



## The Excitement of 2012

The year 2012 promises to be great for the NASBA Center for the Public Trust (CPT). We are proud of the foundation our founder and recently retired President & CEO, David Costello built for this organization. I am honored to follow him as the new President of the CPT. My team and I are excited about what has been established, and even more excited about our vision for future success.

We plan to grow and enhance our current programming in several ways this year. Starting with our Student Center for the Public Trust (SCPT) chapters, our Being a Difference Awards and the Ethics Network, we will provide multiple activities and programs catering to individuals ranging from the college student up through experienced professional leaders.

Our student programming is a primary focus for us this year. We are growing the number of SCPT chapters across the country. Currently, we are adding chapters in the Mountain West region to complement our existing chapters in the North East and the South. By year's end, we will also have chapters on the Pacific coast. You will see articles on our SCPT chapters in this publication throughout the year. In addition to the chapter growth, we will also host our Second Annual Student Leadership Conference this June in Philadelphia, PA.

Continuing to acknowledge and celebrate the ethical business leaders across the country also remains a major focus area for us. Through the Being a Difference Awards, we will identify and present outstanding leaders to you who are doing more than making a difference, but actually living in a way that shows how they are truly BEING a difference in every environment they enter. We are launching a Being a Difference Video Series which will feature current and past award winners, as well as other leaders in the business community.

If you are not a member of the Ethics Network, 2012 is the time to join. We are working hard to add membership benefits that make this community one that is a great resource for you on ethical leadership and related activities. You can expect to see more active conversations in the community, additional access to publications and information and experiential learning opportunities in the months to come.

Our agenda for 2012 is aggressive yet attainable. To hit our targets, we will improve our communications to all of our stakeholders through electronic and traditional media platforms. We are also committed to collaborating with organizations who share our values related to ethical business leadership and promoting individuals who lead with integrity and trust. Through these and other efforts, we will BE a difference.

Thank you for your support of this movement to build ethical business leaders. We invite you to join us in our excitement. We welcome your continued support, involvement and feedback in all that we do.

*Alfonso Alfaro*

## Good News

### 30 Gifts for 30 Strangers

To celebrate his 30th birthday, a Brazilian living in Australia wanted to show his gratitude to the people of Sidney because, he said, "a lot of beautiful things happened in my life" since moving to Australia. With the help of friends, Lucas Jatoba purchased and wrapped 30 presents to give to 30 strangers. The gifts, from a rugby ball, skateboard, teddy bear and huge penguin, to a massage certificate and champagne, focused on fun and relaxation. As his friends shot video, Lucas delivered the gifts to strangers of all ages throughout the city's parks and plazas. "Thank you to everyone who lives in Australia," he wrote on his blog. "You make this country such a wonderful place."

### Ohio Firm Celebrates 25 Year Anniversary with Charity Work

Employees of Brockman, Coats, Gedelian & Company, a northeast Ohio accounting firm, recently celebrated the firm's 25th anniversary by volunteering and donating to 25 local charities. Founding and current managing partner Dave Brockman said, "It was important to us that we recognize this anniversary by demonstrating the core principles upon which we founded the firm – to shape not only the future of the BCG&Co., our employees, and our clients, but also the communities we serve and reside in."

## INSIDE

The Excitement of 2012.....	1
Good News.....	1
Being a Difference Award Presentation Recap.....	2
Student Center for the Public Trust Lauches Chapters in Knoxville and Newark.....	2
CPT Co-Sponsors 6th Annual Baruch Audit Conference.....	3
CPT Auction Recap.....	5
Changing the World One Frame at a Time.....	6

Editor: Amy Walters

Contributors: Ann Bell, Cassandra Gray, Andy Goldstein,  
Luoise Haberman & Lara Loewl

Production Editor: Katrina Mitchell

# Being a Difference Award Presentation Recap

In the October edition of Ethics Matters, five honorees of the Center for the Public Trust's (CPT) Being a Difference Award were introduced.

Since the last edition of the newsletter, the CPT has traveled to Birmingham, Michigan and El Segundo, California, to present two honorees with their awards, each in a unique ceremony.

On October 3, 2011, David A. Costello, President and CEO of CPT and NASBA, Alfonzo Alexander, incoming President of the CPT and Larry W. Bridgesmith, CPT Board Chair, attended an intimate reception in honor of Stephen Epstein, CPA. Mr. Epstein was presented with the Being a Difference Award by President Costello and congratulated by a host of family members, friends and colleagues.

