

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

In the matter of:

Russell Nelson  
License No. 27363

Respondent.

NO. ACB-1442

FINDINGS OF FACT,  
CONCLUSIONS OF LAW  
AND DEFAULT ORDER

**1 INTRODUCTION**

THIS MATTER, arises out of the Statement of Charges issued by the Executive Director of the Washington State Board of Accountancy (hereinafter Board) on February 25, 2016. The Statement of Charges alleges that Russell Nelson (hereinafter Respondent) violated the provisions of RCW 18.04. Respondent answered the Statement of Charges and requested an administrative hearing. The Board duly mailed a Notice of Prehearing Conference to the Respondent stating that the Prehearing Conference would be held by telephone on July 6, 2016 at 2:00 PM. Thomas J. Neill, the Presiding Officer of the Board, called the Prehearing Conference to Order at 2:00 PM on July 6, 2016 and began recording the Prehearing Conference. Present for the Board were Kirsten Donovan, Board Clerk, Elizabeth Lagerberg, prosecuting AAG for the Board and Bruce Turcott, AAG advising attorney for the Board. Not present was the Respondent or counsel for the Respondent. The Board allowed 15 minutes for the Respondent who failed to appear at the Prehearing Conference.

THIS MATTER having come before the Board upon the motion of Elizabeth Thompson-Lagerberg, Assistant Attorney General the Board having reviewed the records

herein including the Finding of Default by the Board Chair and Presiding Officer, and the Declaration of Charles Satterlund, Executive Director, and being advised in the premises, makes the following:

## 2 FINDINGS OF FACT

- 2.4 At all times material hereto, Russell Nelson, the Respondent herein, held an individual Certified Public Accountant (CPA) certificate and individual license to practice as a CPA in the state of Washington, License No. 27363. Respondent's expiration date for his license, prior to the renewal detailed hereafter, was June 30, 2015.
- 2.5 Respondent submitted a renewal application for his individual CPA license on April 13, 2015, extending its expiration to June 30, 2018. In the application, Respondent answered "Yes" to the following question: "Have you completed the required CPE for this renewal period, prior to December 31, 2014?" Respondent certified that the information provided on the renewal application is true and correct to the best of his knowledge through the application form.
- 2.6 In the renewal application, Respondent stated that he completed a continuing professional education (CPE) ethics course from the provider "CPE Depot," entitled "Ethics for Washington CPAs," with a completion date of "9/30/2014."
- 2.7 Respondent was included in the Board's 2015 CPE Audit as part of a random selection, permitted by WAC 4-30-136.
- 2.8 The certificate documents provided by Respondent, responsive to the CPE Audit, appeared to be questionable in form and appearance. The certificates covered courses from two providers: Tax Executives Institute, Inc. (TEI), and Accountants Education Group (AEG).

- 2.9 On December 23, 2015, Respondent stated in an email that his former employer paid for the courses provided by TEI, and the 2012 and 2013 AEG courses, with himself paying for the 2014 ethics CPE.
- 2.10 Board staff made inquiry with TEI concerning the validity of Respondent's documentation. TEI stated by email on January 6, 2016: "The certificates that you attached were not generated by our organization. Also, an employer is not permitted to make their own certificates even if they paid for the conference." The documentation also included inconsistencies with the title, dates, location, and state, of a conference claimed for 16.0 CPE hours.
- 2.11 Board staff made inquiry with AEG concerning the validity of Respondent's documentation. AEG stated by email on December 23, 2015: "You are correct. These certificates were not created from Accountants Education Group... I have confirmed with the Grading Department that we do not have a record of this individual completing these ethics exams... I have looked at our purchase records and the last time [Respondent's former employer] order from AEG was in 2008."
- 2.12 Respondent did not provide any documentation for the course described in Paragraph 2.3 from CPE Depot. However, Board staff made inquiry with CPE Depot to determine whether Respondent completed a course through the provider as certified in his renewal application. CPE Depot stated by email on January 7, 2016: "We have searched our system and cannot find an account for "Russell Nelson."" The provider had no similar account names for those completing the course on the date Respondent listed.
- 2.13 On February 25, 2016, the Board's Executive Director issued a statement of charges against Respondent for the Findings of Fact above.

