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

In the Matter of the Accusation Against: **RONALD I. ANSON** **1455 Luneta Drive** **Del Mar, CA 92014** **Certified Public Accountant** **Certificate No. 14144** Respondent.	Case No. AC-2012-6 **DEFAULT DECISION AND ORDER** [Gov. Code, §11520]

FINDINGS OF FACT

1. On or about February 9, 2012, Complainant Patti Bowers, in her official capacity as the Executive Officer of the California Board of Accountancy, Department of Consumer Affairs, filed Accusation No. AC-2012-6 against Ronald I. Anson (Respondent) before the California Board of Accountancy. (Accusation attached as Exhibit A.)

2. On or about December 13, 1968, the California Board of Accountancy (CBA) issued Certified Public Accountant Certificate No. 14144 to Respondent. The Certified Public Accountant Certificate expired on December 1, 2006, and has not been renewed. Nevertheless, the CBA has jurisdiction to adjudicate this case and render a decision pursuant to Section 5109 of the Business and Professions Code (Code).

3. On or about February 9, 2012, Respondent was served by Certified and First Class Mail copies of the Accusation No. AC-2012-6, Statement to Respondent, Notice of Defense, Request for Discovery, and Discovery Statutes (Government Code sections 11507.5, 11507.6, and 11507.7) at Respondent's address of record which, pursuant to California Code of Regulations, title 16, section 3, is required to be reported and maintained with the CBA. Respondent's address of record was and is:

1455 Luneta Drive
Del Mar, CA 92014.

4. Service of the Accusation was effective as a matter of law under the provisions of Government Code section 11505, subdivision (c) and/or Business & Professions Code section 124.

5. On or about February 16, 2012, the aforementioned documents were returned by the U.S. Postal Service marked "Forwarding Order Expired." The address on the documents was the same as the address on file with the CBA. Respondent failed to maintain an updated address with the CBA and the CBA has made attempts to serve the Respondent at the address on file. Respondent has not made himself available for service and therefore, has not availed himself of his right to file a notice of defense and appear at hearing.

6. Government Code section 11506 states, in pertinent part:

> (c) The respondent shall be entitled to a hearing on the merits if the respondent files a notice of defense, and the notice shall be deemed a specific denial of all parts of the accusation not expressly admitted. Failure to file a notice of defense shall constitute a waiver of respondent's right to a hearing, but the agency in its discretion may nevertheless grant a hearing.

7. Respondent failed to file a Notice of Defense within 15 days after service upon him of the Accusation, and therefore waived his right to a hearing on the merits of Accusation No. AC-2012-6.

8. California Government Code section 11520 states, in pertinent part:

> (a) If the respondent either fails to file a notice of defense or to appear at the hearing, the agency may take action based upon the respondent's express admissions or upon other evidence and affidavits may be used as evidence without any notice to respondent.

9. Pursuant to its authority under Government Code section 11520, the CBA finds Respondent is in default. The CBA will take action without further hearing and, based on the relevant evidence contained in the Default Decision Evidence Packet in this matter, as well as taking official notice of all the investigatory reports, exhibits and statements contained therein on file at the CBA's offices regarding the allegations contained in Accusation No. AC-2012-6, finds that the charges and allegations in Accusation No. AC-2012-6, are separately and severally, found to be true and correct by clear and convincing evidence.

10. Taking official notice of its own internal records, pursuant to Business and Professions Code section 5107, it is hereby determined that the reasonable costs for Investigation and Enforcement is $6,051.04 as of May 8, 2012.

DETERMINATION OF ISSUES

1. Based on the foregoing findings of fact, Respondent Ronald I. Anson has subjected his Certified Public Accountant Certificate No. 14144 to discipline.

2. The agency has jurisdiction to adjudicate this case by default.

3. The California Board of Accountancy is authorized to revoke Respondent's Certified Public Accountant Certificate based upon the following violations alleged in the Accusation which are supported by the evidence contained in the Default Decision Evidence Packet in this case:

a. Respondent is subject to discipline for a November 16, 2009 Conviction for Conspiracy to Defraud the United States from December 1998 to December 2002 in violation of Code section number 490 and 5100 subsection (a), in that he was convicted of a crime substantially related to the qualifications, functions and duties of a licensee.

b. Respondent is subject to discipline under Code section 5063, subsection (a)(1)(A-C), in that he failed to report his November 16, 2009 conviction to the CBA within 30 days after it was entered by his plea made that same date.

