



CPA

CHARTERED
PROFESSIONAL
ACCOUNTANTS
ONTARIO

CHARTERED PROFESSIONAL ACCOUNTANTS OF ONTARIO

CHARTERED PROFESSIONAL ACCOUNTANTS OF ONTARIO ACT, 2017

TO: Lei Wang CPA, CGA

AND TO: The Discipline Committee of CPA Ontario

The Professional Conduct Committee of CPA Ontario hereby makes the following Allegations of professional misconduct against Lei Wang, CPA, CGA, a member of CPA Ontario:

1. THAT the said Lei Wang in or about the period September 1st 2017 to December 12th 2017, failed to co-operate with the regulatory process of CPA Ontario contrary to Rule 104.2(a) of the CPA Code of Professional Conduct, in that he failed to promptly reply in writing to communications from CPA Ontario to which a written reply is specifically required, namely letters dated August 21st 2017 and October 5th 2017, from Ms. Theresa Tonelli, CPA, CA, Director of Standards Enforcement at CPA Ontario.

Dated at Brampton, Ontario, this 7th day of February 2018

T. J. SOKIC, CPA, CA, DEPUTY CHAIR
PROFESSIONAL CONDUCT COMMITTEE

CHARTERED PROFESSIONAL ACCOUNTANTS OF ONTARIO

CHARTERED PROFESSIONAL ACCOUNTANTS OF ONTARIO ACT, 2017

DISCIPLINE COMMITTEE

IN THE MATTER OF: Allegations against **LEI WANG**, a member of the Chartered Professional Accountants of Ontario, under **Rule 104.2(a)** of the Rules of Professional Conduct, as amended.

TO: Mr. Lei Wang

AND TO: The Professional Conduct Committee

DECISION AND ORDER MADE MAY 29, 2018

DECISION

The Tribunal was satisfied that the Allegation was proven and constituted a breach of **Rule 104.2(a)** of the Rules of Professional Conduct. Having breached this Rule, the Tribunal determined that Lei Wang ("Mr. Wang") has committed professional misconduct.

ORDER

The Tribunal orders the following:

1. Mr. Wang be reprimanded in writing by the Chair of the hearing.
2. Mr. Wang shall pay a fine of \$3,500 to the Chartered Professional Accountants of Ontario ("CPA Ontario") within three months from the date this Decision and Order is made, by Wednesday, August 29, 2018.
3. Mr. Wang is suspended from the rights and privileges of membership in CPA Ontario for a period of 20 days from the date this Decision and Order is made.
4. Mr. Wang is required to cooperate with the Professional Conduct Committee by fully responding to the letter dated August 21, 2017, from the Director of Standards Enforcement within 50 days of the date of this order, by Wednesday, July 18, 2018.
5. Notice of this Decision and Order, disclosing Mr. Wang's name, is to be given in the form and manner determined by the Discipline Committee:
 - (a) to all members of CPA Ontario;
 - (b) to all provincial bodies;and shall be made available to the public.

6. In the event that Mr. Wang does not comply with the terms of this Order, his membership in CPA Ontario shall be revoked, and notice of the revocation of his membership, disclosing his name, shall be given in the manner specified above, and in a newspaper distributed in the geographic area of Mr. Wang's practice, residence or employment. All costs associated with this publication shall be borne by Mr. Wang and shall be in addition to any other costs ordered by the Committee.
7. Mr. Wang shall pay costs of \$3,500 to CPA Ontario within three months from the date this Decision and Order is made, by August 29, 2018.

DATED at Toronto this 29th day of May, 2018



A. Douglas Nichols, FCPA, FCA
Discipline Committee –Chair

CHARTERED PROFESSIONAL ACCOUNTANTS OF ONTARIO
CHARTERED PROFESSIONAL ACCOUNTANTS OF ONTARIO ACT, 2017

DISCIPLINE COMMITTEE

IN THE MATTER OF: Allegations against **LEI WANG**, CPA, CGA, a member of the Chartered Professional Accountants of Ontario, under **Rule 104.2(a)** of the CPA Code of Professional Conduct, as amended.

