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WASHINGTON STATE  
BOARD OF ACCOUNTANCY

**PROCEEDINGS BEFORE THE  
WASHINGTON STATE  
BOARD OF ACCOUNTANCY**

In the matter of:

[REDACTED]

Individually and as Owner of:

[REDACTED]

Respondent.

[REDACTED]

FINDINGS OF FACT,  
CONCLUSIONS OF LAW  
AND DEFAULT ORDER

**1 INTRODUCTION**

THIS MATTER, arises out of the Statement of Charges issued by the Executive Director of the Washington State Board of Accountancy (hereinafter Board) on [REDACTED]. The Statement of Charges alleges that [REDACTED] (hereinafter Respondent) violated the provisions of RCW 18.04. Respondent has failed to answer or otherwise respond to the Statement of Charges.

THIS MATTER having come before the Board upon the motion of [REDACTED] Assistant Attorney General; Respondent having failed to answer or otherwise respond to the Statement of Charges; the Board having reviewed the records herein and the Declaration of [REDACTED] Executive Director, and being advised in the premises, makes the following:

**2 FINDINGS OF FACT**

- 2.1 At all times material hereto [REDACTED] the Respondent herein, held an individual Certified Public Accountant (CPA) license to practice as a CPA in the state of Washington, License No [REDACTED]
- 2.2 At all times material hereto, Respondent owned and operated the CPA firm [REDACTED]  
[REDACTED] The firm held a CPA firm license to practice as a CPA firm in the state of Washington, License [REDACTED]
- 2.3 On [REDACTED] 1997, Respondent entered into a Stipulated Agreement and Order of Assurance with the Board, relating to failure to respond to the Quality Assurance Review Committee. Respondent complied with this Order.
- 2.4 On [REDACTED] 2004, Respondent entered into a Stipulated Agreement and Order of Assurance with the Board, relating to failure to document compliance with Continuing Professional Education requirements. Respondent complied with this Order.
- 2.5 On [REDACTED] 2010, a peer review of Respondent's firm covering [REDACTED]  
[REDACTED] 2010 was accepted. Respondent received a failing grade on the peer review.
- 2.6 On [REDACTED] 2011, Respondent was dropped from the peer review program for non-cooperation.
- 2.7 On [REDACTED] 2015, Respondent submitted a firm renewal application for Respondent firm. In the application, Respondent answered yes to each of the following, for a reporting period of [REDACTED] 2012, through [REDACTED] 2014:
- 2.7.1 Respondent firm issued attest and/or compilation reports for the reporting period.
- 2.7.2 Respondent reported the firm issued three (3) Compilation Reports (Non-Disclosure).

- 2.7.3 Respondent firm underwent a PCAOB inspection within the three (3) year period ending [REDACTED] 2015. Respondent reported the PCAOB Review Date as [REDACTED]
- 2.7.4 Respondent firm underwent a Board approved Peer Review within the three (3) year period ending [REDACTED] 2015. Respondent reported the Peer Review Date as [REDACTED] and the Peer Review grade as "Pass."
- 2.8 Respondent firm is not currently registered with the PCAOB, according to PCAOB records.
- 2.9 Respondent firm is not currently enrolled in either the WSCPA or AICPA Peer Review Programs. WAC 4-30-130 requires a firm that issued attest and/or compilation reports, as positively answered by Respondent in paragraph 2.7.1, to participate in a board-approved peer review program as a condition of renewing the CPA firm license.
- 2.10 Failure of Respondent to enroll in Peer Review, as described in Paragraph 2.9, is a violation of WAC 4-30-130.
- 2.11 On [REDACTED] Board staff left a voicemail for Respondent regarding the request for submission of Respondent's peer review documents. Respondent was asked to provide (a) peer review report issued, (b) firm's letter of response, if any, (c) letter of acceptance from peer review program, (d) unless Respondent opted to have the peer review report posted with the AICPA.
- 2.12 On [REDACTED] a follow-up email was sent to Respondent, reiterating the request described in paragraph 2.10, requiring a response [REDACTED]
- 2.13 No response was received to the communications described in 2.11 and 2.12.
- 2.14 On [REDACTED] a Cover Letter, Proposed Consent Agreement, Statement of Charges, Answer to Statement of Charges, and Notice of Opportunity to Defend were issued to the

