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COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF STATE  
BUREAU OF PROFESSIONAL AND OCCUPATIONAL AFFAIRS

**F I N A L M I N U T E S**

MEETING OF:

**STATE BOARD OF ACCOUNTANCY**

TIME: 9:08 A.M.

Messiah College  
Hostetter Chapel Sanctuary  
2835 Chapel Drive  
Mechanicsburg, PA 17055

October 2, 2018



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State Board of Accountancy  
October 2, 2018

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The regularly scheduled meeting of the State Board of Accountancy was held on Tuesday, October 2, 2018. Chandra "Dolly" Lalvani, CPA, Chair, called the meeting to order at 9:03 a.m.

\*\*\*

Approval of Minutes of the July 17, 2018 meeting

CHAIR LALVANI:

The first item on the agenda is the July 17, 2018 Board meeting draft minutes. Does anyone have any comments? Can I get a motion to approve the minutes?

MR. BERKOWITZ:

I'll make that motion.

CHAIR LALVANI:

Second?

MR. KELLY:

Second.

CHAIR LALVANI:

Roll call.

David W. Stonesifer, aye; Barry M.

1 Berkowitz, aye; Chandra "Dolly" M.  
2 Lalvani, aye; Erik V. Scully, aye; Keri  
3 A. Ellis, aye; Michael D. Ocker, aye;  
4 Alfred L. Whitcomb, abstain; and Paul J.  
5 Kelly III, aye.

6 [The motion carried. Alfred L. Whitcomb abstained  
7 from deliberations and voting on the motion.]

8 \*\*\*

9 Report of Prosecutorial Division

10 [Robert B. Armour, Esquire, Board Prosecution Liaison,  
11 announced that Kim Adams, Esquire, will be replaced by  
12 two other prosecutors.]

13 \*\*\*

14 [Kimberly A. Adams, Esquire, Board Prosecutor,  
15 introduced Erica Papp, Esquire, from Edinboro  
16 University, and Michelle Hawthorne, Esquire, from  
17 Widener University.]

18 Ms. Adams presented the Consent Agreements for  
19 File No. 14-55-03550 and File No. 18-55-01669; and  
20 File No. 14-55-02446 and File No. 18-55-00194.]

21 \*\*\*

22 [Janelle Hawthorne, Esquire, presented the Consent  
23 Agreements for File No. 16-55-12662 and File No. 15-  
24 55-01996.]

25 \*\*\*

1 [Kimberly A. Adams, Esquire, Board Prosecutor,  
2 presented the Consent Agreement for File No. 17-55-  
3 02496.]

4

\*\*\*

5 [Robert B. Armour, Esquire, Board Prosecutor,  
6 presented the Consent Agreements for File No. 13-55-  
7 02365, File No. 14-55-14213, and File No. 15-55-  
8 14981.]

9

\*\*\*

10 Report of Board Counsel

11 [Shana M. Walter, Esquire, Board Counsel noted two  
12 Motions to Enter Default and Deem Facts Admitted.]

13

\*\*\*

14 Report of Regulatory Counsel

15 [Shana M. Walter, Esquire, Regulatory Counsel, noted  
16 the Regulatory Status Report and the General  
17 Provisions (16A-55-16) Draft Preamble and Annex  
18 regarding modification to the regulation concerning  
19 the continuing education requirements.]

20

\*\*\*

21 Report of Board Chairman

22 [Chandra "Dolly" Lalvani, CPA, Chair, announced that  
23 she and Mr. Berkowitz will be attending the National  
24 Association of State Boards of Accountancy (NASBA)  
25 Annual Meeting in Scottsdale, Arizona, October 28-31,

1 2018.

2 Chair Lalvani reviewed the Board Committee  
3 assignments, including the Moral Character Committee.  
4 She stated individuals applying to take the CPA exam,  
5 applying for licensure, and those who are already  
6 licensed with a felony or misdemeanor may have to  
7 present before the Moral Character Committee.

8 Chair Lalvani noted the Gift Ban Policy, stating  
9 the Board is not permitted to accept any gifts.

10 Chair Lalvani addressed the PA Sunshine Act,  
11 noting that all meetings are held in public.]

12 \*\*\*

13 Report of Commissioner - No Report

14 \*\*\*

15 Report of Board Administrator

16 [Sara Fox, Board Administrator, noted travel update  
17 information for the Board's review.]