BETWEEN:

**Chartered Professional Accountants of Ontario
Professional Conduct Committee**

-and-

Lei Wang

APPEARANCES

For the Professional Conduct Committee: Julia McNabb, Counsel

For Mr. Wang: Not Present and Not Represented

Heard: May 29, 2018

Decision and Order effective: May 29, 2018

Release of written reasons: December 13, 2018

REASONS FOR THE DECISION AND ORDER MADE MAY 29, 2018

I. ALLEGATION

- [1] In an allegation dated February 7, 2018, the Professional Conduct Committee (“PCC”) alleged that in or about the period commencing September 1, 2017 to December 12, 2017, Lei Wang failed to co-operate with the regulatory process of Chartered Professional Accountants of Ontario (“CPA Ontario”) contrary to Rule 104.2(a) of the CPA Code of Professional Conduct by failing to promptly reply in writing to communications from CPA Ontario to which a written reply was specifically required.

II. OVERVIEW

- [2] This hearing was held to determine whether the allegation laid against Lei Wang that he failed to co-operate with the regulatory process of CPA Ontario by failing to promptly reply in writing to communications from CPA Ontario, is established on the facts presented and, if so, whether the allegation amounts to professional misconduct.

- [3] Mr. Wang obtained his CPA designation in 2015. He is self-employed in Toronto using the name of L.W. Accounting Services.
- [4] On January 4, 2017, a complaint was received by Standards Enforcement from a former client of Mr. Wang's who advised that Mr. Wang had been the accountant for her business since 2012. According to the client, over the course of 2016, Mr. Wang had grown less responsive and had ignored requests to file tax returns and other important documents which were beyond the due date for filing. After having terminated his accounting services in December 2016, the client advised she had difficulties securing the return of her files and records from Mr. Wang.
- [5] Between August and December 2017, Mr. Wang failed to respond to correspondence sent to him by Ms. Tonelli, the Director of Standards Enforcement at CPA Ontario, both by regular mail and registered mail to his address of record with the Registrar's office at CPA Ontario. The correspondence included a copy of the complaint and repeated requests that he address the issues of the complaint and his response thereto. During this period, attempts were made to communicate with Mr. Wang by way of emails and voicemail messages. He was reminded of his obligation to cooperate in accordance with Rule 104 of the CPA Ontario's Code of Professional Conduct. While he responded to the Professional Conduct Committee's ("PCC") notification that allegations of professional misconduct were being drafted against him in mid-December 2017, Mr. Wang did not provide the response requested of him.
- [6] The onus was on the PCC to show on a balance of probabilities that Mr. Wang's conduct breached Rule 104.2(a) of CPA Ontario's Code of Professional Conduct, and constituted professional misconduct.

III. PRELIMINARY ISSUES

- [7] A denial of the allegation was made on Mr. Wang's behalf.
- [8] To proceed in the absence of Mr. Wang, the Tribunal had to be satisfied that he had received proper notice of the allegations and the hearing.
- [9] Ms. McNabb filed the Affidavit of Kristen Couch, the Adjudicative Tribunals Assistant Secretary at CPA Ontario, sworn May 16, 2018 (Exhibit 2). According to the information attested to by Ms. Couch, on December 13, 2017, Swapna Chandra, counsel for the PCC wrote to Mr. Wang advising that allegations of professional misconduct were being drafted. This letter was sent to Mr. Wang that same day by email to the address he had provided to CPA Ontario. Delivery of the email was confirmed.
- [10] On December 15, 2017, Mr. Wang responded to the December 13, 2017 letter by the PCC.
- [11] On February 15, 2018, Julia McNabb, counsel for the PCC sent an email to Mr. Wang advising that the PCC would be proceeding on the allegations against him. The allegations were set out therein.

