

BEFORE THE  
CALIFORNIA BOARD OF ACCOUNTANCY  
DEPARTMENT OF CONSUMER AFFAIRS  
STATE OF CALIFORNIA

In the Matter of the Accusation Against:

**TCA PARTNERS LLP**  
1111 Herndon Avenue, #211  
Fresno, CA 93720  
Certified Public Accountancy Partnership  
Certificate No. PAR 6980

And

**RICHARD EDSON JACKSON, Partner**  
1111 Herndon Avenue, #211  
Fresno, CA 93720  
Certified Public Accountant Certificate No.  
36244

And

**JERREL LEE TUCKER, Partner**  
9074 N. Sierra Vista  
Fresno, CA 93720  
Certified Public Accountant Certificate No.  
72045

And

**INGER ALICE SULLENGER, Partner**  
3046 Whispering Meadow Ln.  
Plain City, UT 84404  
Certified Public Accountant Certificate No.  
88971

Respondents.

Case No. AC-2013-43, AC-2013-44, AC-  
2013-45, AC-2013-46

OAH No. 2014010481

**DECISION AND ORDER**

The attached Stipulated Settlement and Disciplinary Order is hereby adopted by the California Board of Accountancy, Department of Consumer Affairs, as its Decision in this matter.

This Decision shall become effective on

1-1-15

It is so ORDERED

12-2-14

  
FOR THE CALIFORNIA BOARD OF  
ACCOUNTANCY  
DEPARTMENT OF CONSUMER AFFAIRS

1 KAMALA D. HARRIS  
Attorney General of California  
2 KENT D. HARRIS  
Supervising Deputy Attorney General  
3 PHILLIP L. ARTHUR  
Deputy Attorney General  
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*Attorneys for Complainant*

8  
9 **BEFORE THE**  
**CALIFORNIA BOARD OF ACCOUNTANCY**  
**DEPARTMENT OF CONSUMER AFFAIRS**  
10 **STATE OF CALIFORNIA**

11 In the Matter of the Accusation Against:

12 **TCA PARTNERS LLP**  
13 **1111 Herndon Avenue, #211**  
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15 **Certificate No. PAR 6980**

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19 **And**

20 **JERREL LEE TUCKER, Partner**  
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22 **Certified Public Accountant Certificate No.**  
23 **72045**

24 **And**

25 **INGER ALICE SULLENGER, Partner**  
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**Plain City, UT 84404**  
26 **Certified Public Accountant Certificate No.**  
27 **88971**

28 Respondents.

Case No. AC-2013-43, AC-2013-44, AC-  
2013-45, AC-2013-46

OAH No. 2014010481

**STIPULATED SETTLEMENT AND  
DISCIPLINARY ORDER  
(JERREL LEE TUCKER ONLY)**

1 IT IS HEREBY STIPULATED AND AGREED by and between the parties to the above-  
2 entitled proceedings that the following matters are true:

3 PARTIES

4 1. Patti Bowers ("Complainant") is the Executive Officer of the California Board of  
5 Accountancy. She brought this action solely in her official capacity and is represented in this  
6 matter by Kamala D. Harris, Attorney General of the State of California, by Phillip L. Arthur,  
7 Deputy Attorney General.

8 2. Respondents TCA Partners LLP ("Respondent TCA"), Richard Edson Jackson  
9 ("Respondent Jackson"), Jerrel Lee Tucker ("Respondent Tucker"), and Inger Alice Sullenger  
10 ("Respondent Sullenger") are represented in this proceeding by attorney Joshua S. Goodman,  
11 Esq., whose address is: 417 Montgomery St., 10th Fl., San Francisco, CA 94104.

12 3. On or about May 12, 2005, the California Board of Accountancy issued Certified  
13 Public Accountancy Partnership Certificate No. 6980 to TCA Partners LLP (Respondent TCA).  
14 The Certified Public Accountancy Partnership Certificate was in full force and effect at all times  
15 relevant to the charges brought in Accusation No. AC-2013-43, AC-2013-44, AC-2013-45, AC-  
16 2013-46 and will expire on May 31, 2015, unless renewed.

17 4. On or about December 3, 1982, the California Board of Accountancy issued Certified  
18 Public Accountant Certificate No. 36244 to Richard Edson Jackson (Respondent Jackson). The  
19 Certified Public Accountant Certificate was in full force and effect at all times relevant to the  
20 charges brought in Accusation No. AC-2013-43, AC-2013-44, AC-2013-45, AC-2013-46 and  
21 will expire on March 31, 2016, unless renewed.

22 5. On or about September 20, 1996, the California Board of Accountancy issued  
23 Certified Public Accountant Certificate No. 72045 to Jerrel Lee Tucker (Respondent Tucker).  
24 The Certified Public Accountant Certificate was in full force and effect at all times relevant to the  
25 charges brought in Accusation No. AC-2013-43, AC-2013-44, AC-2013-45, AC-2013-46 and  
26 will expire on November 30, 2015, unless renewed.

