

**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-1570

Ryan Barnett
License No. 32780

Individually and as Owner of,

Barnett and Associates
Firm License No. 6672

Respondent.

MOTION, FINDINGS OF
FACT, CONCLUSIONS OF
LAW AND DEFAULT
ORDER

1. INTRODUCTION

THIS MATTER, arises out of the Statement of Charges issued by Jennifer Sciba, Executive Director (Executive Director) of the Washington State Board of Accountancy (Board) on November 1, 2024. The Statement of Charges alleges that Ryan Barnett (Respondent) violated the provisions of chapter 18.04 RCW. Respondent has failed to answer or otherwise respond to the Statement of Charges.

THIS MATTER having come before the Board upon the motion of Elizabeth Lagerberg, Assistant Attorney General on behalf the Executive Director of the Board; Respondent having failed to answer or otherwise respond to the Statement of Charges; the Board having reviewed the records herein and the Declaration of Jennifer Sciba, Executive Director, and being advised in the premises, makes the following:

2. FINDINGS OF FACT

2.1. At all times material hereto, Ryan Barnett, the Respondent herein, held an individual

Certified Public Accountant (CPA) license to practice as a CPA in the state of Washington, No. 32780, issued on July 29, 2014.

2.2. Respondent owned and operated Barnett, Cole and Associates, an accounting firm in Washington State. The firm held a CPA firm license in state of Washington, No. 48263, issued on January 17, 2017, and dissolved on June 30, 2020.

2.3. Respondent owns and operates Barnett and Associates, an accounting firm in Washington State. The firm holds a CPA license in the state of Washington, No. 6672, issued on July 14, 2024. The license is active.

2.4. The Board has received four (4) complaints from individuals who provided their tax information and records to Respondent, whose tax work was not completed by Respondent, and who have been unable to reach Respondent.

2.5. On February 13, 2024, the Board received a complaint from Complainant A, against Respondent, alleging that Respondent failed to properly file personal and business tax returns after falsely informing Complainant A that the returns were completed, accepted payment for service not completed and failed to respond to communications.

2.5.1. In September 2023, Respondent notified Complainant A that their personal return was completed and issued an invoice for services. Complainant A then paid the invoice in the amount of \$1,090.25, and returned a signed Form 8879 (IRS e-file Signature Authorization).

2.5.2. In October 2023, Respondent notified Complainant A that the business return was completed and issued an invoice for the work. Complainant A then paid the invoiced amount of \$635.75.

2.5.3. On November 13, 2023, Complainant A signed Form 8879 authorizing Respondent

to e-file their return (IRS e-file Signature Authorization) and delivered it to Respondent to file the prepared return.

2.5.4. In November 2023, Respondent deposited the two checks he received from Complainant A.

2.5.5. Shortly after paying the Respondent, Complainant A discovered Respondent had not completed the work and had failed to submit the two filings to the IRS.

2.5.6. On December 19, 2023, Respondent replied to Complainant A's multiple status update requests by stating that he would look into it. Complainant A did not receive any additional communication after that date, nor did Respondent complete the IRS filing.

2.5.7. Complainant A was assessed a failure-to-file penalty by the IRS because Respondent did not file the returns. Complainant A engaged another tax professional to assist with filing the returns.

2.5.8. Separately, Complainant A inquired about an abatement with the IRS on March 26, 2024. The IRS granted the penalty relief.

2.5.9. The Board sent letters of inquiry requiring a response were mailed to Respondent's address of record on February 13, 2024, and March 19, 2024 (with a copy by certified mail). The letters provided a copy of the complaint and requested Respondent's response to the allegations and any documentation to support his response. The letters also provided notice that WAC 4-30-034 requires a written response to Board inquiries requesting a response within twenty days. Respondent never responded.

2.5.10. The Board emailed Respondent's email address of record on March 5, 2024, March

13, 2024, and April 24, 2024. The emails included a copy of the letters described in Paragraph 2.5.9.

2.5.11. Respondent retained payment from Complainant A, without performing the tasks for which Respondent was paid.

2.6. On June 4, 2024, the Board received a complaint from Complainant B that they delivered their tax information and records to Respondent on April 7, 2024.

2.6.1. Respondent did not take any action in performing the requested tax work.

2.6.2. Complainant B has not been able to contact Respondent by phone or at his office.

2.6.3. Complainant B has been unable to reclaim their sensitive paperwork which remains under the control of Respondent.

2.6.4. The Board sent letters of inquiry requiring a response to Respondent's address of record on June 4, 2024, and July 16, 2024. The letters provided a copy of the complaint and requested Respondent's response to the allegations and any documentation to support his response. The letters also provided notice that WAC 4-30-034 requires a written response to Board inquiries requesting a response within twenty days. Respondent never responded.

