

STATE OF MINNESOTA
BOARD OF ACCOUNTANCY

In the Matter of
Kraig Joseph Haenke
CPA Certificate No. 24236

STIPULATION AND
CONSENT ORDER
Board File 2019-344

The Minnesota Board of Accountancy ("Board") is authorized pursuant to Minn. Stat. §§ 214.10, 326A.02, subds. 4, 6, and 326A.08, subd. 1 (2018) to review complaints against certified public accountants and to take disciplinary action whenever appropriate.

The Board received information concerning Kraig Joseph Haenke, 13748 Nevada Circle, Savage, Minnesota 55378 ("Respondent"). The Board's Complaint Committee ("Committee") reviewed that information.

It is hereby stipulated and agreed by Respondent and the Committee that without trial or adjudication:

1. For the purpose of this stipulation and consent order, Respondent waives all procedures and proceedings before the Board to which Respondent may be entitled under the United States and Minnesota constitutions, statutes, or the rules of the Board, including the right to dispute the allegations against Respondent and to dispute the appropriateness of discipline in a contested case hearing pursuant to Minn. Stat. ch. 14 (2018), and to dispute any civil penalty imposed by this stipulation and consent order. Respondent agrees that upon the *ex parte* application of the Committee, without notice to or appearance by Respondent, the Board may order the remedy specified in paragraph 7 below. Respondent waives the right to any judicial review of the order by appeal, by writ of certiorari, petition for review, or otherwise.

2. This stipulation shall constitute the entire record of the proceedings herein upon which the consent order is based.

3. In the event the Board in its discretion does not approve this stipulation and consent order or propose a lesser remedy than specified herein, this stipulation and consent order shall be null and void and shall not be used for any purpose by either party. If this stipulation and consent order is not approved and the Committee initiates a contested case hearing pursuant to Minn. Stat. ch. 14 (2018), Respondent agrees not to object to the Board hearing the case on the basis that the Board has become disqualified because of its review and consideration of this stipulation and consent order or of any records relating hereto.

FACTS

4. This stipulation and consent order is based upon the following facts. Respondent admits the facts referred to below and agrees that the Board may, for the purpose of reviewing the record in paragraph 2 above, consider the following as true:

- a. The Board issued a certified public accountant certificate to Respondent on October 15, 2007; Respondent currently holds an active certified public accountant certificate from the Board. Respondent is subject to the jurisdiction of the Board with respect to the matters referred to in this stipulation and consent order.
- b. Respondent set up automatic electronic transfers from a client's account to his own account in order to electronically process payments from the client. Respondent admits to making multiple automatic transfers, which total \$5,500, from the client's account to Respondent's account in March of 2018.
- c. In an email to the client on March 27, 2018, Respondent stated that he had reversed the transactions. However, Respondent did not immediately return the money.

- d. In a letter to the Board dated July 17, 2019, Respondent admitted to owing his client \$5,500, and stated that he made one payment of \$500. Respondent also represented that he would refund the \$5,500 to the client as soon as possible.
- e. On August 7, 2019, Board staff spoke to the client over the phone. The client stated that it had not heard from the Respondent and had not received any money from him since August, 2018.

5. Respondent admits that the facts and conduct specified in paragraph 4 above constitute grounds for discipline under Minn. Stat. § 326A.08, subds. 5 (a)(1), 5 (a)(10) (2018) and Minn. R. 1105.5600 subp. 1.D. (2) (2019), and are sufficient grounds for the remedy specified in paragraph 7 below, and that proof at hearing of any one or more of the allegations set forth would empower the Board to take disciplinary action pursuant to Minn. Stat. § 326A.08 (2018).

6. This stipulation and consent order shall not limit the authority of the Board to proceed against Respondent by appropriate means on the basis of any conduct justifying disciplinary action which occurred before or after the date of this stipulation and that is not directly related to the specific facts and circumstances set forth herein.

REMEDY

7. Upon this stipulation and record, as set forth in paragraphs 2 and 4 above, and without any further notice of proceedings, the Committee and Respondent agree that the Board may, in its discretion, issue an order to Respondent requiring compliance with the following:

- a. Respondent is **CENSURED** and **REPRIMANDED**.
- b. Respondent shall pay to his client ("Client") fees of five thousand, five hundred dollars (\$5,500.00). Respondent shall submit to Client payment of the fees by check payable to Client by April 1, 2020.

Respondent shall submit proof to the Board of submitting full payment to Client by April 1, 2020.