Following the reception at the annual Michigan Association of Certified Public Accountants (MACPA) 2011 Awards Dinner,



Alfonzo Alexander, Stephen Epstein and David A. Costello

Epstein was again presented the award in front of an audience of over 250 Michigan professionals.

Mr. Epstein was selected as a winner for his work as an ethics educator for the MACPA and for enhancing the accounting profession in Michigan. Peggy A. Dzierzawski, President and CEO of MACPA explains that Epstein's "sustained dedication to the highest professional standards, his passion for ethics, his commitment to the CPA profession and his lasting legacy for the future of

the profession make him an outstanding candidate for the Being a Difference Award."

"Steve Epstein impeccably represents the truest intent of the 'Being a Difference Award,'" said Costello. "The Award simply connotes a lifestyle - purposeful and determined - of modeling integrity and ethical behavior before the public who validates and rewards trust in individuals and companies. Steve's lifestyle and body of work have been so validated."

[continues on page 5](#)

---

## Student Center for the Public Trust Launches Chapters in Knoxville and Newark

This past fall, the Student Center for the Public Trust (SCPT) headed to "Rocky Top" Tennessee and Newark, New Jersey. The University of Tennessee-Knoxville (UT) became the third university to establish an SCPT chapter. Student leaders hosted a lively kick-off meeting on October 27, joining Lipscomb University as the second school in Tennessee to boast a student chapter.

"We're really excited to work with the University of Tennessee to establish our second SCPT chapter in the state of Tennessee," said Alfonzo Alexander, incoming President and CEO of the Center for the Public Trust (CPT). "We see tremendous potential with the University of Tennessee chapter because of its strong reputation with its business school, in particular among the university's accounting leadership."

Earlier that same month, an informational session about the Student CPT chapter benefits was held at Rutgers University in Newark, New Jersey, now the fourth university to establish a Student CPT chapter. On November 30, the second of two visits was made to Rutgers for their highly successful inaugural membership meeting where 28 students attended.

"Rutgers University will prove to be one of our strongest chapters," said Amy Walters, Manager of Programs for the Center for the Public Trust. "This chapter is led by a diverse group of strong student leaders representing various majors including accounting, finance and marketing"

One of the many benefits of belonging to a chapter of the SCPT is getting a hearty introduction to the business world through learning about the experiences of some of its most well-respected denizens. Alexander, who is also the Chief Relationship Officer of the National Association of State Boards of Accountancy (NASBA), gave inspiring talks at both meetings on keys to success in the business world.

At the University of Tennessee meeting, he also offered great advice to those in attendance about leadership success and which companies to target during job searches. The Rutgers University meeting finished up with an engaging question and answer session about resolving conflict through collaboration as opposed to compromise.

[continues on page 4](#)

# CPT Co-Sponsors 6th Annual Baruch Audit Conference

A day before the 10th anniversary of Enron's spectacular bankruptcy filing, on December 1, 2011, the NASBA Center for the Public Trust with Baruch College, of the City University of New York, held its Sixth Annual Auditing Conference on "Ensuring Integrity." Moderator Douglas Carmichael, Baruch professor and former Chief Auditor of the Public Company Accounting Oversight Board, noted the conference's strong regulatory focus was particularly fitting as Enron's anniversary was remembered. Conference speakers included representatives of the PCAOB, Securities and Exchange

In June 2011, the PCAOB issued a concept release on the auditor's reporting model, resulting in 152 comment letters. Mr. Baumann said a proposal to change the auditor's report is expected to be issued in the second quarter of 2012, but no decisions on how that will be done have been made yet. Most of the concept release comments favored keeping the pass/fail opinion, but investor associations, pension managers and analysts want the auditors to disclose more, including audit procedures. They prefer more information from the auditors regarding the financial statements and the audit,



Commission, AICPA Auditing Standards Board, and major accounting and law firms. In the audience were public accounting practitioners, academics, students and representatives of the press, many of whom have made the Baruch/CPT Annual Auditing Conference a regular event on their calendars.

"The financial reporting and auditing environments are still challenging," Martin F. Baumann, PCAOB Chief Auditor and Director of Professional Standards, told conference attendees. "Audit risk continues to be high as the economy is soft," he continued. With Auditing Standards Nos. 8-15, relating to the auditor's assessment and response to risk, going into effect with this year's audits, the PCAOB believes the audit process will be improved.

rather than assurance on information outside the financial statements or clarification, he reported.

