

CHARTERED PROFESSIONAL ACCOUNTANTS OF ONTARIO  
(THE INSTITUTE OF CHARTERED ACCOUNTANTS OF ONTARIO)  
*THE CHARTERED ACCOUNTANTS ACT, 2010*

**DISCIPLINE COMMITTEE**

**IN THE MATTER OF:** An Allegation against **AMIT GROVER, CPA, CA**, under **Rule 201.1** of the Rules of Professional Conduct, as amended.

**TO:** Mr. Amit Grover

**AND TO:** The Professional Conduct Committee

**REASONS**  
**(Decision and Order made April 26, 2016)**

1. This tribunal of the Discipline Committee met on April 26, 2016 to hear an allegation of professional misconduct brought by the Professional Conduct Committee against Amit Grover, a Member.

2. Ms. Alexandra Hersak appeared on behalf of the Professional Conduct Committee (PCC), accompanied by Mr. Scott Porter, the investigator for the PCC. Mr. Grover was not represented by counsel and did not attend. Mr. Glenn Stuart attended the hearing as counsel to the Discipline Committee.

**Proceeding in Mr. Grover's absence**

3. Ms. Hersak filed the Affidavit of Diane Williamson, sworn April 13, 2016, (Exhibit 1) in which Ms. Williamson stated that Mr. Grover had confirmed to her by email on February 9, 2016, that he was available for a hearing from April 26 to 28, 2016. Ms. Williamson had emailed Mr. Grover on February 25, 2016, to confirm that the hearing would be proceeding on April 26, 2016; she subsequently received confirmation that this email had been delivered. On March 15, 2016, Ms. Williamson sent the notice of hearing to Mr. Grover by email, for which she received confirmation of receipt and also mailed a copy by regular mail to the last known mailing address of Mr. Grover.

4. Ms. Hersak also filed the Affidavit of Service of Mervyn Archdall, sworn January 15, 2016, (Exhibit 2) that established that the Allegation had been personally served on Mr. Grover by Mr. Archdall, a process server, on January 13, 2016.

5. Ms. Hersak also advised the tribunal that she had attempted to correspond by email with Mr. Grover in February and again in April, but she had received no response.

6. The tribunal determined on the basis of this evidence that Mr. Grover had received proper notice of the hearing and decided to proceed in his absence.

7. The decision of the tribunal was made known at the conclusion of the hearing on April

26, 2016, and the written Decision and Order was sent to the parties on April 27, 2016. These reasons, given pursuant to Rule 20.04 of the Rules of Practice and Procedure, include the allegation, the decision, the order, and the reasons of the tribunal for its decision and order.

### **Allegation**

8. The following allegation was made against Mr. Grover by the Professional Conduct Committee on January 6, 2016:

THAT the said Amit Grover, in or about the period February 1, 2013, through September 30, 2013, failed to act in a manner which will maintain the good reputation of the profession and its ability to serve the public interest contrary to Rule 201.1 of the Rules of Professional Conduct in that he misappropriated from his employer, "XX LLP," monies in excess of \$25,000 through the submission of false expense claims.

### **Plea**

9. A plea of not guilty to the allegation was entered on Mr. Grover's behalf.

### **Background and Submissions of the PCC**

10. Mr. Porter, the investigator for the PCC, was affirmed as a witness and provided background information on this matter, referring to the Document Brief (Exhibit 3) filed by Ms. Hersak. The complaint had been received from Mr. Grover's former firm who had terminated Mr. Grover's employment for cause. The complaint indicated that Mr. Grover had submitted alleged business expenses to the firm for reimbursement when the expenses were not ultimately incurred by him. Mr. Grover had indicated he was undergoing personal, financial and health problems during the period of misappropriation.

11. Mr. Porter stated that Mr. Grover, who was working at the firm's Calgary office, was doing forensic work for a client in Toronto. The firm's policy allowed employees to fly home on weekends or to bring their spouse to Toronto. Mr. Grover admitted to Mr. Porter that Mr. Grover had booked flights home for weekends between Toronto and Calgary on his personal credit card, which he then immediately cancelled for a refund. Mr. Grover submitted expense claims for the cost of these flights, even though they were not taken and he was not out of pocket, and falsified taxi receipts to and from the airports. Mr. Grover confirmed to Mr. Porter that he did not take the taxi trips but filled in a blank receipt for reimbursement.

