

**STATE OF MINNESOTA
BOARD OF ACCOUNTANCY**

In the Matter of the CPA Certificate of

**STIPULATION AND
CONSENT ORDER**

Adam Joseph Baker
CPA Certificate No. 25393

Board File No. 2023-129

STIPULATION

Adam Baker ("Respondent") and the Minnesota Board of Accountancy's Complaint Committee stipulate that, subject to Board's review and discretionary approval, the Board may issue a consent order that imposes the following sanctions:

A. Respondent's CPA Certificate, No. 25393, is CENSURED and REPRIMANDED pursuant to Minn. Stat. § 326A:08 (2024).

B. Respondent shall pay to the Board a CIVIL PENALTY of Five Hundred Dollars (\$500). Respondent shall submit the civil penalty by check to the Board within sixty (60) days of the Board's approval of this Stipulation and Consent Order.

C. Respondent shall comply with all statutes and rules within the Board's jurisdiction. See Minn. Stat. ch. 326A (2024) and Minn. R. ch. 1105 (2023).

D. Respondent shall report in writing within ten days any violations of this stipulation and consent order to the Board's Executive Director.

Respondent and the Committee enter into this stipulation based on the following findings of fact, conclusions of law, and other stipulated provisions:

Findings of Fact

1. The Board issued Respondent a CPA certificate on July 10, 2009.
2. Respondent served as the bookkeeper for an entity (herein known as "entity") from September 2014 to February 2023.
3. When the new bookkeeper for the entity took over, they found discrepancies and errors with Respondent's work that was done for the entity. This included a monthly pension contribution that was not made since 2018, monthly payroll taxes being paid incorrectly or missed resulting in IRS notices and fees, payroll deposits not being coded correctly resulting in additional taxes being due, and health insurance and child support withholdings not being withheld correctly.
4. In his response, Respondent stated: "I was allowed to work 12 hours per week and paid an hourly wage. Everything was going really well until Covid 19 hit. ... Due to the increased workload and getting everything finished in the allowed 12 hours per week was getting increasingly difficult."
5. In the same response, Respondent also provided explanations regarding some of the findings found by the new bookkeeper.
 - a. For the monthly pension contributions: "...I was completely unaware of this issue...Prior to Fall 2018, every month, I would write a check for the amount to be contributed. In Fall 2018, we were told that they would no longer accept checks, so we had to set up recurring payment online. So I set that up as a recurring ACH payment, and made sure it worked the first month. Then it was supposed to keep recurring. ... You may ask, when then did you not see it in

the Balance Sheet. When I started at the <entity>, and was trained in by the previous bookkeeper, I was trained that while we do print out the financials for the various board meetings, the only Balance Sheet items we were supposed to reconcile were the Checking Account and the Investment Account. Those were done regularly.”

- b. For monthly payroll taxes being paid incorrectly: “...there were some mix ups, especially post covid, and they were all talked through with prior treasurer. They were not random JE’s, however, the way the ICON system works, I could not use the payroll tax function, so had to create JE’s.”
- c. For the health insurance and child support withholdings: “There was an error in paying the withholding the employees Health Insurance Withholding, which was rectified after it was noticed, prior to me leaving.” and “I received several letters from the county, each with different amounts, throughout the period of time that this employee paid child support. It is very possible that there was an error made and too much was withheld.”

6. Respondent voluntarily resigned from his position with the entity in February 2023.

7. Respondent violated the American Institute of Certified Public Accountants Code of Professional Conduct, which is incorporated by reference in Board Rules, by failing to provide due care to ensure that they are following best practices and serving the public interest.

Conclusions of Law

1. The Board has authority to license and regulate certified public accountants and to take disciplinary action as appropriate. Minn. Stat. ch. 326A (2024).
2. Respondent violated Minn. R. 1105.5600, subp. 1(D) and 1105.7800(A) (2023).
3. Respondent is subject to discipline pursuant to Minn. Stat. §§ 326A.08, subd. 5(a)(1), (3) and (10) (2024).
4. This stipulation and consent order is in the public interest.

Other Stipulated Provisions

1. This stipulation and consent order must be approved by the Board to become effective.
2. Respondent agrees that the Committee may move the Board *ex parte*, with or without advance notice to the Respondent, to approve this stipulation and consent order. Respondent understands that the Board may either approve the stipulation and consent order or not approve it. This stipulation and the files, records, and proceedings associated with this matter may be reviewed by the Board in its consideration of the Committee's motion.
3. If approved by the Board, this stipulation and consent order shall be classified as public data. Minn. Stat. § 13.41, subd. 5 (2024).
4. If the Board does not approve this stipulation and consent order, then the matter remains unresolved and the Committee may either seek to negotiate a revised stipulation and consent order with Respondent to present to the Board or issue an order commencing a contested-case hearing before an Administrative Law Judge at the Office of Administrative

Hearings. See Minn. Stat. §§ 14.57–.62, 214.10, subd. 2 (2024) (describing administrative hearing process).

5. Respondent agrees that if this case comes before the Board again after it reviews and discusses this stipulation and consent order, Respondent waives any claim that the Board was prejudiced by its review and discussion of this stipulation and consent order and any records relating to it.

6. Respondent acknowledges that they were advised by the Committee of their right to a contested-case hearing in this matter before an Administrative Law Judge, to file exceptions and make argument to the Board after the hearing, and to seek judicial review from any adverse decision rendered by the Board. Respondent hereby expressly waives those rights. Respondent was further advised by the Committee of their right to be represented by counsel and that they knowingly waive that right.

7. Respondent has read, understands, and agrees to this stipulation and has voluntarily signed it. It is expressly understood that this stipulation contains the entire agreement between the parties, there being no other agreement of any kind, verbal or otherwise. If approved by the Board, a copy of the final stipulation and consent order shall be served personally or by first class mail on Respondent. The Board's order shall be effective when it is signed by the Chair of the Board or the Chair's designee.

8. Pursuant to Minn. Stat. § 16D.13 (2024), any civil penalty imposed by this stipulation and consent order shall begin to accrue simple interest in accordance with that section thirty days after the civil penalty is due. Pursuant to Minn. Stat. § 16D.17 (2024), thirty days after any civil penalty imposed by this stipulation and consent order is due, the Board may

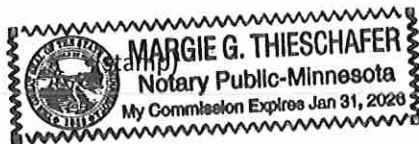
file and enforce any unpaid portion of the civil penalty as a judgment against Respondent in district court without further notice or additional proceedings.

[Signature]
Adam Joseph Baker, CPA

STATE OF Minnesota

COUNTY OF Otter Tail

This instrument was acknowledged before me on 3/24/25 by Adam Baker.



[Signature]
(Signature of notary officer)

My commission expires: 1-31-26

COMPLAINT COMMITTEE


For [Signature]
ANN ETTER, CPA
Chair

Dated: 4-17-, 2025

CONSENT ORDER

Upon consideration of this stipulation and consent order, and based upon all the files, records, and proceedings herein, all terms of the stipulation and consent order are approved. Accordingly, the Board hereby ADOPTS the stipulation and issues the ORDER described above.

STATE OF MINNESOTA
BOARD OF ACCOUNTANCY

Gordon Sewitt, Vice Chair


Dated: 4/17/25, 2025

FOR:

CHARLES SELCER, CPA
Board Chair