27 6. On or about April 21, 2004, the California Board of Accountancy issued Certified  
28 Public Accountant Certificate No. 88971 to Inger Alice Sullenger (Respondent Sullenger). The

1 Certified Public Accountant Certificate was in full force and effect at all times relevant to the  
2 charges brought in Accusation No. AC-2013-43, AC-2013-44, AC-2013-45, AC-2013-46 and  
3 will expire on October 31, 2014, unless renewed.<sup>1</sup>

4 JURISDICTION

5 7. Accusation No. AC-2013-43, AC-2013-44, AC-2013-45, AC-2013-46 was filed  
6 before the California Board of Accountancy (CBA), Department of Consumer Affairs, and is  
7 currently pending against Respondents. The Accusation and all other statutorily required  
8 documents were properly served on Respondents on December 9, 2013. Respondents timely filed  
9 their Notices of Defense contesting the Accusation.

10 8. A copy of Accusation No. AC-2013-43, AC-2013-44, AC-2013-45, AC-2013-46 is  
11 attached as exhibit A and incorporated herein by reference.

12 ADVISEMENT AND WAIVERS

13 9. Respondent Tucker has carefully read, fully discussed with counsel, and understands  
14 the charges and allegations in Accusation No. AC-2013-43, AC-2013-44, AC-2013-45, AC-2013-  
15 46. Respondent Tucker has also carefully read, fully discussed with counsel, and understands the  
16 effects of this Stipulated Settlement and Disciplinary Order.

17 10. Respondent Tucker is fully aware of his legal rights in this matter, including the right  
18 to a hearing on the charges and allegations in the Accusation; the right to be represented by  
19 counsel at his own expense; the right to confront and cross-examine the witnesses against him;  
20 the right to present evidence and to testify on his own behalf; the right to the issuance of  
21 subpoenas to compel the attendance of witnesses and the production of documents; the right to  
22 reconsideration and court review of an adverse decision; and all other rights accorded by the  
23 California Administrative Procedure Act and other applicable laws.

24 11. Respondent Tucker voluntarily, knowingly, and intelligently waives and gives up  
25 each and every right set forth above.

26 ///

27 <sup>1</sup> Unless otherwise specified, the term "Respondents" refers to Respondents TCA,  
28 Jackson, Tucker, and Sullenger collectively.

1 CULPABILITY

2 12. Respondent Tucker understands and agrees that if proven at a hearing, the charges  
3 and allegations in Accusation No. AC-2013-43, AC-2013-44, AC-2013-45, AC-2013-46  
4 constitute cause for disciplining Respondent Tucker's Certified Public Accountant Certificate

5 13. Respondent Tucker agrees that his Certified Public Accountant Certificate is subject  
6 to discipline and agrees to be bound by the CBA's probationary terms as set forth in the  
7 Disciplinary Order below.

8 CONTINGENCY

9 14. This stipulation shall be subject to approval by the California Board of Accountancy.  
10 Respondent Tucker understands and agrees that counsel for Complainant and the staff of the  
11 California Board of Accountancy may communicate directly with the CBA regarding this  
12 stipulation and settlement, without notice to or participation by Respondent Tucker or his counsel.  
13 By signing the stipulation, Respondent Tucker understands and agrees that he may not withdraw  
14 his agreement or seek to rescind the stipulation prior to the time the CBA considers and acts upon  
15 it. If the CBA fails to adopt this stipulation as its Decision and Order, the Stipulated Settlement  
16 and Disciplinary Order shall be of no force or effect, except for this paragraph, it shall be  
17 inadmissible in any legal action between the parties, and the CBA shall not be disqualified from  
18 further action by having considered this matter.

19 15. The parties understand and agree that Portable Document Format (PDF), electronic,  
20 and facsimile copies of this Stipulated Settlement and Disciplinary Order, including Portable  
21 Document Format (PDF), electronic, and facsimile signatures thereto, shall have the same force  
22 and effect as the originals.

23 16. This Stipulated Settlement and Disciplinary Order is intended by the parties to be an  
24 integrated writing representing the complete, final, and exclusive embodiment of their agreement.  
25 It supersedes any and all prior or contemporaneous agreements, understandings, discussions,  
26 negotiations, and commitments (written or oral). This Stipulated Settlement and Disciplinary  
27 Order may not be altered, amended, modified, supplemented, or otherwise changed except by a  
28 writing executed by an authorized representative of each of the parties.



1           **5. Comply With Probation**

2           Respondent Tucker shall fully comply with the terms and conditions of the probation  
3 imposed by the CBA and shall cooperate fully with representatives of the California Board of  
4 Accountancy in its monitoring and investigation of the Respondent's compliance with probation  
5 terms and conditions.

6           **6. Practice Investigation**

7           Respondent Tucker shall be subject to, and shall permit, a practice investigation of the  
8 Respondent's professional practice. Such a practice investigation shall be conducted by  
9 representatives of the CBA, provided notification of such review is accomplished in a timely  
10 manner.

11           **7. Comply With Citations**

12           Respondent Tucker shall comply with all final orders resulting from citations issued by the  
13 California Board of Accountancy.

14           **8. Tolling of Probation for Out-of-State Residence/Practice**

15           In the event Respondent Tucker should leave California to reside or practice outside this  
16 state, Respondent Tucker must notify the CBA in writing of the dates of departure and return.  
17 Periods of non-California residency or practice outside the state shall not apply to reduction of the  
18 probationary period, or of any suspension. No obligation imposed herein, including requirements  
19 to file written reports, reimburse the CBA costs, and make restitution to consumers, shall be  
20 suspended or otherwise affected by such periods of out-of-state residency or practice except at the  
21 written direction of the CBA.

