



**JOHN M.
 SPATOLA**

President's Message

Happy New Year to all of our members and I hope you all were able to enjoy the holiday season with family and friends. We now enter the dog days of winter. With winter comes the end of football, the beginning of skiing/snowboarding, the heart of the hockey schedule and of course Tax Season! So now that it's February, after finishing up all the tax projections in mid-January and payroll tax returns in late-January, we enter our "playoffs" as tax professionals.

This past month has been a successful one for the Suffolk Chapter. The Employee Benefits Committee had an in person event covering recent developments in commercial, labor and employment law on January 10 with attorneys from Kaufman, Dolowich & Voluck presenting. (See page 3.)

Then January 12 the Taxation Committee had a virtual event covering New York sales tax best practices including current sales tax challenges, proper administrative procedures, taxability guidance and recent development in New York state sales tax with Mark Stone of Sales Tax Defense presenting. (More on page 4).

We currently have many committees that are in the planning phases for post-tax season social and educational events after the April 15 deadline. We also are planning our first 18 golf outing since 2019. The all day outing will be at

Stonebridge Country Club in Hauppauge and is scheduled for Wednesday, May 17. Make sure to save the date and not miss this great outing!

As always, I encourage all our members to get the most out of their membership by getting involved in one of our many committees. On page 9 of this newsletter is a listing of the chapters and the committee chairs. If interested please reach out and get involved!

I will leave you with some thoughts regarding tax season. Whenever someone asks me what it is like being an accountant during this time of year I normally say its like "trying to fit 10 pounds of potatoes in a 2 pound bag." I also think of the meme to the right that made me laugh explaining this particular topic.

**BEING AN ACCOUNTANT
 IS EASY.
 IT'S LIKE RIDING A BIKE.
 EXCEPT THE BIKE IS ON FIRE.
 YOU'RE ON FIRE.
 EVERYTHING IS ON FIRE.**

I hope you all survive tax season and I look forward to seeing everyone after the tax deadlines! If I can be of any assistance or you have any questions about the NYSSCPA or our Suffolk Chapter, please don't hesitate to contact me at jspatola@ns.cpa.

– John M. Spatola

THIS ISSUE

- 2 | Final Farewell: Howard Levy
- 3-4 | Committee Reports
- 5-7 | Technical Article: Cybersecurity Threats
- 8 | Fun & Games
- 9 | Contacting Us
- 10 | Special Offers from the Suffolk Chapter

Final Farewell: Howard B. Levy



NYSSCPA Suffolk Past President **Howard Levy** recently passed away. He led the Suffolk chapter from 1978-79.

Please read more about him in his [obituary](#) and from one of his colleagues and friends.

Howie had a well-earned reputation as a nationally known expert in auditing - National Audit Partner for Laventhol and Horwath, member of the lead AICPA Auditing committee, prolific author, and other outstanding career accomplishments. But he was much more than that. He was a loyal caring friend who put my daughter up at their house in Las Vegas when she needed a place there.

I met Howard Levy in the early 1970s. I was a partner in Laventhol and Horwath and Howie worked for a firm that has just merged with us. We slowly started a relationship beginning as employer/employee, growing into him becoming my partner in the firm and finally a dear lifetime friend. As Howie moved around the country (Las Vegas, Philadelphia, Tampa and then Las Vegas for good) we always kept in touch. He never missed an opportunity to share some good Long Island Chinese food.

He also had the best sense of humor and would laugh hysterically whether he was repeating a story (for the umpteenth time) about something that happened almost 50 years ago or a story about a recent reunion of his beloved Oceanside H. S. Sailors.

He will be missed.

— Richard E. (“Dick”) Nussbaum

Committee Report: Employee Benefits

On January 10, attorneys from Kaufman Dolowich, a 220-attorney national law firm with industry leading experience in labor and employment, construction, and business law, rang in the New Year for our Chapter members with an informative and lively two hour discussion "Recent Developments in Commercial, Labor and Employment Law" on proactively addressing legal and business issues in the workplace. The firm generously sponsored both the venue and breakfast to offer a free two hours of CPE. The feedback from the attendees was overwhelmingly positive. Members and guests found tremendous value in the presentation and are more prepared to assist their clients as the year begins.

