

BOARD OF PUBLIC ACCOUNTANCY *

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v. *

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CASE NO.: CPAS 11-0015

PEI-PEI- LEE TZENG, *

*

Respondent *

* * * * *

CONSENT ORDER

This matter comes before the Maryland Board of Public Accountancy (“Board”) as a result of a complaint filed by Norbert Fenwick, the Board’s continuing professional education consultant against Pei-Pei Lee Tzeng (“Respondent”), a licensed certified public accountant. Mr. Fenwick conducted an audit of the continuing professional education courses claimed by the Respondent in the Respondent’s license renewal application that was filed with the Board on November 10, 2009. Upon a review of the complaint, the Board has determined that administrative charges against the Respondent should be held. In an effort to resolve this matter without a formal hearing, the Respondent and the Board have agreed to enter into this Consent Order as the final settlement of this matter.

THE PARTIES AGREE AND STIPULATE:

1. At all times relevant to the matters set forth in this Consent Order, the Board had jurisdiction over the subject matter and the Respondent.
2. The Respondent became licensed as a certified public accountant (License No. 1643) on October 17, 1991.
3. On November 10, 2009, the Respondent filed a license renewal application with the Board for the period December 31, 2009 through December 31, 2011.
4. The Respondent claimed in the renewal application that he earned ninety (80) hours of continuing professional education credit hours during the previous license term.
5. The Board’s license renewal application requires an applicant to certify to the accuracy of the information contained in the application. This certification states, in pertinent part:

"I hereby certify, under penalty of perjury, that the information contained herein is true and correct to the best of my knowledge, information, and belief..."

6. On May 11, 2010, the Respondent provided documents to the Board for audit review of the 80 continuing professional educations credits that he claimed in the renewal application.

7. On August 25, 2010, the following audit determination was made regarding the continuing education credits claimed in the Respondent's renewal application:

- a) The Respondent claimed the same 62 hours of continuing professional education credit on both his December 31, 2007 renewal application and his November 11, 2009 renewal application;
- b) The Respondent did not provided documentation that he completed four (4) continuing professional education hours in ethics; and
- c) The Respondent did not document the completion of two general subject continuing professional education hours.

8. As a result of the audit review, the Respondent was credited with 12 of the 80 continuing professional education hours required to renew his license.

9. Based on the aforementioned facts, the Respondent acknowledges that he has violated Business Occupations and Professions Article Regulation Article §§2-312(a) (3) Annotated Code of Maryland; and Code of Maryland Regulations COMAR 09.24.02.02 A and B. which state:

§ 2-312. Continuing education.

(a) *In general.* - (1) The Board shall adopt regulations that set, in accordance with this section, continuing education requirements as a condition to the renewal of licenses under this subtitle.

(2) A continuing education requirement does not apply to the first renewal of a license.

(3) To qualify for any further renewal of a license under this subtitle, a licensee shall complete, for each 2-year license term, at least 80 hours in programs that the Board approves

09.24.02.02 Basic Requirement.

A. The applicant shall complete a minimum of 80 hours of acceptable continuing education in each 2-year license term after initial renewal.

B. A minimum of 4 hours of the continuing education for each 2-year license term shall be in professional ethics with no carry forward provision for excess hours.

10. Based on the aforementioned violations, the Respondent agrees to pay to the Board a civil penalty of \$1,000.00 upon the Respondent's execution of this Consent Order.

11. The Respondent agrees to pay the \$40.00 fee to convert his license to inactive status.

12. The Respondent agrees to complete four (4) hours of continuing education in the subject of ethics.

13. The Respondent agrees to complete sixty-four (64) hours of continuing education in general subject matter as is required by Code of Maryland Regulations COMAR 09.24.02.02 and .03, which state

COMAR 09.24.02 Continuing Education

.02 Basic Requirement.

A. The applicant shall complete a minimum of 80 hours of acceptable continuing education in each 2-year license term after initial renewal.

B. A minimum of 4 hours of the continuing education for each 2-year license term shall be in professional ethics with no carry forward provision for excess hours.

C. Except as provided in Regulation §B of this regulation and Regulation .03G of this chapter, all hours in excess of the 80 hours required for a license term can be carried forward to apply as credit to the 80-hour requirements of the following 2 years.

D. The following standards will be used to measure the hours of credit to be given for acceptable continuing education programs completed by individual applicants:

(1) Only participation hours or the equivalent (and not hours devoted to preparation) will be counted.

(2) Services as teacher, lecturer, or discussion leader in accounting and related subjects qualifying for continuing education credit will be included to the extent that it contributes to the licensee's professional competence. Repetitious presentation, that is, those that are substantially the same subject material, may be included only once in each reporting cycle. Hours allowable in the capacity of teacher, lecturer, or discussion leader may not exceed 45 hours of the

minimum requirements with no carry-over provision for excess hours.

(3) A teacher, lecturer, or discussion leader of a qualifying continuing education program shall receive:

(a) 3 hours of continuing education credit for every hour of presentation for a first-time presentation of a program; and

(b) 1 hour of continuing education credit for every hour of presentation for all subsequent presentations of a program.

E. The Board shall credit acceptable hours of continuing education earned after initial licensure if the credit hours are properly reported on the first renewal application, in accordance with Regulation .04C of this chapter.