### 3 CONCLUSIONS OF LAW

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

- 3.1 The Washington State Board of Accountancy has jurisdiction over Respondent and the subject matter of the case. RCW 18.04.295; RCW 18.04.305.
- 3.2 Service is completed when mail is properly stamped, addressed, and deposited in the United States mail to the last known address of the licensee. RCW 34.05.010(19).
- 3.3 Based on the above Findings of Fact, and Conclusions of Law, Respondent has been served with the Statement of Charges, Answer to Statement of Charges, and Notice of Opportunity to Defend.
- 3.4 The acts described above constitute a violation of RCW 18.04.215(7). Failure to submit to the board satisfactory proof of having completed an accumulation of one hundred twenty hours of CPE is a violation of RCW 18.04.215(7).
- 3.5 The acts described above constitute a violation of RCW 18.04.295(8). Failure to maintain compliance with the requirements for issuance, renewal, or reinstatement of a certificate or license is a violation of RCW 18.04.295(8).
- 3.6 The acts described above constitute a violation of RCW 18.04.295(4) and WAC 4-30-052. Committing any act that reflects adversely on one's fitness to represent themselves as a CPA is a violation of RCW 18.04.295(4), for violation of WAC 4-30-052.
- 3.7 The acts described above constitute a violation of RCW 18.04.295(4) and WAC 4-30-134(2)(a). Failure to complete a total of at least 120 CPE hours is a violation of RCW 18.04.295(4), for violation of WAC 4-30-134(2)(a).
- 3.8 The acts described above constitute a violation of WAC 4-30-142(5). Dishonesty, fraud, or negligence while representing oneself as a licensee, including (c) making misleading, deceptive,

or untrue representations, and (e) purposefully, knowingly, or negligently failing to file a report or record, or failing a false report or record, required by local, state, or federal law, is a violation of WAC 4-30-142(5).

#### 4 FINAL ORDER

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

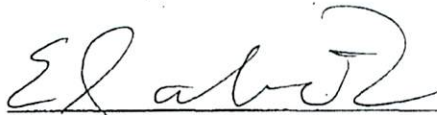
- 4.1 Respondent's CPA certificate and individual license to practice public accounting are hereby REVOKED.
- 4.2 Prior to application for new licensure, Respondent must have completed the following requirements:
  - 4.2.1 Pay a fine in the amount of \$5,000 to the Board.
  - 4.2.2 Reimburse the Board in the amount of \$1,000 for legal and investigative costs.
  - 4.2.3 Retake and pass the CPA examination.
  - 4.2.4 Serve at least five (5) years of the revocation period.
  - 4.2.5 Satisfy all applicable provisions of WAC 4-30-126, and any other requirement imposed by the Board as a condition for licensure.
  - 4.2.6 Not otherwise violate any provisions of chapters 18.04 RCW and/or Title 4 WAC during the revocation period.
- 4.3 Respondent shall not use the designation "CPA" or "certified public accountant" or hold out as a "CPA" or "certified public accountant" in violation of RCW 18.04.345, unless Respondent holds a license under RCW 18.04.105 and 18.04.215.
- 4.4 Any and all costs involved in complying with this order shall be borne by Respondent.

DATED this 19<sup>th</sup> day of SEPTEMBER 2016.

WASHINGTON STATE BOARD OF ACCOUNTANCY

  
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Thomas G. Neill, CPA  
Chair

Presented by,

  
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Elizabeth Thompson-Lagerberg  
WSBA #25159  
Assistant Attorney General  
Attorneys for Washington State Board of Accountancy