Partner **Rashmee Sinha** educated attendees on discrimination and workplace harassment issues and how employers can take steps to keep their offices compliant. Partner **Aaron Solomon** led a spirited discussion on wage issues to help employers avoid violating the numerous federal, state and local regulations pertaining to this field. Attorney **Solomon Abramov** provided a thorough recap of the recent changes in labor and employment law impacting employers, such as amendments to the whistleblower law, the state-wide rollout of the salary range disclosure law, and the establishment of a sexual harassment hotline. He also discussed the additional notices and policies that employers are required to provide their employees going forward. Attorney **Seth Meyer** discussed strategies businesses can take to protect themselves during the due diligence, contract formation and dispute phases of a business relationship.



This was the Employee Benefits Committee's first live seminar since the COVID pandemic at the M&T Bank building at 100 Motor Parkway in Hauppauge. The Chapter looks forward to future collaboration with Kaufman Dolowich.

COMING SOON!

The committee is currently finalizing details for another three-hour live CPE event on "Top Defined Contribution Plan Trends and Developments" presented by Michael J. Bruenig, CFP®, RF of Harbour Financial. Held in each of the two years preceding COVID, this is a very interesting and informative topic for both 401(k) plan auditors and plan sponsors. Details will be provided soon – keep an eye out for the registration.

The Employee Benefits Committee is always looking to welcome new members who are interested in actively participating. Please reach out to co-chairs Christina Galasso at cgalasso@actnaxservices.com or Felicia Paura at fpaura@sheehancpa.com.

Committee Report: Tax

On Thursday, January 12, the Suffolk Chapter's Tax Committee held its first virtual event of 2023.

We had approximately 25 people for the 1 CPE event, which discussed Sales Tax Best Practices.

The event covered such topics as sales tax challenges, obtaining written advice from the tax department, the proper administrative procedures to follow, taxability guidelines and recent development in sales tax and was presented by **Mark Stone, CPA** of Sales Tax Defense.



Four Cybersecurity Threats Affecting Businesses in January 2023

By Jonathan Dolan
Marcum Technology

Cybersecurity threats are increasing rapidly. Threat groups introduced new ways to proliferate ransomware at the end of 2022 into the new year, including trojanized OneNote documents and new toolkit infrastructures. As a result, companies need to be more aware of potential deficiencies in their overall cybersecurity strategy. Threat hunt queries, offered as part of Marcum Technology's Security Operations Center (SOC) services, are key to identifying potential threats in an organization's environment.

Below are the top four threats that emerged over the past month.

DEV-0569 DEVELOPS NEW WAYS TO DELIVER ROYAL RANSOMWARE

Microsoft is tracking DEV-0569, a malicious group that began deploying the Royal Ransomware in September 2022. Notably, in addition to spam emails, the group's delivery strategy relies on blending into areas well outside of the work inbox.

It's now infiltrating contact forms on company websites, inserting installer files on legitimate sites, and even leveraging Google Ads for "malvertising." Signed binaries with encrypted malware payloads are a hallmark of the group's activity. It also leverages Nsudo in attempts to disable antivirus software.

While the group does plenty of its own delivery, it sometimes relies on phishing as a service, which is offered by threat organizations. DEV-0569 also uses virtual hard disk (VHD) files, a disk image format for storing the entirety of a drive's contents. In a recent attack campaign, contact forms were leveraged for their ability to bypass email protections and thus appear trustworthy. The group used the target company's contact forms, posing as a financial authority. When a response was received, the group replied with a message containing a link to BATLOADER, hosted on GitHub, OneDrive, or other abused services.

continued...





These installers launch a PS script that, among other things, downloads a NirCMD CL utility from NirSoft. This allows the attacker to elevate from local admin to SYSTEM, if it is successful. From there, additional executables are delivered, including the Gozi banking trojan (encrypted) and Vidar Stealer, which uses telegram for C2. This is a change from Zloader, which DEV-0569 stopped using in early 2022. The group has recently used BATLOADER, a downloader malware, to deploy Royal ransomware. Unlike ZLoader, BATLOADER can execute PS scripts in addition to commands, and it uses gpg4win to decrypt payloads.

CRYPTONITE RANSOMWARE

This iteration of Cryptonite (not the Chaos ransomware version with the same name) is coded in Python, considered free and open-source software (FOSS), and available to anyone who can download and deploy it. All a malicious actor needs to do is configure the software (which is as easy as running the exeGen Python script) and define things such as a Bitcoin wallet

address, a contact email address to obtain a decryption key, and which directories not to encrypt. This is all done through a GUI so there is no source code editing and recompiling. The malicious actor also needs a server configured to accept input from the victim's device; the server must be a basic Python web server attached to an SQL lite database.

