



H&R Block opened this tax season with a new high-tech flagship office in New York's Times Square.

CRUNCH SEASON

Bad weather and a bad economy mean a slow start to 2010 tax season

BY ROGER RUSSELL

TAX PREPARERS ARE PERSEVERING despite being hit with a number of negatives at the start of filing season, including bad weather, the effects of the poor economy, and the demise of several major bank product programs.

"IRS filings are down compared to the same period a year ago," revealed Amy McAnarney, CPA, executive director/vice president of the Tax Institute at tax prep giant H&R Block.

"The IRS predicted that 2 percent less would file this year due to the recession, and we think that's holding true," said John Hewitt, chief executive of Liberty Tax Service. "Our day-to-day filing for February is down because of the snow in the East, but overall Liberty is up 10 percent for the year."

The weather, in the form of several large snowstorms that blizzed the Northeast and the mid-Atlantic region, is responsible for a decline in filing volume, agreed Chuck McCabe, chief executive of Virginia-based Peoples Income Tax.

"We're down primarily because of the snow," he said. "We missed a lot of early business at the end of January when the

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PCAOB thwarted on foreign firm inspections

BY KEN RANKIN / WASHINGTON, D.C.

AT LEAST 12 MAJOR NATIONS — including several of the U.S.'s top international trading partners — are continuing to slam the door on efforts by the Public Company Accounting Oversight Board to conduct cross-border inspections of non-U.S. audit firms as required by the Sarbanes-Oxley Act.

As a result, more than three dozen foreign accounting firms have managed to evade PCAOB inspections, even though they registered with the board to audit U.S. corporations more than four years ago.

The board, however, released an update to its list of jurisdictions outside the U.S. where it conducted inspections of registered firms. It conducted inspections in 33 jurisdictions as of the end of last year, including far-flung locales like Papua New Guinea and

Kazakhstan. Ironically, the roster of foreign audit firms that have sidestepped PCAOB inspections is top-heavy with foreign affiliates of major U.S. firms such as the Big Four, BDO and Grant Thornton.

The inability of U.S. authorities to complete field inspections of these firms has thrown a monkey wrench into its plans to move forward with its SOX mandate to examine the performance of foreign accounting firms that audit U.S. companies.

At the onset of 2009, the PCAOB announced its intention to embark on an effort to conduct inspections of firms in 27 countries, but was unable to undertake inspections in 12 of those countries "because of asserted restrictions under non-U.S. law or objections based on national sovereignty."

In a statement outlining the progress of its efforts during 2009, officials at the board said that "access to the information necessary to conduct inspections of registered firms was, and continues to be, denied in China, Finland, France, Germany, Greece, Ireland, the Netherlands, Norway, Portugal, Sweden, Switzerland and the United Kingdom."

Because of the resistance of many governments to permit U.S. inspections of audit firms in their countries, the PCAOB issued new rules allowing the board to defer, for up to three years, the first inspection of certain non-U.S. firms that otherwise would have been required to be inspected in 2009.

But in adopting that rule, the PCAOB said that it intended to inspect at least four of those firms during 2009, and that these

four collectively would be responsible for auditing U.S. companies with a combined market capitalization equal to 35 percent of the total market cap of U.S. audit clients for all deferred firms.

By the end of last year, however, the PCAOB had inspected only two of those four firms, and fell short of the U.S. market capitalization threshold target.

Despite the roadblocks, the PCAOB expressed optimism about the future of its international campaign. "Discussions are continuing with the relevant authorities in those jurisdictions in an effort to resolve their objections to PCAOB inspections," officials at the board said.

They also released a list of 28 nations in which they intend to conduct audit firm inspections during 2010 — including all 12 countries that continue to lock the door to PCAOB inspectors. AT

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FIRMS

CALIFORNIA

Ramirez International, Irvine, is celebrating its 30th anniversary. It was founded in 1980, and has clients in over 13 countries.

CAYMAN ISLANDS

Anchin, Block & Anchin, New York City, has established a Cayman Islands practice to provide audit services to funds registered in the Cayman Islands. **Anchin, Block & Anchin (Cayman) Ltd.** will be managed by **Philip Rankin**.

