

**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:

David Alan McLeod
License No. 19205

Respondent.

No. ACB-1518

CONSENT AGREEMENT
AND AGREED ORDER

The Washington State Board of Accountancy (Board) and David Alan McLeod (Respondent), stipulate and agree as follows:

Section 1: Procedural Stipulations

- 1.1 The parties wish to enter into this Consent Agreement and Agreed Order (Consent Agreement) 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 issued by the Board 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.

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, David McLeod, the Respondent herein, held an individual Certified Public Accountant (CPA) license to practice as a CPA in the state of Washington, No. 19205, issued on April 1, 2002.
- 2.2 Respondent was hired as Chief Financial Officer of a company in 2012.
- 2.3 On July 3, 2019, Respondent plead guilty in Superior Court of Washington in Whatcom County to theft in the first degree on three counts, forgery, and theft in the second degree on five counts. Per WAC 4-30-142(6)(a), this court finding is prima facie evidence that Respondent committed an act of negligence, fraud, dishonesty, or other act reflecting adversely on his fitness to represent himself as a CPA.
- 2.4 In Respondent's response to the Board, he stated "As for altering some AMEX statement transaction descriptions (and supporting receipts) so that the majority of such transactions would be posted to the expense account... such activity was done not for my personal gain but rather in connection with [the CEO's] desire to have [the Company's] profitability level for bonus purposes to be at or above the 80% of Budget/Plan..."
- 2.5 Respondent stated that he charged approximately \$20,000 of personal expenses to a company credit card. Respondent said he did so "to reimburse [himself] for nearly

\$20,000 of VoIP phone fees [he] paid on behalf of [the company] using a \$20,000 credit [he] had with [the vendor] related to past consulting services.” Respondent did not notify anyone at the company about the reimbursement, nor that he was charging personal expenses to the company credit card.

- 2.6 The company mistakenly issued four reimbursement checks to Respondent for a total of \$6,078.59. Although Respondent did not submit reimbursement requests and knew the payments were made to him in error, he accepted and deposited the checks.

Section 3: Conclusions of Law

- 3.1 The Board has jurisdiction over the Respondent and the subject matter of this proceeding.
- 3.2 The facts set out in paragraph 2.2 through 2.6 constitute a failure to remain honest and objective, and not misrepresent facts, which is a violation of RCW 18.04.295 and WAC 4-30-040.
- 3.3 The facts set out in paragraph 2.4 and 2.6 constitute a failure to take appropriate safeguards to reduce or eliminate significant self-interest threats to an acceptable level, which is a violation of RCW 18.04.295 and WAC 4-30-048(11).
- 3.4 The facts set out in paragraph 2.3 constitute an order of a court of competent jurisdiction finding that the person committed an act of negligence, fraud, dishonesty, or other act reflecting adversely on his fitness to represent himself as a CPA, which is a violation of RCW 18.04.295, WAC 4-30-052, and WAC 4-30-142(6).

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 to the following:

- 4.2.1 Respondent's Washington State CPA license is immediately revoked.
- 4.2.2 The Board will not consider any application from Respondent until the following:
 - 4.2.2.1 At least three years have lapsed since the date of this Consent Agreement.
 - 4.2.2.2 The respondent has retaken and passed the CPA exam to be considered as a new initial applicant.
- 4.2.3 Respondent shall complete the Ethical Leadership Training Program as administered by NASBA Center of Public Trust within 60 days of the date of this Consent Agreement. Respondent is responsible for the cost of the course.
- 4.2.4 Respondent shall pay the Board a fine in the amount of two thousand five hundred dollars (\$2,500) 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.
- 4.2.5 Respondent shall pay the Board the amount of one thousand dollars (\$1,000) to reimburse the Board's investigative and legal 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.

I, David Alan McLeod, 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 _____ day of _____, 2020.

RESPONDENT

David Alan McLeod

The Board accepts and enters this Consent Agreement and Agreed Order.

DATED this _____ day of _____, 2020.

WASHINGTON STATE
BOARD OF ACCOUNTANCY

Mark Hugh, CPA
Chair