ORDER

IT IS SO ORDERED that Certified Public Accountant Certificate No. 14144, heretofore issued to Respondent Ronald I. Anson, is revoked.

Pursuant to Government Code section 11520, subdivision (c), Respondent may serve a written motion requesting that the Decision be vacated and stating the grounds relied on within seven (7) days after service of the Decision on Respondent. The agency in its discretion may vacate the Decision and grant a hearing on a showing of good cause, as defined in the statute.

This Decision shall become effective on June 28, 2012.

It is so ORDERED May 29, 2012

FOR THE CALIFORNIA BOARD OF ACCOUNTANCY
DEPARTMENT OF CONSUMER AFFAIRS

70555672.DOC
DOJ Matter ID:SD2011801048

Attachment:
Exhibit A: Accusation

Exhibit A

Accusation

KAMALA D. HARRIS
Attorney General of California
JAMES M. LEDAKIS
Supervising Deputy Attorney General
CARL W. SONNE
Deputy Attorney General
State Bar No. 116253
110 West "A" Street, Suite 1100
San Diego, CA 92101
P.O. Box 85266
San Diego, CA 92186-5266
Telephone: (619) 645-3164
Facsimile: (619) 645-2061
Attorneys for Complainant

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

In the Matter of the Accusation Against: **RONALD IRVING ANSON** **1455 Luneta Drive** **Del Mar, CA 92014** **Certified Public Accountant License No. 14144** Respondent.	Case No. AC-2012-6 **ACCUSATION**

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 December 13, 1968, the California Board of Accountancy issued Certified Public Accountant License Number 14144 to Ronald Irving Anson (Respondent). The Certified Public Accountant License was in full force and effect at all times relevant to the charges brought herein and expired on November 30, 2006, and has not been renewed.

JURISDICTION

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

4. Section 475 of the Code states:

(a) Notwithstanding any other provisions of this code, the provisions of this division shall govern the denial of licenses on the grounds of:

(1) Knowingly making a false statement of material fact, or knowingly omitting to state a material fact, in an application for a license.

(2) Conviction of a crime.

(3) Commission of any act involving dishonesty, fraud or deceit with the intent to substantially benefit himself or another, or substantially injure another.

(4) Commission of any act which, if done by a licentiate of the business or profession in question, would be grounds for suspension or revocation of license.

(b) Notwithstanding any other provisions of this code, the provisions of this division shall govern the suspension and revocation of licenses on grounds specified in paragraphs (1) and (2) of subdivision (a).

(c) A license shall not be denied, suspended, or revoked on the grounds of a lack of good moral character or any similar ground relating to an applicant's character, reputation, personality, or habits.

5. Section 482 of the Code states:

Each board under the provisions of this code shall develop criteria to evaluate the rehabilitation of a person when:

(a) Considering the denial of a license by the board under Section 480; or

(b) Considering suspension or revocation of a license under Section 490.

Each board shall take into account all competent evidence of rehabilitation furnished by the applicant or licensee.

6. Section 490 of the Code states:

(a) In addition to any other action that a board is permitted to take against a licensee, a board may suspend or revoke a license on the ground that the licensee has been convicted of a crime, if the crime is substantially related to the qualifications, functions, or duties of the business or profession for which the license was issued.

(b) Notwithstanding any other provision of law, a board may exercise any authority to discipline a licensee for conviction of a crime that is independent of the authority granted under subdivision (a) only if the crime is substantially related to the qualifications, functions, or duties of the business or profession for which the licensee's license was issued.

///

(c) A conviction within the meaning of this section means a plea or verdict of guilty or a conviction following a plea of *nolo contendere*. Any action that a board is permitted to take following the establishment of a conviction may be taken when the time for appeal has elapsed, or the judgment of conviction has been affirmed on appeal, or when an order granting probation is made suspending the imposition of sentence, irrespective of a subsequent order under the provisions of Section 1203.4 of the Penal Code.