ILLINOIS

A personnel-driven fundraising effort and firm matching program at **Crowe Horwath LLP**, Oak Brook, collected \$109,285 for earthquake relief efforts in Haiti. **UNICEF** and the **American Red Cross** were the beneficiary organizations. The firm committed to match employee donations up to \$50,000, and more than 400 individuals at Crowe do-

nated \$59,285 for disaster relief efforts.

INDIANA

Katz, Sapper & Miller LLP, Indianapolis, held its first-ever KSM Community Day late last year, with over 200 firm staff rolling up their sleeves at Broad Ripple Magnet High School for the Arts & Humanities to give the school grounds a "green makeover," including planting 50 trees, ornamental grasses and over 100 perennials; constructing a stone wall and pathway; and building and installing five planter benches.

KENTUCKY

Deming, Malone, Livesay & Ostroff PSC, Louisville, has joined **BKR International**. It has 13 partners and a staff of 70.

MINNESOTA

RSM McGladrey, Bloomington, announced

a three-year title sponsorship agreement with the **PGA Tour** to create the McGladrey Classic, which will be held Oct. 7-10 as part of the PGA Tour Fall Series, and will be played on the Seaside Course in Georgia. **Davis Love III** will serve as tournament chairman, and his brother **Mark Love** will be executive director of the McGladrey Classic. Tour member **Zach Johnson** will serve on the tournament board. The purse will be \$4 million and the tournament's charitable beneficiaries will include **Special Olympics** and local charities in the Sea Island-Brunswick area. ... **Eric Sheehan** and **Dean Speidel**, two principals from accounting firm **Olsen Thielen**, have spun off the firm's IT consulting, software selection, solution integration and managed services business into a separate company, **OTT Inc.**, St. Paul. The 15-year-old business became independent on Dec. 31, 2009.

NEW YORK

A number of accounting firms were named

to *Fortune Magazine's* 100 Best Companies to Work For list for 2010, including **Ernst & Young** (No. 44), **Plante & Moran** (No. 66), **Deloitte** (No. 70), **PricewaterhouseCoopers** (No. 71) and **KPMG** (No. 88). ... **Lazar Lipton Valuation Services**, New York, has changed its name to **ParenteBeard LLC**; it had previously operated as a division of ParenteBeard, after it was acquired last year. ... **Friedman LLP** has been named a Best Place to Work in New York City by *Crain's New York Business*, ranking No. 11.

RHODE ISLAND

Braver PC has moved its Providence office to a new downtown location in the Packet Building at 155 South Main Street.

SOUTH CAROLINA

WebsterRogers LLP has moved to a new suite of offices in The Tower at 1301 Gervais, Suite 1950, Columbia, S.C.

People

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partner-in-charge of the Public Companies Group of **Amper, Politziner & Mattia LLP**, Edison, has been appointed to the SEC Regulations Committee of the **American Institute of CPAs** for 2009-2010, and to the **Center for Audit Quality's** Smaller Firm Task Force.

NEW YORK

Laura F. Kucera has joined **Weiser LLP**, New York, as chief marketing officer, while **Pamela M. O'Neill** has joined the firm as a principal to lead the valuation practice of the Transaction Services Group. ... **Robert C. Meier**, a partner in the Forensic Accounting, Litigation Support and Valuation Services Group of **Friedman LLP**, New York City, has been named one of the "Who's Who in Forensic Accounting" by the *Long Island Business News*. ... **Carolyn M. Glynn** has joined **Rosen Seymour Shapss Martin & Co. LLP**, New York City, as director of fiduciary services.

NORTH CAROLINA

Tim Gupton, partner and executive committee member of **Hughes Pittman & Gupton LLP**, Raleigh, has been re-elected treasurer of the Board of Directors of **NCBIO**. ... **Kirk Lusch**, a member in the Charlotte office of **Dixon Hughes PLLC**, has been appointed member-in-charge of its tax advisory services practice, while **David Hinshaw**, director of assurance services and the SEC practice, has

been selected to participate in the **Center for Audit Quality's** Smaller Firm Task Force.