F. An applicant shall complete 80 hours of continuing education in compliance with the Board's Accountancy Continuing Education Regulations before receiving a license to practice certified public accountancy if:

(1) The applicant is not licensed as a certified public accountant in another state or jurisdiction; and

(2) The applicant passed the examination more than four years prior to applying to the Board for a license.

.03 Programs Which Qualify.

A. The overriding consideration in determining whether a specific program qualifies is that it shall be a formal program of learning which contributes directly to the professional competence of an individual after this individual has been licensed to practice certified public accountancy.

B. Group Continuing Education Programs.

(1) Group continuing education programs will qualify only if §A of this regulation is met and:

(a) An outline is prepared in advance and preserved for review by this Board, if required;

(b) The program is at least 1 hour (50-minute periods) in length;

(c) The program is conducted by a qualified instructor;

(d) A record of attendance is preserved;

(e) The sponsor agrees to admit a member of the Board or of the CPE Advisory Committee on request to monitor the program.

(2) These programs would include:

- (a) Professional development programs of recognized national and state accounting organizations and their chapters;
- (b) Technical sessions at meetings of recognized national and state accounting organizations and their chapters;
- (c) Non-credit short courses at universities and colleges;
- (d) Formal, organized in-firm education programs;
- (e) Programs offered by other recognized professional or industrial organizations.

C. University and college courses taken for academic credit will qualify only if §A of this regulation is met. Credit towards the continuing education requirement will be calculated at 15 hours for each semester hour credit and 10 hours for each quarter hour credit.

D. Other Programs. A program other than a group program will qualify only if:

- (1) The program meets the requirements of §A of this regulation;
- (2) An outline is prepared in advance and preserved for review by the Board, if required;
- (3) The program is at least 1 hour in length (50-minute period); and
- (4) The program provides evidence of satisfactory completion.

E. Peer Reviews.

(1) A peer review shall qualify if conducted in accordance with Business Occupations and Professions Article, Title 2, Subtitle 4A, Annotated Code of Maryland, and COMAR 09.24.06.

(2) Calculation of Credit for Peer Reviews.

- (a) Only an individual in a firm that receives an unmodified peer review may receive credit.
- (b) The peer reviewer shall allocate the credit hours among the engagement personnel in attendance at the exit conference for the peer review.

(c) The peer reviewer shall allocate a maximum of:

- (i) 8 hours for a report review;
- (ii) 12 hours for an engagement review; and
- (iii) 16 hours for a system review.

(d) Peer review credit hours may not exceed 16 credit hours per individual for any license period.

14. The Respondent agrees to complete an additional four (4) hours of continuing professional education in professional ethics.

15. The Respondent agrees that he will provide documentation of the completion of the continuing professional education hours set forth in this Consent Agreement not later than 120 days after the execution of this agreement.

16. The Respondent may not reactivate his license status until such time as the Respondent submits documentation of the continuing professional education hours set forth in Stipulations #12 through #14 of this Consent Order and advised by the Board that these hours are approved.

17. The Respondent agrees that the hours the Respondent completes in fulfillment of the conditions set forth in this consent agreement may not be claimed in his next renewal application.

18. The Respondent agrees to submit documentation of the continuing professional education hours claimed in the Respondent's next license renewal application upon the request of the Board.

19. The Respondent shall abide by the provisions of the Maryland Public Accountancy Act, § 2-101 et. seq., Business Occupations and Professions Article, Annotated Code of Maryland, and COMAR 09.24.01, et. seq.

20. The Respondent, by entering into this Consent Order, expressly waives the right to have the pending allegations by the Board reduced to written charges, the right to an administrative hearing on the charges and the making of Findings of Fact and Conclusions of Law, and any and all further proceedings before the Board to which the Respondent may be entitled to in this matter, and any rights to appeal from this Order.

21. The Respondent enters into this Consent Order freely, knowingly and voluntarily.

BASED ON THESE STIPULATIONS, IT IS, THIS 20th DAY OF October, 2010 BY THE BOARD OF PUBLIC ACCOUNTACY:

ORDERED that the Respondent has violated Business Occupations and Professions Article Regulation Article §§2-312(a) (2) and (3) Annotated Code of Maryland; and Code of Maryland Regulations COMAR 09.24.02.02 A. and B.; and it is further

ORDERED that the Respondent is, hereby, reprimanded;

ORDERED that the Respondent be assessed a civil penalty of \$1,000.00 for the violation, which amount is payable to the Board upon the Respondent's execution of this Consent Order and Settlement Agreement, and it is further

ORDERED that the Respondent pay \$40.00, which is the fee to inactivate his license as set forth in Stipulation #11 of this Consent Order, and it is further

ORDERED that the Respondent comply with the requirements set forth in Stipulations #12 through #18 regarding the completion and reporting of continuing professional education credits to the Board.

ORDERED that the Board's records and publications reflect the violations, the reprimand and the civil penalty of \$1,000.00 imposed on the Respondent.

(RESPONDENT'S SIGNATURE
APPEARS ON ORIGINAL ORDER)

Pei Pei/Lee Tzeng

(BOARD CHAIR'S SIGNATURE
APPEARS ON ORIGINAL ORDER)

H. Terry Hancock
Chairman

10/4/2010

Date