. . . .

7. Section 493 of the Code states:

Notwithstanding any other provision of law, in a proceeding conducted by a board within the department pursuant to law to deny an application for a license or to suspend or revoke a license or otherwise take disciplinary action against a person who holds a license, upon the ground that the applicant or the licensee has been convicted of a crime substantially related to the qualifications, functions, and duties of the licensee in question, the record of conviction of the crime shall be conclusive evidence of the fact that the conviction occurred, but only of that fact, and the board may inquire into the circumstances surrounding the commission of the crime in order to fix the degree of discipline or to determine if the conviction is substantially related to the qualifications, functions, and duties of the licensee in question.

As used in this section, 'license' includes 'certificate,' 'permit,' 'authority,' and 'registration.'

STATUTORY PROVISIONS

8. Section 5063 of the Code requires a licensee to report in writing to the Board within 30 days all felony convictions and convictions of any crime related to the qualifications, functions or duties of a licensee or committed in the course and scope of practice of public accountancy; or involving theft, embezzlement, misappropriation of funds or property, breach of a fiduciary responsibility, or the preparation, publication, or dissemination of false, fraudulent, or materially misleading financial statements, reports or information.

9. Section 5100 states:

After notice and hearing the board may revoke, suspend, or refuse to renew any permit or certificate granted under Article 4 (commencing with Section 5070) and Article 5 (commencing with Section 5080), or may censure the holder of that permit or certificate for unprofessional conduct that includes, but is not limited to, one or any combination of the following causes:

(a) Conviction of any crime substantially related to the qualifications, functions and duties of a certified public accountant or a public accountant.

. . . .

10. Section 5106 states:

A plea or verdict of guilty or a conviction following a plea of *nolo contendere* is deemed to be a conviction within the meaning of this article. The record of the conviction shall be conclusive evidence thereof. The board may order the certificate or permit suspended or revoked, or may decline to issue a certificate or permit, when the time for appeal has elapsed, or the judgment of conviction has been affirmed on appeal or when an order granting probation is made, suspending the imposition of sentence, irrespective of a subsequent order under the provisions of Section 1203.4 of the Penal Code allowing such person to withdraw his plea of guilty and to enter a plea of not guilty, or setting aside the verdict of guilty or dismissing the accusation, information or indictment.

11. Section 5107(a) of the Code states:

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 permit or certificate found to have committed a violation or violations of this chapter to pay to the board all reasonable costs of investigation and prosecution of the case, including, but not limited to, attorneys' fees. The board shall not recover costs incurred at the administrative hearing.

12. Section 5109 of the Code states:

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

REGULATORY PROVISIONS

13. Title 16 California Code of Regulations (CCR) section 99 states:

For the purposes of denial, suspension, or revocation of a certificate or permit pursuant to Division 1.5 (commencing with Section 475) of the Business and Professions Code, a crime or act shall be considered to be substantially related to the qualifications, functions or duties of a certified public accountant or public accountant if to a substantial degree it evidences present or potential unfitness of a certified public accountant or public accountant to perform the functions authorized by his or her certificate or permit in a manner consistent with the public health, safety, or welfare. Such crimes or acts shall include but not be limited to those involving the following:

(a) Dishonesty, fraud, or breach of fiduciary responsibility of any kind;

(b) Fraud or deceit in obtaining a certified public accountant's certificate or a public accountant's permit under Chapter 1, Division III of the Business and Professions Code;

(c) Gross negligence in the practice of public accountancy or in the performance of the bookkeeping operations described in Section 5052 of the code;

(d) Violation of any of the provisions of Chapter 1, Division III of the Business and Professions Code or willful violation of any rule or regulation of the board.

14. Title 16 California Code of Regulations (CCR) section 99.1 states:

When considering the denial of a certificate or permit under Section 480 of the Business and Professions Code, the suspension or revocation of a certificate or permit or restoration of a revoked certificate under Section 11522 of the Government Code, the board, in evaluating the rehabilitation of the applicant and his present eligibility for a certificate or permit, will consider the following criteria:

(1) Nature and severity of the act(s) or offense(s).

