

The Fight Against White Collar Crime

BY MIKE DE SOUZA, CANWEST NEWS SERVICE SEPTEMBER 4, 2009



Earl Jones, 60, was accused of bilking clients out of as much as \$50 million is described by those who know him as smooth, friendly and personable.

Photograph by: Dave Sidaway, Montreal Gazette

Diane A. Urquhart, Independent Financial Analyst
Justice Committee on Bill C-52 – November 23, 2009

PricewaterhouseCoopers Ranks Canada as 4th Most Fraudulent Country Out of 54 Countries - New November 20, 2009 Global Economic Crime Survey

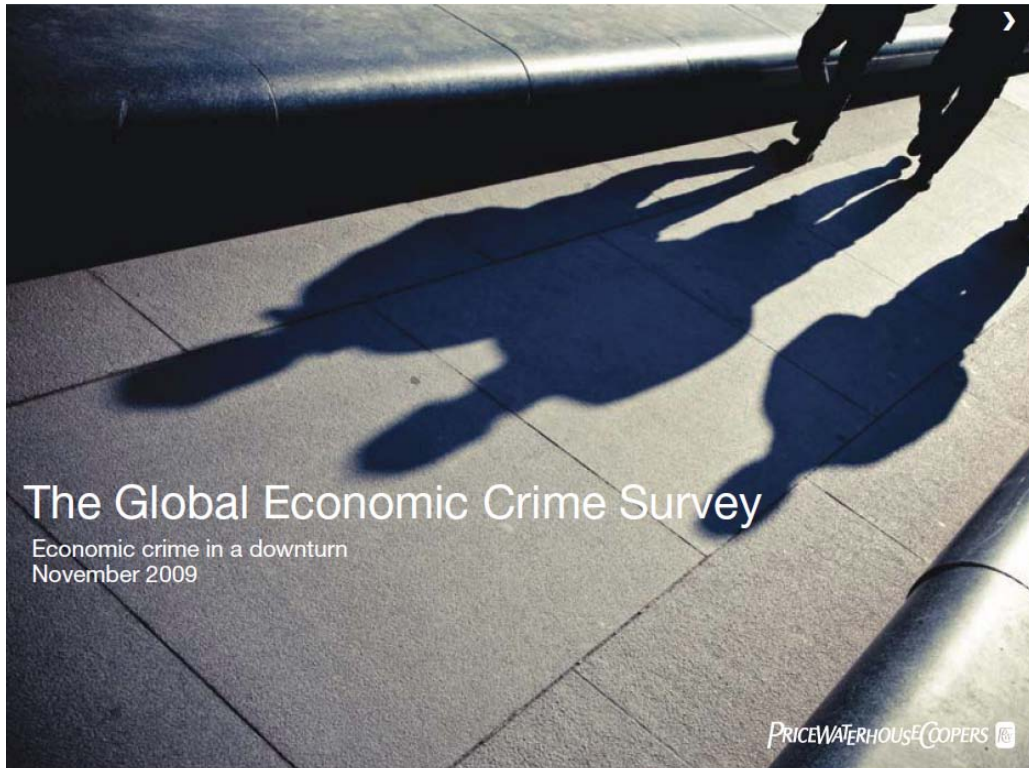


Table 2: Of the territory respondents, percentage that reported fraud

| Territories that reported high levels of fraud (40% or more) | % Organisations |
|--|-----------------|
| Russia | 71% |
| South Africa | 62% |
| Kenya | 57% |
| Canada | 56% |
| Mexico | 51% |
| Ukraine | 45% |
| UK | 43% |
| New Zealand | 42% |
| Australia | 40% |
| Territories that reported low levels of fraud (20% or less) | % Organisations |
| Italy | 19% |
| Sweden | 19% |
| Singapore | 18% |
| India | 18% |
| Indonesia | 18% |
| Switzerland | 17% |
| Finland | 17% |
| Romania | 16% |
| Netherlands | 15% |
| Turkey | 15% |
| Hong Kong | 13% |
| Japan | 10% |

THE WALL STREET JOURNAL

Photo Journal

Check out the images behind stories making news world-wide.

