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Attorneys for Complainant

BEFORE THE BOARD OF ACCOUNTANCY

DEPARTMENT OF CONSUMER AFFAIRS

STATE OF CALIFORNIA

In the Matter of the Accusation Against: KENNETH J. CASEY, C.P.A. 418 Mission Avenue San Rafael, CA 94901 Certificate No. CPA 24836 KENNETH J. CASEY, An Accountancy Corp. 418 Mission Avenue San Rafael, CA 94901 Certificate COR 3602	NO. AC-98-23 **STIPULATED SETTLEMENT AND DECISION OF THE BOARD**

It is hereby stipulated by and between Kenneth J. Casey and Kenneth J. Casey, An Accountancy Corporation, (hereinafter "respondents") and the Board of Accountancy (hereinafter "Board"), State of California, represented in this proceeding by Deputy Attorney General Christiana Tiedemann, as follows:

1. Respondents have received and read the accusation presently on file and pending in case No. AC-98-23 before the Board. A copy of the accusation is attached hereto and incorporated herein as Exhibit A.

2. Carol Sigmann, Executive Officer of the Board, is the Complainant in the accusation which was filed and prosecuted solely in her official capacity.

3. Respondent Kenneth J. Casey is licensed by the Board under CPA Certificate No. 24836, which is currently in full force and effect. Respondent Kenneth J. Casey, An Accountancy Corp., was licensed by the Board under Corporate certificate 3602, which expired on June 1, 1998 and has not been renewed. Respondent Kenneth J. Casey was at all times pertinent to this case the sole shareholder of Kenneth J. Casey, An Accountancy Corporation.

4. The Board acquired jurisdiction over respondents because respondents are licensees of the Board and were served with copies of the accusation and all other documents required by Government Code section 11503 and 11505.

5. Respondents are aware of their right to a hearing on the charges contained in the accusation, of their right to confront and cross-examine witnesses, of their right to reconsideration, to appeal and to all other rights accorded to them under the California Administrative Procedure Act (Government Code section 11500 et seq.). Respondents freely and voluntarily waive these rights.

6. Respondent Kenneth J. Casey admits that on April 9, 1997 he entered guilty pleas to and was convicted in the United States District Court, Central District of the following felony criminal violations:

A. One count of violation of Title 18, U.S.C., section 371 (conspiracy to defraud the United States);

B. Five counts of violation of Title 26, U.S.C., section 7201 (tax evasion);

C. Twenty-one counts of violation of Title 18, U.S.C., section 2 (bank fraud);

D. Twenty-one counts of violation of Title 18, U.S.C., section 1014 (bank fraud); and

E. Five counts of violation of Title 26, section 7206(2) (filing false income tax returns).

7. Respondent Kenneth J. Casey further admits that his criminal convictions constitute cause for discipline pursuant to Business and Professions Code sections 5100(a) in that he has been convicted of crimes which are substantially related to the qualifications, functions and duties of a certified public accountant.

7. Respondent Kenneth J. Casey, An Accountancy Corporation, admits that it participated in preparation of false, fraudulent and materially misleading financial reports and information, in the form of IRS returns, which were disseminated to financial institutions and to the IRS and that such conduct constitutes cause for discipline pursuant to Business and Professions Code section 5100(i).

8. In order to accept and acknowledge responsibility for violations of the California Accountancy Act, respondents agree to revocation of CPA Certificate No. 24836 and Corporate Certificate 3602 by the Board.

9. Respondents understand that in signing this stipulation rather than contesting the accusation, they are enabling the

Board to issue the following order without further legal process.

10. Based upon the foregoing recitals, THE PARTIES STIPULATE AND AGREE THAT the Board shall, without further notice or formal proceeding, issue the following order:

ORDER

(a) CPA Certificate No. 24836 shall be revoked on the effective date of this Decision.

(b) Corporate Certificate No. 3602 shall be revoked on the effective date of this Decision.

(c) If respondents seek reissuance of a CPA or Corporate certificate or issuance of a new certificate from the Board, they shall reimburse the Board for costs of prosecution and investigation of this case (Accusation No. AC-98-23) in the amount of $2,613.00 as a prerequisite to reissuance of a certificate or issuance of a new certificate.

