

BEFORE THE MARYLAND BOARD OF INDIVIDUAL TAX PREPARERS

MARYLAND BOARD OF INDIVIDUAL *
TAX PREPARERS

* CASE NO.: MITP 24-0020

v.

*
CRYSTAL BAZE,

* Respondent

* * * * *

SETTLEMENT AGREEMENT AND CONSENT ORDER

This matter comes before the Maryland Board of Individual Tax Preparers (the “Board”) as the result of the Board conducting a random audit of Crystal Baze’s (“Respondent”) license renewal application. The audit sought to determine if the Respondent had met the Board’s license renewal continuing education (“CE”) requirements. As a result of the random audit and subsequent investigation, the Board initiated a Complaint against the Respondent. Prior to the issuance of formal administrative charges, the parties agreed to enter into this Settlement Agreement and Consent Order (“Consent Order”) as a full and final resolution of this matter, with terms as follows:

THE PARTIES AGREE AND STIPULATE:

1. The Board has jurisdiction over the Respondent and the subject matter pursuant to Maryland Individual Tax Preparers Act (“Act”), codified at Title 21 of the Business Occupations and Professions Article (“BOP”) of the Maryland Annotated Code.
2. The Respondent is registered with the Board as an individual tax preparer in Maryland and her registration is set to expire on August 24, 2024.
3. On or about January 2, 2023, the Respondent submitted her application to renew her registration with the Board. When submitting the renewal application, the Respondent certified having completed the required CE hours as of the application date. The Board approved the renewal based upon that certification.
4. When the Respondent submitted her registration renewal application, the Board initiated a random audit to confirm that the Respondent had completed the CE requirements. The Board then requested in writing that the Respondent provide documentation for the CE that she had certified completing by February 1, 2023.
5. The Respondent failed to respond to the Board’s audit by February 1, 2023 as ordered by the Board.
6. Based on the Respondent's failure to respond to the Board's audit, the Board initiated Complaint No. MITP 24-0020 against the Respondent.

7. On or about July 18, 2023, the Board notified the Respondent that it had initiated the Complaint based on her failure to respond to the CE audit.

8. Upon receiving notification of the Complaint, the Respondent submitted certificates that reflected that her CE hours were completed in August of 2023.

9. Pursuant to the Act at BOP §21-205(b), “the Board shall (1) adopt rules of professional conduct as appropriate to establish a high standard of integrity and dignity for the practice of individual tax preparation.”

10. The code of professional conduct for individual tax preparers adopted by the Board is set forth in Code of Maryland Regulations (“COMAR”) 09.38.01.05. Specifically, COMAR 09.38.01.05E provides as follows regarding an individual tax preparer’s obligation to respond to communications with the Board:

COMAR 09.38.01.05E. Communications with the Board.

(1) Failure to Respond.

(a) If an applicant or individual tax preparer receives from the Board a written communication requesting a response, the applicant or individual tax preparer shall respond in writing within 30 days of the date of mailing.

(b) The Board shall send a written communication by first-class mail to the last address furnished to the Board by the applicant or individual tax preparer.

(c) Failure to respond as required by this subsection may be considered by the Board to be a violation of Business Occupations and Professions Article, § 21-311(a)(5), Annotated Code of Maryland.

11. With respect to CE requirements for renewal, the Act provides in pertinent part at BOP §§ 21-309(a) that:

(a) (1) The Board shall adopt regulations that create, in accordance with this section, continuing education requirements as a condition to the renewal of a registration issued under this subtitle.

(2) An individual shall complete at least 16 hours of continuing education activities every 2 years.

12. The Board adopted those CE regulations and COMAR 09.38.02.02 sets forth the basic CE renewal requirement as follows:

COMAR 09.38.02.02: Basic Requirement.

A. A renewal applicant shall complete at least 16 hours of qualifying continuing education for each 2-year registration term.

B. A minimum of 4 hours of the continuing education for each 2-year registration term shall be in Maryland tax-related subjects.