- c. Respondent shall pay to the Board a CIVIL PENALTY of one thousand dollars (\$1,000.00). Respondent shall submit to the Board payment of the civil penalty by check payable to the Board of Accountancy by June 1, 2020.
- d. Respondent's certified public accountant certificate is **SUSPENDED** until May 31, 2023, however, that suspension is **STAYED** on the condition that Respondent make full payment of fees to Client by April 1, 2020, and full payment of the civil penalty to the Board by June 1, 2020. If Respondent fails to make either payment by the payment's specified deadline, the stay is automatically lifted, without further action by the Board.
- e. During the period of suspension, Respondent shall not offer to perform, or perform, services required by law to be performed by a Certified Public Accountant as set forth in Minn. Stat. ch. 326A (2018) and Minn. R. ch. 1105 (2017); and
- f. During the period of suspension, Respondent shall not use the designations "Certified Public Accountant" or "CPA" in connection with his name, nor shall Respondent hold himself out as a Certified Public Accountant or CPA in any manner in the State of Minnesota.
- g. Conditions for Reinstatement of CPA Certificate. Respondent agrees that he will not apply to reinstate his CPA Certificate until: (a) June 1, 2023; **AND** (b) Respondent has paid the entire civil penalty to the Board as required by paragraph 7.c. above.; **AND** (c) Respondent has

provided the Board documentation that he has paid the full amount of \$5,500 back to his client. Respondent's reinstatement application will be reviewed and considered by the Board pursuant to Minn. Stat. §§ 326A.04, 326A.09 and other applicable Board statutes and rules in effect at the time the application for reinstatement is submitted.

8. Respondent hereby acknowledges that he has read, understands, and agrees to this stipulation and consent order and is voluntarily signing the stipulation without threat or promise by the Board or any of its members, employees, or agents. Respondent further acknowledges that he is aware that the stipulation and consent order must be approved by the Board. The Board may approve the stipulation and consent order as proposed, propose changes, or reject it. If the changes are unacceptable to Respondent or the Board rejects the stipulation, it will be of no effect except as specified herein.

9. Under the Minnesota Government Data Practices Act, this stipulation will be classified as public data upon its issuance by the Board. Minn. Stat. § 13.41, subd. 5 (2018). All documents in the record shall maintain the data classification to which they are entitled under the Minnesota Government Data Practices Act, Minn. Stat. ch. 13 (2018). They shall not, to the extent they are not already public documents, become public merely because they are referenced herein. A summary of this stipulation and consent order will appear in the Board's newsletter. A summary will also be sent to the national discipline data bank pertaining to the practice of public accounting.

10. This Stipulation contains the entire agreement between the parties. Respondent is not relying on any other agreement or representation of any kind, verbal or otherwise.


11. Respondent is aware that he may choose to be represented by legal counsel in this matter. Respondent knowingly waived legal representation.

12. If approved by the Board, a copy of this Stipulation and Consent Order shall be served personally or by first class mail on Respondent. The Order shall be effective and deemed issued when it is signed by the Board Chair or designee of the Chair.

13. Pursuant to Minn. Stat. § 16D.17 (2018), ninety days after the Board's approval of this Stipulation and Order, the Board may file and enforce any unpaid portion of the civil penalty imposed by this Order as a judgment against the Respondent in district court without further notice or additional proceedings.

14. Pursuant to Minn. Stat. § 16D.13 (2018), thirty days after the civil penalty imposed by paragraph 7(c) is due, simple interest computed in accordance with that section shall begin to accrue on the civil penalty.

CONSENT:

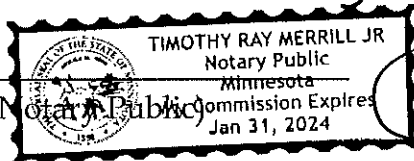


RESPONDENT

KRAIG JOSEPH HAENKE, CPA

Dated: 2/25, 2020.

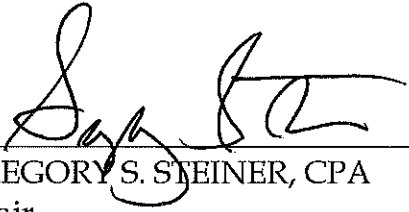
SUBSCRIBED and sworn to before me on
this the 25 day of February, 2020.



T. Merrill
NOTARY PUBLIC

My Commission Expires: January, 2024

COMPLAINT COMMITTEE



GREGORY S. STEINER, CPA
Chair

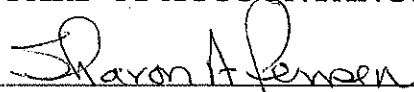
Dated: 3/11, 2020.

ORDER:

Upon consideration of the foregoing Stipulation and based upon all the files, records and proceedings, herein,

1. The Board hereby **ADOPTS** the Stipulation and **ORDERS** the remedy described therein, this 11 day of March, 2020.

STATE OF MINNESOTA
BOARD OF ACCOUNTANCY



SHARON A. JENSEN, CPA
Chair

AFFIDAVIT OF SERVICE BY MAIL

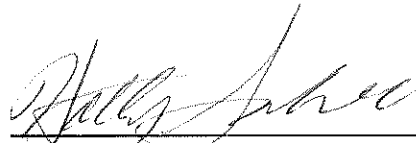
RE: Kraig Joseph Haenke; CPA Certificate No. 24236

STATE OF MINNESOTA)
) ss.
COUNTY OF RAMSEY)

Holly Salmela, being first duly sworn, deposes and says:

That at the City of St. Paul, County of Ramsey and State of Minnesota, on this the 12th day of March, 2020, she served the attached Stipulation and Consent Order, by depositing in the United States mail at said city and state, a true and correct copy thereof, properly enveloped, with first class postage prepaid, and addressed to:

Kraig Joseph Haenke
3460 Golfview Dr
Apt 2318
Eagan, MN 55123



Holly Salmela

Subscribed and sworn to before me on
this the 12th day of March, 2020.



(Notary Public)