CONTINGENCY

11. This stipulation shall be subject to the approval of the Board. If the Board fails to adopt this stipulation as its Order, the stipulation shall be of no force and effect for either party, nor shall it be mentioned or referred to in any legal action between the parties.

SUBMITTAL

The attached stipulation is hereby respectfully submitted for the consideration of the Board.

Dated: 10/1/98

DANIEL E. LUNGREN, Attorney General

Christiana Tiedemann

CHRISTIANA TIEDEMANN
Deputy Attorney General
Attorneys for Complainant

I have read the foregoing stipulation and agree to all of the terms set forth in the stipulation on behalf of myself and Kenneth J. Casey, An Accountancy Corporation.

Dated: SEPT 24, 1998

KENNETH J. CASEY

ADOPTION

The foregoing Stipulated Settlement is adopted as the Decision of the Board of Accountancy of the State of California. This Decision shall become effective on JANUARY 6, 1999.

IT IS SO ORDERED this 7 day of DECEMBER, 1998.

BOARD OF ACCOUNTANCY
STATE OF CALIFORNIA

By N. E. Milhelm
Board Vice President

DANIEL E. LUNGREN, Attorney General
of the State of California
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BEFORE THE BOARD OF ACCOUNTANCY

DEPARTMENT OF CONSUMER AFFAIRS

STATE OF CALIFORNIA

In the Matter of the Accusation Against: KENNETH J. CASEY, C.P.A. 418 Mission Avenue San Rafael, CA 94901 Certificate No. CPA 24836 KENNETH CASEY, AN ACCOUNTANCY CORP. 418 Mission Avenue San Rafael, CA 94901 Certificate COR 3602 Respondents.	NO. AC-98-23 **ACCUSATION**

COMPLAINANT CAROL SIGMANN charges and alleges:

1. She is the Executive Officer of the California Board of Accountancy (hereafter "Board") and makes and files this accusation solely in her official capacity.

LICENSE INFORMATION

2. On or about June 17, 1977, Certified Public Accountant Certificate No. 24836 was issued by the Board to respondent Kenneth J. Casey. Respondent's certificate expired and was not

EXHIBIT A

valid from March 1, 1989 through March 27, 1990, as a result of his failure to pay the certificate renewal fee and his failure to submit a declaration of compliance with continuing education requirements. The certificate was renewed effective March 28, 1990. It is currently in full force and effect and has been in full force and effect at all times pertinent hereto. The certificate expires, subject to renewal, on March 1, 1999. Pursuant to Business and Professions Code section 118(b), the expiration of respondent's certificate shall not deprive the Board of jurisdiction to proceed with disciplinary action against the certificate.

3. On or about September 25, 1990, Certificate No. COR 3602 was issued by the Board to Kenneth Casey, An Accountancy Corporation. Certificate COR 1310 has been routinely renewed on or about its renewal date since issuance. The certificate expires, subject to renewal on June 30, 1998. Pursuant to Business and Professions Code section 118(b), the expiration of the certificate shall not deprive the Board of jurisdiction to proceed with disciplinary action against the certificate.

STATUTES AND REGULATIONS

4. This accusation is brought under the authority of section 5100 of the Business and Professions Code which provides that the Board may revoke, suspend or refuse to renew any permit or certificate issued by the Board, or may censure the holder of any such permit or certificate for unprofessional conduct. Unprofessional conduct is defined therein to include:

(a) Conviction of a crime substantially related to the

qualifications, functions and duties of a certified public accountant or a public accountant.

(f) Willful violation of this chapter or any rule or regulation promulgated by the board.

5. Section 5063 of the Business and Professions Code provides in pertinent part that a licensee shall report to the Board in writing the occurrence of any of the following events occurring on or after January 1, 1997 within thirty days of the date the licensee has knowledge of these events:

(a) The conviction of a felony or any crime related to the qualifications, functions or duties of a public accountant or certified public accountant or to the acts or activities in the course and scope of the practice of public accountancy.

(i) Knowing preparation, publication, or dissemination of false, fraudulent or materially misleading financial statements, reports or information.

