

BOARD OF PUBLIC ACCOUNTANCY \* BEFORE THE MARYLAND BOARD OF  
v. \* PUBLIC ACCOUNTANCY  
KAREN MICHELE JOSEPH, \*  
RESPONDENT \* CASE NO.: CPAS 15-0050  
\*  
\* \* \* \* \*

**CONSENT ORDER**

This matter comes before the Maryland Board of Public Accountancy (the "Board") as a result of a complaint filed by the Board's continuing professional education ("CPE") auditor against Karen Michele Joseph (the "Respondent"), a licensed certified public accountant. The auditor conducted an audit of the CPE courses claimed by the Respondent in her license renewal application that was filed with the Board on or about November 12, 2014. Prior to the issuance of a Statement of Charges and Order for Hearing in this matter, the Board and the Respondent agreed to enter into this Consent Order as the final settlement of Complaint No. 15-0050. The parties enter into this Consent Order as a full and final resolution of this matter, with terms as follows:

**THE PARTIES AGREE AND STIPULATE:**

1. At all times relevant to the matters set forth in this Consent Order, the Respondent was licensed by the Board as a certified public accountant ("CPA") and/or the Board had jurisdiction over the subject matter.
2. The Respondent became licensed as a CPA on or about March 22, 2004 (License No. 01-34157), creating a fixed expiration date for future licenses on March 22 of each even numbered year.
3. The Respondent had a license issued on July 22, 2012 with an expiration date of March 22, 2014. The Respondent did not renew that license prior to its expiration. On or about November 12, 2014, the Respondent filed a license reinstatement application with the Board, by means of the Board's online licensing system. The Board issued her a license on November 13, 2014 that expires on March 22, 2016.
4. On the renewal application, the Respondent claimed 80 hours of CPE credit that was earned during the previous license term. Based on the Respondent's reinstatement application date, the Respondent needed to provide documentation of CPE credits for the two year period ending on November 12, 2014.
5. The Board's license renewal application requires an applicant to certify to the accuracy of the information contained in the application. This certification states, in pertinent part:

*"I hereby certify, under penalty of perjury, that the information contained herein is true and correct to the best of my knowledge,*

*information, and belief . . ."*

6. Following the Respondent's submission of the license reinstatement application and payment of the license renewal fee, the Respondent was advised that the application was selected for an audit of the CPE credits that were reported.

7. On or about November 12, 2014, the Board sent an e-mail to the Respondent advising that the license renewal application was selected for audit and that supporting documents for the CPE hours claimed were required to be received by the Board not later than December 12, 2014.

8. The Board's audit review of the documentation submitted by the Respondent established the following:

- a. 27 hours of continuing education were completed in the two years period ending November 12, 2014, the date that the Respondent submitted her license reinstatement application;
- b. 4 hours of CPE in Ethics were completed on January 18, 2015, two months after the Respondent reinstated her license;
- c. 49 hours of CPE were completed after the license renewal date of November 12, 2014;
- d. 20.5 hours of CPE that were reported were earned prior to July 22, 2012 and ineligible to be claimed in the Respondent's November 12, 2014 reinstatement application;
- e. at the time of the license reinstatement application, the Respondent did not have any carry forward hours;
- f. the Respondent was 53 additional CPE hours, including 4 hours in ethics, short of meeting the requirements at the time the license reinstatement application was filed.

9. The Respondent did not complete the required CPE hours needed for reinstatement until sometime around April 5, 2015.

10. The Respondent acknowledges that she did not meet the CPE requirements to reinstate her license at the time the application was filed with the Board on November 12, 2014.<sup>1</sup>

11. Based on the aforementioned facts, the Respondent acknowledges that she has violated Business Occupations and Professions Art. (BOP), §§ 2-312(a)(3), Ann. Code of Maryland, and Code of Maryland Regulations (COMAR) 09.24.02.03 (A) and (C), which state, in pertinent part:

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<sup>1</sup> The Respondent still needs to comply with CPE requirements for a reinstatement, as she would for a renewal. See Business Occupations and Professions Art. (BOP), §2-314, Ann. Code of Maryland.

**§ 2-312. Continuing education.**

(a) *In general.* - (1) The Board shall adopt regulations that set, in accordance with this section, continuing education requirements as a condition to the renewal of licenses under this subtitle.

(2) A continuing education requirement does not apply to the first renewal of a license.

(3) (i) To qualify for any further renewal of a license under this subtitle, a licensee shall complete, for each 2-year license term, at least 80 hours in programs that the Board approves.

(ii) If a licensee completes more than 80 hours during a 2-year license term, the Board shall credit the excess hours to the requirements for the following term.

