

FILED 1/24/2020 (Date)  
IAEB

BEFORE THE ACCOUNTANCY EXAMINING BOARD  
OF THE STATE OF IOWA

Board / Commission  
Robert E. Rango  
Signature, Executive Officer

IN THE MATTER OF:

Case No. 19-07

**Jeremiah Clayton Johnson**

Certificate No. O12190

Respondent.

COMBINED STATEMENT OF  
CHARGES, SETTLEMENT  
AGREEMENT, AND ORDER  
ACCEPTING VOLUNTARY  
SURRENDER

**A. Statement of Charges**

1. The Iowa Accountancy Examining Board (“**Board**”) has jurisdiction of this disciplinary matter pursuant to Iowa Code chapters 17A, 272C, and 542 (2019).

2. Jeremiah Clayton Johnson (“**Respondent**”) was issued certificate number O12190 on August 5, 2008. Respondent’s certificate is currently in a lapsed status.

3. On August 12, 2019, Respondent self reported to the Board that he had misappropriated funds from his employer, for which he served as finance director. In his letter to the Board, Respondent indicated that his misconduct was, in part, the result of an opioid addiction for which he had sought and continued to seek treatment; informed the Board that he had recently notified his employer of the full extent of his misconduct and sent them a check returning the full amount of the funds he had misappropriated; and expressed remorse for his actions, acknowledged that he had engaged in misconduct, and indicated that he was prepared to accept whatever outcome the Board felt was appropriate under the circumstances.

4. As part of its investigation into the matter, the Board subsequently sought additional information from Respondent and his employer.

- a. Respondent provided the Board with additional evidence and information regarding the extent of his misconduct and the degree to which he had taken steps to remediate the issue, including a copy of the letter he sent to his employer notifying it of the extent of his misconduct and a copy of a cashier’s check demonstrating that he had repaid his employer at least a portion of the funds he misappropriated. He did not have a copy of a separate check he had sent his employer which accounted for the remaining amount. In total, Respondent misappropriated \$10,1670.89.
- b. After speaking with the Board’s investigator, Respondent’s employer subsequently filed a formal complaint with the Board and provided the Board with additional supporting documentation. In its complaint, Respondent’s employer generally confirmed the fact and extent of Respondent’s misconduct and that Respondent had paid it back in full. In addition, Respondent’s employer outlined the extent of the damage caused by Respondent’s actions, noting that Respondent’s employer provides services to persons with intellectual disabilities and is 99% medicaid funded. As a result, Respondent’s

actions jeopardized its accreditation status and seriously damaged its credibility with bankers and auditors, requiring it to expend substantial funds to hire additional resources remediate the situation. In addition, Respondent's employer noted that Respondent continued to offer private tax services through a business facebook page and suggested that he may be holding himself out as a CPA in so doing.

5. Based on the foregoing, the Board charges Respondent with:
  - a. Conduct discreditable to the accounting profession in violation of Iowa Code section 542.10(1)(i) and Iowa Administrative Code rule 193A—14.3(12)(a) and (i).
  - b. Engaging in unethical conduct or a practice that is harmful or detrimental to the public in violation of Iowa Code section 542.10(1)(j) and 272C.10(3) and Iowa Administrative Code rule 193A—14.3(4).
  - c. Lack of proper qualifications, including any act, conduct, or condition, including lack of education or experience and careless or intentional acts or omissions, that demonstrates a lack of qualifications which are necessary to ensure a high standard of professional care as provided in Iowa Code section 272C.3(2)“b,” in violation of Iowa Code sections 542.10(1)(d) and 272C.3(2)(b) and Iowa Administrative Code rule 193A—14.3(5)(f).
  - d. Lack of proper qualifications, including as a result of habitual intoxication or addiction to the use of drugs, or impairment which adversely affects the CPA's or LPA's ability to practice in a safe and competent manner, in violation of Iowa Code sections 542.10(1)(j) and 272C.10(4) and Iowa Administrative Code rule 193A—14.3(5)(e).

6. The Board and Respondent have agreed to fully resolve these charges through the following Settlement Agreement, rather than proceed to contested case hearing.

7. Respondent admits the factual allegations underlying this Statement of Charges and that he violated the laws, rules, and standards related hereto.

## **B. Settlement Agreement and Order Accepting Voluntary Surrender**

1. Respondent has a right to a hearing on the charges, but waives Respondent's right to hearing and all attendant rights, including the right to seek judicial review, by freely and voluntarily entering into this Settlement Agreement. This Settlement Agreement constitutes discipline against Respondent, and is the final agency order in a contested case, pursuant to Iowa Code section 17A.10 and Iowa Administrative Code rule 193—7.4. Respondent acknowledges that Respondent had an opportunity to review this Settlement Agreement with legal counsel before signing it.

2. Through this Settlement Agreement and Order Accepting Voluntary Surrender, and by filing the above Statement of Charges, the Board accepts the voluntary surrender of Respondent's certificate to resolve a pending disciplinary contested case as permitted by and in accordance with Iowa Administrative Code rule 193A—16.3(3).

3. Respondent agrees the State's counsel may present this Settlement Agreement to the Board and may have ex parte communications with the Board while presenting it.

4. This Settlement Agreement shall be part of the permanent record of Respondent and shall be considered by the Board in determining the nature and severity of any future penalty or sanctions to be imposed in the event of any future violations of the laws, rules, or standards administered by the Board.

5. This Settlement Agreement is a public record available for inspection and copying in accordance with the requirements of Iowa Code chapter 22.

