

AICPA/State Board of Accountancy Cooperative Enforcement

This document reflects a cooperative enforcement approach applicable only for CPA licensees who are also AICPA and/or State CPA Society members, if the Society is a participant in the JEEP program.¹ Because AICPA's existing JEEP procedures already contemplates a cooperative approach when a member is involved, the AICPA would not perform the investigation "on behalf of the Board," but rather would share its own investigative files and conclusions with the Board. This approach would be available to boards of accountancy at their discretion and would relate to only DOL and governmental audit cases. At this time, it will not apply to commercial audits or behavioral type cases.

Assumption: DOL will refer complaints to AICPA and state board simultaneously.²

1. Upon receipt of DOL referral, state board will send letter to licensee advising him/her that the state board has received the referral. Such letter would also include:
 - a. The board is aware that the AICPA has also received a copy of the referral.
 - b. Note that if the licensee consents to allowing AICPA to share specified investigative materials with the board, the board will defer its investigation due to the pending investigation by the AICPA.
 - c. Upon the completion of the AICPA's investigation of this matter, the board will request that the AICPA provide copies of its investigative files and conclusions.
 - d. The Board will commence its own investigation of the matter at the completion of the AICPA's investigation and may choose to take into consideration the findings and conclusions reached by the AICPA. However, the Board will reach its own findings/conclusions and may request that the licensee provide additional information and/or respond to additional interrogatories [Note: boards may also be required to offer the licensee a hearing before the board]
 - e. Request that the licensee provide consent that allows the AICPA to keep the board apprised of the status of the investigation, notify the board when its investigation is completed, and to share its investigative files and conclusions with the board.

¹ *The AICPA and virtually all of the state societies have joined together to create the Joint Ethics Enforcement Program (JEEP). Those state societies that do not participate in JEEP are AZ, CA, FL, IA, PR and NMI.*

² *In cases where a state board receives a private complaint involving a DOL audit that was not also received by AICPA, the same process would apply (i.e., the state board would refer the case to the AICPA) assuming the licensee is a member of the AICPA and/or state CPA Society.*

- f. Note that if consent has been given as outlined in 1(e), failure to cooperate with the AICPA investigation may result in disciplinary action taken against the licensee by the state board.
2. The state board will forward written evidence of the licensee's consent (e.g., a consent form) to the AICPA.
3. The AICPA will perform its investigation under existing JEEP procedures.
4. At the conclusion of the AICPA's investigation, an investigative package would be sent to the state board (similar to that which is contained within the concurrence packages sent to state societies). AICPA would not make any recommendation to the state board.
5. Investigation material that will be sent to the state board:
 - a. Letter of required corrective action or settlement agreement
 - b. Investigation summary, ethics committee findings and any resulting decisions
 - c. If applicable, summary of interview with respondent, along with respondent's comments on the summary
 - d. Evidentiary matter considered by committee
 - e. Copy of opening letter
 - f. Copy of letter of inquiry to the firm (if applicable) and copy of response thereto
 - g. Copies of financial statements and reports
6. The respondent will be notified by AICPA that the files have been sent to the state board.
7. AICPA's Joint Trial Board is not part of the investigative process. As a result, if the respondent appeals the committee's decision and AICPA proceeds with a referral to the Joint Trial Board, AICPA will not share documentation related to the trial board hearings with state boards of accountancy with the exception of any publication resulting from a guilty finding or notification of a "not guilty" finding, where applicable. The licensee, however, has the ability to provide any information s/he submits to the Joint Trial Board to the state board for its consideration if requested by the Board.