- October 8, 2009, 2:27 PM ET

Pictures of the Day



Stan and Barbara Araeli, former Nortel Networks employees, protested their loss of pension and severance pay in Toronto Wednesday. The telecommunications-equipment maker filed for court protection from creditors in the U.S., Canada and elsewhere in January. It's being broken up in an effort to raise cash for creditors. (Mark Blinch/Reuters)



**NPSCF & USCO Sponsored
Media Conference
on White Collar Crime
September 15, 2009**

| | | |
|--|----------------|---------------------------------|
| United Senior Citizens of Ontario | Ontario | Marie Smith |
| Independent Financial Analyst | Ontario | Diane Urquhart |
| ABCP Retail Owners Committee | National | Mike Miles Angela Speller |
| Nortel Bankruptcy Justice Committee | National | Melanie Johannink |
| Norshield Victim Group | Ontario/Quebec | Chris Ouslis |
| Bre-X Victim Group | National | Jim Roache |
| Former Detective Sergeant Toronto Police Services Fraud Squad | Ontario | Gary Logan |
| National Pensioners and Senior Citizens Federation | National | Kevin Hayes |
| Earl Jones Victims Organizing Committee | Quebec | Joey Davis |
| Shire Victims Committee | Alberta | Jennifer Lofgren |
| Norbourn Victims Committee | Quebec | Jean Guy Houle Pierre Gravel |
| Progressive Management Victims Committee | Quebec | Jacob L. Rothman |
| Mount Real Victims Committee | Quebec | Janet Watson |

Agree with Bill C-52 White Collar Crime Criminal Code Amendments

minimum punishment of imprisonment for a term of two years if the total value of the subject-matter of the offences exceeds one million dollars.

the offence had a significant impact on the victims given their personal circumstances including their age, health and financial situation;

the offender did not comply with a licensing requirement, or professional standard, that is normally applicable to the activity or conduct that forms the subject-matter of the offence; [\[licensing standards for investment advisors and dealer representatives are very low\]](#)

may make, subject to the conditions or exemptions that the court directs, an order prohibiting the offender from seeking, obtaining or continuing any employment, or becoming or being a volunteer in any capacity, that involves having authority over the real property, money or valuable security of another person.

Agree with the Bill C-52 White Collar Crime Criminal Code Amendments

shall consider making a restitution order.

the court shall inquire of the prosecutor if reasonable steps have been taken to provide the victims with an opportunity to indicate whether they are seeking restitution for their losses, the amount of which must be readily ascertainable.

Victims may indicate whether they are seeking restitution by completing Form 34.1 in Part XXVIII or a form approved for that purpose by the Lieutenant Governor in Council of the province where the court has jurisdiction or by using any other method approved by the court, and, if they are seeking restitution, shall establish their losses, the amount of which must be readily ascertainable, in the same manner.

If the court decides not to make a restitution order, it shall give reasons for its decision and shall cause those reasons to be stated in the record.

Federal Government is Moving To Fix Broken Securities Regulation Enforcement And Securities Crime Policing System