- [12] Ms. McNabb filed the Affidavit of Mervyn Archdall, Process Server, sworn February 22, 2018 (Exhibit 1). Mr. Archdall advised that on February 21, 2018, at approximately 11:10 a.m., he personally served Lei Wang with Ms. McNabb's February 15, 2018 letter enclosing the Allegations of Professional Misconduct, as well as documentation regarding the disciplinary process.
- [13] On March 8, 2018, Hayley Duggan, Legal Coordinator to the Administrative Tribunal wrote to Mr. Wang at the email address he had provided to CPA Ontario confirming that the Tribunal had received the allegations against him and requesting that he provide hearing date availability. Mr. Wang did not respond to the March 8, 2018 email.
- [14] On April 25, 2018, Caroline Kelly, a Regulatory Compliance Analyst for CPA Ontario sent a cover letter and Notice of Hearing specifying the date, time and location of the hearing by regular mail to the original address provided by Mr. Wang to CPA Ontario. The cover letter and Notice of Hearing Notice were also sent to the email address provided by Mr. Wang, the same address from which he had responded on December 15, 2017. Confirmation that the email had been delivered was received that same day. The letter sent by regular mail was not returned. Mr. Wang did not respond to the April 25, 2018 letter.
- [15] The evidence demonstrated that the Notice of Hearing and allegations had been served upon Mr. Wang pursuant to CPA Ontario's Rules of Practice and Procedure. The Tribunal was satisfied that Mr. Wang had received proper notice of both the hearing and the allegations and decided to proceed in his absence.

IV. ISSUES

- [16] The Tribunal identified the following issues arising from the allegations:
- a) Did the evidence establish, on a balance of probabilities, the facts on which the particular alleged by the PCC was based?
 - b) If the particular alleged by the PCC was established on the evidence presented on a balance of probabilities, did the particular constitute professional misconduct?

V. DECISION

- [17] The Tribunal, being satisfied that Mr. Wang had proper notice of the hearing, determined to proceed with the hearing in the absence of Mr. Wang, and, considered the evidence presented by the PCC on which the allegation is based. Having seen and considered all the evidence presented, the Tribunal finds that the allegation against Mr. Wang has been established on a balance of probabilities.
- [18] The Tribunal was satisfied that the allegation constituted a breach of Rule 104.2(a) of CPA Code of Professional Conduct in that Mr. Wang failed to promptly reply in writing to communications from CPA Ontario, and, having breached this Rule, Mr. Wang had

committed professional misconduct.

VI. REASONS FOR THE DECISION

a) Findings Regarding Conduct of Mr. Wang

- [19] On August 21, 2017, Ms. Tonelli, Director of Standards Enforcement at CPA Ontario wrote to Mr. Wang advising him of the complaint and requesting his written reply to the complaint by September 18, 2017. Mr. Wang was advised that his response was required pursuant to Rule 104 of the Rules of Professional Conduct and warned that a failure to respond could result in allegations of professional misconduct. The letter was sent by registered and regular mail to the address Mr. Wang had provided to CPA Ontario. The registered letter was delivered on August 25, 2017 to a party whose signatory name was “Wang”, although the recipient’s signature did not appear to resemble Mr. Wang’s name. The regular letter was not returned by Canada Post. Mr. Wang did not respond to the August 21, 2017 letter.
- [20] On October 5, 2017, Ms. Tonelli wrote to Mr. Wang, enclosing the August 21, 2017 letter, extending the deadline for his response to October 24, 2017 and reminding Mr. Wang that a failure to respond could result in an allegation of professional misconduct. This letter was sent by registered and regular mail. The registered letter was returned to CPA Ontario marked “unclaimed” while the letter sent by regular mail was not returned. Mr. Wang did not respond to the October 5, 2017 letter.
- [21] On November 27, 2017, Lorissa Ferkranus, Professional Standards Coordinator left a voice mail message for Mr. Wang. Mr. Wang did not respond to the November 27, 2017 voice mail message.
- [22] That same day, Ms. Ferkranus emailed Mr. Wang at the email address he had provided to CPA Ontario. She too advised Mr. Wang that his response was required and the deadline for the response was extended to December 4, 2017. She advised that a failure to respond could result in allegations of professional misconduct. Mr. Wang did not respond to the November 27, 2017 email.
- [23] On December 13, 2017, Swapna Chandra, counsel for the PCC wrote to Mr. Wang advising that allegations of professional misconduct were being drafted. Michelle Welch, Professional Standards Coordinator sent the December 13, 2017 letter to Mr. Wang by email to the address he had provided to CPA Ontario. Delivery of the email was completed.
- [24] On December 15, 2017, Mr. Wang responded to the December 13, 2017 email, apologizing for the delay, noting that he “was out of the country” and that he was “having personal and health issues”. He advised that he would submit a reply the following week and requested that future correspondence be sent to a new address as there was delay in receiving mail from the “old” address. Mr. Wang did not provide a written response the following week, nor has he communicated with CPA Ontario or the PCC since December 15, 2017.