18 \*\*\*

19 [Pursuant to Section 708(a)(5) of the Sunshine Act, at  
20 9:28 a.m. the Board entered into Executive Session  
21 with Shana M. Walter, Esquire, Board Counsel, for the  
22 purpose of conducting quasi-judicial deliberations and  
23 to receive advice from Counsel. The Board returned to  
24 Open Session at 10:35 a.m.]

25 \*\*\*

1 [The Board recessed from 10:35 a.m. until 10:47 a.m.]

2

\*\*\*

3 MS. WALTER:

4

During Executive Session, the Board members received advice from myself. I am Counsel for the Board, and we discussed matters on the agenda.

8

Consent agreements on the agenda, items 2 through 9; the motion to enter default and deem facts admitted, items 10 and 11 on the agenda; draft preamble and annex; and the application that was also presented on the agenda.

14

All of those items were discussed during Executive Session.

15

16

\*\*\*

17 [Chandra "Dolly" M. Lalvani, CPA, Chair, stated that  
18 the Pennsylvania State Board of Accountancy is a  
19 regulatory body. She discussed driving under the  
20 influence as one of the most common violations that  
21 bring individuals to a good moral character informal  
22 conference. She stated the Pennsylvania Institute of  
23 Certified Public Accountants is a state society.

24

25

Michael Colgan, CAE, CEO & Executive Director,  
Pennsylvania Institute of Certified Public

1 Accountants, noted that PICPA is a state CPA  
2 association with approximately 2,200 members and 3,000  
3 student members that provides services, including  
4 learning and development and educational services.

5 Kathleen Johnston, Associate Professor of  
6 Accounting, Messiah University, thanked and welcomed  
7 the Board.]

8 \*\*\*

9 Introduction of Board and Audience

10 [Chair Lalvani requested the introduction of Board  
11 members.]

12 \*\*\*

13 [Mr. Berkowitz stated the State Board of Accountancy  
14 performs roles as a governing body and is affiliated  
15 with the National Association of State Boards of  
16 Accountancy. He discussed his active role on the  
17 Board of Examiners, which is a partnership between  
18 American Institute of Certified Public Accountants  
19 (AICPA), NASBA, and Prometric, which is the testing  
20 center that administers the CPA exam. He reviewed the  
21 CPA exam process and preparation, noting that the  
22 Board of Examiner's Content Committee creates the  
23 exam.

24 Mr. Kelly addressed the vetting process to assure  
25 that the questions on the exam meet the requirements



1 of the state. He noted that the statewide and  
2 national statistics on individuals graduating with  
3 accounting degrees are increasing.]

4 \*\*\*

5 Miscellaneous - Appointment

6 [Amy Tongate, MBA, Senior Manager, CPE Audit Service,  
7 National Association of State Boards of Accountancy,  
8 introduced herself and Erin Buchanan, MBA, Senior  
9 Account Manager, CPE Audit Service, National  
10 Association of State Boards of Accountancy. She  
11 stated the NASBA CPE Audit Service is a turnkey  
12 software solution that is offered to the Boards of  
13 Accountancy to provide an efficiency to the auditing  
14 process.

15 Ms. Tongate reviewed the new audit platform that  
16 will be available in March 2019. She explained the  
17 process, noting that 52 Boards currently send licensee  
18 data to the accounting licensee database. That data  
19 is used to create accounts on the CPE Audit Service to  
20 send out registration notices to licensees regarding  
21 login information.

22 Ms. Buchanan reviewed the CPA persona that  
23 includes compliance reports, course credits, and  
24 jurisdiction and provider information. She also  
25 reviewed Board persona on the system, including

1 statistical information and audit process.

2 Ms. Buchanan discussed information from  
3 jurisdictions based on specific compliance.  
4 She addressed the audit summary report that displays  
5 the number of users, the audit status, compliance  
6 status, and CPE category. She stated the audit detail  
7 report displays compliance results for an audit pool  
8 by licensee for a specific recording period. The  
9 detailed report also takes state compliance  
10 information outside, looking at a larger population.