22           **9. Violation of Probation**

23           If Respondent Tucker violates probation in any respect, the CBA, after giving Respondent  
24 Tucker notice and an opportunity to be heard, may revoke probation and carry out the disciplinary  
25 order that was stayed. If an accusation or a petition to revoke probation is filed against  
26 Respondent Tucker during probation, the CBA shall have continuing jurisdiction until the matter  
27 is final, and the period of probation shall be extended until the matter is final.

28           The CBA's Executive Officer may issue a citation under California Code of Regulations,

1 Title 16, section 95, to a licensee for a violation of a term or condition contained in a decision  
2 placing that licensee on probation.

3 **10. Completion of Probation**

4 Upon successful completion of probation, Respondent Tucker 's license will be fully  
5 restored.

6 **11. Review of Audit and Review Engagements**

7 During the course of probation, Respondent Tucker shall annually provide the Board with a  
8 listing of all audit and review engagements Respondent Tucker knows he will undertake in the  
9 subsequent twelve month period. Along with the list of audit and review engagements,  
10 Respondent Tucker shall provide the Board with the date on which the final audit and review  
11 report for each audit and review engagement is due. During each year of probation, the Board  
12 will specify the date on which the list of audit and review engagements is due, allowing at least  
13 fifteen (15) days for Respondent Tucker to provide the list of engagements and their due dates to  
14 the Board.

15 From the list of audit and review engagements and their due dates specified each year by  
16 Respondent Tucker, the Board will select twenty-five percent (25%) but no more than fifteen (15)  
17 audit and review engagements whose work papers and final reports shall be reviewed by a  
18 qualified outside CPA approved by the Board. The Board may select all twenty-five percent  
19 (25%) but no more than fifteen (15) audit or review engagements to be reviewed at one time, or  
20 may select up to twenty-five percent (25%) but no more than fifteen (15) audit and review  
21 engagements to be reviewed throughout the course of each year of probation. Respondent Tucker  
22 shall maintain all work papers and final reports for all audit and review engagements undertaken  
23 by Respondent Tucker during the course of probation, enabling inspection by the Board or  
24 qualified outside CPA.

25 Upon completion of the review of the work papers and final reports for each selected audit  
26 or review engagement, Respondent Tucker shall submit a copy of the report with the reviewer's  
27 conclusions and findings to the Board. Review by the qualified outside CPA shall be at  
28 Respondent Tucker's expense.

1           **12. Continuing Education Courses**

2           Within the probationary term, Respondent Tucker shall complete and provide proper  
3 documentation of the following courses: eight hours of an audit documentation course, twenty-  
4 four hours of accounting and auditing training, and eight hours of audit of 401(k) Plans.

5           Respondent Tucker shall also complete four hours of continuing education in the course  
6 subject matter pertaining to the following: a review of nationally recognized codes of conduct  
7 emphasizing how the codes relate to professional responsibilities; case-based instruction focusing  
8 on real-life situational learning; ethical dilemmas facing the accounting profession; or, business  
9 ethics, ethical sensitivity, and consumer expectations within 120 days from the effective date of  
10 this Order. The courses must be a minimum of one hour as described in California Code of  
11 Regulations, title 16, section 88.2.

12           This shall be in addition to continuing education requirements for relicensing.

13           If Respondent Tucker fails to complete said courses within the time period provided,  
14 Respondent Tucker shall so notify the CBA and shall cease practice until Respondent Tucker  
15 completes said courses, has submitted proof of same to the CBA, and has been notified by the  
16 CBA that he may resume practice.

17           Failure to satisfactorily complete the required courses as scheduled shall constitute a  
18 violation of probation.

19           **13. Active License Status**

20           Respondent Tucker shall at all times maintain an active license status with the CBA,  
21 including during any period of suspension. If the license is expired at the time the CBA's  
22 decision becomes effective, the license must be renewed within 30 days of the effective date of  
23 the decision.

24           **14. Samples - Audit, Review or Compilation**

25           During the period of probation, if Respondent Tucker undertakes an audit, review, or  
26 compilation engagement, Respondent Tucker shall submit to the CBA as an attachment to the  
27 required quarterly report a listing of the same. The CBA or its designee may select one or more  
28 from each category and the resulting report and financial statement and all related working papers

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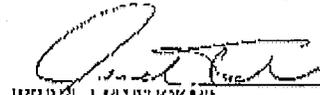
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must be submitted to the CDA or its designee upon request.

ACCEPTANCE

I have carefully read the above Stipulated Settlement and Disciplinary Order and have fully discussed it with my attorney, Joshua S. Goodman, Esq. I understand the stipulation and the effect it will have on my Certified Public Accountant Certificate. I enter into this Stipulated Settlement and Disciplinary Order voluntarily, knowingly, and intelligently, and agree to be bound by the Decision and Order of the California Board of Accountancy.

DATED: 10/16/14

  
JANEL LEE TUCKER  
Respondent

///

I have read and fully discussed with Respondent Janel Lee Tucker the terms and conditions and other matters contained in the above Stipulated Settlement and Disciplinary Order. I approve (as form and content).

