



April 2021

2021 CPA Alberta Conduct Case Summaries

January 2021 – March 2021

IN THE MATTER OF a Sanction Agreement entered into by the Complaints Inquiry Committee and Tracy Ann Young, against whom a complaint was made:

FACTS

For about 20 years, Ms. Young provided accounting services to WO, JO, and their four companies, including SC Inc. Among the services she provided were in respect of Notice to Reader financial statements, T4s, T5s, corporate tax, personal tax and business consulting.

For many of those years, Ms. Young provided the services while she was associated with firms registered as professional accounting firms (PAFs) with what was then the Institute of Chartered Accountants of Alberta. Ms. Young's association with the last of those firms ended on or about December 31, 2013. From January 1, 2014 onward, despite never having been registered as a PAF, Ms. Young continued to provide the aforementioned services.

In 2019, CPA Alberta received a complaint against Ms. Young. Partway through the complaint proceedings, Ms. Young's registration was cancelled for non-payment of fees. An investigation into the complaint started in September 2019. Initially during the investigation, Ms. Young cooperated with the investigator. However, later in the investigation, when the investigator started asking questions about Ms. Young's clients, the services she provided to them, and her billings from 2014 to 2019, Ms. Young stopped responding.

FINDINGS

Ms. Young admitted to the allegations of unprofessional conduct, in that she:

1. Conducted aspects of a public accounting practice, in that she provided professional services to WO and his corporate entities, including SC Inc., while not properly registered with CPA Alberta to perform those services; and
2. Failed to cooperate with the investigator and CPA Alberta with respect to the complaint of AG by failing to respond to communications which required a response, including failing to provide information and documents requested by them.

SANCTIONS

Ms. Young and the Complaints Inquiry Committee agreed that the sanctions to be imposed in consequence thereof would be:

1. Payment of a fine of \$2,400, payable within 30 days of the statement of costs being served;
2. Payment of the costs of the investigation, hearing and compliance with the orders, in accordance with bylaw 1601, to a maximum of \$2,600, within 30 days of the statement of costs being served;
3. Mandatory publication pursuant to section 98 of the *CPA Act* and bylaws 1550-1557; and
4. If Ms. Young fails to comply with these sanctions within the time specified, her registration will be deemed cancelled under Part 5 of the *CPA Act*.

IN THE MATTER OF a Sanction Agreement entered into by the Complaints Inquiry Committee, Edouard Pepin Taguedong Takoukeng, CPA, CGA and Edouard Taguedong Prof. Corp. Chartered Professional Accountant, the latter two being registrants against whom a complaint was made:

FACTS

Mr. Taguedong completed a 10-module self-study course from the United States-based organization, the National Association of Certified Valuators and Analysts. Neither he nor his firm, however, registered with CPA Alberta to provide valuation services.

From December 2017 to September 2018, Mr. Taguedong provided through his firm professional services. Those services involved issuing a business valuation report and calculation reports, in which notwithstanding that the national standard-setting body for CPAs in Canada is CPA Canada, Mr. Taguedong incorporated wording from the NACVA materials into his reports. A subsequent practice review of Mr. Taguedong's firm determined that it did not comply with the minimum professional standards because of deficiencies in valuation and quality control.

Mr. Taguedong subsequently completed a professional development course in respect of quality control.

FINDINGS

Mr. Taguedong and his firm admitted to the allegations of unprofessional conduct, in that they, or either of them:

1. In providing or offering to perform valuation services through Taguedong PC CPA, conducted aspects of a professional accounting practice while not properly registered with CPA Alberta to perform business valuation services; and
2. Failed to sustain professional competence in all the functions or areas in which they, or either of them, were providing professional services, specifically, serious deficiencies were noted in the adherence to professional standards in the area of business valuations in the practice review report of March 1, 2019.

