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STATE OF WISCONSIN
BEFORE THE ACCOUNTING EXAMINING BOARD

IN THE MATTER OF THE	:	
DISCIPLINARY PROCEEDINGS	:	
AGAINST	:	FINAL DECISION AND ORDER
	:	
PAUL J. GEORGIA,	:	Case # LS0806043ACC
RESPONDENT.	:	

Division of Enforcement Case ## 04 ACC 008, 04ACC 009 and 04 ACC 020

The parties to this action for the purposes of Wis. Stat. § 227.53 are:

Paul J. Georgia
2748 South County Road T
Green Bay, WI 54311

Division of Enforcement
Department of Regulation and Licensing
1400 East Washington Avenue
P.O. Box 8935
Madison, WI 53708-8935

Accounting Examining Board
Department of Regulation and Licensing
1400 East Washington Avenue
P.O. Box 8935
Madison, WI 53708-8935

PROCEDURAL HISTORY

The parties in this matter agree to the terms and conditions of the attached Stipulation as the final decision of this matter, subject to the approval of the Accounting Examining Board. The Board has reviewed the attached Stipulation and considers it acceptable.

Accordingly, the Accounting Examining Board in this matter adopts the attached Stipulation and makes the following:

FINDINGS OF FACT

1. Paul J. Georgia (Date of Birth: September 6, 1963) holds a certificate as a certified public accountant in the state of Wisconsin. The corresponding license to practice as a certified public accountant (#13385-01) in Wisconsin was first granted on June 26, 1992, and is current until December 14, 2009. Mr. Georgia's license was in expired status with the Department of Regulation and Licensing (hereinafter Department) from January 1, 2000, through December 20, 2004 and from January 1, 2006, through March 9, 2006.
2. Respondent's most recent address on file with the Department of Regulation and Licensing is 2748 South County Road T, Green Bay, WI 54311.
3. On December 19, 1997, Mr. Georgia was convicted in Brown County, Wisconsin, Circuit Court on one charge of Worthless Checks, a Brown County ordinance violation. A true and correct copy of the entire court file is attached as Exhibit A.
4. From January 1, 2000, through December 19, 2004, and from January 1, 2006, through March 9, 2006, Mr. Georgia continued to practice as a certified public accountant in the state of Wisconsin while his license was expired. Mr. Georgia continued to represent himself at a certified public accountant from January 1, 2000, through December 19, 2004, and from January 1, 2006, through March 9, 2006.

CASE 04 ACC 008

5. Starting in the fall of 2003, Mr. S. requested that Mr. Georgia give him trial balances and depreciation schedules for two businesses that belonged to Mr. S., so Mr. S. could give the records to his new accountant. Mr. S stopped at Mr.

Georgia's office, 1256 Russell Court, Green Bay, Wisconsin 54313, at least 45 times in order to retrieve the records. Mr. Georgia finally gave Mr. S.' records to the Department on December 9, 2004. Mr. Georgia did not send the records to Mr. S.