DATED: \_\_\_\_\_

Joshua S. Goodman, Esq.  
Attorney for Respondent Janel Lee Tucker

ENDORSEMENT

The foregoing Stipulated Settlement and Disciplinary Order is hereby respectfully submitted for consideration by the California Board of Accountancy.

Dated:

Respectfully submitted,  
KAMALA D. HARRIS  
Attorney General of California  
KENT D. HARRIS  
Supervising Deputy Attorney General

PHILIP T. ARTHUR  
Deputy Attorney General  
Attorney for Comptroller

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1 must be submitted to the CBA or its designee upon request.

2 ACCEPTANCE

3 I have carefully read the above Stipulated Settlement and Disciplinary Order and have fully  
4 discussed it with my attorney, Joshua S. Goodman, Esq. I understand the stipulation and the  
5 effect it will have on my Certified Public Accountant Certificate. I enter into this Stipulated  
6 Settlement and Disciplinary Order voluntarily, knowingly, and intelligently, and agree to be  
7 bound by the Decision and Order of the California Board of Accountancy.

8

9 DATED: \_\_\_\_\_  
10 JERREL LEE TUCKER  
11 Respondent

12 ///

13 I have read and fully discussed with Respondent Jerrel Lee Tucker the terms and conditions  
14 and other matters contained in the above Stipulated Settlement and Disciplinary Order. I approve  
15 its form and content.

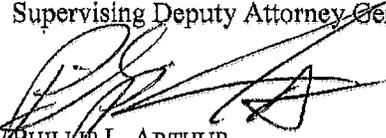
16 DATED: 10-14-14 \_\_\_\_\_  
17 Joshua S. Goodman, Esq.  
18 Attorney for Respondent Jerrel Lee Tucker

19 ENDORSEMENT

20 The foregoing Stipulated Settlement and Disciplinary Order is hereby respectfully  
21 submitted for consideration by the California Board of Accountancy.

22 Dated: 10/20/14

23 Respectfully submitted,  
24 KAMALA D. HARRIS  
25 Attorney General of California  
26 KENT D. HARRIS  
27 Supervising Deputy Attorney General

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29 PHILLIP L. ARTHUR  
30 Deputy Attorney General  
31 Attorneys for Complainant

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**Exhibit A**

**Accusation No. AC-2013-43, AC-2013-44, AC-2013-45, AC-2013-46**

1 KAMALA D. HARRIS  
Attorney General of California  
2 KENT D. HARRIS  
Supervising Deputy Attorney General  
3 PHILLIP L. ARTHUR  
Deputy Attorney General  
4 State Bar No. 238339  
1300 I Street, Suite 125  
5 P.O. Box 944255  
Sacramento, CA 94244-2550  
6 Telephone: (916) 322-0032  
Facsimile: (916) 327-8643  
7 E-mail: Phillip.Arthur@doj.ca.gov  
Attorneys for Complainant

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BEFORE THE  
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Case Nos. AC-2013-43, AC-2013-44, AC-  
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TCA PARTNERS, LLP  
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ACCUSATION

And

RICHARD EDSON JACKSON, Partner  
1111 Herndon Avenue, #211  
Fresno, CA 93720  
Certified Public Accountant Certificate No.  
36244

And

JERREL LEE TUCKER, Partner  
9074 N. Sierra Vista  
Fresno, CA 93720  
Certified Public Accountant Certificate No.  
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And

INGER ALICE SULLENGER, Partner  
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Respondents.

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Complainant alleges:

**PARTIES**

1. Patti Bowers (Complainant) brings this Accusation solely in her official capacity as the Executive Officer of the California Board of Accountancy, Department of Consumer Affairs.

2. On or about May 12, 2005, the California Board of Accountancy issued Certified Public Accountancy Partnership Certificate No. 6980 to TCA Partners LLP (Respondent). The Certified Public Accountancy Partnership Certificate was in full force and effect at all times relevant to the charges brought herein and will expire on May 31, 2015, unless renewed.

3. On or about December 3, 1982, the California Board of Accountancy issued Certified Public Accountant Certificate No. 36244 to Richard Edson Jackson (Respondent). The Certified Public Accountant Certificate was in full force and effect at all times relevant to the charges brought herein and will expire on March 31, 2014, unless renewed.

4. On or about September 20, 1996, the California Board of Accountancy issued Certified Public Accountant Certificate No. 72045 to Jerrel Lee Tucker (Respondent). The Certified Public Accountant Certificate was in full force and effect at all times relevant to the charges brought herein and will expire on November 30, 2013, unless renewed.

5. On or about April 21, 2004, the California Board of Accountancy issued Certified Public Accountant Certificate No. 88971 to Inger Alice Sullenger (Respondent). The Certified Public Accountant Certificate was in full force and effect at all times relevant to the charges brought herein and will expire on October 31, 2014, unless renewed<sup>1</sup>.

**JURISDICTION**

6. This Accusation is brought before the California Board of Accountancy (CBA), Department of Consumer Affairs, under the authority of the following laws. All section references are to the Business and Professions Code (Code) unless otherwise indicated.

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<sup>1</sup> Unless otherwise specified, the term "Respondents" refers to Respondents TCA, Jackson, Tucker, and Sullenger collectively.





1 understand the nature, timing, extent, and results of the auditing or other procedures performed,  
2 evidence obtained, and conclusions reached, and to determine the identity of the persons who  
3 performed and reviewed the work.