11 Ms. Buchanan stated the service is free of charge  
12 to Boards. She hoped that the Board will consider  
13 allowing the Pennsylvania CPA population and Board  
14 staff the opportunity to utilize this platform.

15 Ms. Fox stated it is a wonderful idea that would  
16 cut down on man-hours. She commented that the current  
17 licensing system is building in that CPE module.]

18 \*\*\*

19 [The Board recessed from 11:39 a.m. until 11:41 a.m.]

20 \*\*\*

21 MOTIONS

22 CHAIR LALVANI:

23 I think we are going to go back to  
24 making the motions from our Executive  
25 Session. Those are items 2 through 9.

1 I look for a motion to accept File  
2 No. 14-55-03550, File 14-55-02446, File  
3 No. 16-55-12662, File No. 17-55-02496,  
4 File No. 14-55-14213, and File No. 15-  
5 55-14981.

6 Do I have a motion to accept?

7 MR. BERKOWITZ:

8 Second.

9 CHAIR LALVANI:

10 Roll call.

11  
12 David W. Stonesifer, aye; Barry M.  
13 Berkowitz, aye; Chandra "Dolly" M.  
14 Lalvani, aye; Erik V. Scully, aye; Keri  
15 A. Ellis, aye; Michael D. Ocker, aye;  
16 Alfred L. Whitcomb, aye; and Paul J.  
17 Kelly III, aye.

18 [The motion carried unanimously. The Respondent's  
19 name for File No. 14-55-03550 is Earl C. Aussenberg,  
20 CPA; File No. 14-55-02446 is Aussenberg, Bernson &  
21 Perilman, PC; File No. 16-55-12662 is Judith Anne  
22 Baldisari, CPA; File No. 17-55-02496 is Ian Patrick  
23 Kauffman, CPA; File No. 14-55-14213 is McPhillips, CPA  
24 & Company, LLC; and File No. 15-55-14981 is Douglas G.  
25 Werley, CPA.]

1 \*\*\*

2 CHAIR LALVANI:

3 For File No. 15-55-01996 and File No.  
4 13-55-02365, is there a motion to reject  
5 or deny these consent agreements.

6 Do I have a second?

7 MR. BERKOWITZ:

8 Second.

9 CHAIR LALVANI:

10 Roll call.

11

12 David W. Stonesifer, aye; Barry M.  
13 Berkowitz, aye; Chandra "Dolly" M.  
14 Lalvani, aye; Erik V. Scully, aye; Keri  
15 A. Ellis, aye; Michael D. Ocker, aye;  
16 Alfred L. Whitcomb, aye; and Paul J.  
17 Kelly III, aye.

18 [The motion carried unanimously. The Respondent's  
19 name in File No. 15-55-01996 is Mercadante and  
20 Company. The Respondent's name in File No. 13-55-  
21 02365 is David Alan Price, CPA.]

22

\*\*\*

23 MS. WALTER:

24 I believe the Board would entertain a  
25 motion to defer File No. 15-55-03663

1                   until the November 2018 meeting.

2 MR. BERKOWITZ:

3                   So moved.

4 CHAIR LALVANI:

5                   Second?

6 MS. ELLIS:

7                   Second.

8 CHAIR LALVANI:

9                   Roll call.

10

11                   David W. Stonesifer, aye; Barry M.  
12                   Berkowitz, aye; Chandra "Dolly" M.  
13                   Lalvani, aye; Erik V. Scully, aye; Keri  
14                   A. Ellis, aye; Michael D. Ocker, aye;  
15                   Alfred L. Whitcomb, aye; and Paul J.  
16                   Kelly III, aye.

17 [The motion carried unanimously. The Commonwealth of  
18 Pennsylvania vs. Herbert G. Schectman, CPA, File No.  
19 15-55-03663]

20

\*\*\*

21 MS. WALTER:

22                   Number 11 as well, the Motion to Enter  
23                   Default and Deem Facts Admitted, File  
24                   No. 15-55-14981, to defer that until the  
25                   November meeting. I believe the Board

1 would entertain a motion regarding that.

2 \*\*\*

3 (The Board held a short off-record discussion.)