12. The submitted expenses were approved and paid to Mr. Grover by the Calgary office. The firm's policy to use a company credit card and travel coordinator was not enforced at that time. Mr. Porter stated that the matter came to light when another employee noticed irregular patterns in the flight times and hotel stays. Without further inquiries, the employer confirmed that Mr. Grover had not been seen on weekends in Calgary and had not checked out of his Toronto hotel. The airline confirmed to the firm that Mr. Grover had cancelled the flights and received refunds for the charges.

13. Mr. Grover initially denied to the firm that there was any wrongdoing. The firm's legal and HR departments took over the investigation and requested further documentation from Mr. Grover. When the firm pressed him on the issue, Mr. Grover denied that he had received any refunds for the flights he did not take. Having been asked for supporting documentation, Mr.

Grover then submitted false credit card statements, which he had amended on his computer. It was only when the firm confronted him with further evidence that Mr. Grover admitted the deception. Mr. Grover admitted using a computer editor to alter the credit card statements by removing the credits before submitting the statements to the individuals reviewing his conduct. At the time, the firm was only aware of five falsified transactions. The firm proceeded to terminate his employment and deduct the cost of the five transactions from Mr. Grover's final pay.

14. Mr. Porter stated that, a few months later, the firm's forensic team did a search of Mr. Grover's computer and found additional altered statements. In this way, the firm identified that there had been a total of 27 falsified transactions. Mr. Porter confirmed each of these. At the meeting with the PCC, Mr. Grover said he was willing to pay the money back to the firm. To Mr. Porter's knowledge, no request has been made by the firm for repayment.

15. Mr. Grover had stated to Mr. Porter that at the time he was under a great deal of personal stress and the money he improperly claimed from these reimbursements alleviated some of his financial burden.

16. Ms. Hersak submitted that the testimony provided by Mr. Porter and the documents in the document brief were clear, cogent and compelling evidence to prove the allegation that Mr. Grover misappropriated money, contrary to Rule 201.1, and that he should be found guilty of the allegation of professional misconduct.

### **The Decision**

17. The tribunal found, on the uncontested evidence, that the allegation had been proven. After deliberating, the tribunal announced the following decision:

THAT having determined to proceed with the hearing in the absence of Mr. Grover, being satisfied that he had proper notice of the hearing, and having entered on his behalf a plea of not guilty to the Allegation, and having seen, heard and considered the evidence, the Discipline Committee finds Amit Grover guilty of the Allegation of professional misconduct.

### **Reasons for Decision**

18. Having seen, heard and considered the evidence provided on behalf of the PCC, the tribunal concluded that the evidence was clear, cogent and compelling and was sufficient to prove the allegation on a balance of probabilities.

19. The tribunal concluded that the evidence proved that Mr. Grover not only committed the acts that would amount to fraud, but that he intended to defraud his employer of these funds. He was motivated by self-interest, personal gain and greed. Mr. Grover had numerous opportunities to discontinue his fraudulent activities but continued to repeat his actions, tried to cover up his fraud, and did not admit to any fraud that was not already discovered by his employer. The personal financial circumstances of Mr. Grover were not relevant to the wrongfulness of his conduct, and the opportunity provided to him to commit this fraud by any deficiencies in his employer's system of internal controls similarly did not excuse his actions.

20. The tribunal found that Mr. Grover's actions, considered in all of these circumstances, undermined the good reputation of the profession and therefore constituted professional misconduct.

### Sanction

21. Ms. Hersak filed no additional evidence on sanction. Ms. Hersak, on behalf of the PCC, submitted that an appropriate sanction in this matter would be: a written reprimand from the chair of the tribunal; a fine in the amount of \$5,000; revocation of membership and full publicity including publication in *The Globe and Mail* and the *Calgary Herald*. The PCC also sought an order for costs fixed at \$17,500, being approximately two-thirds of the costs incurred in the investigation and prosecution of these allegations. Ms. Hersak stated that the PCC had no objection to a reasonable period of time of up to 24 months to pay the fine and costs.

22. Ms. Hersak submitted that the sanctions proposed by the PCC appropriately dealt with the principles of general and specific deterrence, which are paramount in a case of moral turpitude. Mr. Grover stole over \$25,000 from his firm and in the case of theft and dishonesty, membership must be revoked. Ms. Hersak submitted that the fine and revocation, with publicity, proposed would be appropriate deterrents to others.