OHIO

Cynthia J. Hoffman has been appointed director of the international tax practice at **Schneider Downs & Co.**, Columbus. ... **Randall K. Domigan**, a manager at **Brady Ware**, Dayton, has earned the Certified Fraud Examiner credential from the **Association of Certified Fraud Examiners**. ... **Frank J. Sanders** has joined **Battelle Capital Advisors LLC**, an affiliate of **Battelle & Battelle LLP**, Dayton, as a senior vice president. ... **Dave Sobochan** has been promoted to principal, and **Jen Tapia** to senior manager, at **Cohen and Co.**, Cleveland. ... **SS&G Financial Services Inc.** announced a number of promotions: In the Akron office, **Becky Kaminchak** and **W. Edward Decker** were promoted to director, and **Douglas L. Klein**, **Michelle L. D'Amico** and **Thomas Kotick** to associate director; in the Cincinnati office, **Alexis Becker** was promoted to associate director; in the Cleveland office, **Deborah A. Sabo** was promoted to director and **Cynthia F. Ambrozic** to associate director; and in the Columbus office, **Jeff Tubaug** was promoted to associate director. ... **David DiSalvo** has been elected vice president - principal at **Meaden & Moore**, Cleveland, while **Lloyd W.W. Bell** has been appointed a director in the Corporate Finance Group, and **A. Michael Nuzzo** has been appointed a financial advisor with the firm's Wealth Center. In addition, chief executive officer **James P. Carulas** has been

elected chairman of the Board of Directors of **AGN International**.

OREGON

Tenille Woodward has been promoted to manager at **Kernutt Stokes Brandt & Co. LLP**, Eugene.

PENNSYLVANIA

Brown Schultz Sheridan & Fritz, Camp Hill and Lancaster, announced a number of promotions: **Robyn M. Dougherty** and **Corinne P. Rebinski** were promoted to senior manager; **Jessica L. Lacklin** and **Nancy L. Shifflet** to manager; **Jennifer A. Matlock**, **Devon M. Ness** and **Shawn E. Thoman** to supervisor; and **Robert P. Soltis** to senior staff accountant. ... **Beth Bershok** has been appointed regional marketing director at **Herbein + Co. Inc.**, Pittsburgh, Greensburg and Reading.

SOUTH CAROLINA

Amanda J. Dearing, a staff accountant in the Charleston office of **Moore Beauston & Woodham LLP**, has earned her CPA license for South Carolina.

TENNESSEE

Lattimore Black Morgan & Cain PC, Nashville, announced two new hires: **Zachary H. Blankenship** has joined the firm as a manager in the Tax Department, while **Jennifer Luttrell** has joined **LBMC Employment Part-**

ners LLC as a human resources assistant.

TEXAS

Justin Baudoin, of **Padgett, Stratemann & Co. LLP**, Austin, has earned his CPA license. ... **Louise Duble** has been promoted to partner at **UHY LLP**, Houston, while **James McAlpin** has been promoted to senior manager at **UHY Advisors FLVS Inc.** ... **David Forrest** has been named an audit partner, and **Stan Raines** a tax partner, at **MaloneBailey LLP**, Houston, to lead the firm's newly created Private Company Practice Team, dedicated to developing the private company audit and tax practices. ... **P.J. "Trish" Fritsche**, a manager with **Weaver**, Dallas-Fort Worth, has earned the Certified Information Technology Professional designation from the **American Institute of CPAs**. ... **Jose Pena** has joined **McConnell & Jones LLP**, Houston, as an audit director.

VERMONT

Joshua Partlow, a principal at **Johnson Lambert & Co. LLP**, has been appointed to serve a five-year term on the **Vermont Board of Public Accountancy**.

VIRGINIA

Mark Phillips has been named an audit partner, and **Mike Frost** a family wealth management partner, at **Argy, Wiltse & Robinson PC**, McLean, while **David Trimner** has been named a corporate tax principal.