

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

In the Matter of the Accusation Against:

Case No. AC-2015-104

ROEMMICH ACCOUNTANCY CORP.;
DUANE CLAYTON ROEMMICH

1680 Newell Avenue
Walnut Creek, CA 94596

Certified Public Accountant Certification
No. 23056

Certified Public Accountancy Corporation
Certificate No. 1419

Respondent.

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 Feb. 27, 2016.

It is so ORDERED Jan. 28, 2016.



FOR THE CALIFORNIA BOARD OF
ACCOUNTANCY
DEPARTMENT OF CONSUMER AFFAIRS

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Attorney General of California
2 DIANN SOKOLOFF
Supervising Deputy Attorney General
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8

9 **BEFORE THE**
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DEPARTMENT OF CONSUMER AFFAIRS
10 **STATE OF CALIFORNIA**

11 In the Matter of the Accusation Against:
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13 **ROEMMICH ACCOUNTANCY CORP.;**
DUANE CLAYTON ROEMMICH
14 **1680 Newell Avenue**
Walnut Creek, CA 94596
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16 **Certified Public Accountant Certification**
No. 23056
17 **Certified Public Accountancy Corporation**
Certificate No. 1419
18
19 Respondent.

Case No. AC-2015-104

**STIPULATED SETTLEMENT AND
DISCIPLINARY ORDER**

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

22 PARTIES

23 1. Patti Bowers ("Complainant") is the Executive Officer of the California Board of
24 Accountancy. She brought this action solely in her official capacity and is represented in this
25 matter by Kamala D. Harris, Attorney General of the State of California, by Carter Ott, Deputy
26 Attorney General.
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1 and court review of an adverse decision; and all other rights accorded by the California
2 Administrative Procedure Act and other applicable laws.

3 9. Respondents voluntarily, knowingly, and intelligently waive and give up each and
4 every right set forth above.

5 CULPABILITY

6 10. Respondents understand that the charges and allegations in the Accusation No. AC-
7 2015-104, if proven at hearing, constitute cause for imposing discipline upon their Certified
8 Public Accountant Certification No. 23056 and Certified Public Accountancy Corporation
9 Certificate No. 1419. For the purpose of resolving the Accusation No. AC-2015-104 without the
10 expense and uncertainty of further proceedings, Respondents agree that if, at a hearing,
11 Complainant could establish a factual basis for the charges in the Accusation No. AC-2015-104
12 those charges would constitute cause for discipline. Respondents give up their right to contest
13 that cause for discipline exists based on those charges.

14 11. Respondents agree that their Certified Public Accountant Certificate No. 23056 and
15 Certified Public Accountancy Corporation Certificate No. 1419 are subject to discipline, and
16 agree to be bound by the CBA's probationary terms as set forth in the Disciplinary Order below.

17 CONTINGENCY

18 12. This stipulation shall be subject to approval by the CBA. Respondents understand
19 and agree that counsel for Complainant and the staff of the CBA may communicate directly with
20 the CBA regarding this stipulation and settlement, without notice to or participation by
21 Respondents or his counsel. By signing the stipulation, Respondents understand and agree that
22 they may not withdraw their agreement or seek to rescind the stipulation prior to the time the
23 CBA considers and acts upon it. If the CBA fails to adopt this stipulation as its Decision and
24 Order, the Stipulated Settlement and Disciplinary Order shall be of no force or effect, except for
25 this paragraph, it shall be inadmissible in any legal action between the parties, and the CBA shall
26 not be disqualified from further action by having considered this matter.

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1 13. The parties understand and agree that Portable Document Format (PDF) and facsimile
2 copies of this Stipulated Settlement and Disciplinary Order, including PDF and facsimile
3 signatures thereto, shall have the same force and effect as the originals.

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

10 15. In consideration of the foregoing admissions and stipulations, the parties agree that
11 the CBA may, without further notice or formal proceeding, issue and enter the following
12 Disciplinary Order:

13 **DISCIPLINARY ORDER**

14 IT IS HEREBY ORDERED that Certified Public Accountant Certificate No. 23056 issued
15 to Duane Clayton Roemmich and Certified Public Accountancy Corporation Certificate issued to
16 Roemmich Accountancy Corp. are hereby revoked. However, the revocation is stayed and
17 Respondents are placed on probation for three years on the following terms and conditions.