4 \*\*\*

5 MS WALTER:

6 Regarding Item No. 11 on the agenda,  
7 File No. 15-55-14981, the Commonwealth  
8 has indicated that a motion to withdraw  
9 the Motion to Enter Default and Deem  
10 Facts Admitted will be forthcoming, and  
11 based upon that representation, the  
12 Board did not deliberate that matter.

13 \*\*\*

14 CHAIR LALVANI:

15 Do I have a motion to approve Item No.  
16 12 on the agenda, the draft Preamble and  
17 Annex, 16A-5516.

18 Do I have a motion?

19 MR. SCULLY:

20 Madam Chair, I move so.

21 CHAIR LALVANI:

22 Do I have a second?

23 MR. BERKOWITZ:

24 Second.

25 CHAIR LALVANI:

1 Roll call.

2

3 David W. Stonesifer, aye; Barry M.  
4 Berkowitz, aye; Chandra "Dolly" M.  
5 Lalvani, aye; Erik V. Scully, aye; Keri  
6 A. Ellis, aye; Michael D. Ocker, aye;  
7 Alfred L. Whitcomb, aye; and Paul J.  
8 Kelly III, aye.

9 [The motion carried unanimously.]

10

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11 Review of Program Sponsor Applications

12 MR. WHITCOMB:

13 I'd like to make a motion to approve  
14 Arconic, Pearl S. Buck International,  
15 and the Pennsylvania State Association  
16 of County Auditors.

17 I'd like to present that in the  
18 form of a motion.

19 CHAIR LALVANI:

20 Do I have a second?

21 MS. ELLIS:

22 Second.

23 CHAIR LALVANI:

24 Roll call.

25

1 David W. Stonesifer, aye; Barry M.  
2 Berkowitz, aye; Chandra "Dolly" M.  
3 Lalvani, aye; Erik V. Scully, aye; Keri  
4 A. Ellis, aye; Michael D. Ocker, aye;  
5 Alfred L. Whitcomb, aye; and Paul J.  
6 Kelly III, aye.

7 [The motion carried unanimously.]

8 \*\*\*

9 CHAIR LALVANI:

10 We have a waiver of 20 hours of  
11 self-study. That is Item No. 22.

12 MR. BERKOWITZ:

13 Madam Chair, I'll make a motion to  
14 approve or ratify the Waiver of CPE.  
15 Agenda Item No. 22, Steve W. Andrews,  
16 CPA, was the waiver of the 20 hours of  
17 self-study requirement due to military  
18 reasons. Number 23, Todd Alan Miller,  
19 we agreed to extend CPE for reactivation  
20 due to medical reasons. That is my  
21 motion.

22 Do I have a second?

23 MR. WHITCOMB:

24 Second.

25 CHAIR LALVANI:



1 Roll call.

2

3 David W. Stonesifer, aye; Barry M.  
4 Berkowitz, aye; Chandra "Dolly" M.  
5 Lalvani, aye; Erik V. Scully, aye; Keri  
6 A. Ellis, aye; Michael D. Ocker, aye;  
7 Alfred L. Whitcomb, aye; and Paul J.  
8 Kelly III, aye.

9 [The motion carried unanimously.]

10

\*\*\*

11 CHAIR LALVANI:

12 We have items 24 through 30, which are  
13 CPA Exam Extension Requests of Russell  
14 Buchman, Hui R. Hung, Zachary Lessman,  
15 Bradley Runyen, Kudirat Shoda, Jeffery  
16 L. Smith, and Joseph Zielinski. There  
17 are quite a few. These are more to  
18 ratify.

19 Do I have a motion to ratify the  
20 approval of these extension requests.  
21 They are more for medical reasons.

22 MR. BERKOWITZ:

23 Madam Chair, I'll so move to ratify  
24 these CPA exam extensions, items 24  
25 through 30 on the agenda.

1 CHAIR LALVANI:

2 Do I have a second?

3 MR. OCKER:

4 Second.

5 CHAIR LALVANI:

6 Roll call.

7

8 David W. Stonesifer, aye; Barry M.

9 Berkowitz, aye; Chandra "Dolly" M.

10 Lalvani, aye; Erik V. Scully, aye; Keri

11 A. Ellis, aye; Michael D. Ocker, aye;

12 Alfred L. Whitcomb, aye; and Paul J.

13 Kelly III, aye.

14 [The motion carried unanimously.]

