

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

In the matter of the Certified Public Accountant (CPA)  
and License to Practice as a CPA of:

NO. ACB-1561

Carmelle Marescot Palomino  
License No. 34359

Individually and as Owner of,

Marescot Palomino & Associates, PLLC  
Firm License No. 6315

Respondent.

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 (Board) on April 2, 2024. The Statement of Charges alleges that Carmello Palomino (Respondent) violated the provisions of chapter 18.04 RCW. Respondent has failed to answer or otherwise respond to the Statement of Charges. The Board having reviewed the files and records herein now makes the following FINDINGS OF FACT, CONCLUSIONS OF LAW and enters the following DEFAULT ORDER.

**2 FINDINGS OF FACT**

- 2.1 At all times material to this case Carmelle Marescot Palomino, the Respondent herein, has held an individual Certified Public Accountant (CPA) license to practice as a CPA in the state of Washington, No. 34359, issued on January 1, 2015.
- 2.2 At all times material to this case, Respondent held a CPA firm license, Marescot Palomino & Associates, PLLC, No. 6315, issued on May 16, 2016.

- 2.3 The Board regulations require firms performing attest services, like Respondent's Firm, to undergo a peer review and complete the process for CPA firm license renewal.
- 2.4 On June 30, 2022, Respondent's Firm submitted a renewal application, which requires an attestation that any required peer review was complete.
- 2.5 In the firm renewal application, Respondent acknowledged that the firm had performed attest services in 2020-2021.
- 2.6 In the firm renewal application, Respondent represented that the peer review was scheduled to begin on September 30, 2022.
- 2.7 On November 3, 2022, and January 24, 2023, Board staff followed up with Respondent's Firm by emails to inquire on the status of the peer review.
- 2.8 On February 9, 2023, Board staff sent a certified letter to Respondent which was returned as bad address, certified mail – delivered by, not collected.
- 2.9 On May 12, 2023, and June 6, 2023, Board staff sent inquiry letters by mail to Respondent's Firm, requiring a response. No response was received.
- 2.10 On July 13, 2023, Board staff spoke by telephone with Respondent who stated that she had not completed the peer review process because she shut down the firm in 2022 and was advised by the peer review administrator (Washington Society of CPAs) that because she was no longer performing attest services, peer review wouldn't be required.
- 2.11 The Board received no notification or evidence of firm closure.
- 2.12 Respondent did not respond to any further inquiries from the Board.
- 2.13 On April 2, 2024, the Board served a Statement of Charges for failure to complete the peer review. Accompanying the Statement of Charges were a cover letter with instructions for

responding to the Statement of Charges, a form Answer to Statement of Charges, a Notice of Opportunity to Defend, and a proposed Consent Agreement (Statement of Charges Packet). Board staff served the Statement of Charges Packet upon Respondent when it was placed in an envelope, properly stamped, addressed, and deposited in the United States mail to the last known address of the licensee. RCW 34.05.010(19).

- 2.14 The Board advised Respondent in the cover letter, Answer to Statement of Charges, and Notice of Opportunity to Defend that Respondent had 20 days to answer and/or request a hearing.
- 2.15 To date, Respondent has not answered the Statement of Charges or requested a hearing.
- 2.16 On July 1, 2024, the Respondent's CPA license lapsed due to non-renewal.
- 2.17 On September 20, 2024, the Respondent's firm license was administratively dissolved due to Respondent's lapsed CPA license.

### **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.
- 3.2 The facts set out in the Statement of Facts herein constitute failure to meet peer review requirements in accordance with peer review standards, which is a violation of 18.04.305 and WAC 4-30-130.
- 3.3 The facts set out in paragraphs 2.13 through 2.15 of the Statement of Facts indicate Respondent has been properly served with the Statement of Charges, Answer to Statement of Charges, and Notice of Opportunity to Defend and has failed to respond

within the required 20 days of service which is a violation of RCW 34.05.010(19).

- 3.4 The failure of Respondent to file a request for a hearing in this matter within the time limit established by statute constitutes a default, resulting in the loss of Respondent's right to a hearing.
- 3.5 The Board is legally entitled to proceed to resolve the matter without further notice to, or hearing for the benefit of Respondent, except that a copy of this order shall be served upon Respondent. RCW 34.05.440.

#### **4      FINAL ORDER**

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

- 4.1 Respondent shall pay the Board a fine in the amount of three thousand dollars (\$3,000) and shall reimburse the Board for its investigative costs and legal fees in the amount of two thousand dollars (\$2,000). Payments shall be remitted to the Washington State Board of Accountancy at PO Box 9131, Olympia, WA 98507-9131 within 90 days of the service of this Order.
- 4.2 Respondent's individual CPA license shall be suspended without the option to renew or reinstate their license for one year. Suspension shall be stayed and renewal or reinstatement allowed, provided Respondent follows the terms of this Order.
- 4.3 Respondent, and any firm solely owned by Respondent, shall be placed under a practice restriction that they may not perform or offer to perform any attest or compilation services until Respondent has submitted and the Board has granted a request to lift the practice

restriction.

- 4.4 Prior to the Board considering a request by Respondent to lift the practice restriction, Respondent must have fulfilled all other terms of this order and be associated with a licensed CPA firm which is enrolled in a peer review program.
- 4.5 Prior to the Board considering a request for renewal or reinstatement, Respondent must submit to the Board a written explanation for failing to undergo a peer review process and the measures taken to ensure compliance with applicable rules, including a commitment to enroll in a peer review program prior to offering to perform or performing such an engagement in the future.
- 4.6 Service: This Order was served upon you the day it was deposited in the United States Mail. RCW 34.05.010(19).

DATED this 3rd day of October, 2024.

WASHINGTON STATE  
BOARD OF ACCOUNTANCY

*Kate Dixon*

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Kate Dixon  
Board Chair

Presented by:

*Elizabeth Lagerberg*  
\_\_\_\_\_

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