18 **1. Obey All Laws**

19 Respondents shall obey all federal, California, other states' and local laws, including those
20 rules relating to the practice of public accountancy in California.

21 **2. Cost Reimbursement**

22 Respondents shall reimburse the CBA \$11,041.57 for its investigation and prosecution
23 costs. The payment shall be made in quarterly payments, submitted with quarterly written
24 reports, with the last payment due within six months of the termination of probation.

25 **3. Submit Written Reports**

26 Respondents shall submit, within 10 days of completion of the quarter, written reports to
27 the CBA on a form obtained from the CBA. Respondents shall submit, under penalty of perjury,
28 such other written reports, declarations, and verification of actions as are required. These

1 declarations shall contain statements relative to Respondents' compliance with all the terms and
2 conditions of probation. Respondents shall immediately execute all release of information forms
3 as may be required by the CBA or its representatives.

4 **4. Personal Appearances**

5 Respondents shall, during the period of probation, appear in person at interviews/meetings
6 as directed by the CBA or its designated representatives, provided such notification is
7 accomplished in a timely manner.

8 **5. Comply With Probation**

9 Respondents shall fully comply with the terms and conditions of the probation imposed by
10 the CBA and shall cooperate fully with representatives of the CBA in its monitoring and
11 investigation of the Respondents' compliance with probation terms and conditions.

12 **6. Practice Investigation**

13 Respondents shall be subject to, and shall permit, a practice investigation of the
14 Respondents' professional practice. Such a practice investigation shall be conducted by
15 representatives of the CBA, provided notification of such review is accomplished in a timely
16 manner.

17 **7. Comply With Citations**

18 Respondents shall comply with all final orders resulting from citations issued by the CBA.

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

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

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1 **9. Violation of Probation**

2 If Respondents violate probation in any respect, the CBA, after giving Respondents notice
3 and an opportunity to be heard, may revoke probation and carry out the disciplinary order that
4 was stayed. If an accusation or a petition to revoke probation is filed against Respondents during
5 probation, the CBA shall have continuing jurisdiction until the matter is final, and the period of
6 probation shall be extended until the matter is final, and the charges and allegations in the
7 Accusation No. AC-2015-104 shall be deemed true and correct.

8 The CBA's Executive Officer may issue a citation under California Code of Regulations,
9 Section 95, to a licensee for a violation of a term or condition contained in a decision placing that
10 licensee on probation.

11 **10. Completion of Probation**

12 Upon successful completion of probation, Respondents' licenses will be fully restored.

13 **11. Restricted Practice**

14 Respondents shall be prohibited from providing all audit, review, compilation, and
15 attestation services until Respondents provide proof that a peer review has been accepted by a
16 Board-recognized peer review program provider.

17 **12. Ethics Continuing Education**

18 Within six (6) months of the effective date of the Decision and Order, Respondent
19 Roemmich shall complete four hours of continuing education in course subject matter pertaining
20 to the following: a review of nationally recognized codes of conduct emphasizing how the codes
21 relate to professional responsibilities; case-based instruction focusing on real-life situational
22 learning; ethical dilemmas facing the accounting profession; or business ethics, ethical sensitivity,
23 and consumer expectations. These hours shall be in addition to the re-licensing requirement.

24 If Respondent Roemmich fails to complete said courses within the time period provided,
25 Respondent Roemmich shall so notify the CBA and shall cease practice until Respondent
26 Roemmich completes said courses, has submitted proof of same to the CBA, and has been
27 notified by the CBA that he may resume practice. Failure to complete the required courses within

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1 six (6) months of the effective date of the Decision and Order shall constitute a violation of
2 probation.

3 **13. Regulatory Review Course**

4 Within six (6) months of the effective date of the Decision and Order, Respondent
5 Roemmich shall complete a CBA-approved course on the provisions of the California
6 Accountancy Act and the California Board of Accountancy Regulations specific to the practice of
7 public accountancy in California emphasizing the provisions applicable to current practice
8 situations. The course also will include an overview of historic and recent disciplinary actions
9 taken by the CBA, highlighting the misconduct which led to licensees being disciplined. The
10 course shall be two hours. These hours shall be in addition to the re-licensing requirement.