Respondent, addressed to Respondent's address of record, requiring a response by [REDACTED]  
[REDACTED] USPS tracking confirmed delivery on [REDACTED] No response was received as of  
[REDACTED]

### 3 CONCLUSIONS OF LAW

From the foregoing Findings of Fact, the Board makes the following Conclusions of Law.

- 3.1 The Washington State Board of Accountancy has jurisdiction over Respondent and the subject matter of the case. RCW 18.04.295; RCW 18.04.305.
- 3.2 Service is completed when mail is properly stamped, addressed, and deposited in the United States mail to the last known address of the licensee. RCW 34.05.010(19).
- 3.3 Based on the above Findings of Fact, and Conclusions of Law, Respondent has been served with the Statement of Charges, Answer to Statement of Charges, and Notice of Opportunity to Defend.
- 3.4 The failure of Respondent to file a request for a hearing in this matter within the time limit established by statute or agency rule constitutes a default, resulting in the loss of Respondent's right to a hearing. The Board is legally entitled to proceed to resolve the matter without further notice to, or hearing for, the benefit of Respondent, except that a copy of this order shall be served upon Respondent under RCW 34.05.440.
- 3.5 Failure to respond to in writing Board communications requesting a response within 20 days, as set out in Findings of Fact 2.1 through 2.13, constitutes cause for Board sanction under RCW 18.04.295, WAC 4-30-034 and WAC 4-30-142(13)(b) and (c).
- 3.6 Fraud or deceit in obtaining a license, or in any filings with the Board, is a violation of RCW 18.04.295(1).

- 3.7 Failure to cooperate with the Board by failing to furnish any papers or documents requested or ordered by the Board is a violation of RCW 18.04.295(9)(a).
- 3.8 Failure of a firm to comply with the requirements of this chapter or board rule is a violation of RCW 18.04.305(4). Respondent firm was not enrolled in a board-approved peer review program as required by WAC 4-30-130.
- 3.9 Fraud or deceit in renewing a license is basis for Board discipline under WAC 4-30-142(2).
- 3.10 Such conduct constitutes grounds for Board discipline under RCW 18.04.295 and chapter 18.04 RCW.

#### 4 FINAL ORDER

Based upon the above Findings of Fact and Conclusions of Law, the Board hereby makes the following Order:

- 4.1 Respondent's individual and firm CPA licenses to practice public accounting are hereby REVOKED.
- 4.2 The Board will not consider Respondent qualified as a new initial applicant unless, prior to the time of application, Respondent:
  - 4.2.1 Pays a fine in the amount of \$5,000 to the Board.
  - 4.2.2 Reimburses the Board in the amount of \$1,000 for legal and investigative costs.
  - 4.2.3 Has not otherwise violated any provisions of chapters 18.04 RCW and/or Title 4 WAC since the date of revocation.
  - 4.2.4 Retakes and passes the CPA examination.
  - 4.2.5 Satisfies all applicable provisions of WAC 4-30-126, and any other requirements imposed by the Board as a condition for licensure.

- 4.3 Respondent and Respondent firm shall not use the designation "CPA" or "certified public accountant" or hold out as a "CPA" or "certified public accountant" in violation of RCW 18.04.345, unless Respondents hold a license under RCW 18.04.105 and 18.04.215.
- 4.4 Any and all costs involved in complying with this order shall be borne by Respondent.

DATED this [redacted] day of [redacted]

WASHINGTON STATE BOARD OF ACCOUNTANCY



Presented by,



Assistant Attorney General  
Attorneys for Washington State Board of Accountancy