6. Section 5107 of the Business and Professions Code provides that the executive officer of the Board may request the administrative law judge as part of the proposed decision in a disciplinary proceeding to direct any holder of a certificate found guilty of unprofessional conduct in violation of subdivisions (b), (c), (i) or (j) of section 5100, or involving a felony conviction in violation of subdivision (a) of section 5100, or involving fiscal dishonesty in violation of subdivision (h) of section 5100 to pay to the Board all reasonable costs of investigation and prosecution of the case, including, but not limited to, attorneys' fees.

FIRST CAUSE FOR DISCIPLINARY ACTION

7. On or about April 9, 1997, respondent Kenneth J, Casey entered guilty pleas in the United States District Court, Central District to the following felony criminal violations:

A. One count of violation of Title 18, U.S.C., section 371 (conspiracy to defraud the United States);

B. Five counts of violation of Title 26, U.S.C., section 7201 (tax evasion);

C. Twenty-one counts of violation of Title 18, U.S.C., section 2 (bank fraud);

D. Twenty-one counts of violation of Title 18, U.S.C., section 1014 (bank fraud); and

E. Five counts of violation of Title 26, section 7206(2) (filing false income tax returns).

8. On December 19, 1997, judgement was imposed pursuant to respondent's guilty pleas. Respondent was ordered to surrender to custody and confinement beginning on March 20, 1998 for the duration of 18 months. Upon release from imprisonment, respondent will be placed on supervised release for three years subject to the following supervised release terms:

A. Respondent shall provide the probation officer with access to any requested financial information;

B. Respondent shall cooperate fully with the IRS in the payment of any additional taxes due or owed by him or his corporation;

C. Respondent shall not prepare any tax returns while on supervised release.

9. The circumstances underlying respondent's felony criminal convictions are that he, individually and as Kenneth Casey, An Accountancy Corporation, prepared, caused to be prepared and filed with financial institutions, on behalf of his clients, false and fraudulent IRS returns which were not the returns filed by the clients with the IRS. Respondent also filed false and fraudulent income tax returns with the IRS on his own and his clients' behalf.

10. To date, respondent has not made a report to the Board regarding his convictions.

11. Respondent Kenneth J. Casey is subject to disciplinary action for unprofessional conduct pursuant to Business and Professions Code section 5100(a) in that he has been convicted of fifty-three felony offenses which are substantially related to the qualifications, functions and duties of a certified public accountant.

SECOND CAUSE FOR DISCIPLINARY ACTION

12. The allegations of paragraphs 7-10, inclusive, are incorporated herein by reference.

13. Respondent Kenneth J. Casey is subject to disciplinary action for unprofessional conduct pursuant to Business and Professions Code section 5100(f) in that he has willfully violated the provisions of section 5063(a) of the Business and Professions Code by failing to report to the Board in writing his felony convictions within thirty days of his knowledge of their occurrence.

THIRD CAUSE FOR DISCIPLINARY ACTION

14. The allegations of paragraphs 7-10, inclusive, are incorporated herein by reference.

12. Respondents Kenneth J. Casey and Kenneth Casey, An Accountancy Corporation, are subject to disciplinary action for unprofessional conduct pursuant to Business and Professions Code section 5100(i) in that they prepared, published and disseminated false, fraudulent and materially misleading financial, reports and information to financial institutions and to the IRS as described hereinabove.

PRAYER

WHEREFORE, complainant requests that a hearing be held on the matters herein alleged, and that following the hearing, a decision be issued:

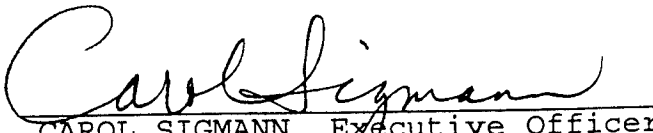
1. Revoking, suspending or otherwise imposing discipline upon Certificate No. CPA 24836 issued to respondent Kenneth J. Casey;

2. Revoking, suspending or otherwise imposing discipline upon Certificate No. COR 3602 issued to Kenneth Casey, An Accountancy Corporation;

3. Awarding the Board costs and attorneys' fees as provided by Business and Professions Code section 5107;

4. Taking such other and further action as the Board deems proper.

DATED: April 24, 1998



CAROL SIGMANN, Executive Officer
Board of Accountancy
Complainant