11 If Respondent Roemmich fails to complete said courses within the time period provided,
12 Respondent Roemmich shall so notify the CBA and shall cease practice until Respondent
13 Roemmich completes said courses, has submitted proof of same to the CBA, and has been
14 notified by the CBA that he may resume practice. Failure to complete the required courses within
15 six (6) months of the effective date of this Decision and Order shall constitute a violation of
16 probation.

17 **14. Peer Review**

18 During the period of probation, all audit, review, compilation, and attestation reports and
19 work papers shall be subject to peer review by a Board-recognized peer review program provider
20 pursuant to California Business and Professions Code section 5076 and California Code of
21 Regulations, Title 16, Division 1, Article 6 and Respondents' expense. The specific engagements
22 to be reviewed shall be at the discretion of the peer reviewer. The peer review shall be
23 completed by June 30, 2016 and failure to complete by that timeframe shall constitute a violation
24 of probation.

25 Within 45 days of the peer review report being accepted by a Board-recognized peer review
26 program provider, Respondents shall submit to the CBA a copy of the peer review report,
27 including any materials documenting prescription or remedial or corrective actions imposed by
28 the Board-recognized peer review program provider. Respondents shall also submit, if available,

1 any materials documenting completion of any or all of the prescribed remedial or corrective
2 actions.

3 **15. Continuing Education Courses**

4 Within six (6) months of the effective date of the Decision and Order, Respondent
5 Roemmich shall complete and provide proper documentation of completion of 16 hours of
6 continuing education in the subject matter on Statement on Standards for Accounting and Review
7 Services. These hours shall be in addition to the hours required for re-licensing. Failure to
8 satisfactorily complete the required hours as scheduled shall constitute violation of probation.

9 **16. Active License Status**

10 Respondents shall at all times maintain an active license status with the CBA, including
11 during any period of suspension. If the license is expired at the time the CBA's decision becomes
12 effective, the license must be renewed within 30 days of the effective date of the decision.

13 **17. Samples - Audit, Review or Compilation**

14 During the period of probation, if the Respondents undertake an audit, review or
15 compilation engagement, Respondents shall submit to the CBA as an attachment to the required
16 quarterly report a listing of the same. The CBA or its designee may select one or more from each
17 category and the resulting report and financial statement and all related working papers must be
18 submitted to the CBA or its designee upon request.

19 **18. Administrative Penalty**

20 Respondents shall pay to the CBA an administrative penalty in the amount of \$2,500.00 for
21 violation of the following provisions of the California Accountancy Act: Business and
22 Professions Code section 5100, subdivisions (b) and (g) (in conjunction with Business and
23 Professions Code section 5076 and California Code of Regulations, title 16, sections 40, 41, and
24 52, subdivision (d)). This payment shall be made within 90 days of the effective date of the
25 Decision and Order.

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ACCEPTANCE

I have carefully read the above Stipulated Settlement and Disciplinary Order and have fully discussed it with my attorney, Stephanie Perkins. I understand the stipulation and the effect it will have on my Certified Public Accountant Certification and Certified Public Accountancy Corporation 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: January 12, 2016 Duane Clayton Roemmich
ROEMMICH ACCOUNTANCY CORP.; DUANE
CLAYTON ROEMMICH
Respondent

I have read and fully discussed with Respondent Roemmich Accountancy Corp. and Respondent Roemmich the terms and conditions and other matters contained in the above Stipulated Settlement and Disciplinary Order. I approve its form and content.

DATED: _____
STEPHANIE PERKINS
Counsel for Respondent

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
DIANN SOKOLOFF
Supervising Deputy Attorney General

CARTER OTT
Deputy Attorney General
Attorneys for Complainant

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DATED: _____
ROEMMICH ACCOUNTANCY CORP.; DUANE
CLAYTON ROEMMICH
Respondent

I have read and fully discussed with Respondent Roemmich Accountancy Corp. and Respondent Roemmich the terms and conditions and other matters contained in the above Stipulated Settlement and Disciplinary Order. I approve its form and content.