(2) Criminal record and evidence of any act(s) committed subsequent to the act(s) or offense(s) under consideration which also could be considered as grounds for denial, suspension or revocation.

(3) The time that has elapsed since commission of the act(s) or offense(s) referred to in subdivision (1) or (2).

(4) The extent to which the applicant or licensee has complied with any terms of parole, probation, restitution, or any other sanctions lawfully imposed against the applicant or licensee.

(5) If applicable, evidence of expungement proceedings pursuant to Section 1203.4 of the Penal Code.

(6) Evidence, if any, of rehabilitation submitted by the applicant or licensee.

FIRST CAUSE FOR DISCIPLINE

(November 16, 2009 Conviction for Conspiracy to Defraud the United States from December 1998 to December 2002)

15. Respondent is subject to disciplinary action under Code section number 490 and 5100 subsection (a), in that he was convicted of a crime substantially related to the qualifications, functions and duties of a licensee. The circumstances of the conviction are as follows:

a. On or about November 16, 2009, in a criminal proceeding entitled *United States of America v. Ronald Irving Anson* in the United States District Court for the Central District of California, Case Number CR08-00575, Respondent was convicted by plea of guilty of violating Title 18 of United States Code (USC), section 371, for conspiracy to defraud the United

States, by impeding, impairing, obstructing, and defeating the lawful government functions of the Internal Revenue Service in the ascertainment, computation, assessment, and collection of income taxes.

b. As a result of the conviction, on or about November 16, 2009, Respondent was sentenced to 24 months in prison at the Taft Correctional Institution of the Federal Bureau of Prisons, to three years supervised release upon release from imprisonment. Respondent was further ordered to participate in mental health treatment, to pay a special assessment of $100.00, to pay restitution of $1,853,282.00, and to be held jointly and severally liable for the restitution of $357,906.00.

c. The facts that led to the criminal conviction are that from December 1998 through December 2002, Respondent discussed with certain tax-return clients how to reduce the clients' federal income tax liabilities, which discussions were characterized by Respondent as either formal or informal "tax planning sessions." During these tax planning sessions, Respondent told his clients, that if the clients would pay a certain amount of money, then the clients would receive partnership interests in a hotel partnership that would generate a tax loss equal to five times the amount of money made payable to the hotel partnership. Respondent told some clients that the money paid would be in exchange for an interest in a partnership that owned a hotel that was generating substantial tax losses that were available to partners. Respondent knew that most of the clients to whom he pitched the hotel partnership interests had full-time jobs or ran businesses that precluded them from spending enough time to qualify as material participants in a hotel partnership. All of the clients' returns were prepared by Respondent or under his direction in Los Angeles County, California. In addition, Respondent conspired and agreed with others to mislead the Franchise Tax Board ("FTB") and the Internal Revenue Service ("IRS") during their examinations of Respondent's clients who falsely claimed the hotel tax losses as active losses. Respondent caused others to represent falsely to the FTB and IRS that the clients had actively and materially participated in managing hotel partnerships, when the clients had not materially participated in managing hotel partnerships. Respondent sold hotel partnership interests to at least eight clients between December 1998 and December 2002 that relate to 1999, 2000, 2001, and

2002 federal income tax returns. Tax losses from tax returns prepared by or at the direction of Respondent stemming from the eight clients' improper characterization of partnership losses as "active" resulted in a tax loss to the government of approximately $9 million.

SECOND CAUSE FOR DISCIPLINE

(Failure to Report Conviction)

16. Respondent is subject to disciplinary action under Code section 5063, subsection (a)(1)(A-C), in that he failed to report his November 16, 2009 conviction, as detailed in paragraph 15, above, to the Board within 30 days after it was entered by his plea made that same date.

PRAYER

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

1. Revoking or suspending or otherwise imposing discipline upon Certified Public Accountant License Number 14144, issued to Ronald I. Anson;

2. Ordering Ronald I. Anson 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;

3. Taking such other and further action as deemed necessary and proper.

DATED: 2-9-12

Deanna Pearce for

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

SD2011801645
80582236.doc