15 \*\*\*

16 CHAIR LALVANI:

17 There was a review of CPA Examination

18 files for Natalie Kostiuik, and Paul

19 Kelly is recused and was not in the room

20 when we had this discussion.

21 Do I have a motion to request an

22 informal conference and have the Moral

23 Character Committee meet for an informal

24 conference with Natalie Kostiuik.

25 Do I have a motion?

1 MR. BERKOWITZ:

2 So moved.

3 CHAIR LALVANI:

4 Second?

5 MS. ELLIS:

6 Second.

7 CHAIR LALVANI:

8 Roll call.

9

10 David W. Stonesifer, aye; Barry M.  
11 Berkowitz, aye; Chandra "Dolly" M.  
12 Lalvani, aye; Erik V. Scully, aye; Keri  
13 A. Ellis, aye; Michael D. Ocker, aye;  
14 Alfred L. Whitcomb, aye; and Paul J.  
15 Kelly III, abstain.

16 [The motion carried. Paul J. Kelly III abstained from  
17 deliberations and voting on the motion.]

18 \*\*\*

19 Correspondence

20 [Chair Lalvani noted the AICPA Comment Letter on  
21 International Ethics Standards Board for Accountants  
22 (IESBA) Consulting Papers regarding professional  
23 skepticism and proposed strategy and work plan.

24 She also noted the NASBA Candidate Care Report  
25 regarding Prometric site issues and CPA candidates.]

1 \*\*\*

2 Miscellaneous

3 [Chair Lalvani noted the remaining 2018 and 2019 Board  
4 meeting dates for review.

5 She also noted the 2018-2019 NASBA dues.]

6 \*\*\*

7 Adjournment

8 CHAIR LALVANI:

9 Do I have a motion to adjourn?

10 MR. BERKOWITZ:

11 So moved.

12 CHAIR LALVANI:

13 Do I have a second?

14 MS. ELLIS:

15 Second.

16 CHAIR LALVANI:

17 Roll call.

18

19 David W. Stonesifer, aye; Barry M.

20 Berkowitz, aye; Chandra "Dolly" M.

21 Lalvani, aye; Erik V. Scully, aye; Keri

22 A. Ellis, aye; Michael D. Ocker, aye;

23 Alfred L. Whitcomb, aye; and Paul J.

24 Kelly III, aye.

25 [The motion carried unanimously.]

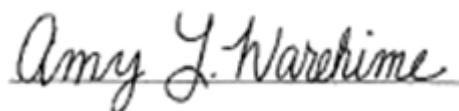
1 \*\*\*

2 [There being no further business, the State Board of  
3 Accountancy Meeting adjourned at 11:52 a.m.]

4 \*\*\*

5  
6  
7 CERTIFICATE

8  
9 I hereby certify that the foregoing summary  
10 minutes of the State Board of Accountancy meeting, was  
11 reduced to writing by me or under my supervision, and  
12 that the minutes accurately summarize the substance of  
13 the State Board of Accountancy meeting.

14  
15 

16 Amy L. Warehime,

17 Minute Clerk

18 Sargent's Court Reporting

19 Service, Inc.  
20  
21  
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23  
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STATE BOARD OF ACCOUNTANCY  
REFERENCE INDEX  
October 2, 2018

	TIME	AGENDA
1		
2		
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6		
7	9:03	Official Call to Order
8		
9	9:03	Approval of Minutes
10		
11	9:04	Report of Prosecutorial Division
12		
13	9:23	Report of Board Counsel
14		
15	9:24	Report of Regulatory Counsel
16		
17	9:25	Report of Board Chair
18		
19	9:27	Report of Board Administrator
20		
21	9:58	Review of Program Sponsor Applications
22		
23	9:28	Executive Session
24	10:35	Return to Open Session
25		
26	10:35	Recess
27	10:47	Return to Open Session
28		
29	10:51	Introduction of Board Members
30		
31	11:03	Miscellaneous
32		
33	11:04	Appointment - NASBA CPE Audit Service
34	11:39	
35		
36	11:39	Recess
37	11:41	Return to Open Session
38		
39	11:41	Motions
40		
41	11:47	Correspondence
42		
43	11:52	Adjournment
44		
45		
46		
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50		