DATED: _____
STEPHANIE PERKINS
Counsel for Respondent

ENDORSEMENT

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

Dated: 1/17/10

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


CARTER OTT
Deputy Attorney General
Attorneys for Complainant

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Exhibit A

Accusation No. AC-2015-104

1 KAMALA D. HARRIS
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2 DIANN SOKOLOFF
Supervising Deputy Attorney General
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Deputy Attorney General
4 State Bar No. 221660
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7 E-mail: Carter.Ott@doj.ca.gov
Attorneys for Complainant

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13 **ROEMMICH ACCOUNTANCY CORP.**
14 1680 Newell Avenue
Walnut Creek, CA 94596

ACCUSATION

15 **Certified Public Accountant Certification**
16 **No. 23056**

17 **Certified Public Accountancy Corporation**
18 **Certificate No. 1419**

19 Respondent.

20 Complainant alleges:

21 **PARTIES**

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

24 2. On or about April 23, 1976, the California Board of Accountancy (CBA) issued
25 Certified Public Accountant Certificate Number 23056 to Duane Clayton Roemmich. The
26 Certified Public Accountant Certificate will expire on August 31, 2017, unless renewed.

27 3. On or about September 5, 1980, the CBA issued Certified Public Accountancy
28 Corporation Certificate Number 1419 to Roemmich Accountancy Corp. The Certified Public

1. Accountancy Corporation Certificate expired on October 1, 2012, and has not been renewed.
2. Roemmich Accountancy Corp. and Duane Clayton Roemmich are collectively referenced in this
3. Accusation as "Respondent."

4. JURISDICTION

5. 4. This Accusation is brought before the CBA, under the authority of the following
6. laws. All section references are to the Business and Professions Code unless otherwise indicated.

7. 5. Section 5050.1 states:

8. "(a) Any person that engages in any act that is the practice of public accountancy in this
9. state consents to the personal, subject matter, and disciplinary jurisdiction of the board. This
10. subdivision is declarative of existing law.

11. "(b) Any person engaged in the practice of public accountancy under subdivision (a) is
12. deemed to have appointed the regulatory authority of the state or foreign jurisdiction that issued
13. the person's permit, certificate, license or other authorization to practice as the person's agent on
14. whom notice, subpoenas, or other process may be served in any action or proceeding by or before
15. the board against or involving that person."

16. 6. Section 5109 states:

17. "The expiration, cancellation, forfeiture, or suspension of a license, practice privilege, or
18. other authority to practice public accountancy by operation of law or by order or decision of the
19. board or a court of law, the placement of a license on a retired status, or the voluntary surrender
20. of a license by a licensee shall not deprive the board of jurisdiction to commence or proceed with
21. any investigation of or action or disciplinary proceeding against the licensee, or to render a
22. decision suspending or revoking the license."

23. RELEVANT STATUTES

24. 7. Section 5062 states:

25. "A licensee shall issue a report which conforms to professional standards upon completion
26. of a compilation, review or audit of financial statements."

27. /////

28. /////

1 8. Section 5076 states:

2 “(a) In order to renew its registration in an active status or convert to an active status, a
3 firm, as defined in Section 5035.1, shall have a peer review report of its accounting and auditing
4 practice accepted by a board-recognized peer review program no less frequently than every three
5 years.

6 “(b) For purposes of this article, the following definitions apply:

7 “(1) ‘Peer review’ means a study, appraisal, or review conducted in accordance with
8 professional standards of the professional work of a firm, and may include an evaluation of other
9 factors in accordance with the requirements specified by the board in regulations. The peer
10 review report shall be issued by an individual who has a valid and current license, certificate, or
11 permit to practice public accountancy from this state or another state and is unaffiliated with the
12 firm being reviewed.

13 “(2) ‘Accounting and auditing practice’ includes any services that were performed in the
14 prior three years using professional standards defined by the board in regulations.

15 “(c) The board shall adopt regulations as necessary to implement, interpret, and make
16 specific the peer review requirements in this section, including, but not limited to, regulations
17 specifying the requirements for board recognition of a peer review program, standards for
18 administering a peer review, extensions of time for fulfilling the peer review requirement,
19 exclusions from the peer review program, and document submission.

20 “(d) Nothing in this section shall prohibit the board from initiating an investigation and
21 imposing discipline against a firm or licensee, either as the result of a complaint that alleges
22 violations of statutes, rules, or regulations, or from information contained in a peer review report
23 received by the board.