\* \* \*

**09.24.02.03 Basic Requirement.**

A. An applicant for license renewal shall complete, prior to submitting an application, a minimum of 80 credit hours of qualifying continuing education in each 2-year license term.

B. The requirement in §A of this regulation does not apply to the first renewal of a license.

C. Professional Ethics.

(1) A minimum of 4 credit hours of the continuing education for each 2-year license term shall be in professional ethics.

(2) Credit hours in professional ethics in excess of 4 hours in a 2-year license term may not be carried forward to satisfy this requirement.

(3) Credit hours in professional ethics in excess of 4 hours in a 2-year license term may be carried forward to meet the requirement of §A of this regulation.

D. Except as provided in §C of this regulation, qualifying credit hours in excess of the 80 credit hours required for a 2-year license

term, up to a maximum of 80 credit hours, may be carried forward to apply to the following 2-year license term.

E. Qualifying credit hours reported in a license renewal application in excess of the 80 credit hour requirement in §A of this regulation may only be carried forward to apply to the following 2-year license term.

F. The Board shall allow a maximum of 80 credit hours of qualifying continuing education earned in the initial license term to be carried forward if the credit hours are properly reported on the first renewal application.

12. Based on the aforementioned violations, the Respondent agrees to pay a civil penalty to the Board in the amount of \$2,500.00, in accordance with the following schedule:

a) a first payment in the amount of \$500.00 shall be due within 30 days of the date of this Consent Order;

b) a second payment in the amount of \$500.00 shall be due within 60 days of the date of this Consent Order; and

c) a third payment in the amount of \$500.00 shall be due within 90 days of the date of this Consent Order; and

d) a fourth payment in the amount of \$500.00 shall be due within 120 days of the date of this Consent Order; and

e) a fifth and final payment in the amount of \$500.00 shall be due within 150 days of the date of this Consent Order.

13. The Respondent agrees to the imposition of a reprimand against her Maryland CPA license based on her violations.

14. The Respondent agrees to complete eight (8) hours of CPE credits in Ethics within 90 days of the date of this Consent Order. These credits shall be in addition to, and shall not count toward the fulfillment of, the normal CPE requirements.

15. The Respondent shall abide by the provisions of the Maryland Public Accountancy Act, BOP § 2-101, *et. seq.* and COMAR 09.24.01, *et. seq.*

16. The Respondent, by entering into this Consent Order, expressly waives the right to have the pending allegations by the Board reduced to written charges, the right to an administrative hearing on the charges and the making of Findings of Fact and Conclusions of Law, any and all further proceedings before the Board to which the Respondent may otherwise be entitled in this matter, and any rights to appeal from this Order.

17. The Respondent enters into this Consent Order freely, knowingly and voluntarily.

BASED ON THESE STIPULATIONS, IT IS, THIS 22 DAY OF June, 2015, BY THE BOARD OF PUBLIC ACCOUNTANCY:

**ORDERED** that the Respondent has violated BOP, §2-312(a)(3) and COMAR 09.24.02.03(A) and (C);

**AND IT IS FURTHER ORDERED** that the Respondent is, hereby, **reprimanded**;

**AND IT IS FURTHER ORDERED** that the Respondent shall pay a **civil penalty in the amount of \$2,500.00** to the Board for her violations, which amount is payable in accordance with the schedule set forth at Paragraph 12 of this Consent Order;

**AND IT IS FURTHER ORDERED** that the Respondent shall **complete eight (8) additional CPE credits in Ethics** as set forth in Paragraph 14 of this Consent Order;

**AND IT IS FURTHER ORDERED** that the additional CPE credit hours completed to satisfy the requirements of this Consent Order shall not be eligible to be claimed in connection with the Respondent's next license renewal application;

**AND IT IS FURTHER ORDERED** that, if the Respondent fails to comply with the terms of this Consent Order, including the failure to make a required payment or complete additional CPE credits, the Respondent's license shall be immediately and automatically suspended until such time as compliance occurs;

**AND IT IS FURTHER ORDERED** that the Respondent shall submit documentation supporting the CPE credit hours claimed in connection with the Respondent's next renewal application upon the request of the Board;

**AND IT IS FURTHER ORDERED** that this matter shall be resolved in accordance with the terms of this Consent Order, and that the same shall be reflected among the records of the Board.

(RESPONDENT'S SIGNATURE APPEARS  
ON ORIGINAL ORDER)

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Karen Michele Joseph

(BOARD CHAIR'S SIGNATURE APPEARS  
ON ORIGINAL ORDER)

  
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Elizabeth S. Gantnier  
Chairman

\_\_\_\_\_  
Date

06/15/15