4 "(c) Failure of the audit documentation to document the procedures applied, tests  
5 performed, evidence obtained, and relevant conclusions reached in an engagement shall raise a  
6 presumption that the procedures were not applied, tests were not performed, information was not  
7 obtained, and relevant conclusions were not reached. This presumption shall be a rebuttable  
8 presumption affecting the burden of proof relative to those portions of the audit that are not  
9 documented as required in subdivision (b). The burden may be met by a preponderance of the  
10 evidence.

11 "(d) Audit documentation shall be maintained by a licensee for the longer of the following:

12 "(1) The minimum period of retention provided in subdivision (e);

13 "(2) A period sufficient to satisfy professional standards and to comply with applicable  
14 laws and regulations.

15 "(e) Audit documentation shall be maintained for a minimum of seven years which shall be  
16 extended during the pendency of any board investigation, disciplinary action, or legal action  
17 involving the licensee or the licensee's firm. The board may adopt regulations to establish a  
18 different retention period for specific categories of audit documentation where the board finds  
19 that the nature of the documentation warrants it.

20 "(f) Licensees shall maintain a written documentation retention and destruction policy that  
21 shall set forth the licensee's practices and procedures complying with this article.

22 13. Section 5101 of the Code states:

23 "After notice and hearing the board shall revoke the registration and permit to practice of a  
24 partnership if at any time it does not have all the qualifications prescribed by the section of this  
25 chapter under which it qualified for registration. After notice and hearing the board may revoke,  
26 suspend or refuse to renew the permit to practice of a partnership or may censure the holder of  
27 such permit for any of the causes enumerated in Section 5100 and for the following additional  
28 causes:



1 information, to protect the personal information from unauthorized access, destruction, use,  
2 modification, or disclosure.

3 "(d) For purposes of this section, the following terms have the following meanings:

4 "(1) "Personal information" means an individual's first name or first initial and his or her  
5 last name in combination with any one or more of the following data elements, when either the  
6 name or the data elements are not encrypted or redacted:

7 (A) Social security number. . . ."

#### 8 COST RECOVERY

9 16. Section 5107(a) of the Code states:

10 "The executive officer of the board may request the administrative law judge, as part of the  
11 proposed decision in a disciplinary proceeding, to direct any holder of a permit or certificate  
12 found to have committed a violation or violations of this chapter to pay to the board all reasonable  
13 costs of investigation and prosecution of the case, including, but not limited to, attorneys' fees.  
14 The board shall not recover costs incurred at the administrative hearing."

#### 15 APPLICABLE PROFESSIONAL STANDARDS

16 17. Standards of practice pertinent to this Accusation and the engagements in issue  
17 include, without limitation:

18 a. Generally Accepted Auditing Standards ("GAAS") issued by the American Institute  
19 of Certified Public Accountants ("AICPA"). The ten GAAS (AU § 150) are interrelated and  
20 discussed in the Statements on Auditing Standards ("SAS"). Among the SAS relevant herein, in  
21 addition to AU § 150 which sets forth GAAS, are AU § 230 (Due Professional Care); AU § 311.  
22 (Planning and Supervision); AU § 312 (Planning the Audit); AU § 314 (Understanding the Entity  
23 and its Environment and Assessing the Risks of Material Misstatement); AU § 316  
24 (Consideration of Fraud); AU § 318 (Performing Audit Procedures in Response to Assessed  
25 Risks and Evaluating the Audit Evidence Obtained); AU § 326 (Audit Evidence); AU § 329  
26 (Analytical Procedures); AU § 331 (Inventories); AU § 339 (Audit Documentation); AU § 350  
27 (Audit Sampling) and AU § 560 (Subsequent Events).

28 ///

1 b. Generally Accepted Government Auditing Standards ("GAGAS") are discussed in  
2 the GAO's Government Auditing Standards, 2007 Revision, as amended ("Yellow Book")  
3 promulgated by the U.S. Government Accountability Office. The Yellow Book incorporates the  
4 ten GAAS.

5 c. Single Audits are audits conducted under the standards set forth by the Office of  
6 Management and Budget in OMB Circular A-133 in addition to the requirements of the Yellow  
7 Book.

8 d. The Employee Retirement Income Security Act ("ERISA") of 1974 established  
9 auditing and reporting guidelines for defined benefit and defined contribution plans with 100 or  
10 more participants. The Auditing Standards Board issued the interpretative publication Audit and  
11 Accounting Guide for Employment Benefit Plans ("Guide") to assist management of employee  
12 benefit plans in the preparation of financial statements in conformity with US Generally Accepted  
13 Accounting Principles ("GAAP") and to assist auditors in auditing and reporting on such financial  
14 statements. The interpretive guide is non-authoritative but the auditor should be prepared to  
15 address how the auditor complied with the SAS provisions addressed by the auditing guidance.  
16 The Guide is codified by the "AAG-EBP" number. The Relevant AAG-EBP chapters include  
17 Chapter 5 (Planning and General Auditing Considerations); Chapter 6 (Internal Control), Chapter  
18 7 (Auditing Investments), Chapter 8 (Auditing Contributions Received and Related  
19 Contributions); Chapter 9 (Auditing Benefit Payments); Chapter 10 (Auditing Participant Data,  
20 Participant Allocations, and Plan Obligations), and Chapter 13 (The Auditor's Report).