23. Ms. Hersak stated that the aggravating factors included the following: Mr. Grover was in a position of trust with other CPAs and the public; he betrayed his firm and stole from within the firm; the fraud was significant over a period of seven months involving 27 transactions. Ms. Hersak submitted that Mr. Grover had many opportunities to cease his activities and only stopped when he was caught and presented with the evidence, and, even then, he did not acknowledge what he had done when first confronted.

24. Ms. Hersak stated that the mitigating factors were that Mr. Grover cooperated with the investigation, he has no history before the Discipline Committee, he did show some remorse, he expressed a willingness to pay back the balance of the money to the firm, and he lost his job.

25. Ms. Hersak submitted that the fine recommended of \$5,000 is within the range of similar cases and she was unaware of any specific impediment to Mr. Grover's ability to pay, stating that one year to 24 months would be a reasonable time frame. Ms. Hersak stated that Mr. Grover's dishonest conduct and abuse of trust should result in revocation.

26. Ms. Hersak submitted that publicity is the most effective general deterrent to other members and, under the Bylaws, newspaper publicity is mandated in cases of revocation. It is important for the protection of the public that notification is made of the revocation of a member. There are no rare and unusual circumstances to be considered for non-publication.

27. Ms. Hersak filed a Costs Outline (Exhibit 4) showing the costs of the investigation and review to be approximately \$26,600, of which the PCC was seeking just under two-thirds in the amount of \$17,500.

28. Ms. Hersak referred to the case brief containing *Daniel, McCutcheon, Harris and Locke*, noting that the precedents contained a common theme involving fraud from employers. Ms. Hersak stated that in all these cases, which resulted in revocation, the members cited financial distress as a reason for their actions.

## Order

29. After deliberating, the tribunal made the following order:

IT IS ORDERED in respect of the Allegation:

1. THAT Mr. Grover be reprimanded in writing by the Chair of the hearing.
2. THAT Mr. Grover be and he is hereby fined the sum of \$5,000, to be remitted to the Chartered Professional Accountants of Ontario (registered business name of The Institute of Chartered Accountants of Ontario) ("CPA Ontario") within two (2) years from the date this Decision and Order is made.
3. THAT Mr. Grover's membership in CPA Ontario be and it is hereby revoked.
4. THAT notice of this Decision and Order, disclosing Mr. Grover's name, be given in the form and manner determined by the Discipline Committee:
  - (a) to all members of CPA Ontario; and
  - (b) to all provincial bodies;
 and shall be made available to the public.
5. THAT notice of the revocation of membership, disclosing Mr. Grover's name, be given by publication on the CPA Ontario website and in *The Globe and Mail* and the *Calgary Herald*. All costs associated with the publication shall be borne by Mr. Grover and shall be in addition to any other costs ordered by the committee.
6. THAT Mr. Grover surrender all certificates issued by CPA Ontario or its predecessor, including any membership certificate and certificate granting the Chartered Accountant (CA) and Chartered Professional Accountant (CPA) designation, to the Discipline Committee Secretary within ten (10) days from the date this Decision and Order is made.

IT IS FURTHER ORDERED:

7. THAT Mr. Grover be and he is hereby charged costs fixed at \$17,500, to be remitted to CPA Ontario within two (2) years from the date this Decision and Order is made.

## Reasons for Sanctions

30. The tribunal concluded that Mr. Grover's actions, motivated by greed and without extenuating circumstances that would justify his actions, required that Mr. Grover be reprimanded and his membership be revoked. The fact that Mr. Grover was going through difficult personal circumstances in no way diminished the appropriateness or necessity of that sanction.

31. The tribunal considered the amount of money involved, the lengthy period over which the fraud occurred, the lack of restitution of the full amount stolen and the lack of any meaningful expression of remorse in making its determination of the fine ordered.

32. The tribunal considered the public interest and general deterrence in ordering publicity of the sanction.

**Costs**

33. The tribunal concluded that the costs submitted were reasonable and that it was appropriate to require Mr. Grover to pay two thirds of the total, namely \$17,500.

DATED AT TORONTO THIS 29<sup>TH</sup> DAY OF JULY, 2016  
BY ORDER OF THE DISCIPLINE COMMITTEE



R.J. ADAMKOWSKI, CPA, CA – DEPUTY CHAIR  
DISCIPLINE COMMITTEE

MEMBERS OF THE TRIBUNAL:

C.M. MacLELLAN, FCPA, FCA  
P. McBURNEY (PUBLIC REPRESENTATIVE)  
H. SHAFIE, FCPA, FCMA