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ROYAL CANADIAN MOUNTED POLICE

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CRIMINAL CHARGES LAID AGAINST FORMER TOP EXECUTIVES OF NORTEL NETWORKS CORPORATION ("NORTEL")

(TORONTO, ON – June 19, 2008) - The Royal Canadian Mounted Police Greater Toronto Area Integrated Market Enforcement Team (RCMP GTA IMET) has charged:

Frank Dunn, age 54 of Oakville, Ontario, former CEO of Nortel;
Two count under Section 380(1)(a) of the Criminal Code of Canada;
Two counts under Section 397(1) of the Criminal Code of Canada; and
Three counts under Section 400(1) of the Criminal Code of Canada.

Douglas Beatty, age 53 of Toronto, Ontario, former CFO of Nortel;
Two count under Section 380(1)(a) of the Criminal Code of Canada;
Two counts under Section 397(1) of the Criminal Code of Canada; and
Three counts under Section 400(1) of the Criminal Code of Canada.

Michael Gollogly, age 49 of Oakville, Ontario, former Corporate Controller of Nortel;
Two count under Section 380(1)(a) of the Criminal Code of Canada;
Two counts under Section 397(1) of the Criminal Code of Canada; and
Three counts under Section 400(1) of the Criminal Code of Canada.

The fraud-related charges include: Fraud Affecting Public Market, Falsification of books and documents and False Prospectus. These charges pertain to allegations of criminal activity within Nortel Networks during 2002 and 2003. National IMET Program Leader C/Supt. Stephen White says, "Protecting and enhancing Canada's economic integrity is one of the RCMP's strategic priorities. This investigation demonstrates that although capital market investigations can be lengthy and complex, they are most effective when an integrated approach is used from the outset. We remain committed to working with our many partners nationally and internationally to prevent, detect and investigate serious capital markets fraud."

Section 380(1)(a) of the Criminal Code of Canada;



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Fraud Affecting public market

Section 397(1) of the Criminal Code of Canada; and
Falsification of books and documents

Section 400(1) of the Criminal Code of Canada.
False Prospectus

Pertaining to the Section 380 charge RCMP IMET allege that Dunn, Beatty and Gollogly fraudulently misstated the financial results of Nortel. The RCMP IMET further alleges in regards to the Section 397 charges that Dunn, Beatty and Gollogly made false entries and omitted materials particular in the books and documents in regards to the financial results of Nortel. The Section 400 charges allege that Dunn, Beatty and Gollogly circulated or published a statement or an account whether or not it was written or oral, knowing that it was false in a material particular, with the intent to deceive or defraud the members, shareholders or creditors of Nortel Networks Corporation. All of the charges pertain to the fiscal time period between January 1, 2002 and June 30, 2003, and allege that the financial statements of Nortel during this time period were misstated. This fiscal time period represents the fiscal year of 2002 and the First Quarter and Second Quarter of 2003.

"Investigations like this require the cooperation and support of many agencies domestically and internationally," stated Officer in Charge of the RCMP GTA IMET, Kevin Harrison. "It is through partnerships which leverage expertise at the local, national and international levels that police are able to complete investigations with this kind of complexity and scope. The cooperation received from the Ontario Securities Commission, the Dallas Field Office of the Federal Bureau of Investigation, the United States Securities and Exchange Commission, and Nortel Networks itself, enhanced the ability of the RCMP GTA IMET to advance the investigation."

Dunn, Beatty and Gollogly are scheduled for a first appearance at Newmarket Court on June 19, 2008.

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For more information contact:
Sgt. Marc LaPorte
RCMP "O" Division Media Relations
Office: 416-790-3200
Cell: 416-992-4409

For more information on IMETs
www.rcmp.ca/imets/imets_e.htm



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