6. Failure to comply with the provisions of this Settlement Agreement shall be grounds for further penalties, sanctions, or disciplinary action pursuant to Iowa Code sections 542.14 and 272C.3(2)(a).

7. This Consent Order is subject to approval of the Board:

- a. If the Board fails to approve this Consent 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 Consent Order, it shall fully dispose of all issues in this case.

8. This Settlement Agreement shall not preclude the Board from taking additional action against Respondent should Respondent violate the laws, rules, or standards administered by the Board in the future, including but not limited to should Respondent engage in unlicensed practice following the execution of this Settlement Agreement.

**IT IS THEREFORE ORDERED:**

- A. Respondent shall **VOLUNTARILY SURRENDER** Respondent's Certified Public Accountant Certificate #O12190 by and effective as of the date of last signature, below. Respondent shall return Respondent's wall certificate and renewal card to the Board office within ten (10) days of the execution of this Settlement Agreement. For the avoidance of doubt, such voluntary surrender shall constitute discipline against Respondent, and shall be treated for all intents and purposes as a **REVOCATION**.
- B. Respondent may not apply to reinstate Respondent's certificate for a period of **at least two (2) years** from the date of last signature, below.
- C. In accordance with Iowa Administrative Code rule 193—7.30(3), within fifteen (15) days of the entry of this Order accepting Respondent's voluntary surrender, Respondent shall notify in writing all current clients of the fact that Respondent's license has been voluntarily surrendered. Such notice shall advise clients to obtain alternative professional services. Respondent is not required to notify former clients who have no current business relationship with Respondent that Respondent's license has been voluntarily surrendered. Respondent is not required to notify new clients who employ Respondent for tax services after this Agreement is executed of the voluntary surrender of Respondent's license, but Respondent will not hold himself out as a licensed CPA to those clients or any other person. Within thirty (30) days of the entry of this Order, Respondent shall file with the Board copies of the notices sent. Compliance with this requirement shall be a condition for any future application for reinstatement.

- D. Respondent shall no longer hold himself out as a Certified Public Accountant in connection with any professional services he provides unless and until his certification is reinstated in the future.
- E. Should Respondent apply to reinstate Respondent's certificate in the future in accordance with this Order, such reinstatement shall be governed by and conducted in accordance with Iowa Administrative Code rule 193A—16.5 (Reinstatement) and Iowa Administrative Code rule 193—7.38 (Reinstatement). In addition to the two (2) year time restriction established above, and in addition to any terms and conditions the Board may impose as a condition of any reinstatement ultimately granted in the Board's discretion, Respondent may not apply to reinstate his certificate, unless and until:
1. Respondent has completed a comprehensive substance abuse evaluation with a licensed provider who specializes in addiction.
  2. Respondent has completed all substance abuse treatment recommendations made by the evaluator.
  3. Respondent has not had a relapse since completing the substance abuse evaluation and related recommendations set forth in items 1 and 2, above.
  4. Respondent has complied with and completed all continuing care recommendations made by the evaluator.
  5. Respondent has attended structured recovery meetings, such as narcotics anonymous, at least two (2) times per week for the two (2) year period immediately preceding the request for reinstatement.
  6. Respondent obtains and presents evidence of having abstained completely from the use of drugs and alcohol, except for prescription drugs prescribed by a licensed healthcare provider taken as prescribed, for the two (2) year period immediately preceding the request for reinstatement. If Respondent is taking any prescription drugs as permitted by this item, Respondent shall submit valid prescriptions to the Board for its or its designee's review.
  7. Respondent has completed at least forty-five (45) hours of continuing professional education in professional ethics.
- F. Should the Board grant an application for reinstatement in the future, and reinstate Respondent's certification, any reinstatement order shall, at a minimum, impose the following terms and conditions. In addition to the following minimum terms and conditions, the Board may impose additional terms and conditions as the Board determines is appropriate.
1. Respondent shall be required to continue to attend structured recovery meetings, such as but not limited to narcotics anonymous, at least two (2) times per week for as long as Respondent engages in practice that requires certification under Iowa Code chapter 542. "Structured recovery meetings" also includes meetings with any therapist/mental health provider where the object of such treatment is to treat Respondent for drug addiction.
  2. Respondent shall be required to obtain a worksite monitor, which worksite monitor is acceptable to and pre-approved by the Board; the worksite monitor

shall be an individual who works on-site with Respondent and who monitor's Respondent's practice and reports directly to the Board regarding any issues forming the basis of this Settlement Agreement, or any violations of the laws, rules, or standards administered by the Board. Respondent's worksite monitor shall submit quarterly reports to the Board describing Respondent's attendance and behavior at work, including any areas of concern.

3. On request by the Board, and on an indefinite basis going forward, Respondent shall be required to obtain and present evidence that, except for prescription drugs prescribed by a licensed healthcare provider taken as prescribed, Respondent remains drug and alcohol free. If Respondent is taking any prescription drugs as permitted by this item, Respondent shall submit valid prescriptions to the Board for its or its designee's review.
  4. Respondent shall be required to notify any future employer within the profession (*i.e.*, CPA or LPA firms) of the existence of this Settlement Agreement and provide them with a copy of the same before accepting any offer of employment.
- G. Nothing in paragraphs E or F, above, shall be construed or interpreted as requiring the Board to grant any future application for reinstatement or as requiring the Board to otherwise reinstate Respondent's certificate at any point in the future.

Case No. 19-07


**AGREED AND ACCEPTED:**

**Respondent**

  
Jeremiah Clayton Johnson

1/20/20  
Date

**Iowa Accountancy Examining Board**

 on behalf of Chair Smith  
James Smith, Chair

1/24/2020  
Date