To help address the criticism that auditors are not adequately challenging management's assertions, the PCAOB issued a concept release proposing to limit the number of consecutive years for which a registered public accounting firm could serve as the auditor of a public company. Mr. Baumann noted the concept release also seeks comments on other measures that could meaningfully enhance auditor independence, objectivity and professional skepticism. He said the PCAOB will be holding roundtable discussions on its findings in March 2012.

[continues on page 4](#)

## Student Center for the Public Trust Launches Chapters in Knoxville and Newark

As Chief Relationship Officer of NASBA (recognized as one of Nashville's Best Places to Work), Alexander oversees several important departments, including Human Resources, Communications, Marketing and Information and Research. Alexander is the perfect example of the caliber of meaningful and inspiring speakers the SCPT is able to provide for chapter meetings.

Walters also spoke about additional benefits of the SCPT during the chapter meetings, including leadership development, networking opportunities and community service – things that will benefit students both during school and after graduation.

In June 2012, the SCPT will also host a Student Leadership Conference in Philadelphia, Pennsylvania. The conference will occur alongside the NASBA Eastern Regional Meeting.

"The Student Leadership Conference is a tremendous opportunity for students to mingle and network with fellow students and professionals attending NASBA's Eastern Regional Meeting," said Walters.

Twenty-one college students, including UT-Knoxville Chapter President Peyton Sweeney, Rutgers Chapter President Stella

Continanza, and Rutgers officers Adrian Budny and Tyrone Heggins attended the inaugural Student Leadership Conference last year in Point Clear, Alabama. In its second year, attendance at the 2012 Leadership Conference is expected to grow significantly.



2011 Student Leadership Conference Attendees.

If those benefits weren't enough, students nationwide also have a shot at winning some money. The SCPT is gearing up for its second "National Ethics in Action" Video Competition. The Competition offers students a chance to flex their creative muscles, demonstrating how they see, interpret and portray ethics and ethical issues of today. Selected videos have a chance of winning cash prizes, with \$1,000 going to the first place submission. The Competition, sponsored by The Dean Institute for Corporate Governance and Integrity at Lipscomb University, officially launched January 17, 2012.

SCPT chapters focus on educating and engaging future business leaders on ethics, accountability and integrity. The chapters are interdisciplinary, student-run organizations committed to understanding, addressing and promoting ethics. More information about the SCPT can be found on its website at [www.studentcpt.org](http://www.studentcpt.org). ☆

## CPT Sponsors 6th Annual Baruch Audit Conference

Dr. Carmichael asked panelist Matthew M. Waldron, Director of Financial Reporting Policy at CFA Institute, how the cost/benefit value would be equated if auditors are to provide more information to investors. Mr. Waldron said the investors just want a report that tells them what the auditors did. It is the investors who pay the audit fees, he stated, and added that it was not unreasonable to think there will be an auditor fee increase for the increased information. Dr. Carmichael then asked Mr. Waldron what his "wish list" for information from the auditor would be. He replied, "More about risk assessment. We're not asking for assurance – just tell us what you have done thus far."

The impact of the PCAOB's proposed amendments to improve transparency through disclosure of the engagement partner and certain other participants in audit reports was debated by attorneys representing the accounting profession and by regulators. Claudius B. Modesti, PCAOB Director of Enforcement and Investigations, and Alison T. Conn, Assistant Director of the SEC's Enforcement, told the attendees that their divisions coordinate efforts and can obtain the names of the engagement

partners and firms that are involved in the financial reports. The proposal raises the issue of transparency to the public. Howard A. Smith, head of litigation at Deloitte, LLP, said that naming the individual partner in the financial report heightens the risk of liability exposure. Michael Young, Litigation Partner for Willkie Farr & Gallagher, was not certain it would, but observed, "An adversary system of justice does not go with transparency."

Mr. Modesti stated, "We have to be fair and just — that is what we have to be about." NASBA President and CEO David A. Costello told the audience, "Behind the numbers is the trust."

