

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

In the matter of:

Joseph L. Schmitz
License No. 07180
JOSEPH L. SCHMITZ, PS
Firm No. 4058

Respondent.

NO. ACB-1471

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 May 21, 2018. The Statement of Charges alleges that JOSEPH L. SCHMITZ, PS (hereinafter Respondent) violated the provisions of RCW 18.04. 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 Thompson-Lagerberg, Assistant Attorney General; Respondent having failed to answer or otherwise respond to the Statement of Charges; the Board having reviewed the records herein and the Declaration of Charles E. Satterlund, Executive Director, and being advised in the premises, makes the following:

2 FINDINGS OF FACT

- 2.1 At all times material hereto, Joseph L. Schmitz, 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 number 07180.
- 2.2 At all times material hereto, JOSEPH L. SCHMITZ, PS, held a CPA firm license in the state of Washington, license number 4058.
- 2.3 On October 5, 2017, Respondent entered into a Remedial Resolution with the Board for failure to undergo peer review. Therein, Respondent agreed to enroll in, and undergo, peer review.
- 2.4 Respondent failed to comply with the terms of the Remedial Resolution.
- 2.5 On May 21, 2018, a Statement of Charges was issued to the Respondent. No response was received.
- 2.6 On July 3, 2018, a certified letter was issued with USPS Tracking number 9171999991703179011937 requesting a response by July 23, 2018. No response was received by the Board.
- 2.7 On July 5, 2018, USPS tracking shows that individual picked up the certified mail at the Spokane WA 99201 Post Office.

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 failure of Respondent to file a request for a hearing in this matter within the time limit established by statute or agency rule constitutes a default, resulting in the loss of Respondent's right to a hearing. 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.
- 3.5 Failure to respond to in writing Board communications requesting a response within 20 days, as set out above, constitutes cause for Board sanction under RCW 18.04.295, WAC 4-30-034 and WAC 4-30-142(13)(b) and (c).
- 3.6 Failure to comply with an order of the Board, as set out above, constitutes cause for Board sanction under RCW 18.04.295(11) and WAC 4-30-142(14).
- 3.7 Such conduct constitutes grounds for Board discipline under RCW 18.04.295 and chapter 18.04 RCW.

4 FINAL ORDER

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

- 4.1 This Order supersedes the Remedial Resolution dated October 5, 2017.

- 4.2 Respondent's Washington State CPA individual license to practice public accounting is hereby suspended for five (5) years.
- 4.3 Respondent's Washington State CPA firm license No. 4058 is hereby administratively dissolved.
- 4.4 The Board will not consider Respondent's application for reinstatement of licensure unless, prior to the time of application for reinstatement, Respondent:
 - 4.4.1 Pays a fine in the amount of one thousand five hundred dollars (\$1,500) to the Board.
 - 4.4.2 Reimburses the Board in the amount of two hundred fifty dollars (\$250) for legal and investigative costs.
 - 4.4.3 Satisfies all applicable provisions of WAC 4-30-126, and any other requirement imposed by the Board as a condition for licensure.
 - 4.4.4 Has not otherwise violated any provisions of chapters 18.04 RCW and/or Title 4 WAC during the suspension period.
- 4.5 Prior to issuing any reports for a Washington client, or through a Washington State CPA firm, Respondent must undergo preissuance review by a reviewer preapproved by the Board for the first report to be issued. Respondent must submit the preissuance review to the Board prior to issuance of the report.
- 4.6 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.

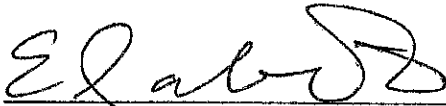
DATED this 4th day of September 2018.

WASHINGTON STATE BOARD OF ACCOUNTANCY



Karen R. Saunders, CPA
Chair

Presented by,



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

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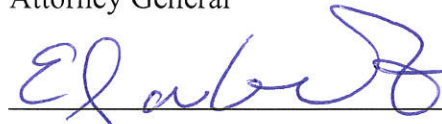
NO. ACB-1471

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

COMES NOW the Washington State Board of Accountancy, appearing by and through its attorneys, ROBERT W. FERGUSON, Attorney General, and Elizabeth Thompson-Lagerberg, Assistant Attorney General, and moves the Board for entry of a default order against Respondent. This motion is based on Respondent's failure to respond to the Statement of Charges served on Respondent on May 21, 2018, on the records and files herein, and on the accompanying Declaration of CHARLES E. SATTERLUND, CPA, which provide prima facie proof of due service, failure to respond, and of the allegations contained in the Statement of Charges and which provide the basis Findings of Fact, Conclusions of Law and Default Order proposed by this motion.

Respectfully submitted this 17 day of August, 2018.

ROBERT W. FERGUSON
Attorney General



ELIZABETH THOMPSON-LAGERBERG
WSBA # 25159
Assistant Attorney General
Attorneys for Washington State Board of Accountancy

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DECLARATION OF
CHARLES E.
SATTERLUND

I, CHARLES E. SATTERLUND declare under penalty of perjury under the Laws of Washington that the matters set forth below are based upon my own personal knowledge and on the files and records of the Washington State Board of Accountancy (Board).

1. At all times material hereto, Joseph L. Schmitz, 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 number 07180.
2. At all times material hereto, JOSEPH L. SCHMITZ, PS, held a CPA firm license in the state of Washington, license number 4058.
3. On October 5, 2017, Respondent entered into a Remedial Resolution with the Board for failure to undergo peer review. Therein, Respondent agreed to enroll in, and undergo, peer review.
4. Respondent failed to comply with the terms of the Remedial Resolution.
5. On May 21, 2018, a Statement of Charges was issued to the Respondent. No response was received.
6. On July 3, 2018, a certified copy of the Statement of Charges was issued with USPS Tracking number 9171999991703179011937. A response was due on July 23, 2018. No response was received by the Board.

7. On July 5, 2018, USPS tracking shows that individual picked up the certified mail at the Spokane WA 99201 Post Office.
8. The Respondent has neither answered the Statement of Charges nor requested a hearing on the matters set forth in the Statement of Charges.
9. The facts of this matter form the basis for the sanctions as proposed, and are submitted in support of the Board's proposed Findings of Fact, Conclusions of Law and Default Order.

DATED this 27th day of August 2018, in Olympia, Washington.

WASHINGTON STATE BOARD OF ACCOUNTANCY



CHARLES E. SATTERLUND, CPA
Executive Director