6. Mr. Georgia held himself out as a Certified Public Accountant in all his dealings with Mr. S.

CASE 04 ACC 009

7. In the winter of 2002, Ms. S. contacted Mr. Georgia to have her personal and business taxes done. Mr. Georgia requested a retainer of \$2,800.00, and also asked Ms. S. for a personal loan of approximately \$1,200.00. Ms. S. paid the retainer and gave Mr. Georgia the personal loan.
8. Ms. S. provided financial records to Mr. Georgia in February of 2003. In June of 2003, Mr. Georgia informed Ms. S. that her 2002 taxes were done and that he would e-file the taxes.
9. In July of 2003, Mr. Georgia and Ms. S. met for lunch. Mr. Georgia did not bring the 2002 records and taxes to the lunch saying that he did not have time to retrieve them before the meeting. At the lunch, Mr. Georgia told Ms. S. to expect a tax refund in her bank account in 6 to 8 weeks.
10. Ms. S. still had not received her tax refund by the end of August 2003. Ms. S. could find no information about her taxes on the Internal Revenue Service Internet site. Ms. S. called Mr. Georgia concerning this and Mr. Georgia assured Ms. S. that he would check into the situation.
11. In October of 2003, Ms. S. was deciding on whether or not to buy a new piece of equipment for her business. Ms. S. called Mr. Georgia about information detailing the tax depreciation of the old piece of equipment. Ms. S. called Ms. Georgia's business every day for two weeks with no return call from Mr. Georgia.
12. Mr. Georgia never provided Ms. S. with information detailing depreciation of the old piece of equipment. Ms. S. was able to purchase the new piece of equipment due to her good credit with the equipment company, and the equipment company was able to provide her with a loan despite the lack of tax depreciation information.
13. In January of 2004, Ms. S. wanted to buy a piece of property for a business location and wished to get approval for a mortgage. In order to obtain a mortgage, Ms. S. needed copies of her 2002 tax return. Ms. S. called Mr. Georgia's business every day for approximately two weeks without a return call from Mr. Georgia.
14. Ms. S. was unable to purchase the office location because Mr. Georgia did not provide copies of her tax 2002 returns when she requested them.
15. In 2004, Ms. S. attempted to refinance her home to obtain a better interest rate. In order to refinance, Ms. S. needed copies of her 2002 tax returns. Ms. S. called Mr. Georgia's business for days without a return call from Mr. Georgia. Ms. S.' mortgage banker was able to contact Mr. Georgia and was given copies of tax returns. Ms. S.' mortgage banker thought that the tax returns looked "funny" and incomplete.
16. Ms. S. was unable to refinance her home because Mr. Georgia did not provide complete copies of her 2002 tax returns when she had requested them.
17. In the spring of 2004, Ms. S. contacted the Internal Revenue Service to obtain copies of her 2002 tax returns. The Internal Revenue Service had no record of those taxes being filed. Ms. S. called Mr. Georgia concerning this. Mr. Georgia left Ms. S. a voice mail stating that the taxes were filed on September 26, 2003, but that they were rejected by the Internal Revenue Service and had to be refilled with a special division of the Internal Revenue Service.
18. Ms. S. hired an attorney who requested that Mr. Georgia return all of Ms. S.' records. Mr. Georgia never returned the records. Ms. S. had to retain another Certified Public Accountant to recreate her records and to file her 2002 tax returns.
19. Ms. S. paid Mr. Georgia approximately \$2,000.00 to prepare her 2002 taxes. Mr. Georgia never refunded any of that

fee. Mr. Georgia never repaid the personal loan back to Ms. S.

20. Mr. Georgia held himself out as a Certified Public Accountant in all his dealings with Ms. S.
21. During a November 23, 2004, telephone conversation, Mr. Georgia admitted to Investigator Kelley Sankbeil that he received a \$1,200.00 personal loan from Ms. S. Mr. Georgia stated that he believed that he still owed the money to Ms. S.
22. In a December 8, 2004, letter to Investigator Sankbeil, Mr. Georgia said that he had no files of Ms. S. In the same letter Mr. Georgia wrote concerning the loss of Ms. S.' files, "I may be guilty of negligence, however nothing was malicious."

CASE 04 ACC 020

23. Mr. V. had Mr. Georgia prepare his taxes from 1999 through 2004. In April of 2004, Mr. V. decided to sell an investment rental property and to immediately purchase another rental investment property. Mr. Georgia advised Mr. V. to utilize a Starker Exchange Provision document to facilitate the investment properties exchange. Mr. V. paid Mr. Georgia a \$750.00 retainer to prepare the Starker Exchange provision documents.
24. On approximately June 18, 2004, Mr. Georgia told Mr. V. that he would drop the completed Starker Exchange documents at a title company and a bank involved in the property exchange. Mr. Georgia never provided the Starker Exchange Provision documents to the title company and bank, and the copy that Mr. V. received from Mr. Georgia seemed incomplete.
25. The Starker Exchange Provision documents that Mr. Georgia provided to Mr. V. were missing several addenda. Between approximately June 18, 2004, and approximately August 19, 2004, Mr. V. left dozens of telephone messages for Mr. Georgia concerning the missing documents. Mr. V. sent three letters to Mr. Georgia during that time. Mr. Georgia never responded to the phone calls or letters. Another accountant retained by Mr. V. was able to recreate the Starker Exchange Provision documents and the exchange proceeded.
26. During the summer of 2004 Mr. V. became aware that Mr. Georgia did not file Mr. V.'s 2003 tax returns. Mr. V. took some of the returns that Mr. Georgia had provided in April of 2004, and sent them into various taxing authorities. The taxing authorities sent the returns back saying that they were incomplete and missing documents.
27. Mr. V. had to retain another accountant to correct the tax returns. The new accountant indicated that Mr. V.'s returns were missing documents. The new accountant recreated Mr. V's 2003 taxes and filed the taxes. Mr. V's new accountant indicated that there were problems with missing documents from his 2000, 2001 and 2002 tax returns.
28. Mr. V retained an attorney to request from Mr. Georgia complete copies of the Starker Provision documents and his 2000-2003 tax returns. On August 25, 2004, the attorney sent Mr. Georgia a letter requesting those documents. Mr. Georgia provided only a partial depreciation schedule for rental properties in January of 2005.
29. Mr. Georgia held himself out as a Certified Public Accountant in all his dealings with Mr. V.