SANCTIONS

Mr. Taguedong (on behalf of himself and his firm) and the Complaints Inquiry Committee agreed that the sanctions to be imposed in consequence thereof would be:

1. A written reprimand;
2. Payment of a fine of \$1,500 for allegation #1, payable within 30 days of the statement of costs being served;
3. Payment of a fine of \$1,500 for allegation #2, within 30 days of the statement of costs being served;
4. Payment of \$1,000 of the costs of the investigation, hearing and compliance with the orders, in accordance with bylaw 1601, within 30 days of the statement of costs being served;
5. Mandatory publication pursuant to section 98 of the *CPA Act* and bylaws 1550-1557;
6. If Mr. Taguedong and his firm fail to comply with these sanctions within the time specified, the registration of Mr. Taguedong and his firm will be cancelled.

IN THE MATTER OF a Sanction Agreement entered into by the Complaints Inquiry Committee and Aloysius Cheung, CPA, CA, the registrant against whom a complaint was made:

FACTS

Mr. Cheung had a registered professional accounting firm from 1993 to 2003. Since then, he didn't renew the firm's registration and was, therefore, not subject to practice review under the *CPA Act*. He also did not maintain professional liability insurance in respect of his practice.

From March 2014 to March 2018, Mr. Cheung prepared Notice to Reader financial statements and filed corporate tax returns for Alberta Co. 1. From September 2009 to September 2013, Mr. Cheung prepared NTRs and filed T2s for Alberta Co. 2. From October 2011 to October 2017, Mr. Cheung prepared NTRs and filed T2s for SSH Ltd. From August 2013 to August 2017, Mr. Cheung prepared NTRs and T2s for Alberta Co 3.

As a result of Mr. Cheung's work on Alberta Co. 3's NTRs, the successor accountant had to revise Alberta Co. 3's tax filings so that the NTRs complied with practice standards.

FINDINGS

Mr. Cheung admitted to the following allegations of unprofessional conduct:

1. He conducted aspects of a professional accounting practice by issuing Notice to Reader engagement financial statements and preparing the related corporate tax returns during the period 2015 to 2018:
 - a. While not registered as a professional accounting firm with CPA Alberta; and
 - b. While not insured in compliance with the Bylaws of CPA Alberta.

SANCTIONS

Mr. Cheung and the Complaints Inquiry Committee agreed that the sanctions to be imposed in consequence thereof would be:

1. Payment of a fine of \$1,500 for allegation #1, within 120 days of the statement of costs being served;
2. Payment of the costs of the investigation, hearing, and compliance with the orders, to a maximum of \$500, in accordance with bylaw 1601, within 120 days of the statement of costs being served;
3. Mandatory publication pursuant to section 98 of the *CPA Act* and bylaws 1550-1557; and
4. If Mr. Cheung fails to comply with these sanctions within the time specified, his registration will be cancelled.

IN THE MATTER OF a Sanction Agreement entered into by the Complaints Inquiry Committee, Darryl Scase, CPA, CGA and Scase & Partner Chartered Professional Accountants, the latter two being registrants against whom a complaint was made:

FACTS

Mr. Scase was the designated member of the Scase firm in respect of practice review matters.

The Scase firm underwent an initial practice review in May 2017, in which serious deficiencies were identified in respect of Audit and Quality Control professional standards, including for not-for-profit and municipality clients. The Scase firm then underwent a first follow-up practice review in May 2018, in which the significant deficiencies remained in the same areas. The Scase firm then underwent a second follow-up practice review in May 2019, in which the deficiencies still remained.

The practice review assessment for the Scase firm was a “non-comply” in all three practice reviews.

FINDINGS

Mr. Scase and the Scase firm admitted to the allegations of unprofessional conduct, in that they failed to comply with professional standards with respect to audit engagements and quality control, in that serious deficiencies were noted in the areas of audit engagements and quality control in the three practice reviews conducted of Scase & Partner Chartered Professional Accountants on May 23 & 24, 2017, May 31, 2018, and May 27, 2019.