C. The Board may accept continuing education hours approved by the Internal Revenue Service.

D. Continuing education hours earned in excess of the 16 hours for a 2-year registration term shall not be credited towards the continuing education requirement for a subsequent 2-year registration term.

13. In turn, COMAR 09.38.02.04 requires that renewal applicants provide a certification of compliance with the CE requirements, and indicates as follows:

COMAR 09.38.02.04: Controls and Reporting.

A. A renewal applicant shall provide a certification of compliance with renewal requirements, under Business Occupations and Professions Article, §§21-308 and 21-309, Annotated Code of Maryland, under penalty of perjury, in an appropriate form specified by the Board.

B. The Board, at its discretion, may verify the information and documentation supporting a renewal applicant's certification of continuing education credit. Upon request, the renewal applicant shall submit to the Board, or its designee, copies of the original documentation supporting the certification provided under §A of this regulation.

14. Pursuant to the Act at BOP § 21-311(a)(5) "[s]ubject to the hearing provisions of §21-312..., the Board... may deny a registration to any applicant, reprimand any registered individual, or suspend or revoke a registration if the applicant or registered individual..." "(5) violates any regulation adopted under this title..."

15. Pursuant to the Act at BOP § 21-311(b)(1) "In addition to reprimanding or suspending or revoking a registration under this subsection, the Board may impose a penalty not exceeding \$5,000 for each violation."

16. The Respondent agrees and admits that she violated BOP §21-311(a)(5) by violating COMAR 09.38.01.05E(1) by failing to respond to the Board's audit by the ordered deadline.

17. The Respondent agrees and admits that she violated BOP §21-311(a)(5) by violating COMAR 09.38.02.04(A) for failing to have the required CPC hours, and by violating COMAR 09.38.02.04 (B) for failing to provide the Commission documentation for the CE hours she certified having completed.

18. As a result of her violations, the Respondent agrees to pay a total civil penalty to the Board in the amount of Five Hundred Dollars (\$500.00) to be paid in ten monthly installments of Fifty Dollars (\$50.00) beginning June 1, 2024.

19. The Respondent agrees that if she fails to comply with the terms of this Consent Order, the Respondent's registration will immediately and automatically be suspended without a hearing on the suspension, and that the suspension will continue until the Board determines that the Respondent has evidenced compliance with the Consent Order's terms.

20. The Respondent acknowledges and agrees that this Consent Order shall constitute a Final Order of the Board and shall be enforceable as such.

21. The Respondent, by entering into this Consent Order, expressly waives the right to an administrative hearing, and any and all further proceedings before the Board to which she may otherwise be entitled in this matter, and any rights to appeal from this Order.

22. The Respondent enters into this Consent Order freely, knowingly and voluntarily, and with the opportunity to obtain the advice of counsel.

BASED ON THESE STIPULATIONS, IT IS, THIS _____ DAY OF _____ 2024, BY THE MARYLAND BOARD OF INDIVIDUAL TAX PREPARERS:

ORDERED, that the Respondent has violated the Act at BOP, §§ 21-311(a)(5); COMAR 09.38.01.05E(1); COMAR 09.38.02.04(A), and COMAR 09.38.02.04(B); and it is further

ORDERED, that the Respondent shall pay a civil penalty in the amount of Five Hundred Dollars (\$500.00) to be paid in ten monthly installments of Fifty Dollars (\$50.00) beginning June 1, 2024 in accordance with the provisions of Paragraph 18 of this Consent Order; and it is further

ORDERED, that this matter shall be resolved in accordance with the terms of this Consent Order, and that the same shall be reflected among the records of the Board; and it is further

ORDERED, that this Consent Order shall constitute a Final Order of the Maryland Board of Individual Tax Preparers.

BY ORDER OF THE MARYLAND BOARD OF INDIVIDUAL TAX PREPARERS

5/24/2024
DATE

AGREED:

5/22/2024
DATE

SIGNATURE ON
ORIGINAL DOCUMENT

VICTORIA KELLY, ESQUIRE, CHAIR

SIGNATURE ON
ORIGINAL DOCUMENT

CRYSTAL BAZE
RESPONDENT