Cryptonite is deployed with PyInstaller, which adds its files to a randomly named folder on the victim's computer. This ensures the victim will run the malware. It then searches for an active network connection and throws up an error if there is not one. After a connection is established, it begins encrypting the device with Fernet 128-bit AES encryption and adding ".cryptn8" to the file names. Once it is done, it passes the victim's information to the server and displays a ransom window with details on how to get the key to unlock the system.

continued...

TROJANIZED ONENOTE DOCUMENT

Researchers recently uncovered threat actors using a OneNote document to move Formbook malware, an information-stealing trojan sold on an underground hacking forum since mid-2016, as malware as a service. Formbook can steal data from various web browsers and other applications. This malware also has keylogging functionality and can take screenshots. One file type, observed on December 6, 2022, was a OneNote attachment with a .one extension file attached to a spam email. Once the OneNote attachment is opened, an image lure is displayed with the words 'View Document' on the image. Clicking 'View Document' executes the WSF file and triggers a warning prompt stating that a file is being opened from the OneNote application. When the user goes against the warning and clicks 'OK,' the malicious behavior of the file starts to manifest. The WSF embedded in the OneNote file launches 'PowerShell' commands to download and execute two files. The first file is a decoy OneNote file. The decoy file is launched first to hide the download of the second file, which contains the payload. The second file is an executable — the Formbook malware.

KIMSUKY THREAT GROUP

The Cybereason Nocturnus Team has discovered a new toolkit infrastructure used by the Kimsuky gang, an infamous activity organization that has acted on behalf of the North Korean regime since 2012. After a thorough assessment of the new infrastructure, along with pattern analysis, the team identified the KGH Spyware Suite, a modular virus likely

implicated in recent espionage activities, and the CSPY downloader, both previously unknown.

The US-CERT published a report that summarized Kimsuky's recent activities and described the group's TTPs and infrastructure. There were some intriguing parallels between the earlier Kimsuky malware and servers and the newly identified malware and infrastructure. Additionally, there were significant behavioral and coding similarities between the new malware variants and previously identified Kimsuky malware and TTPs. It is clear the threat actors tried to stay under the radar by adopting different anti-forensics and anti-analysis measures. These include backdating the malware samples' creation/compilation time to 2016, code obfuscation, anti-VM, and anti-debugging techniques. CISA and the FBI advised individuals and organizations within this target profile to strengthen their defenses and adopt a heightened state of awareness. Particularly important mitigations include multi-factor authentication, user awareness training, and safeguards against spear phishing.

If your firm has a technical article that you'd like re-printed in this newsletter, please contact newsletter editor Rebecca Brodsky, Rebecca.A.Brodsky@ey.com.

FUN & GAMES: Name That Color!

You know your ROYGBIV. How's your color acumen for additional colors? Some are pretty simple; others, not so much...



1.

- A. CRIMSON
- B. CELADON
- C. COPPER
- D. PHLOX



2.

- A. TERRA-COTTA
- B. MULBERRY
- C. IRIS
- D. GOLDENROD



3.

- A. VIRIDIAN
- B. CERULEAN
- C. OCHRE
- D. CARMINE



4.

- A. CHESTNUT
- B. JASPER
- C. SAFFRON
- D. ORCHID



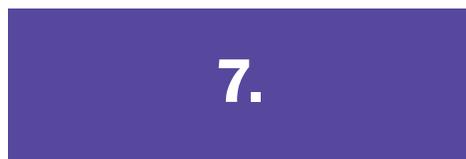
5.

- A. MELLOW YELLOW
- B. AMARANTH
- C. MAGENTA
- D. OCHER BROWN



6.

- A. TAWNY
- B. FULVOUS
- C. MAUVE
- D. AZURE



7.

- A. LAVENDER
- B. CARMINE
- C. ECRU
- D. ONYX



8.

- A. PARCHMENT
- B. SMALT
- C. BISQUE
- D. PERSIMMON

How'd you do? Flip to see if you're right...

5. **D.** Ocher is "an earthy red or yellow and often impure iron ore used in pigment."
 6. **C.** Mauve refers to the color of the mallow flower petal.
 7. **C.** Ecrú comes directly from the French word meaning "unbleached."
 8. **B.** Smalt comes from the blue glass and is from the German word meaning "to melt."