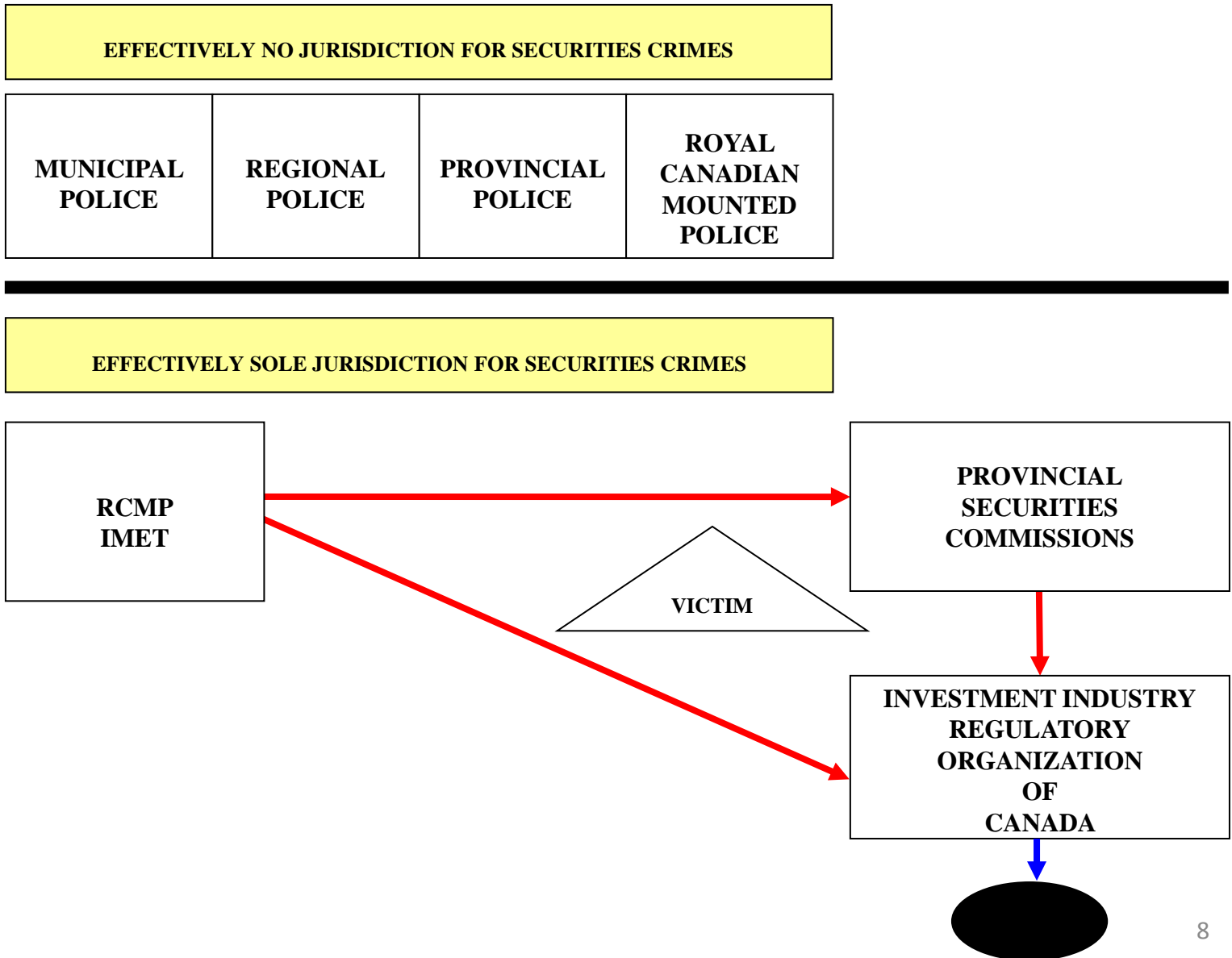
Need to make sure reforms are not superficial whitewashes

- Same old structures
- Same old procedures
- Same people in charge
(Can't say same old people in charge!)
- Same controlled process
without accountability to the public



Need to Fix Securities Regulation Enforcement and Securities Crime Policing

Both Systems are Ineffective



RCMP IMET Not Independent of the Securities Industry

Letter from Dean Buzza, Director of the RCMP Integrated Market Enforcement Team, addressed to Mr. and Mrs. Urquhart, dated December 11, 2008 says:

“In the case of the IMET investigation, the Unit Commander is obliged, by the conditions imposed by the federal government, to present all potential investigations to the Unit's Joint Consultative Group ("JCG"), which is comprised of managers from various agencies involved in the enforcement and prosecution of criminal, "quasi-criminal," and/or regulatory matters.”