All three cases

30. Investigator Kelley Sankbeil sent Mr. Georgia a certified letter on July 13, 2004, about complaints from Mr. S., Ms. S. and Mr. V. Mr. Georgia did not respond to that letter.
31. Investigator Sankbeil sent Mr. Georgia another certified letter on August 11, 2004. Mr. Georgia did not respond to that letter.
32. On November 10, 2004, Mr. Georgia was served by the Brown County, Wisconsin, Sheriff's Office with a subpoena to appear before Investigator Sankbeil at the Department's offices in Madison, Wisconsin on November 23, 2004. Mr. Georgia responded by telephone to Investigator Sankbeil on November 23, 2004.
33. During the November 23, 2004, telephone conversation, Mr. Georgia told Investigator Sankbeil "Am I guilty of

negligence? Absolutely. Am I guilty of disorganization? Absolutely.”

34. Mr. Georgia told Investigator Sankbeil that he was ill and under the care of a physician during the time in question.

35. In resolution of this matter, Mr. Georgia consents to the following Conclusions of Law and Order.

CONCLUSIONS OF LAW

1. The Wisconsin Accounting Examining Board has jurisdiction to act in this matter pursuant to Wis. Stat. § 442.12, and is authorized to enter into the attached Stipulation and Order, pursuant to Wis. Stats. § 227.44 (5).
2. By conduct to which Findings of Fact paragraphs 3, 6, 20, and 29 refer, Paul J. Georgia has violated Wis. Stat. § 442.03, which provides that no person may lawfully practice in this state as a certified public accountant either in the person’s own name, or under an assumed name, or as a member of a firm, unless the person has been granted by the examining board a certificate as a certified public accountant, and unless the person and firm have complied with all of the provisions of chapter 442, including licensure.
3. Wis. Stat. § 442.12 (1) (b) provides that the Accounting Examining Board may revoke, limit, or suspend for a definite period any certificate, license, or practice privilege, or officially reprimand the holder, if it finds that the holder has violated any part of Wis. Stat. chapter 442 or any duly promulgated standard or rule of practice or for any other sufficient cause.
4. Wis. Admin. Code § Accy 1.101 adopts by reference the independence standards contained in the AICPA Code of Professional Conduct, which provides, *inter alia*, that independence is impaired if a certified public accountant accepts a personal loan from a client.
5. By accepting a loan from his client Ms. S., Paul J. Georgia has violated Wis. Administrative Code § Accy 1.101.
6. Wis. Admin. Code § Accy 1.102 states that no person licensed to practice as a certified public accountant, as defined in the statutes, shall knowingly misrepresent facts, and when engaged in the practice of public accounting, including the rendering of tax and management advisory services, shall not subordinate his or her judgment to others.
7. By the conduct to which Findings of Fact paragraphs 8, 9, 17 and 24 refer, Paul J. Georgia knowingly misrepresented facts to clients and therefore violated Wis. Administrative Code § Accy 1.102.
8. Wis. Admin. Code § Accy 1.201 (1) (b) requires a certified public accountant to exercise due professional care in the performance of an engagement.
9. By the conduct to which Findings of Fact paragraphs 11, 13, 15, 24, 25, 26, 27 and 28 refer, Paul J. Georgia failed to exercise due professional care in the performance of engagements and therefore violated Wis. Administrative Code § 1.201 (1) (b).
10. Wis. Admin. Code § Accy 1.201 (2) (a) provides that a certified public accountant who accepts a professional engagement implies that he or she has the necessary competence to complete the engagement according to professional standards, applying the certified public accountant’s knowledge and skill with reasonable care and diligence, but the certified public accountant does not assume a responsibility for infallibility of knowledge or judgment.
11. By the conduct to which Findings of Fact paragraphs 11, 13, 15, 24, 25, 26, 27 and 28 refer, Paul J. Georgia failed to complete engagements to professional standards and therefore violated Wis. Administrative Code § Accy 1.201 (2) (a).
12. By the conduct to which Findings of Fact paragraphs 11, 13, 15, 24, 25, 26, 27 and 28 refer, Paul J. Georgia failed to use reasonable care and diligence in providing accounting services and therefore violated Wis. Administrative Code § Accy 1.201 (2) (a).
13. Wis. Admin. Code § Accy 1.401 (2) (a) provides that retention of client records after a demand is made for them is an act discreditable to the profession in violation of that section.
14. By the conduct described in Findings of Fact paragraphs 5, 13, 15 and 28., Paul J. Georgia retained client records after a demand was made for the records and therefore violated Wis. Administrative Code § Accy 1.401 (2) (a).
15. Wis. Admin. Code § Accy 1.401 (2) (b) states that conviction of a crime the circumstances of which substantially relate