1. **A.** Crimson comes from Arabic by way of old Spanish by way of Middle English.
 2. **A.** Terra-cotta comes from the Italian word meaning baked earth."
 3. **B.** Cerulean is poetically defined as "resembling the blue of the sky."
 4. **B.** Jasper is an ancient Hebrew word meaning "glistening" or "polish."

SOURCE: merriam-webster.com

Suffolk Chapter BOARD & COMMITTEES

PRESIDENT

John M. Spatola, CPA/ABV/CFF, CVA, CFE
Nawrocki Smith, LLP
(631) 756-9500
jspatola@ns.cpa

PRESIDENT-ELECT

Robert J. Huether, CPA
The Estée Lauder Companies Inc.
(631) 454-7000
rhuether@estee.com

VICE PRESIDENT

Rebecca Brodsky, CPA
Ernst & Young LLP
(516) 336-0171
Rebecca.A.Brodsky@ey.com

TREASURER

Phil Marciano, CPA
Marks Paneth LLP
(516) 992-5841
pmarciano@markspaneth.com

SECRETARY

William Harris, CPA
Ernst & Young LLP
(516) 336-0120
william.r.harris@ey.com

IMMEDIATE PAST PRESIDENT

William Huether, CPA, CGMA
Sheehan & Company CPA, PC
(631) 665-7040
whuether@sheehancpa.com

EXECUTIVE BOARD

Christopher A. Angotta, CPA
Nawrocki Smith LLP
(631) 756-9500
cangotta@ns.cpa

Stephen Dagnell, CPA
Grant Thornton, LLP
(631) 577-1843
stephen.dagnell@us.gt.com

Christina Galasso, CPA
CBIZ Marks Paneth LLP
(516) 992-5821
cgalasso@markspaneth.com

Frank Giambruno, CPA
Frank J. Giambruno, CPA PLLC
(631) 780-5444
frank@fjgcpatax.com

Michael T. Joy, CPA, CGMA
Raich Ende Malter & Co., LLP
(516) 228-9000
mjoy@rem-co.com

Thomas S. Pirro, CPA
Thomas Pirro, CPA, P.C.
(631) 472-7637
tpirrocpa@optonline.net

Ernest Patrick Smith, CPA/ABV/CFF, CVA, CFE
Nawrocki Smith, LLP
(631) 756-9500
epsmith@ns.cpa

Janet T. Verneuille, CPA
First National Bank
(516) 671-4901, ext. 7462
janet.verneuille@fnbli.com

ACCOUNTING & AUDITING
Paul Becht, CPA
Baker Tilly
(516) 240-4295
pbecht@bakertilly.com

CONSTRUCTION CONTRACTORS & REAL ESTATE

Matthew Slack
UHY, LLP
(631) 712-6860
mslack@uhy-up.com

COOPERATION WITH EDUCATIONAL INSTITUTIONS

John Hermus, CPA, CGMA
Sheehan & Company CPA, PC
(631) 665-7040
jhermus@sheehancpa.com

EAST END

Sean Kelly, CPA
Friedman LLP
(631) 596-0653
skelly@friedmanllp.com

EMPLOYEE BENEFITS

Christina Galasso, CPA
CBIZ Marks Paneth LLP
(516) 992-5821
cgalasso@markspaneth.com

Felicia Paura, CPA
Sheehan & Company CPA, PC
(631) 665-7040
fpaura@sheehancpa.com

ESTATE/FINANCIAL PLANNING

Eric Goodman
The Quintessential Experience
(631) 389-2308
goodman_eric@nlgrouppmail.com

FORENSIC AND VALUATION SERVICES

Ernest Patrick Smith, CPA/ABV/CFF, CVA, CFE
Nawrocki Smith, LLP
(631) 756-9500
epsmith@ns.cpa

John M. Spatola, CPA/ABV/CFF, CVA, CFE
Nawrocki Smith, LLP
(631) 756-9500
jspatola@ns.cpa

GENERAL TAXATION

John M. Spatola, CPA/ABV/CFF, CVA, CFE
Nawrocki Smith, LLP
(631) 756-9500
spatola@ns.cpa

Nancy Watts, CPA
Nawrocki Smith LLP
(631) 756-9500
nwatts@ns.cpa

GOLF OUTING

John Hermus, CPA, CGMA
Sheehan & Company CPA, PC
(631) 665-7040
jhermus@sheehancpa.com

MEMBERS IN INDUSTRY

Ernest Patrick Smith, CPA/ABV/CFF, CVA, CFE
Nawrocki Smith, LLP
(631) 756-9500
epsmith@ns.cpa

