Mr. Tegeler, and approved unanimously, it was:**

**RESOLVED to accept the recommendation from NASBA and approve the following for exam score extension:**

- Wako Chapurlat
- Fahad Almahisen
- Yazeed Alazzeah

- **Santia Bernard B. Oka**
- **Charles Petersen**
- **Zaki Alghais**
- **Mohammed Shat**
- **Ramona Garnett**
- **Atul Awasthi**
- **Osama Al-Buttma**
- **Mika Iijima**
- **Muhammad Iqbal**
- **Hashem Allozi**
- **Hemant Motwani**
- **Ramin Mammadli**
- **Wesam Akarsheh**
- **Khulood Meftah**
- **Mahmoud Al-Hamawi**

**Upon a motion duly made by Mr. Johnson seconded by Mr. Rulien, and approved unanimously, it was:**

**RESOLVED to accept the recommendation from NASBA and approve the following for NTS extension:**

- **Mohammed Alqahtani**
- **Kamalkumar Nirmal Kothari**
- **Wako Chapurlat**
- **Fahad Almahisen**
- **Santia Bernard B. Oka**
- **Daniel Dsouza**
- **Natsumi Fujita**
- **Keisuke Okayama**
- **Maria Torres Ramirez**
- **Latesha Thurston**
- **Takanori Hanzawa**
- **Angela Yeung**
- **Rupinder Singh**
- **Hidetoshi Fukui**
- **Fahad Alotaibi**
- **Ramin Mammadli**
- **Ahmed Gaber Sarag**
- **Abedalaziz Aqtash**

**Upon a motion duly made by Ms. Smith seconded by Mr. Rulien, and approved by a majority vote, it was:**

**RESOLVED to accept the recommendation from NASBA to deny the request for NTS extension from Kamini Jha.**

	YES	NO
Don Rulien	X	
Karen Smith	X	
Wes Tegeler	X	
Don Vieira		X
Marja Beltrami		X
Lance Johnson		X
Leslie Schmitz	X	

**Upon a motion duly made by Ms. Smith seconded by Mr. Rulien, and approved by a majority vote, it was:**

**RESOLVED to accept the recommendation from NASBA to deny the request for NTS extension from Kohei Okamura.**

	YES	NO
Don Rulien	X	
Karen Smith	X	
Wes Tegeler	X	
Don Vieira		X
Marja Beltrami		X
Lance Johnson		X
Leslie Schmitz	X	

**Upon a motion duly made by Ms. Smith seconded by Mr. Rulien, and approved by a majority vote, it was:**

**RESOLVED to accept the recommendation from NASBA to deny the request for NTS extension from Eveleen Khaled.**

	YES	NO
Don Rulien	X	
Karen Smith	X	
Wes Tegeler	X	
Don Vieira	X	
Marja Beltrami		X
Lance Johnson	X	
Leslie Schmitz	X	

**Upon a motion duly made by Ms. Smith, seconded by Mr. Rulien, and approved unanimously, it was:**

**RESOLVED to enter into executive session for the purpose of discussing CPE matters.**

The Board entered executive session at 9:17 a.m.  
The Board went back on the record at 9:44 a.m.

**Upon a motion duly made by Ms. Smith seconded by Ms. Beltrami, and approved unanimously, it was:**

**RESOLVED to deny Thomas Morse's request for waiver of fines.**

**Upon a motion duly made by Mr. Johnson seconded by Mr. Vieira, and approved unanimously, it was:**

**RESOLVED to adopt the consent agreement for case #2020-000857.**

**Upon a motion duly made by Ms. Smith seconded by Mr. Johnson, and approved unanimously, it was:**

**RESOLVED to deny Edmund Pascual's request for waiver of fines.**

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**Upon a motion duly made by Mr. Rulien seconded by Mr. Vieira, and approved unanimously, it was:**

**RESOLVED to approve Daniel Rosano's application to sit for the CPA exam.**

**Upon a motion duly made by Mr. Johnson seconded by Mr. Rulien, and approved unanimously, it was:**

**RESOLVED to approve Travis Ables, Ryan Adickes, Andrew Behrendt, Sara Bou Hamdan, Nael Braham, Thomas Emerson, Kelsi Espelin, Lea Kekedjian, Orlando Lewis, Elizabeth Pederson, Michael Redmond and Richard Silaj for licensure by exam.**

**Upon a motion duly made by Mr. Rulien seconded by Mr. Johnson, and approved unanimously, it was:**

**RESOLVED to approve Nathan Davis for licensure by reciprocity.**

**Upon a motion duly made by Mr. Johnson seconded by Mr. Tegeler, and approved unanimously, it was:**

**RESOLVED to approve the Out-of-State firm permit applications of Bennett Thrasher, LLP and BerganKDV Ltd.**

**Upon a motion duly made by Mr. Johnson seconded by Mr. Rulien, and approved unanimously, it was:**

**RESOLVED to approve the reinstatement applications of Anthony Fick and George Gates**

**Upon a motion duly made by Mr. Johnson seconded by Mr. Vieira, and approved unanimously, it was:**

**RESOLVED to approve Candice Dana for licensure by exam pending receipt of the original experience verification form.**

**Upon a motion duly made by Mr. Tegeler seconded by Mr. Johnson, and approved unanimously, it was:**

**RESOLVED to approve Tara Jenkins for licensure by exam.**

**Upon a motion duly made by Mr. Johnson seconded by Ms. Smith, and approved unanimously, it was:**

**RESOLVED to approve Cassandra Olnier for licensure by exam.**

**Upon a motion duly made by Mr. Rulien seconded by Mr. Johnson, and approved by a majority, it was:**

**RESOLVED to approve Joseph Regenstein for licensure by exam.**

	YES	NO
Don Rulien	X	
Karen Smith	X	
Wes Tegeler	X	
Don Vieira	X	
Marja Beltrami	X	
Lance Johnson	X	
Leslie Schmitz		X

**Upon a motion duly made by Ms. Beltrami seconded by Mr. Rulien, and approved unanimously, it was:**

**RESOLVED to approve the reinstatement application of Amy Hillenbrand.**

**Agenda Item 14 – Administrative Business**

Task Lists

Leslie Schmitz

- Contact Ms. Bergh with Representative Thompson's office regarding HB44 and new sunset legislation
- Contact Ms. Brewer-Tarver regarding the updated definition of peer review – with compilation being included

Cori Hondolero

- Add time for investigative overview presentation at May meeting
- Invite NASBA representative to a future meeting to talk about remote testing

**Upon a motion duly made by Mr. Rulien seconded by Mr. Johnson, and approved unanimously, it was:**

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**RESOLVED to adjourn the meeting.**

There being no further business, the meeting adjourned at 10:29 a.m.

Respectfully Submitted:



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Cori Hondolero  
Executive Administrator

Approved:



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Leslie Schmitz, Chair  
Alaska Board of Public Accountancy

Date: 5/16/21