

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

In the Matter of the Certified Public  
Accountant (CPA) Certificate and/or  
Licenses to Practice Public Accounting of:

Peter Gehrett, CPA  
License No. 24595

Respondent.

No. ACB-1494

CONSENT AGREEMENT

The Washington State Board of Accountancy (Board) and Peter Gehrett (Respondent), stipulate and agree as follows:

**Section 1: Procedural Stipulations**

- 1.1 Respondent understands that the Board has issued a Statement of Charges in this matter and may proceed to a hearing before the Board upon the merits of said charges. The Board has not done so in order to facilitate resolution of this matter in accordance with the legislative intent endorsed in RCW 34.05.060 and the provisions of WAC 4-30-140.
- 1.2 Respondent has the right to defend against a Statement of Charges by demanding a hearing and presenting evidence on the Respondent's behalf. Respondent voluntarily waives the right to a hearing and all other rights that may be accorded the Respondent by the Administrative Procedures Act, chapter 34.05 RCW, and the laws of Washington, including the right to petition the courts for judicial review.
- 1.3 Respondent understands that should the Board prevail at hearing based on the Statement of Charges that the Board has the power and authority to deny, suspend, revoke, or refuse to renew the Respondent's CPA certificate or any individual or firm licenses to practice

public accounting as a CPA or CPA firm in Washington and may impose a fine plus the Board's investigative and legal costs in bringing charges or impose conditions precedent to renewal of the certificate or license, or impose full restitution to injured parties.

- 1.4 Respondent wishes to expedite the resolution of this matter by means of this Consent Agreement and does not desire to proceed to a formal hearing based on the issuance of a Statement of Charges.
- 1.5 Respondent understands that the terms of this Consent Agreement are not binding unless approved by the Board and fully executed.
- 1.6 Should this Consent Agreement be rejected by the Board and the Board proceeds with the issued Statement of Charges, the Respondent waives any objection to the participation of any members of the Board at a hearing on this matter, other than the consulting Board member in this proceeding.

The parties further stipulate to the following Stipulated Facts, Conclusions of Law, and Agreed Order:

## **Section 2: Stipulated Facts**

- 2.1 At all times material hereto, Peter J. Gehrett, the Respondent herein, held an individual Certified Public Accountant (CPA) License to practice as a CPA in the state of Washington, No. 24595, issued on May 12, 2004.
- 2.2 Respondent was CEO and managing member of SumBridge, LLC. (SumBridge), a firm focused on staffing and recruiting for accounting and finance professional services.
- 2.3 Between August 2016 and March 2017, Respondent withdrew approximately \$210,000 from SumBridge, without the knowledge of his partners.
- 2.4 Around March 2017, Respondent informed his partners of the withdrawals. He was subsequently removed from his position in SumBridge.

### **Section 3: Conclusions of Law**

- 3.1 The Board has jurisdiction over the Respondent and the subject matter of this proceeding. WAC 4-30-048(11) requires compliance with the Professional Code of Conduct issued by the AICPA ("the Code"). Code Section 2.100.005 states that CPAs would be considered in violation of the "Integrity and Objectivity Rule" [2.100.001] if the CPA cannot demonstrate that safeguards were applied that eliminated or reduced significant threats to an acceptable level. Failure to apply safeguards to eliminate or reduce a self-interest threat, as set out above, constitutes cause for Board sanction under RCW 18.04.295, and WAC 4-30-048(11). Engaging in acts of fiscal dishonesty, as set out above, constitutes cause for Board sanction under RCW 18.04.295, and WAC 4-30-142(5)(d).

### **Section 4: Agreed Order**

- 4.1 Respondent consents to the entry of this Agreement and has waived any right to a hearing.
- 4.2 Pursuant to RCW 18.04.295, the Board has the power to impose discipline. Based on the preceding Stipulated Facts and Conclusions of Law, the Board and Respondent agree that:
- 4.2.1 Respondent's individual CPA license shall be suspended for two (2) years.
- 4.2.2 The license suspension shall be stayed. If Respondent fails to comply with the terms of this Consent Agreement, the stay shall be lifted, and Respondent shall serve a two year suspension period, starting from the date the stay was lifted.
- 4.2.3 Respondent shall complete an AICPA Code of Professional Conduct continuing professional education course of at least four (4) hours within 60 days. The course must be interactive, and cover ethics and the AICPA Code of Professional Conduct. Respondent must submit the certificate of completion within 30 days of completion of the course.

- 4.2.4 Respondent shall pay the Board a fine in the amount of one thousand dollars (\$1,000) within 60 days of the service of this Agreement. Such fine shall be made payable to the Washington State Board of Accountancy and remitted to the Washington State Board of Accountancy at PO Box 9131, Olympia, WA, 98507-9131.
- 4.2.5 Respondent shall pay the Board the amount of two hundred fifty dollars (\$250) to reimburse the Board's investigative and legal costs within 60 days of the service of this Agreement. Such reimbursement shall be made payable to the Washington State Board of Accountancy and remitted to the Washington State Board of Accountancy at PO Box 9131, Olympia, WA 98507-9131.

I, Peter Gehrett, certify that I have read this Consent Agreement in its entirety, and that I fully understand and agree to all of it and that it may be presented to the Board without my appearance. If the Board accepts the Consent Agreement, I understand that I will receive a signed copy.

DATED this 23 day of September, 2018.

RESPONDENT



Peter Gehrett, CPA

The Board accepts and enters this Consent Agreement.

DATED this 3<sup>rd</sup> day of October, 2018.

WASHINGTON STATE  
BOARD OF ACCOUNTANCY



Karen R. Saunders, CPA  
Chair