- [25] On February 15, 2018, Julia McNabb, counsel for the PCC sent an email to Mr. Wang in which she advised him that the PCC would be proceeding on the allegations against him. Ms. McNabb attached the original August 21, 2017 letter and the October 5, 2017 letters advising that his response to the complaint was still required. Delivery of the email was completed. Mr. Wang did not respond to the February 15, 2018 email.
- [26] On February 21, 2018 at approximately 11:10 a.m., Lei Wang was personally served with a second letter dated February 15, 2018 from Ms. McNabb enclosing the Allegations of Professional Misconduct, as well as documentation regarding the disciplinary process. Ms. McNabb invited Mr. Wang to contact either herself or Kristen Couch, Administrative Tribunals Assistant Secretary with any questions. Phone numbers were provided for each. Mr. Wang did not respond to the February 21, 2018 letter.
- [27] The Tribunal found that CPA Ontario conducted its efforts in attempting to contact Mr. Wang according to the practice established by CPA Ontario and was satisfied that Mr. Wang received the mailings, emails and voice mails sent by CPA Ontario staff.

b) Finding of Professional Misconduct

- [28] The onus was on the PCC to show on a balance of probabilities that Mr. Wang's conduct breached CPA Code of Professional Conduct, and constituted professional misconduct.
- [29] Staff and counsel endeavoured to contact Mr. Wang by registered and regular mail, sending letters to both addresses provided by Mr. Wang. Staff also left voicemail messages and emailed him copies of letters sent to his addresses. Mr. Wang did not address the client's concern that her tax matters had not been addressed in a timely basis. Other than his response to the December 13, 2017 letter, there was no other communication from Mr. Wang. He did not ask for an extension to provide the information requested. He did not provide medical evidence to support an inability to respond.
- [30] Mr. Wang did not appear for this hearing to offer an explanation for his lack of response to CPA Ontario's letters. There is no evidence that the complainant's needs have been addressed.
- [31] The Tribunal concluded that his failure to promptly reply to CPA Ontario's repeated requests for information constituted professional misconduct as set out in CPA Code of Professional Conduct Rule 104.2(a). The evidence submitted by the PCC to establish the allegation was clear, cogent and compelling.

VII. SANCTIONS

- [32] Ms. McNabb, on behalf of the PCC, submitted that an appropriate sanction in this matter should be: a) a written reprimand from the Chair of the Tribunal; b) a fine in the amount of \$3,500 to be remitted to CPA Ontario within 20 days from the date of this Decision and Order; 3) that Mr. Wang be required to co-operate with the Professional Conduct Committee by fully responding to the correspondence sent to him on August 21, 2017 by

the Director of Standards Enforcement within 20 (twenty) days from the date of this Order; 4) that notice of the Decision and Order be given to all members of CPA Ontario, all provincial bodies, and made available to the public; 5) that in the event that Mr. Wang does not comply with the terms of this Order that his membership in CPA Ontario be revoked, with the appropriate notification of his membership revocation be given in a local newspaper, and 6) that Mr. Wang bear the costs associated with the publication in addition to any other costs ordered by the Tribunal.