2.6.5. The Board emailed Respondent's email address of record on June 4, 2024, and July 31, 2024. The emails included a copy of the letters described in Paragraph 2.6.5.

2.7. On June 10, 2024, the Board received a complaint from Complainant C that they engaged Respondent to review and then e-file their tax return on February 23, 2024.

2.7.1. Respondent did not e-file the tax return.

2.7.2. Complainant C emailed Respondent several times asking about the e-filing.

2.7.3. On April 4, 2024, Complainant C emailed Respondent to request IRS confirmation,

acceptance of e-filing, and a copy of the signed IRS form 8879.

- 2.7.4. Respondent provided one email stating Respondent located a signed IRS form 8879 in his Seattle office. Respondent did not provide copies.
 - 2.7.5. Respondent never e-filed Complainant C's tax return, or provided Complainant C with the requested records.
 - 2.7.6. The Board sent letters of inquiry requiring a response to Respondent's address of record on June 11, 2024, and July 16, 2024. The letters provided a copy of the complaint and requested Respondent's response to the allegations and any documentation to support his response. The letters also provided notice that WAC 4-30-034 requires a written response to Board inquiries requesting a response within twenty days. Respondent never responded.
 - 2.7.7. The Board emailed Respondent's email address of record on July 11, 2024. The email included a copy of the letters described in Paragraph 2.7.6.
- 2.8. On June 21, 2024, the Board received a complaint from Complainant D who states that they engaged Respondent to prepare their tax return.
- 2.8.1. They delivered their tax information and records to Respondent.
 - 2.8.2. To their knowledge Respondent performed no work on the tax return.
 - 2.8.3. Complainant D heard nothing from Respondent since delivering the information.
 - 2.8.4. They made multiple attempts but were not able to contact Respondent and request return of their records.
 - 2.8.5. They have neither heard from Respondent nor been able to obtain their records to take to another accountant.
 - 2.8.6. The Board sent a letter of inquiry requiring a response were mailed to Respondent's

address of record on June 25, 2024. The letter provided a copy of the complaint and requested Respondent's response to the allegations and any documentation to support his response. The letter also provided notice that WAC 4-30-034 requires a written response to Board inquiries requesting a response within twenty days. Respondent never responded.

- 2.9. On July 31, 2024, Board staff sent an email to Respondent notifying him that the Board had not received any response to the multiple inquiries across multiple complaints. Respondent never responded.
- 2.10. Board staff left numerous phone messages with Respondent's phone numbers of record as well as from the firm's website. Respondent never responded.
- 2.11. On November 1, 2024, the Board served a Statement of Charges for alleged violations of RCW 18.04 and for failure to respond to Board inquiries. 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).
- 2.12. 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.
- 2.13. To date, Respondent has not answered the Statement of Charges or requested a hearing.

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 respond to Board inquiries requiring a response, which is a violation of WAC 4-30-034 and WAC 4-30-142(13).
- 3.3. The facts set out in the Statement of Facts herein constitute a failure to exercise due professional care in not responding to clients and not completing work, which is a violation of WAC 4-30-046 and WAC 4-30-052.
- 3.4. The facts set out in the Statement of Facts herein constitute a failure to return client records, which is a violation of WAC 4-30-048(1), and AICPA Code of Professional Conduct section 1.400.200.06.
- 3.5. The facts set out in paragraphs 2.11 through 2.13 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).
- 3.6. 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.
- 3.7. 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 five thousand dollars (\$5,000) and shall reimburse the Board for its investigative costs and legal fees in the amount of one thousand dollars (\$1,000). 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 for three years.
- 4.3. Prior to the Board considering any application from Respondent, Respondent must:
 - 4.3.1. Submit in writing to the Board an explanation for the lack of response, and a plan to ensure timely response to Board communications in the future.
 - 4.3.2. Return any requested records to clients that are outstanding as required under the provisions of the Public Accountancy Act in effect at the time of the letter.
Respondent shall submit in writing to the Board a list of clients that have requested records, and whether any records have been returned in compliance with professional standards. The Board may request additional documentation from Respondent to satisfy requirements of this provision.

DATED this _____ day of _____, 2024.

WASHINGTON STATE
BOARD OF ACCOUNTANCY

Kate Dixon
Board Chair

Presented by:

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