



PROMETRIC



NASBA

National Association of State Boards of Accountancy

July 7, 2011

Mr. Mead Treadwell
Lieutenant Governor
State of Alaska
P. O. Box 110015
Juneau, AK 99811

Mr. Mead Treadwell
Lieutenant Governor
State of Alaska
550 West 7th Avenue
Anchorage, AK 99501

Dear Lt. Governor Treadwell:

Thank you for your recent letter requesting that Mr. Jason Giamo be excused from the fingerprinting process with regard to the Uniform CPA Examination. We have been asked by our respective organizations to respond on behalf of the National Association of State Boards of Accountancy (NASBA), Prometric (a subsidiary of ETS), and the American Institute of Certified Public Accountants (AICPA). For reasons that are explained in this letter, we respectfully must decline to grant Mr. Giamo an exception from the requirement to provide fingerprint data in order to take the Uniform CPA Examination.

Pursuant to laws of each state, the Uniform CPA Examination (Exam) is required for obtaining a CPA license from the State Boards of Accountancy in all U.S. jurisdictions. In Alaska, Statute Sec. 08.04.130 mandates use of the Exam. Under the direction of a Board of Examiners, comprised of a majority of past and current state regulators, the Exam is developed and scored by the AICPA. NASBA, which is a nonprofit organization composed of all state agencies that license CPAs, issues authorizations for candidates to test in accordance with state board requirements and maintains the confidential database of all Exam candidates. In order to maintain fair testing conditions and protect the public interest, the Exam is administered securely in professional test centers operated by Prometric. Questions used on the Exam are held securely by the AICPA, and all Exam candidates commit to maintain the confidentiality of the Exam content. The obligations of Exam security are statutory as well as contractual, because the primary purpose of CPA licensing is public protection.

Threats to Exam security do exist and NASBA, AICPA, and Prometric have procedures to protect the integrity of the Exam. A high degree of Exam security is not only a contract requirement among NASBA, AICPA and Prometric, and a contract requirement between NASBA and state boards, but it is also a statutory priority. For example, Alaska's Accountancy Act has three direct references to Exam security. Thus, when new tools are developed, that can improve security and, therefore, the protection of the public interest, it makes sense to employ them. The Biometric Identification Management System (BIMS) represents one such improvement.

NASBA, AICPA and Prometric introduced the BIMS in the CPA Exam beginning January 1, 2008, after lengthy consultations with NASBA's member boards and committees. Information about BIMS was widely available well in advance of the start date and was implemented only after due discussions with, and notice to, stakeholders. State boards, state CPA societies, review course providers and 38,000 Exam candidates were notified in 2007 that biometric fingerprinting would be incorporated into the Exam registration process. The biometrics requirement is explained in the Candidate Bulletin which is available to all current and prospective candidates. In the three and a half years since we instituted the BIMS, nearly one million Exam sections have been administered. Only one person, Mr. Giamo, has declined to have his fingerprints taken.

BIMS benefits the examination process and examination-takers in several ways. For example, once a candidate has provided fingerprints the first time he or she enters a Prometric test center, BIMS will verify the candidate's identity each time that individual returns to the test center after a break or to take another Exam section. It is an efficient process and reduces waiting time for candidates. It also protects the candidate's privacy by enabling the individual

to move around the test center without having to carry and present identification documents, and it prevents fraud by detecting test-taking attempts by individuals impersonating other candidates (proxy testing).

BIMS represents a solution that balances candidate privacy, examination security and efficiency of candidate check-in. Biometrics electronically and accurately captures test-taker information from government-issued photo ID documents, and recognizes if a test-taker has enrolled and tested with Prometric previously. It also protects the value of the credentialing program, protects intellectual property, and deters proxy testing and cheating. In addition, it provides an enhanced method of identity verification and ID validation, ensures that the fingerprint data has not been previously presented under a different name (specifically for return test-takers), increases test-takers' perception of security, and improves the overall testing experience. Because BIMS keeps the test-takers' data secure, and because there are stringent security barriers, BIMS builds respect for credentials among peers and in the marketplace.

Fingerprinting is already required by law for numerous other professional licenses throughout the states. Indeed, in Alaska fingerprints are required for other occupations such as mortgage lending, collection agencies, private conservators, nurses, and insurance agents. Other means of candidate identification - such as the use of a passport - have been considered, but thus far deemed to be inadequate because a passport is not a legally "secure document." Government officials and numerous experts have noted that passport identity requirements can be easily circumvented. Indeed, there have been several cases in which applicants have found the vital statistics of a deceased child from a tombstone or obituary and applied for a duplicate birth certificate.

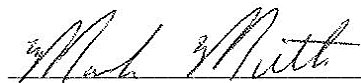
It is also worth noting that this issue was considered by the Alaska Board of Accountancy at its August 28-29, 2008 meeting. After discussion, the Board unanimously adopted the following resolution: "RESOLVED that the Alaska Board of Public Accountancy support NASBA, the AICPA and Prometric's security policies for the Uniform CPA Examination CBT." Further, we note that a bill was introduced in the last session of the Alaska Senate (SB 98) that would have limited the use of biometrics for examination purposes. We enclose, for your consideration, a letter that Prometric sent to the Chair of the Judiciary Committee that discusses the use of biometrics as a test security measure. SB98 did not pass out of committee.

We very much appreciate your interest in this matter; however, BIMS is central to ensuring the integrity of the examination process. We hope the information we have provided in this letter convinces you that our decision to decline Mr. Giamo's request is sound.

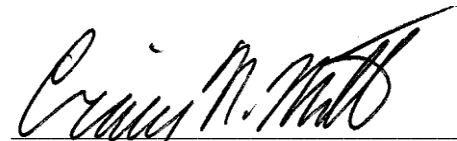
Sincerely,



Ken L. Bishop
Executive Vice President & COO,
National Association of State Boards of Accountancy
(NASBA)



Mark Muth
Vice President, Market Segments
Prometric



Craig Mills, Ed.D.
Vice President, Examinations and Continuing
Professional Education
AICPA

Enclosure