Janet T. Verneuille, CPA
First National Bank
(516) 671-4901, ext. 7462
janet.verneuille@fnbli.com

MEMBERSHIP

Robert Huether, CPA
Estee Lauder Co.
(631) 454-7000
rhuether@estee.com

John M. Spatola, CPA/ABV/CFF, CVA, CFE
Nawrocki Smith, LLP
(631) 756-9500
jspatola@ns.cpa

NEXTGEN

Robert Huether, CPA
Estee Lauder Co.
(631) 454-7000
rhuether@estee.com

NOMINATING

William Huether, CPA, CGMA
Sheehan & Company CPA, PC
(631) 665-7040
whuether@sheehancpa.com

NOT-FOR-PROFIT & GOVERNMENT ACCOUNTING & AUDITING

Kenneth R. Cerini, CPA
Cerini & Associates, LLP
(631) 582-1600
kenc@ceriniandassociates.com

PUBLIC RELATIONS

John M. Spatola, CPA/ABV/CFF, CVA, CFE
Nawrocki Smith, LLP
(631) 756-9500
spatola@ns.cpa

SPONSORSHIP

Thomas S. Pirro, CPA
Thomas S. Pirro, CPA, P.C.
(631) 472-7637
tpirrocpa@optonline.net

STATE SOCIETY DIRECTOR

REPRESENTING SUFFOLK
Phil Marciano, CPA, CGMA, CGFM
CBIZ Marks Paneth
(516) 992-5841
pmarciano@markspaneth.com

The NYSSCPA Suffolk Chapter has a few committees looking for a chair!

- COOPERATION WITH ATTORNEYS
- COOPERATION WITH BANKERS & OTHER CREDIT GRANTORS
- EMERGING TECHNOLOGIES
- MANAGEMENT OF AN ACCOUNTING PRACTICE
- SMALL BUSINESS

Get Involved! NYSSCPA SUFFOLK

COMMITTEE SERVICE APPLICATION

Here's a way to get involved with NYSSCPA Suffolk and help make a difference! Please rank the top 3 committees in which you have an interest:



- | | |
|---|--|
| <input type="checkbox"/> Accounting & Auditing | <input type="checkbox"/> Estate/Financial Planning |
| <input type="checkbox"/> Community Affairs | <input type="checkbox"/> Forensic and Valuation Services |
| <input type="checkbox"/> Construction Contractors | <input type="checkbox"/> General Taxation |
| <input type="checkbox"/> Cooperation with Attorneys | <input type="checkbox"/> Golf Outing |
| <input type="checkbox"/> Cooperation with Bankers and Other Credit Grantors | <input type="checkbox"/> Management of Accounting Practice |
| <input type="checkbox"/> Cooperation with Educational Institutions | <input type="checkbox"/> Members in Industry |
| <input type="checkbox"/> CPE/Professional Development | <input type="checkbox"/> Membership |
| <input type="checkbox"/> East End | <input type="checkbox"/> NextGen (Young CPAs) |
| <input type="checkbox"/> Emerging Technologies | <input type="checkbox"/> Not-for-Profit & Government |
| <input type="checkbox"/> Employee Benefits | <input type="checkbox"/> Public Relations |
| | <input type="checkbox"/> Real Estate & Construction |
| | <input type="checkbox"/> Small Business |

Please forward your response to:

John M. Spatola, (631) 756-9500, jspatola@ns.cpa

SUFFOLK CHAPTER SPONSORSHIP PROGRAM

Here's your chance to make the most of your membership! SPONSOR ONE OF OUR EVENTS and get in front of colleagues, referral sources, and potential clients.



Newsletter Editor:

Rebecca Brodsky, CPA

Ernst & Young LLP

(516) 336-0171

Rebecca.A.Brodsky@ey.com

Design/Layout:

Flo Federman

Marcum LLP

flo.federman@marcumllp.com

The Suffolk Chapter newsletter is published monthly (bi-monthly January through August) by the Suffolk Chapter of the New York State Society of CPAs.

Step One: Choose the type of event based on your target audience.

- golf outings
- informational seminars
- networking events
- charitable events
- technical workshops

Step Two: Become a sponsor. At a cost of \$1,000 you receive:

- recognition in the Suffolk Chapter newsletter
- logo/recognition in all event flyers
- opportunity to speak at the event
- booth or table display space

To take advantage of this great offer, contact our Sponsorship Chair:

Thomas S. Pirro: (631) 472-7637; tpirrocpa@optonline.net