SANCTIONS

Mr. Scase (on behalf of himself and the Scase firm) and the Complaints Inquiry Committee agreed that the sanctions to be imposed in consequence thereof would be:

1. Payment of a fine of \$5,000 within 30 days of the statement of costs being served;
2. A practice review conducted annually at the cost of the Scase firm for 2021 and 2022;
3. Payment of the costs of the investigation, hearing, and compliance with the orders, in accordance with bylaw 1601, within 30 days of the statement of costs being served;
4. Mandatory publication pursuant to section 98 of the *CPA Act* and bylaws 1550-1557; and
5. If Mr. Scase and the Scase firm fail to comply with these sanctions within the time specified, the registration of Mr. Scase and the Scase firm will be cancelled.

IN THE MATTER OF a Sanction Agreement entered into by the Complaints Inquiry Committee and Hang Thi Thu Do, the registrant against whom a complaint was made:

FACTS

Ms. Do was registered in the Core 1 module of the Chartered Professional Accountants Professional Education Program (CPA PEP) in the Fall 2019 session. She plagiarized the work of another CPA PEP candidate and submitted it as her own work for five assignments. After the CPA Western School of Business completed its review and detected the plagiarism, Ms. Do admitted that she indeed plagiarized the other candidate's work.

FINDINGS

Ms. Do admitted to the allegation of unprofessional conduct, in that she plagiarized another candidate's material during her participation in the Core 1 Module of CPA PEP offered through the CPA Western School of Business in 2019, in having submitted as her own work the submissions of the other candidate.

SANCTIONS

Ms. Do and the Complaints Inquiry Committee agreed that the sanctions to be imposed in consequence thereof would be:

1. A one year suspension of registration;
2. Payment of a fine of \$1,000 within 60 days of the statement of costs being served;
3. Mandatory publication pursuant to section 98 of the *CPA Act* and bylaws 1550-1557; and
4. If Ms. Do fails to comply with these sanctions within the time specified, her registration will be cancelled.

IN THE MATTER OF proceedings under section 108 of the CPA Act in respect of Patrick Bieleny:

FACTS

On December 21, 2020, Mr. Bieleny was convicted in the Court of Queen's Bench of Alberta of nine counts of fraud over \$5,000, contrary to section 380(1)(a) of the *Criminal Code of Canada*, being an indictable offence. He was found to have defrauded his employer and related companies of approximately \$2.1M over a period of several years from 2009 to 2015.

On January 27, 2021, Mr. Bieleny submitted a member resignation request pursuant to CPA Alberta bylaw 1401 and indicated that he would not oppose cancellation of his registration under section 108 of the *CPA Act*.

OUTCOME

The discipline tribunal ordered that the registration of Mr. Bieleny be cancelled under section 108(3) of the *CPA Act*.

IN THE MATTER OF a Sanction Agreement entered into by the Complaints Inquiry Committee and Continental Tax Professional Corporation, Chartered Accountant, the registrant against whom a complaint was made:

FACTS

Continental Tax completed Canadian and US personal tax returns for RS.

In November 2016, RS sold property in Alberta. The sale necessitated that RS obtain a Certificate of Compliance from the CRA in respect of withholding tax, so that the sale proceeds could be released to RS.

From January 2017 to July 2020, RS contacted Continental Tax's principal to request the Certificate. The responses the RS got were often with significant delays. Continental Tax had not filed or provided to RS the tax returns related to the transaction, nor had it provided the Certificate. On August 24, 2020, Continental Tax provided all of the information necessary for the withheld funds to be released to RS.

FINDINGS

Continental Tax admitted to the allegations of unprofessional conduct, in that it:

1. Failed to perform the professional services that it was engaged to perform in respect of its client, RS, in accordance with the generally accepted standards of practice of the profession; and
2. Failed to respond to the communications from RS on a timely basis.

SANCTIONS

Continental Tax and the Complaints Inquiry Committee agreed that the sanctions to be imposed in consequence thereof would be:

1. Written reprimand; and
2. Mandatory publication pursuant to section 98 of the *CPA Act* and bylaws 1550-1557.