

**BEFORE THE IOWA ACCOUNTANCY EXAMINING BOARD
OF THE STATE OF IOWA**

IN THE MATTER OF:

Dale Eastman

RESPONDENT

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CASE NO. 04-04

CONSENT ORDER

The Iowa Accountancy Examining Board (Board) and Dale Eastman (Respondent) enter into this Consent Order (Order), pursuant to Iowa Code section 17A.10 (2005) and 193 Iowa Administrative Code 7.42:

1. The Board has jurisdiction of this matter pursuant to Iowa Code chapters 17A, 272C, and 542 (2005), and 17A, 272C, and 542C (1997).
2. Respondent holds a certificate as a certified public accountant. His certificate is currently registered and in good standing.
3. The Board charged Respondent with acts discreditable to the public accounting profession, acts harmful or detrimental to the public, unethical practices, violating rules of professional conduct, and acts contrary to the high standard of professional care to which the public is entitled to expect from a CPA, in violation of Iowa Code sections 272C.3(2)(b), 272C.10(3), 542C.21(4), and 542C.21(10) (1997), and 193A Iowa Admin. Code sections 11.2(1), 11.3(3), 11.3(4), 11.5(1), 11.6(1), and 12.4(1).
4. Respondent does not admit any allegations in the Statement of Charges, but does agree to the entry of this Consent Order as the resolution of a disputed matter. Respondent has a right to a hearing on the charges, but waives his right to hearing and all attendant rights by freely and voluntarily entering into this Order. This Consent Order is the final agency order in the contested case.
5. Respondent agrees the State's counsel may present this Order to the Board and may have ex parte communications with the Board while presenting it.
6. This Order shall be part of the permanent record of Respondent and shall be considered by the Board in determining the nature and severity of any disciplinary action to be imposed in the event of any future violations.
7. This Order and the Statement of Charges are public records available for inspection and copying in accordance with the requirements of Iowa Code chapter 22 (2005).
8. Failure to comply with the provisions of this Order shall be grounds for disciplinary action pursuant to Iowa Code section 272C.3(2)(a) (2005). However, no action may be taken against Respondent for violations of these provisions without a hearing, or waiver of hearing.

9. This Order is subject to approval of the Board:
- (a) If the Board fails to approve this Order, it shall be of no force or effect on either party, and it shall not be admissible for any purpose in further proceedings in this matter.
 - (b) If the Board approves this Order, it shall fully dispose of all issues in this case.

IT IS THEREFORE ORDERED:

A. Reprimand

Respondent is reprimanded for engaging in business dealings with a client in which he was self-interested, without taking sufficient steps to disclose self-interest, avoid at least the appearance of compromised objectivity, and properly respect client confidences.

B. Civil Penalty

Respondent shall pay a \$1,000 civil penalty by August 15, 2005.

C. Education

Respondent shall provide the Board verification of completion of the following education courses within 10 days of completion:

1. Corporate Ethics Update: Ethical Leadership, Nov. 29, 2005 (12:30 – 4:00); and
2. One of the following three selections:
 - a. Financial Deception: Accounting and Finance Professional Detectives, Sept. 27, 2005 (8:00 – 4:00),
 - b. Fraud Prevention, Nov. 4, 2005 (8:00 – 4:00)
 - c. Understanding and Responding to Business Fraud, Oct. 19, 2005 (9:00 – 5:00)

Respondent may count these hours toward the continuing education required for certificate renewal. With prior Board approval, he may substitute educational courses of like kind and length, as long as all education is completed by March 15, 2006.

D. Probation

1. The Respondent's CPA Certificate shall be placed on indefinite probationary status effective the day this Order is signed by the Board.

2. Respondent agrees to retain, at his own expense, a Certified CPA in good standing, who shall be preapproved by the Board, to conduct a firm assessment of the independence and objectivity practices of Respondent and his firm:

a. Respondent shall supply the Board with the engagement letter with the preapproved CPA no later than September 15, 2005. The retained CPA shall prepare a report for the Board and shall submit it to the Board no later than December 31, 2005.

b. The report shall include a review of the firm's policies and procedures, library and other resources, checklist procedures, and internal quality control systems, as such resources, procedures and systems relate to independence, client confidences, objectivity, integrity, conflicts of interest, disclosure of self-interest, and professional standards related thereto.

c. In particular, the report shall review the firm's policy on a CPA's required pre-disclosure to a firm partner of any circumstance in which the CPA may have or seek to have a relationship with a firm client which would or could impair independence or objectivity, such as those relationships listed in 193A Iowa Admin. Code 13.3(1). The firm's policy shall address independence and objectivity as applicable to clients receiving audit, tax, financial reporting, consulting, or other form of public accounting service.

d. The report shall also review the firm's policies and procedures on the proper handling of such situations by the CPAs and partners involved, and the proper compliance documentation.

3. Respondent may file an application for release from probation as soon as the Board has received documentation that he has successfully completed the educational courses listed above, and the Board has received a satisfactory review report. Respondent shall provide the Board with such access to firm records as is reasonably necessary to verify compliance. Respondent's application for release from probation shall comply with 193A Iowa Administrative Code 16.5 and 193 Iowa Administrative Code 7.38.

4. The Board shall release Respondent from probation if he demonstrates full compliance with this Order, the review report verifies that appropriate policies and procedures are in place to address the professional standards described in paragraph D2, and the Board has received no additional evidence of uncorrected violations of a character substantially similar to those alleged in the Statement of Charges. The Board may rely upon the report from the preapproved reviewer or its own inspection of records to impose conditions as may be reasonably required to assure future practices compliant with professional standards.

AGREED AND ACCEPTED:

The Respondent



Dale Eastman

6-21-05

Date

The Iowa Accountancy Examining Board



By: Susan L. Loy

7-11-05

Date