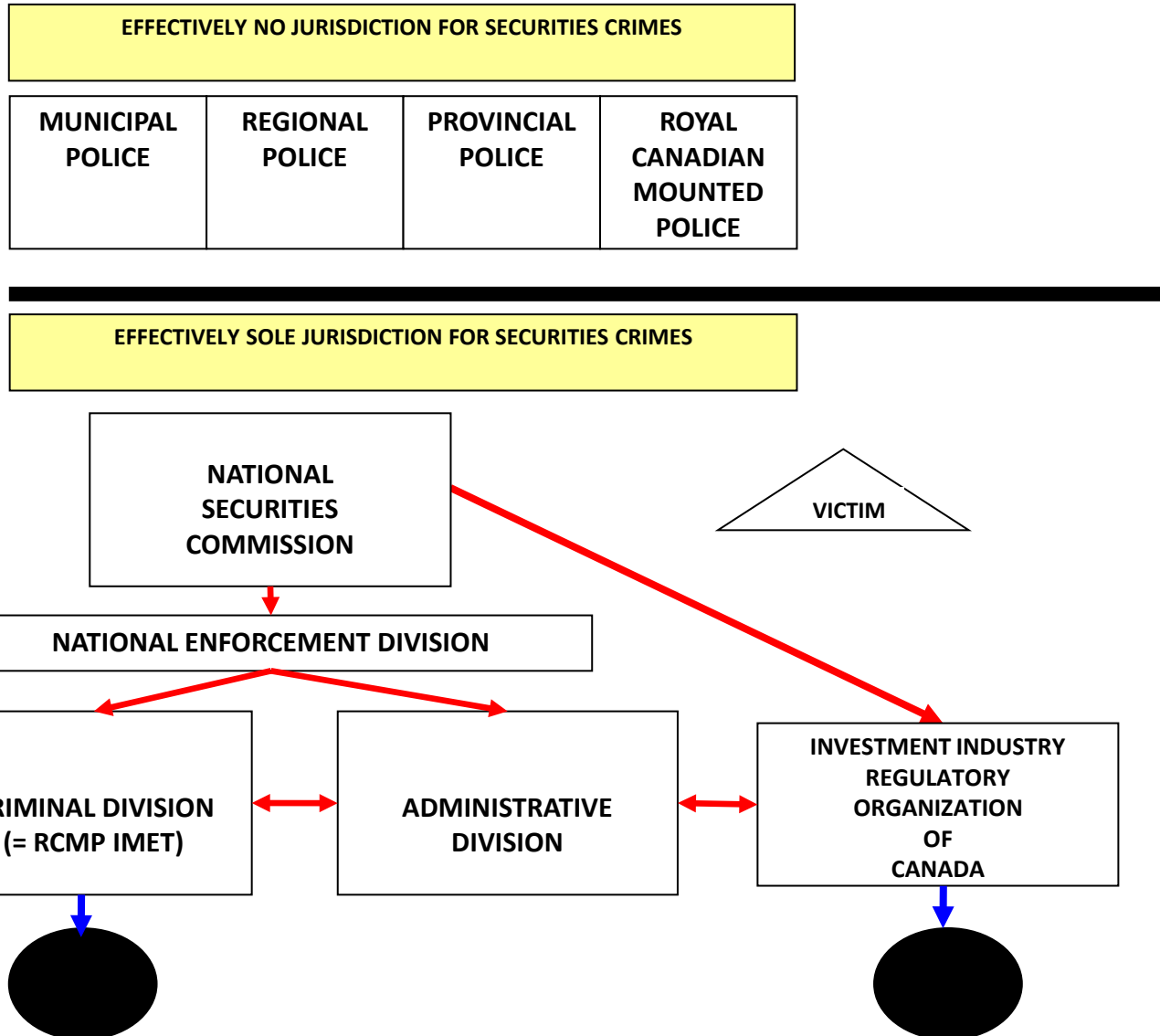
Joint Consultation Group Recommends Securities Crime Investigations

Members of the Joint Consultation Group:

- RCMP IMET
- Investment Industry Self-Regulatory Organizations
 - Investment Industry Regulatory Organization of Canada
 - Mutual Fund Dealers Association of Canada
- OSC and other Provincial Securities Commissions



Do Not Adopt the Model of Securities Crime Police Becoming a Division of the New National Securities Commission



Do Not Adopt the Country Club Model for the New National Securities Commission & Securities Crime Policing

A crown agency with its own private Board of Directors

- closed door meetings
 - no published minutes
 - report only to the Minister of Finance
 - not report to any House of Commons Standing Com
- no opportunity for experts and investing public to give sworn published testimony
 - no protections from investment industry reprisals for whistle blowers



Enforcement practices not within the jurisdiction for audit by the Auditor General of Canada.

Securities criminal enforcement not under the supervision of a Police Services Board, whose procedures meet the Governance Standards of the Canadian Association of Police Boards.