

BEFORE THE ACCOUNTANCY EXAMINING BOARD  
OF THE STATE OF IOWA

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IN THE MATTER OF:	)	CASE NO. 89-12
	)	DIA NO. 90DOCAB-1
CAROL S. MORRISON	)	
CERTIFICATE NO. 3129	)	FINDINGS OF FACT,
	)	CONCLUSIONS OF LAW,
Respondent	)	AND ORDER

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On March 24, 1990 the Iowa Accountancy Examining Board (hereinafter Board) found probable cause to file a Complaint against Carol S. Morrison, Certificate No. 3129 (hereinafter Respondent). The Complaint alleged that Respondent had had her authority to practice as a certified public accountant revoked in another state and her right to practice before a federal agency suspended or revoked, in violation of Iowa Code Sections 116.21(8) and (9) (1989).

An Order and Notice of Hearing set the hearing for May 10, 1990. The hearing was continued to July 10, 1990 at 8:00 a.m.

The hearing was held on July 10, 1990 at 8:10 a.m. at 1918 S.E. Hulsizer Avenue, Ankeny, Iowa. The Respondent did not appear. Theresa Weeg, Assistant Attorney General, appeared for the State. The panel of the Board included Kenneth Putzier, C.P.A., Board Chair; John Cain, C.P.A.; Paul Stave, C.P.A.; and Diane McNulty, C.P.A. Margaret LaMarche, Administrative Law Judge from the Iowa Department of Inspections and Appeals, presided. Also present were John Parmeter and Jim Christianson from the Attorney General's office, Glenda Loving, Executive Assistant to the Board, the Board's investigator, and a court reporter. The hearing was open to the public.

The panel deliberated its decision following the hearing and instructed the administrative law judge to prepare the Proposed Decision of the Panel. On July 27, 1990 at 9:00 a.m. the full Board met by telephone conference call. All members of the Board were connected by telephone conferencing except Diane McNulty, C.P.A., Dorothy Votroubek, A.P., and Betty Groe, public member. The majority of the Board voted to accept the Findings of Fact, Conclusions of Law and Proposed Order of the Panel.

THE RECORD

The record includes the Complaint, the Order and Notices of Hearing, the testimony of the witness, and the following exhibits:

- State's Exhibit 1: Certified copy of the Findings of Fact, Conclusions of Law and Order of the Board of Public Accountancy of the State of Iowa
- State's Exhibit 2: Certified copy of the Final Determination of the Department of Housing and Urban Development (HUD) regarding Respondent, dated September 29, 1989.

State's Exhibit 3: May 30, 1989 letter to the Board from the Assistant Inspector General for Audit, HUD and attached Complaint.

#### FINDINGS OF FACT

1. The Board has jurisdiction in this matter pursuant to Iowa Code Chapters 17A, 116 and 258A (1989).
2. On May 2, 1979, Respondent was issued Iowa CPA Certificate Number 3129 by the Board.
3. On May 30, 1989 the Assistant Inspector General for Audit from the U.S. Department of Housing and Urban Development (HUD) wrote to the Executive Secretary of the Board and enclosed a copy of the Complaint HUD had filed with the American Institute of Certified Public Accountants. The Complaint alleged that Respondent had performed substandard work in audits of housing authorities in six states. The Complaint also listed audits performed by Respondent in Iowa from December 3, 1986 to August 3, 1988. (State's Exhibit 3; testimony of Glenda Loving).
4. On September 29, 1989 Respondent was debarred for an indefinite period of time from participation in primary covered transactions and lower tier covered transactions as either a participant or principal at HUD and throughout the Executive Branch of the Federal Government and from participating in procurement contracts with HUD. (State's Exhibit 2).
5. On October 30, 1989 the Board of Accountancy of the State of Nebraska issued a Findings of Fact, Conclusions of Law and Order to Respondent which revoked her Nebraska C.P.A. certificate. The Nebraska Board found that Respondent 1) performed auditing services when she did not have a permit to practice in the State of Nebraska; 2) issued audit reports which contained significant departures from generally accepted auditing standards and the requirements of the Office of Management and Budget Circular A-128 (Audits of State and Local Governments); 3) failed and refused to reply to correspondence addressed to her regarding the deficiencies and instances identified by HUD; and 4) had had her Colorado CPA certificate and permit suspended. (State's Exhibit 1).
6. Respondent was personally served with the Board's Complaint and Order and Notice of Hearing on May 20, 1990 at 4:48 p.m. at 6715 West Rowland Ave., Littleton, Colorado. (Written Statement of Process Server; Original File).

#### CONCLUSIONS OF LAW

1. Iowa Code Section 116.23(3) (1989) provides that if, after having been served with notice of hearing, the accused fails to appear at the hearing and defend, the Board may proceed to hear evidence against the accused and may enter such order as is

justified by the evidence, which order shall be final unless the accused petitions for its review as provided.

The Respondent was properly served with the Complaint and Order and Notice of Hearing and the Board properly elected to proceed with the hearing when the Respondent failed to appear.

2. Iowa Code Section 116.21(8) and (9) provide:

116.21 Causes for revocation, suspension, or refusal to renew.

After notice and hearing as provided in section 116.23, the board may revoke or may suspend for a period not to exceed two years, any certificate issued under section 116.5, or any registration granted under section 116.6, or any license issued under section 116.7 or 116.8, or may revoke, suspend, or refuse to renew any permit issued under section 116.20, or may censure the holder of any such permit, for any one or any combination of the following causes:

. . .

8. Cancellation, revocation, suspension, or refusal to renew the authority to practice as a certified public accountant, a public accountant, or an accounting practitioner by any other state, for any cause other than failure to pay appropriate fees in the other state.

9. Suspension or revocation of the right to practice before any state or federal agency.

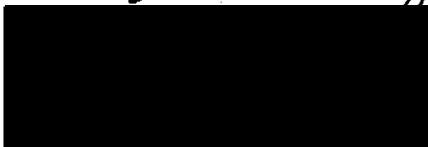
3. The preponderance of the evidence established that Respondent had her authority to practice as a certified public accountant revoked in another state, in violation of Iowa Code Section 116.21(8).

4. The preponderance of the evidence established that Respondent had her right to practice before a federal agency suspended or revoked, in violation of Iowa Code Section 116.21(9) (1989).

ORDER

It is therefore the ORDER of the panel of the Accountancy Examining Board of the State of Iowa that Iowa CPA Certificate 3129, issued to Carol S. Morrison, Respondent, is REVOKED.

Dated this 27<sup>TH</sup> day of July, 1990.



Kenneth A. Putzier, C.P.A., Board Chair  
Iowa Accountancy Examining Board

ML/jmm

cc: Theresa O'Connell Weeg  
Carol S. Morrison

In accordance with Iowa Code Section 116.23(10) (1989) anyone adversely affected by an order of the Board may obtain a review of that order by filing a written petition for review with the district court within thirty (30) days after the entry of that order.