#### 21 **FACTUAL BACKGROUND**

##### 22 **2008 County of Modoc Audit**

23 18. Respondent TCA Partners, LLP (TCA) issued an auditor's report on the financial  
24 statements of the County of Modoc<sup>2</sup> (Modoc) for the year ending June 30, 2008. The auditor's  
25 report, dated April 17, 2009, stated that the audit was conducted in accordance with GAGAS,  
26

27 <sup>2</sup> Deficiencies in Tucker's and Sullenger's work as outlined on the Modoc audit are  
28 similar to deficiencies noted on other audits. Tucker's deficiencies are described in the North  
Hawaii section and Sullenger's deficiencies in the San Diego section.

1 GAAS, and Circular A-133. Respondent Sullenger was the engagement partner. Respondent  
2 Tucker was the reviewing partner.

3 19. On October 30, 2009, the State Controller's Office (SCO) issued its quality control  
4 review of Respondent TCA's audit for Modoc, a governmental unit. The SCO's report disclosed  
5 that TCA's audit was not performed in accordance with the standards and requirements set forth  
6 in GAGAS, GAAS, and Circular A-133.

7 20. The SCO specifically noted the following deficiencies: the audit was not properly  
8 planned, supervised and reviewed; the auditor failed to obtain a sufficient understanding of  
9 internal controls, the auditor did not accurately assess audit risk; the auditor failed to obtain  
10 sufficient appropriate audit evidence; the auditor failed to exercise due professional care; and the  
11 auditor failed to comply with standards.

12 21. Because of the deficiencies, the SCO felt that users could not rely on the auditor's  
13 opinions that Modoc's financial statements fairly presented the county's financial position or that  
14 Modoc complied with federal program requirements.

15 22. The CBA received the referral from the SCO.

16 23. On November 11, 2009, TCA informed the Modoc County Administrative Officer  
17 that TCA withdrew its audit report dated April 17, 2009 for the year ending June 30, 2008.

18 24. The CBA requested and received audit documentation for Modoc from respondents  
19 TCA and Sullenger.

20 **2010 North Hawaii Community Hospital, Inc. Audit**

21 25. Respondent Tucker, through Respondent TCA, issued an auditor's report on the  
22 financial statements of the North Hawaii Community Hospital, Inc. 401(K) Plan (North Hawaii)  
23 for the year ending December 31, 2010. The auditor's report, dated June 29, 2011, stated that the  
24 audit was conducted in accordance with GAAS and referenced supplemental information required  
25 by the Department of Labor (DOL) and ERISA.

26 26. The CBA received a referral from the DOL. Their quality review of TCA's 2010  
27 audit of North Hawaii noted multiple deficiencies in TCA's performance of the audit.

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1           27. The DOL noted that the audit was not properly planned; the auditor failed to obtain  
2 sufficient appropriate audit evidence in the areas of internal controls, investments, contributions,  
3 benefit payments, participant data, administrative expenses, and subsequent events; and the audit  
4 was not conducted in accordance with GAAS.

5           28. Because of the deficiencies, the DOL felt that the auditor's opinion on the plan's  
6 financial statements was not supported by the audit procedures performed.

7           29. The CBA requested and received audit documentation for North Hawaii from  
8 respondents TCA and Tucker.

9           2011 San Diego American Indian Health Center Audit

10           30. Respondent Sullenger, through Respondent TCA, issued the auditor's report under  
11 the requirements of OMB Circular A-133, known as a Single Audit, on the financial statements  
12 for the San Diego American Indian Health Center (San Diego) for the year ending June 30, 2011.  
13 The Single Audit report, dated December 7, 2011, stated that the audit was conducted in  
14 accordance with GAAS and GAGAS, and referenced supplemental information required under  
15 OMB Circular A-133.

16           31. The CBA requested and received audit documentation for San Diego from  
17 respondents TCA, Sullenger, and Tucker.

18           2012 Ridgecrest Regional Hospital Audits

19           32. Respondent Jackson, through Respondent TCA, issued the auditor's report on the  
20 financial statements for Ridgecrest Regional Hospital (Ridgecrest) for the fiscal year ending  
21 January 31, 2012. The auditor's report was dated April 27, 2012, and stated that the audit was  
22 conducted in accordance with GAAS.

23           33. Respondent Sullenger, through Respondent TCA, issued the Single Audit report for  
24 Ridgecrest for the fiscal year ending January 31, 2012.<sup>3</sup> The Single Audit report, dated July 17,  
25 2012, stated that the audit was conducted in accordance with GAAS and GAGAS, and contained

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27 <sup>3</sup> Deficiencies in Sullenger's work as outlined on the San Diego audit are similar to those  
28 found on the Ridgecrest Single Audit and are not additionally described in the Ridgecrest section.  
Only Jackson's deficiencies are described in the Ridgecrest section.

1 supplemental information required under OMB Circular A-133. Sullenger's audit documentation  
2 reflected her reliance on work done by Respondent Jackson during the Ridgecrest financial  
3 statement audit.

4 34. The CBA requested and received audit documentation for Ridgecrest from  
5 Respondents TCA, Sullenger, and Tucker.

