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June 30, 2016

Mr. Timothy L. Christen, Chairman
American Institute of Certified Public Accountants
1211 Avenue of the Americas
New York, NY 10036

re: Member number 01063631 nonrenewal

Dear Mr. Christen:

Because of major and harmful changes in the makeup of the AICPA, I am compelled respectfully and sadly to resign from the Institute, and would like herein to explain my reasons for doing so.

AICPA has been neglecting the CPA brand while promoting far less prestigious brands and sub-brands. In the process, it has changed from a proud professional membership organization to a watered-down industry business group. The CPA profession has suffered a degradation in standing as AICPA leadership followed a minority clamoring for new brands and ignored our proud history. One consequence was Congress creating the Public Company Accounting Oversight Board in 2002, thus ending over 100 years of self-regulation.

Your claim of a “landslide” 86.5% approval for the Chartered Global Management Accountant (CGMA) and partnership with the Chartered Institute of Management Accountants (CIMA) is misleading. Unmentioned on aicpa.org is that the vote was 48,945 out of 56,560 cast – from over 412,000 members (of which I suspect well under 400,000 are CPAs). It was no accident that only 12% of membership voted. This ballot was skewed with thousands of CGMA designees conjured into existence in 2012 by offering CGMA to AICPA members without an examination. CIMA won’t reveal it’s membership vote rumored to be 7% participation. Obviously this vote was not an authentic poll of the sentiment of the members.

The disastrous 2001 Cognitor ballot had 134,000 or 39% of all members casting ballots and that vote was 62 percent against. Back then, AICPA mailed a paper Cognitor ballot to each member. CGMA was an online ballot with only email notification. Had I not read the May issue of the *Journal of Accountancy* cover-to-cover, as is my practice, I would not have been aware of the balloting. I saw no mention in the June issue, nor in any issue of *The Tax Adviser*. Undoubtedly, I was not alone in failing to receive that email.

AICPA’s proliferation and encouraging use of non-CPA initials: PFP, FVS, IMTA, NFP, CGMA reminds me of Professor Theodore von Schwarzenhoffen MD AD DDS FLD FFF&F, the foil in Laurel & Hardy’s *The Music Box*. Compared with the CPA credential, these are anemic credentials with few participants, other than the heavily promoted no-CPA-required CGMA. This violates the spirit of the 1936 merger of the American Institute of Accountants and the American Society of Certified Public Accountants, when the Institute agreed to restrict its future members to CPAs.

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CGMA succeeds in fulfilling 1999 AICPA Chairman Robert Elliot's controversial and counter-productive *Vision Project*, "[We must] think carefully about either the breadth of the CPA license or who will qualify as institute members. We have to change one, or we are destined to become the Institute of People Licensed to Do Audits." A critic complained, "[This] exemplifies how a profession can attempt to change without substantial advances in its underlying knowledge base, but instead with a repositioning of claims to knowledge."

Few members are aware that AICPA today operates CPA.com (formerly CPA2Biz) as a for-profit commercial subsidiary. What professional 501(c)(6) utilizes a for-profit and advertises it as, "An AICPA Company"? AICPA has turned a professional membership organization into a business such that the CPA profession is now often referred to as the accounting industry.

I was so excited to join AICPA 38 years ago, when only CPAs could join. It was a privilege that was respected and hard-earned. By straying from the CPA brand, AICPA is headed toward irrelevance, much like the AMA which once represented 85% of doctors and today less than 30%. The National Association of State Boards of Accountancy for the first time enumerated that there are 664,532 actively licensed U.S. CPAs. AICPA today represents only 50% of the profession. Younger CPAs are not joining at the same rate and enthusiasm as did members of my generation.

AICPA was significant when all its members were CPAs. Since AICPA has become a commercial non-exclusively CPA enterprise, I feel that I must with deep sorrow and regret, not renew my membership.

Thank you for taking the time to consider my message. I pray that the state societies do not follow AICPA in admitting non-CPAs.

Sincerely,

Jay Starkman

JS:abm:lo

cc: Barry Melancon, President
Edward Karl, VP Taxation
Boyd Search, CEO, GSCPA
Don Cook, VP, GSPCA
John Sharbaugh, CEO, TSCPA