- [33] The Tribunal accepted the majority of the proposed sanctions put forward to by the PCC, finding the accepted sanctions reasonable and not contrary to the public interest.
- [34] In considering the PCC's submissions, the Tribunal was required to consider whether the sanctions proposed were within the range of reasonable sanctions for similar misconduct and whether the sanctions were not contrary to the public interest.
- [35] The Tribunal considered aggravating factors in determining sanctions against Mr. Wang: he did not respond to several requests for a response to a complaint by his client. Other than his response to the December 13, 2017 letter, there has been no communication from Mr. Wang. He did not appear for this hearing. The complainant's needs have not been addressed.
- [36] In mitigation, there may have been some communication delays due to Mr. Wang's change of address, however it is his responsibility to provide a change of address to CPA Ontario's Registrar. At no time did he seek an extension or offer any proof of his "personal and health issues" that would justify not responding promptly. As a result of his non responsiveness, staff and counsel expended resources, repeatedly endeavoring to contact Mr. Wang by registered mail, regular mail, sending letters to both addresses provided by Mr. Wang, leaving voicemail messages and emailing him copies of letters sent to his addresses. Despite these efforts, Mr. Wang repeatedly failed to respond.
- [37] The Tribunal ordered a written reprimand as it conveys to Mr. Wang the seriousness of his conduct and will help him to consider the steps he must take to rehabilitate his conduct.
- [38] The Tribunal considered the fine proposed appropriate and within the range of fines levied in similar cases as set out in the Case Brief submitted by the PCC.
- [39] The PCC had recommended that Mr. Wang be given 20 days within which to cooperate before imposing a period of suspension. The Tribunal instead ordered that Mr. Wang be suspended for 20 days from the date of the Order. The immediate suspension was ordered. The period of suspension will enable Mr. Wang to reflect on his inaction in addressing the PCC's multiple requests for information regarding his client's complaints. It will also enable him to review his complainant's file in order for him to prepare for cooperating with the PCC within the given period ordered.
- [40] Mr. Wang had several opportunities to communicate with CPA Ontario and did not do so. The immediate suspension and the fine will impress upon Mr. Wang the importance

of responding to correspondence from CPA Ontario and cooperating with them on a timely basis. The fine and the suspension will also send a message to members of CPA Ontario and the public that failing to respond to communications will be taken seriously.

- [41] Mr. Wang was ordered to cooperate with CPA Ontario in responding to the August 21, 2017 letter from the Director of Standards Enforcement of CPA Ontario. Mr. Wang has been given another chance to meet his professional obligations. The Tribunal determined that cooperation within 50 days was reasonable and attainable, and should he fail to meet his professional obligations within the specified time his membership will be revoked.
- [42] Publication is an important part in achieving specific and general deterrence. It serves to inform the members of the profession that failing to comply with the Code of Professional Conduct carries sanctions. Publication also advises the public of Mr. Wang's revocation of membership.

VIII. COSTS

- [43] Costs are imposed as an indemnity, not as an additional fine. The PCC presented a Costs Outline. After having applied an adjustment to the Costs Outline given that the hearing did not take a full day, the Tribunal ordered costs in the amount of \$3,500 to be paid within 3 months of the Order.
- [44] The Tribunal determined that the costs set out in the Costs Outline, adjusted to reflect the reduced hearing time, represented a reasonable amount of costs. The Tribunal concluded that it was appropriate and reasonable to order Mr. Wang to pay costs of \$3,500.

DATED at Toronto this 13th day of December, 2018



A. Douglas Nichols, FCPA, FCA
Discipline Committee – Chair

Members of the Tribunal

Jeremy Cole, CPA, CA
Carol Danchuk, CPA, CA
Catherine Kenwell (Public Representative)
Barry Solway (Public Representative)

Independent Legal Counsel

Nadia Liva, Barrister & Solicitor