

March 15, 2011

Honourable Minister Rob Nicholson
Federal Minister of Justice and Attorney General

Honourable Minister Vic Toews
Federal Minister of Public Safety

Dear Honourable Ministers Rob Nicholson and Vic Toews:

We are a working group of individuals representing various victim groups of alleged or determined securities offences or criminal investment fraud (broadly defined as investment fraud.) We have been proactively engaged with the Federal Ministries of Justice, Public Safety and Finance, Provincial securities regulators, Federal, Provincial, Regional and Municipal police forces, and the Provincial civil and bankruptcy courts.

Our goal has been not only to obtain restitution, or compensation, for our individual losses caused by various forms of investment fraud, but more importantly to seek justice through our support for the governments' minimum sentencing and parole bills currently under review in the Senate.

Our groups concur, based on our personal experiences with the system, that in addition to changes in criminal law, we need changes in the investment fraud enforcement organizational structure and procedures. Canada must do a better job detecting and prosecuting persons and organizations that commit all forms of investment fraud. We believe that financial restitution for the victims and jail sentences for the perpetrators will serve society by establishing a strong deterrent against investment fraud.

On February 18, 2011, the Canadian Foundation for Advancement of Investor Rights (FAIR Canada) released a new report on ["A Decade of Financial Scandals"](#) which calls for a National Action Plan to Tackle Investment Fraud. The signatories to this letter fully agree with this report, and support the recommendations as proposed by FAIR Canada in tackling financial fraud.

Our groups, working together, would like to take the initiative and be actively engaged on this front by co-organizing and participating in a Summit on Investment Fraud Enforcement, suggested to be held in Ottawa, Ontario sometime in the coming months. In addition, to FAIR Canada's recommended participants being the Federal and Provincial Attorneys General, securities regulators and police, we would like to extend the invitation list to include the following persons and agencies:

- Leaders of investment fraud victim groups;
- Federal and Provincial Public Safety Ministers, who are responsible for the budgets and effectiveness of police services;

- Leaders within the Canadian Association of Police Boards, whose members formulate police services' budgets and priorities, and where the associations sets standards for police services' governance;
- Investment fraud police with a record of achievement, such as Gary Logan, former Detective Sergeant of the Toronto Police Services Fraud Squad..

We agree with FAIR Canada's recommendation for the Federal Government to consider the creation of a national agency of experts specifically targeting investment and other financial fraud. Gary Logan put a proposal for a New Securities Crime Unit (SCU) before the Federal and Provincial Ministers of Public Safety in 2009. The proposal described at www.ismymoneysafe.org is for a new unit of police experts receiving and assessing investment fraud complaints from victims and whistleblowers throughout Canada. While Mr. Logan's proposal had - investigations and prosecutions being done by various police services fraud squads across Canada according to pre-determined protocols, the new agency could also include a multi-disciplinary team of police, legal, forensic accounting and securities experts conducting its own investigations and prosecutions on very complex investment frauds.

The National Securities Commission solution for securities law offences is needed too. But we must be careful to keep distinct and separate agencies, and jurisdictions between the securities regulators enforcing securities law offences, and police services enforcing the criminal code sections on investment fraud.

The following is a list of other subjects we would like to discuss in the proposed Summit agenda:

- National Database Of Investment Fraud Offenders, with case histories
- National Investment Fraud Tip Hot-Line (1-888-ANTI-FRAUD) for the reporting of suspected cases of fraud
- National Whistle Blower Protection Policy
- National Victims Of Fraud Assistance Fund
- Canadian Charter of Victims Rights
- National Fraud Victims Indemnity Fund (idea from Robert Pouliot and Reynald Harpin from FidRisk in Quebec)
- Amended tax code provisions for the Canadian Revenue Agency (CRA) - recouping lost income taxes paid on fraudulent income
- National High School Awareness & Education Campaign, (starting at levels of Grade 10 and above)

If Canada does not act fast against all forms of investment fraud, the integrity of our capital markets and economy are further threatened to erode. Damages are being done to the very fabric of our society at large.

Sincerely,

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Supporting Organizations and Individuals

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 Ken Cunningham, President of United Senior Citizens of Ontario
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CC:

Provincial Ministers of Justice and Attorney Generals
 Provincial Ministers of Public Safety
 Canadian Association of Police Chiefs
 Canadian Association of Police Boards
 Senators