24 ”

25 9. Section 5100 states, in part:

26 “After notice and hearing the board may revoke, suspend, or refuse to renew any permit or
27 certificate granted under Article 4 (commencing with Section 5070) and Article 5 (commencing
28

1 with Section 5080), or may censure the holder of that permit or certificate for unprofessional
2 conduct that includes, but is not limited to, one or any combination of the following causes:

3 ...
4 "(b) A violation of Section 478, 498, or 499 dealing with false statements or omissions in
5 the application for a license, in obtaining a certificate as a certified public accountant, in
6 obtaining registration under this chapter, or in obtaining a permit to practice public accountancy
7 under this chapter.

8 "(c) Dishonesty, fraud, gross negligence, or repeated negligent acts committed in the same
9 or different engagements, for the same or different clients, or any combination of engagements or
10 clients, each resulting in a violation of applicable professional standards that indicate a lack of
11 competency in the practice of public accountancy or in the performance of the bookkeeping
12 operations described in Section 5052.

13 ...
14 "(g) Willful violation of this chapter or any rule or regulation promulgated by the board
15 under the authority granted under this chapter.

16 ..."
17 10. Section 5116 states, in part:

18 "(a) The board, after appropriate notice and an opportunity for hearing, may order any
19 licensee or applicant for licensure or examination to pay an administrative penalty as provided in
20 this article as part of any disciplinary proceeding or other proceeding provided for in this chapter.

21 ...
22 "(d) Administrative penalties assessed under this article shall be in addition to any other
23 penalties or sanctions imposed on the licensee or other person, including, but not limited to,
24 license revocation, license suspension, denial of the application for licensure, denial of the
25 petition for reinstatement, or denial of admission to the licensing examination. Payment of these
26 administrative penalties may be included as a condition of probation when probation is ordered.

27 ..."
28 ////

RELEVANT PROFESSIONAL STANDARDS¹

15. AR section 80.16 states:

“When the accountant is engaged to report on compiled financial statements or submits financial statements that are reasonably expected to be used by a third party, the financial statements should be accompanied by a written report. The accountant’s objective in reporting on the financial statements is to prevent misinterpretation of the degree of responsibility the accountant is assuming when his or her name is associated with the financial statements.”

16. AR section 80.17 states:

The basic elements of the report are as follows:

“(a) Title. The accountant’s compilation report should have a title that clearly indicates that it is the accountant’s compilation report. The accountant may indicate that he or she is independent in the title, if applicable. Appropriate titles would be ‘Accountant’s Compilation Report’ or ‘Independent Accountant’s Compilation Report.’

“(b) Addressee. The accountant’s report should be addressed as appropriate in the circumstances of the engagement.

“(c) Introductory paragraph. The introductory paragraph in the accountant’s report should

“(i) Identify the entity whose financial statements have been compiled;

“(ii) State that the financial statements have been compiled;

“(iii) Identify the financial statements that have been compiled;

“(iv) Specify the date or period covered by the financial statements; and

“(v) Include a statement that the accountant has not audited or reviewed the financial statements and, accordingly, does not express an opinion or provide any assurance about whether the financial statements are in accordance with the applicable financial reporting framework.

“(d) Management’s responsibility for the financial statements and for internal control over financial reporting. A statement that management (owners) is (are) responsible for the

¹ Standards applicable to the performance of a compilation are discussed in the Statements on Standards for Accounting and Review Services (SSARS) and codified by the American Institute of Certified Public Accountants (AICPA). The statements are codified by “AR” number.

1 preparation and fair presentation of the financial statements in accordance with the applicable
2 financial reporting framework and for designing, implementing, and maintaining internal control
3 relevant to the preparation and fair presentation of the financial statements.

4 “(e) Accountant’s responsibility. A statement that the accountant’s responsibility is to
5 conduct the compilation in accordance with SSARSs issued by the AICPA. A statement that the
6 objective of a compilation is to assist management in presenting financial information in the form
7 of financial statements without undertaking to obtain or provide any assurance that there are no
8 material modifications that should be made to the financial statements.

9 “(f) Signature of the accountant. The manual or printed signature of the accounting firm or
10 the accountant, as appropriate.

11 “(g) Date of the accountant’s report. The date of the compilation report (the date of
12 completion of the compilation should be used as the date of the accountant’s report).

