

**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:

Mitchell P. Johnson
License No. 12757

Respondent.

No. ACB-1420

CONSENT AGREEMENT

The Washington State Board of Accountancy (Board) and Mitchell P. Johnson
(Respondent), stipulate and agree as follows:

Section 1: Procedural Stipulations

- 1.1 Respondent understands that the Board may issue a statement of charges in this matter and 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 understands that should the Board prevail at hearing based on a 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.
- 1.3 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 which 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.

- 1.4 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 to issue a statement of charges, 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 Agreement:

Section 2: Stipulated Facts

- 2.1 Respondent holds a valid Certified Public Accountant (CPA) license to practice public accounting (License No. 12757, issued on March 24, 1989) in Washington State.
- 2.2 On April 10, 2014, Mark and Diane Gilliland (Complainants) sent their 2013 individual tax records to Respondent.
- 2.3 On April 13, 2014, Complainants received a letter from Respondent stating that he didn't see any reason why their taxes would not be completed by May 31, 2014, and that an extension had been filed with the IRS.
- 2.4 On April 15, 2014, Complainants received an email from Respondent's secretary confirming the receipt of Complainant's tax records.

- 2.5 Complainants made several attempts to contact Respondent both by phone and email to inquire on the status of their tax return preparation. No response was ever received to the email or phone messages.
- 2.6 On October 15, 2014, Complainant spoke with Respondent's secretary who advised him that Respondent was working on their tax return, and it would be filed before the deadline later that evening. Respondent's secretary further explained that they would receive an email confirmation. The email confirmation never came.
- 2.7 In the week of October 20, 2014, Complainants engaged another CPA to complete their 2013 tax returns.
- 2.8 Complainant drove to retrieve his tax records in person due to the communication difficulties. The round trip was 1544.66 miles from Complainant's place of work in Glendive, MT to Respondent's office in Liberty Lake, WA. The trip also required travel back to Complainant's home in Moise, MT. Complainant took two days of annual leave from his work to make the trip.

Section 3: Conclusions of Law

- 3.1 The Board has jurisdiction over Respondent and the subject matter of this proceeding.
- 3.2 The conduct described in Stipulated Facts 2.1 through 2.8 constitute cause for Board discipline under RCW 18.04.295, for violations of WAC 4-30-046. WAC 4-30-046 prohibits CPAs and CPA firms from undertaking to perform any professional service unless the CPA and CPA firm can reasonably expect to complete the service with professional competence. Sufficient evidence supports a conclusion that Respondent failed to prepare 2013 tax returns for Complainants as he agreed to, in violation of WAC 4-30-046.

Section 4: Agreement

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 Respondent shall:

4.2.1 Pay the Board a fine in the amount of one thousand five hundred dollars (\$1,500) within 90 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.

4.2.2 Pay the Board the amount of five hundred dollars (\$500) to reimburse the Board's investigative costs within 90 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.

4.2.3 Pay restitution in the amount of one thousand seventy-seven dollars and ninety-one cents (\$1,077.91) for client travel costs (1544.66 miles at 56.5 cents/mile = \$872.73) and lost wages (2 days at \$102.59 per day = \$205.18) incurred by Mark Gilliland while recovering his tax records. Such reimbursement shall be made payable to the Complainant, Mark Gilliland, and remitted within 30 days of service of this Order. Proof of payment must be provided to the Board within 30 days of payment.

4.2.4 Reimburse any penalties related to the 2013 individual tax return that may be assessed by the IRS and not abated, as well as any additional fees paid to a successor accountant needed to resolve the penalty issue with the IRS. Complainant must

provide proof of the assessed penalties to Respondent and the Board.

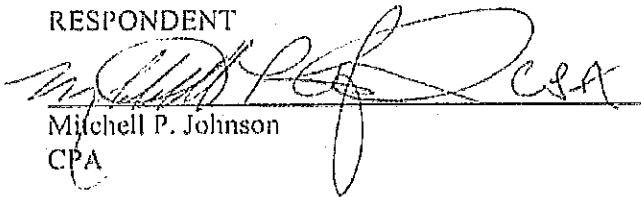
Reimbursement of penalty amounts shall be made payable to Complainant, Mark Gilliland, and remitted within 30 days of receiving proof of the assessed penalties.

Proof of payment must be provided to the Board within 30 days of payment.

I, Mitchell P. Johnson, 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 29TH day of JUNE, 2015.

RESPONDENT

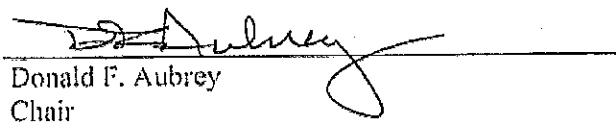


Mitchell P. Johnson
CPA

The Board accepts and enters this Consent Agreement.

DATED this 6th day of JULY, 2015.

WASHINGTON STATE
BOARD OF ACCOUNTANCY



Donald F. Aubrey
Chair