to the practice of accounting is an act discreditable to the profession in violation of s. Accy 1.401.

16. By virtue of the conviction described in Finding of Fact #3, Paul J. Georgia committed an act discreditable to the profession and therefore violated Wis. Administrative Code § Accy 1.401 (2) (b).
17. Wis. Admin. Code § Accy 1.401 (2) (g) provides that the deliberate receipt and retention of a fee from a client for services not performed when the client has been given reason to believe that there should be performance, or the withholding of services and receiving a retainer or fee when the services agreed upon have knowingly been withheld, are acts discreditable to the profession.
18. By the conduct described in Findings of Fact paragraphs 19 and 23, Paul J. Georgia retained fees from clients for services not performed and there violated Wis. Administrative Code § Accy 1.401 (2) (g).
19. Wis. Admin. Code § Accy 1.407 requires a certified public accountant to respond to communications from the board within 30 days of the mailing of such communications by registered or certified mail.
20. By the conduct described in Findings of Facts paragraphs 30 and 31, Paul J. Georgia failed to respond to communication from the board within 30 days of the mail of such communication by certified mail and therefore violated Wis. Administrative code § Accy 1.407.

ORDER

1. NOW, THEREFORE, IT IS HEREBY ORDERED that the license and certificate of Paul J. Georgia (number 1-13385) to practice as a Certified Public Accountant in the State of Wisconsin, be and hereby are SUSPENDED for no less than three (3) months beginning August 1, 2008.
2. IT IS FURTHER ORDERED that Paul J. Georgia shall complete sixteen (16) hours of pre-approved continuing education in good work practices.
3. IT IS FURTHER ORDERED that Paul J. Georgia shall take and successfully complete the take-home ethics portion of the CPA examination.
4. IT IS FURTHER ORDERED that the suspension ordered in paragraph 1 shall remain in effect beyond the three months specified if Paul J. Georgia has not successfully completed the required continuing education specified in paragraph 2 or the take-home examination required by paragraph 3 or both by November 1, 2008. An extended suspension terminates when Mr. Georgia has successfully completed the required education and examination.
5. IT IS FURTHER ORDERED that Paul J. Georgia shall also pay total costs in the amount of SIX THOUSAND dollars (\$6,000.00) in this matter. A first payment of \$500.00 shall be submitted on or before January 2, 2009, and payments of \$500.00 shall be due every three months thereafter until the full amount of costs has been paid. Payment shall be made by *certified check or money order*, payable to the Wisconsin Department of Regulation and Licensing and sent to:

Department Monitor
Division of Enforcement
Department of Regulation and Licensing
P. O. Box 8935
Madison, WI 53708-8935
Telephone (608) 261-7904
FAX (608) 266-2264

6. **Violation of any of the terms of this Order may be construed as conduct imperiling public health, safety and welfare and may result in a summary suspension of Respondent's license. The Board in its discretion may in the alternative impose additional conditions and limitations or other additional discipline for a violation of any of the terms of this Order. In the event Respondent fails to submit timely any payment of the forfeiture as set forth above, or fails to pay costs as ordered, or fails to comply with the ordered continuing education, Respondent's license (#13385-01) SHALL BE SUSPENDED, without further notice or hearing until Respondent has complied with the terms of this Order.**

7. This Order is effective on the date of its signing.

By: Thomas J. Kilkenny
A Member of the Board

6/4/08
Date