13 “Procedures that the accountant might have performed as part of the compilation
14 engagement should not be described in the report.”

15 17. AR section 80.23 states:

16 “The accountant should include a reference on each page of the financial statements
17 restricting their use, such as ‘Restricted for Management’s Use Only,’ or ‘Solely for the
18 information and use by the management of [name of entity] and not intended to be and
19 should not be used by any other party.’”

20 COST RECOVERY

21 18. Section 5107, subdivision (a) states:

22 “(a) The executive officer of the board may request the administrative law judge, as part of
23 the proposed decision in a disciplinary proceeding, to direct any holder of a permit or certificate
24 found to have committed a violation or violations of this chapter to pay to the board all
25 reasonable costs of investigation and prosecution of the case, including, but not limited to,
26 attorney's fees. The board shall not recover costs incurred at the administrative hearing.”

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1 FACTUAL BACKGROUND

2 *Respondent's Inconsistent Statements*

3 19. On February 3, 2012, the CBA issued a citation to Respondent for failing to submit a
4 Peer Review reporting form (PR-1) by a July 1, 2011 deadline. Mr. Roemmich reported the PR-1
5 for his individual license on September 15, 2011. Although he had a corporate license current
6 with the CBA at that time, Mr. Roemmich reported that he operated as a sole proprietorship and
7 that he did not perform engagements which required him to undergo a peer review.

8 20. Mr. Roemmich appealed the citation and submitted the PR-1 for the corporation on
9 March 1, 2012. Mr. Roemmich also reported that the corporation was not subject to peer review.
10 The citation and fine were thereafter withdrawn.

11 21. But in contradiction to statements he made in his individual and corporate PR-1s that
12 he did not perform accounting and auditing engagements, Mr. Roemmich reported in an August
13 31, 2013 individual CPA renewal form that he was subject to the 24 hours of accounting and
14 auditing (A&A) continuing education (CE). This statement indicated that Mr. Roemmich,
15 individually or through his corporation, may have performed an engagement which made him
16 subject to peer review. The CBA initiated an investigation as a result of these inconsistent
17 statements.

18 *CBA Investigation*

19 22. In response to the CBA's investigation, Mr. Roemmich wrote that he does, in fact,
20 perform compilations and provided copies of three compilation reports. As evidenced by the
21 letterhead on these compilation reports, Mr. Roemmich prepared each of them under his
22 individual license.

23 23. The compilation reports Mr. Roemmich provided demonstrate his failure to adhere to
24 professional standards. For example, two of the engagement letters included paragraphs which
25 state that the compilation reports were restricted to the internal use of management. But the
26 financial statements attached to those reports do not include this disclaimer, as required by
27 professional standards. In addition, CBA regulations require a licensee to complete a peer review
28 within 18 months of the report date. The earliest signature date on the compilation reports Mr.

1 Roemmich submitted was February 7, 2011. Mr. Roemmich should have undergone and
2 completed a peer review by August 31, 2013. But as of November 19, 2014, Mr. Roemmich had
3 not undergone a peer review.

4 24. Furthermore, Mr. Roemmich was not truthful when he reported his peer review status
5 on September 15, 2011. In particular, on his PR-1, Mr. Roemmich reported that he had not
6 performed accounting and auditing services that required him to undergo a peer review, yet he
7 provided the CBA with compilation reports dated February 7, February 11, and April 3, 2011.

8 25. Mr. Roemmich also was not truthful when he marked on his August 31, 2013
9 individual CPA renewal form that he was not subject to the A&A CE requirement. Mr.
10 Roemmich issued compilation reports during the two years prior to his renewal date, making him
11 subject to the A&A CE requirement.

12 26. Finally, licensees are required, pursuant to Section 5076, to undergo a peer review
13 before renewal of their CPA licenses if they perform any engagements pursuant to Statements on
14 Standards for Accounting and Review Services (SSARS). But Mr. Roemmich renewed his CPA
15 license on August 31, 2013 without undergoing a peer review even though he provided
16 compilation reports under SSARS before that date.