6 Peer Reviews

7 35. Respondent TCA received a system of quality control review (peer review) for the  
8 year ended October 31, 2006. The qualified peer review report, dated May 8, 2007, included  
9 comments that indicated that reviewed items did not conform to the requirements of professional  
10 standards in all material respects. Issues noted in the letter of comments were that reference  
11 materials were not consulted on engagements in specialized industries, including government  
12 audits, and that firm policies did not require specific audit documentation when accepted auditing  
13 procedures were not deemed necessary.

14 36. Respondent TCA received a peer review report that reflected a rating of Pass with  
15 Deficiency (rating nomenclature was updated in 2009) for the review year ending October 31,  
16 2009. The peer review report included deficiencies in the performance of an employee benefit  
17 plan audit which included that required disclosures were omitted and certain tests specific to  
18 employee benefit plans were not performed or documented. Deficiencies noted in the  
19 performance of an audit performed under GAGAS included that disbursement testing did not  
20 identify programs to which they corresponded and that compliance testing of controls was  
21 insufficient.

22 37. The CBA reviewed the three additional audits described above that were performed  
23 and issued by the Respondents subsequent to the receipt of the 2007 qualified peer review  
24 containing comments, the 2009 SCO's notification of deficiencies and the 2010 Pass with  
25 Deficiency peer review.

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1 c. Respondent Tucker did not obtain sufficient appropriate evidential matter to support  
2 his opinion on the financial statements with regard to material balances presented in the financial  
3 statements for investments and other assets, participant loan balances, and employer and  
4 employee contributions (AU § 150.02, AU § 312.18, AU § 318.74, AU § 326.04, AU § 339.03,  
5 AU § 339.10, AAG-EBP 7.65, AAG-EBP 7.66, AAG-EBP 8.06, AAG-EBP 10.05, and AAG-  
6 EBP 10.19).

7 d. Respondent Tucker failed to perform proper cut-off procedures including, but not  
8 limited to, contribution amounts, the timing of contribution deposits, and unrecorded liabilities  
9 (AU § 150.02, AU § 339.03, AU § 339.10, AU § 560.11, AU § 560.12, AAG-EBP 8.06, and  
10 AAG-EBP 10.19).

11 e. Respondent Tucker failed to apply auditing procedures to individual participant  
12 accounts, participant loans, and other participant data to comply with ERISA requirements (AU §  
13 339.03, AU § 339.10, AAG-EBP 8.02, AAG-EBP 9.02, AAG-EBP 10.02, and AAG-EBP 10.05).

14 f. Respondent Tucker failed to perform analytical review procedures in the review stage  
15 of the audit (AU § 329.01, AU § 339.03, and AU § 339.10).

16 g. Respondent Tucker failed to exercise due professional care in the performance and  
17 reporting on the North Hawaii audit by disclosing approximately 1,000 participant social security  
18 numbers, un-redacted, in the audit documentation provided to the CBA during its investigation,  
19 and by issuing a limited scope audit when he did not perform audit procedures necessary to allow  
20 him to issue a limited scope audit report (AU § 150.02, AAG-EBP 7.66, AAG-EBP 13.26, AAG-  
21 EBP 13.27, and California Civil Code section 1798.81.5).

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1 § 314.55, AU § 314.83, AU § 316.13, AU § 316.27, AU § 316.41, AU § 316.42, AU § 316.44,  
2 AU § 316.83, AU § 326.35, AU § 339.03, and AU § 339.10).

3 c. Respondent Sullenger did not obtain sufficient appropriate evidential matter to  
4 support her opinion on the financial statements with regard to material balances presented in the  
5 financial statements, such as accounts receivable, accounts payable, and unearned revenue (AU §  
6 150.02, AU § 312.18, AU § 316.68, AU § 318.71, AU § 318.74, AU § 326.04, AU § 326.08, AU  
7 § 329.05, AU § 339.03, AU § 339.10, and AU § 350.26).

8 d. Respondent Sullenger failed to exercise due professional care in the performance and  
9 reporting on the San Diego audit and by insufficient documentation regarding the ostensibly  
10 corrected prior year "finding" regarding reconciliations (AU § 150.02 and Yellow Book 4.09).

11 **RESPONDENTS TCA AND JACKSON**

12 **THIRD CAUSE FOR DISCIPLINE.**

13 **(Gross Negligence/Repeated Negligent Acts)**

14 40. Respondents TCA and Jackson are subject to disciplinary action under section 5100,  
15 subsection (c) of the Code on the grounds that Respondents TCA and Jackson committed gross  
16 negligence and/or repeated negligent acts in Respondent TCA's issuance of the 2012 Ridgecrest  
17 audit report and performance by Respondent Jackson of audit procedures that departed extremely  
18 from professional standards as follows:

19 a. Respondent Jackson failed to properly plan the audit (AU § 150.02, AU § 311.03, AU  
20 § 311.19, AU § 311.20, AU § 311.21, AU § 318.08, AU § 318.09, AU § 326.17, AU § 329.17,  
21 AU § 339.03, AU § 339.10, and AU § 339.18).

22 i. The audit planning memorandum referenced that there was little segregation of  
23 duties and that compliance testing of controls would not be necessary. Respondent Jackson  
24 planned to perform more substantive testing for balance sheet items. However, substantive  
25 testing of Accounts Receivable, for example, does not reflect a substantive testing approach.