Other conference speakers included: Darrel Schubert, Chair of the AICPA's Auditing Standards Board; Brian Croteau, Deputy Chief Accountant for the Professional Practice Group of the Securities and Exchange Commission; Helen Munter, Director of the PCAOB's Division of Registration and Inspections; and Dan Guy, litigation consultant and former AICPA Vice President - Professional Standards. ☆

# CPT Auction Recap

This year, the auction benefiting the Center for the Public Trust (CPT) was held in conjunction with NASBA's 104th Annual meeting at the Gaylord Opryland Hotel and Resort in Nashville, Tennessee. More than one hundred CPT supporters cast their bid on over 150 silent auction items, including artwork, electronics, apparel, hotel and cabin stays, jewelry, tickets and gift cards. Donations came from Canada, Alaska and as far away as China.

Sponsorships were provided by EKS&H, Miller & Martin PLLC, and Gaylen Hansen. Additional items were donated by state boards, societies, NASBA employees, local merchants as well as friends of NASBA and friends of CPT.

After an hour of serious silent bidding, attendees enjoyed a live auction and placed bids on large screen televisions and a trip to Hawaii, while CPT staff and volunteers finalized silent auction bids and formalized the slate of winners. Bidders also enjoyed live background music performed by Sabrina Songs.



2011 CPT Auction.

Special thanks go to Anita Holt, Auction Chair, for her time and dedication to the CPT. Her efforts to solicit auction items, organize the auction format and coordinate staff and volunteers were instrumental in the success of the event.

A good time was had by all. Over \$42,000.00 was raised to support the work of the Center for the Public Trust. ☆

continued from page 2

## Being a Difference Award Presentation Recap



David A. Costello, Malissa Clinton and Alfonzo Alexander.

On November 16, 2011, Costello and Alexander traveled to The Aerospace Corporation in El Segundo, California, to present the Being a Difference Award to Ms. Malissa Clinton, Senior Vice President, General Counsel and Secretary. The award presentation was made in conjunction with a company-wide Managers' Meeting.

Aerospace used the opportunity to create an internal campaign encouraging all employees to continue promoting ethical behavior and "Being a Difference" throughout the company. With approximately 4,000 employees in 11 states, Aerospace broadened the scope of influence of the Being a Difference Award.

"Ms. Clinton has made a significant difference to the ethical culture of our corporation and is extremely deserving of the annual Being a Difference Award," said Dr. Wanda Austin, President and CEO of

The Aerospace Corporation. "She has provided exemplary leadership from the top down and demonstrates exceedingly high ethical principles in both her personal conduct and in the standards she sets for the organization. She works tirelessly to be an ethical example every day, and her positive can-do attitude is contagious to everyone."

Following a nomination process, the Being a Difference Award is given annually to individuals and organizations who have distinctively contributed to their profession, community, region or nation through ethical leadership. Emphasis is placed on individuals and organizations that portray a lifestyle of ethical leadership consistently over time.

Look for additional features on Being a Difference honorees and information on the 2012 Call for Nominations in future issues of Ethics Matters. ☆

# “Changing the World One Frame at a Time”

## The Center for the Public Trust Launches National Student Video Competition

The Center for the Public Trust (CPT) launches the 2012 National Ethics in Action Student Video Competition this month as an opportunity for college and university students nationwide to unleash their creativity while focusing on the theme of portraying Ethics in Action. Four prizes will be awarded in two categories; short film, 3-5 minutes in length, and PSA, 30 seconds or less. The Competition is open to college students across the country, and across all majors: business, finance, mass communications, marketing, accounting, etc. Students are asked to submit in either or both categories with an original and creative video centered around an ethics-based theme. The grand prize is \$1,000!

This year, entries will go video-to-video via social media to win the Viewer's Choice awards (1-for each category).

With the prevalence of ethical

dilemmas in today's society, the video competition offers an outlet to engage students, the world's future leaders and Wall Street mavens, into thinking about ethics, accountability, and integrity.

In addition to challenging students' creativity and originality, students are asked to educate viewers on the leadership, ethics and business issues that they feel are important. Students are allowed to stage the video in any format— as a short play, commercial, talk show, music video, documentary, or PSA.

The Competition will come to a close at a Premier Party held on the Lipscomb University campus in Nashville, Tennessee, where attendees will view the top video entries as winners are announced.

Sponsorship is provided by Lipscomb University's Dean Institute for Corporate Governance and Integrity.

For more information visit the SCPT website:  
[www.studentcpt.org](http://www.studentcpt.org)