17 FIRST CAUSE FOR DISCIPLINE
18 (False Statements in Obtaining License)
19 (Bus. & Prof. Code § 5100, subd. (b))

20 27. Respondent has subjected his Certified Public Accountant and Certified Public
21 Accountancy Corporation Certificates to disciplinary action by violating Business & Professions
22 Code section 5100, subdivision (b) by making false statements in his application for the August
23 31, 2013 renewal of his individual license by signing Part B of his License Renewal application
24 without having completed a peer review and, during the same period of time, claiming that during
25 the two years prior he was not subject to the 24 hours of A&A CE. The circumstances regarding
26 these false statements are set forth in paragraphs 19 through 26, above.

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1 c. In addition, one of the compilation reports cited the incorrect year for the
2 attached financial statements. Inclusion of the correct date is required by professional standards,
3 SSARS Section AR 80.17, subdivision (f).

4 29. When considered together, these negligent acts constitute gross negligence.

5 THIRD CAUSE FOR DISCIPLINE
6 (Compliance with Professional Standards)
(Bus. & Prof. Code § 5062 and Cal Code Regs., title 16, § 58)

7 30. Respondent has subjected his Certified Public Accountant and Certified Public
8 Accountancy Corporation Certificates to disciplinary action by failing to comply with
9 professional standards when he issued compilation reports and financial statements, (Bus. &
10 Prof. Code § 5062 and Cal Code Regs., title 16, § 58). The circumstances are set forth in
11 paragraphs 19 through 29, above.

12 FOURTH CAUSE FOR DISCIPLINE
13 (Peer Review)

14 (Bus. & Prof. Code § 5076, subd. (a), and Cal Code Regs., title 16, §§ 40 and 41)

15 31. Respondent has subjected his Certified Public Accountant and Certified Public
16 Accountancy Corporation Certificates to disciplinary action for failing to participate in the peer
17 review process. (Bus. & Prof. Code § 5076, subd. (a), and Cal Code Regs., title 16, §§ 40 and
18 41). The circumstances are set forth in paragraphs 19 through 26, above.

19 FIFTH CAUSE FOR DISCIPLINE
20 (Failure to Provide True and Accurate Information)
(Cal Code Regs., title 16, § 52, subd. (d))

21 32. Respondent has subjected his Certified Public Accountant and Certified Public
22 Accountancy Corporation Certificates to disciplinary action by failing to provide true and
23 accurate information and responses as required by Code of Regulations, title 16, section 52,
24 subdivision (d). In particular, Respondent submitted a PR-1 form for his individual license on
25 September 15, 2011 that falsely reported he had not performed any accounting and auditing
26 services that required peer review. In addition, Respondent did not provide truthful answers on
27 his August 31, 2013 CPA license renewal which he marked that he was not subject to the 24
28 hours of A&A CE.

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1. SIXTH CAUSE FOR DISCIPLINE

2. (Willful Violation)

3. (Bus. & Prof. Code § 5100, subd. (g))

4. 33. Respondent has subjected his Certified Public Accountant and Certified Public
5. Accountancy Corporation Certificates to disciplinary action based on his willful violation of
6. professional standards applicable to compilation preparation, failure to enroll in the peer review
7. program and complete a peer review before renewing his license and failing to correctly complete
8. his renewal application. (Bus. & Prof. Code § 5100, subd. (g)). The circumstances are set forth
9. in paragraphs 19 through 32, above.

10. PRAYER

11. WHEREFORE, Complainant requests that a hearing be held on the matters alleged in this
12. Accusation, and that following the hearing, the CBA issue a decision:

13. 1. Revoking or suspending or otherwise imposing discipline upon Certified Public
14. Accountant Certification Number 23056, issued to Respondent;
15. 2. Revoking or suspending or otherwise imposing discipline upon Certified Public
16. Accountancy Corporation Certificate Number 1419, issued to Respondent;
17. 3. Ordering Respondent to pay the CBA's reasonable costs of the investigation and
18. enforcement of this case, pursuant to Section 5107;
19. 4. Ordering Respondent to pay an appropriate administrative penalty, pursuant to
20. Section 5116; and
21. 5. Taking such other and further action as deemed necessary and proper.

22. DATED: 11/6/2015

23. Patti Bowers
24. PATTI BOWERS
25. Executive Officer
26. California Board of Accountancy
27. Department of Consumer Affairs
28. State of California
Complainant

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