26 ii. The Audit Program reflected the general checklist of procedures to be  
27 performed but without objectives to describe the nature, timing, or extent of planned audit  
28 procedures.

1           iii. Audit Strategy Worksheets (ASW) did not describe the nature, timing, or extent  
2 of planned audit procedures and did not support the low risk assessments,

3           b. Respondent Jackson failed to obtain a sufficient understanding of the entity and its  
4 environment to assess risks and failed to assess the status and effectiveness of internal controls,  
5 including those of supervision, override, and review. Jackson's understanding of risks was  
6 contradicted by information in the fraud memo (AU § 150.02, AU § 312.11, AU § 314.26, AU §  
7 314.40, AU § 314.54, AU § 314.55, AU § 314.83, AU § 316.13, AU § 316.15, AU § 316.27, AU  
8 § 316.42, AU § 316.44, AU § 316.83, AU § 318.71, AU § 318.74, AU § 326.35, AU § 339.03,  
9 and AU § 339.10).

10           c. Respondent Jackson did not obtain sufficient appropriate evidentiary matter to  
11 support his opinion on the financial statements with regard to material balances presented in the  
12 financial statements for accounts receivable, accounts payable, and inventories (AU § 150.02, AU  
13 § 312.18, AU § 316.68, AU § 318.09, AU § 326.04, AU § 331.01, AU § 331.09, AU § 331.10,  
14 AU § 331.11, AU § 331.12, AU § 339.03, and AU § 339.10).

15           d. Respondent Jackson failed to exercise due professional care in the performance and  
16 reporting on the Ridgecrest audit (AU § 150.02).

17           **RESPONDENTS TCA, TUCKER, SULLENGER, AND JACKSON**

18           **FOURTH CAUSE FOR DISCIPLINE**

19           **(Violation of Business and Professions Code section 5097)**

20           41. Respondents TCA, Tucker, Sullenger, and Jackson are subject to disciplinary action  
21 under section 5100, subsection (e) of the Code on the grounds that Respondents violated section  
22 5097 of the Code in conjunction with California Code of Regulations, title 16, section 68.2 by  
23 failing to comply with audit documentation requirements as more particularly set forth in  
24 paragraphs 38-40 and all of their subparts.

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1                                    **RESPONDENTS TCA, TUCKER, SULLENGER, AND JACKSON**

2                                    **FIFTH CAUSE FOR DISCIPLINE**

3                                    **(Report Conforming to Professional Standards)**

4                    42. Respondents TCA, Tucker, Sullenger, and Jackson are subject to disciplinary action  
5 under section 5062 of the Code on the grounds that Respondents' audit documentation does not  
6 support the opinions rendered in the audit reports and, therefore, the audit reports do not conform  
7 to professional standards, as more particularly set forth in paragraphs 38-40 and all of their  
8 subparts.

9                                    **RESPONDENTS TCA, TUCKER, SULLENGER, AND JACKSON**

10                                   **SIXTH CAUSE FOR DISCIPLINE**

11                                   **(Compliance With Standards)**

12                    43. Respondents TCA, Tucker, Sullenger, and Jackson are subject to disciplinary action  
13 under California Code of Regulations, title 16, section 58 on the grounds that Respondents failed  
14 to comply with all applicable professional standards, including but not limited to GAGAS, GAAS  
15 and ERISA regarding the audit documentation and performance of the audit, as more particularly  
16 set forth in paragraphs 38-40 and all of their subparts.

17                                   **RESPONDENTS TCA, TUCKER, SULLENGER, AND JACKSON**

18                                   **SEVENTH CAUSE FOR DISCIPLINE**

19                                   **(Willful Violation)**

20                    44. Respondents TCA, Tucker, Sullenger, and Jackson are subject to disciplinary action  
21 under section 5100, subsection (g) of the Code on the grounds that Respondents willfully violated  
22 various provisions of the Business and Professions Code and California Code of Regulations, as  
23 more particularly set forth in paragraphs 18-43 and all of their subparts.

24                                   **PRAYER**

25                    **WHEREFORE**, Complainant requests that a hearing be held on the matters herein alleged,  
26 and that following the hearing, the California Board of Accountancy issue a decision:

- 27                    1. Revoking or suspending or otherwise imposing discipline upon Certified Public  
28 Accountancy Partnership Certificate No. 6980, issued to TCA Partners LLP;

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2. Revoking or suspending or otherwise imposing discipline upon Certified Public Accountant Certificate No. 36244, issued to Richard Edson Jackson;
3. Revoking or suspending or otherwise imposing discipline upon Certified Public Accountant Certificate No. 72045, issued to Jerrel Lee Tucker;
4. Revoking or suspending or otherwise imposing discipline upon Certified Public Accountant Certificate No. 88971, issued to Inger Alice Sullenger;
5. Ordering TCA Partners LLP, Richard Edson Jackson, Jerrel Lee Tucker, and Inger Alice Sullenger to pay the California Board of Accountancy the reasonable costs of the investigation and enforcement of this case, pursuant to Business and Professions Code section 5107; and
6. Taking such other and further action as deemed necessary and proper.

DATED: November 27, 2013 Patti Bowers

PATTI BOWERS  
Executive Officer  
California Board of Accountancy  
Department of Consumer Affairs  
State of California  
*Complainant*

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