

CHARTERED PROFESSIONAL ACCOUNTANTS OF ONTARIO

*CHARTERED PROFESSIONAL ACCOUNTANTS OF ONTARIO ACT, 2017*

**TO:** Saturena Pow, (Revoked)  
**AND TO:** The Discipline Committee of CPA Ontario

The Professional Conduct Committee of CPA Ontario hereby makes the following Allegations of Professional Misconduct against SATURENA POW, a revoked member of CPA Ontario:

1. THAT the said Saturena Pow, on or about May 7, 2015, was convicted of the criminal offence of fraud contrary to section 380(1)(a) of the *Criminal Code of Canada*, as set out in Schedule "A" attached, and did thereby fail 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 Code of Professional Conduct.

Dated at Markham Ontario, this 27<sup>th</sup> day of March, 2018.



M.S. GASPARRO, CPA, CA, DEPUTY CHAIR  
PROFESSIONAL CONDUCT COMMITTEE

25-27  
Occ. # 2013 - 82589

Arresting Officer D/Cst MEEHAN # 2234

121113002855

CANADA  
PROVINCE OF ONTARIO  
PROVINCE DE L'ONTARIO  
Central West / Centre-Ouest  
(Région / Région)

Information of J. HELLM #4996  
Dénonciation de :  
of the Halton Regional Police Service  
de

a Peace Officer  
(occupation / profession)

The informant says that he/she believes on reasonable grounds that  
Le dénonciateur déclare qu'il a des motifs raisonnables de croire que

Mauricio LEYCO	1A-24	of / de	3338 Joan Drive, Mississauga Ontario	DOB: 1963 Nov13	F
"Ashley" BRAR	12509	of / de	799 Father D'Souza Drive, Mississauga Ontario	DOB: 1976 Dec31	F
Linda POW		of / de	4611 Wayside Court, Mississauga Ontario	DOB: 1963 Jun04	F

(Given name / SURNAME) (YYYYMMDD)

between October 7, 2008 and May 1, 2013, both dates inclusive

jour de an

the / à (au) Town of Oakville in the said region / dans ladite région and/or elsewhere in the Province of Ontario,

did conspire with each other to commit the indictable offence of defrauding ACI Brands Incorporated of 2616 Sheridan Garden Drive, Oakville Ontario Canada of a sum of money exceeding \$5000.00, to wit; the unlawful wire transfer of money to the Philippines contrary to Section 380(1)(c) of the Criminal Code.

*MA 41.2008 for Pow only v de*

AND FURTHER that Linda LEYCO, Rashpinder BRAR and Saturna POW between October 7, 2008 and May 1, 2013, both dates inclusive, at the Town of Oakville and elsewhere in the Province of Ontario did by deceit, falsehood, or other fraudulent means defraud ACI Brands of a sum of money exceeding \$5000.00, contrary to Section 380(1)(a) of the Criminal Code

*MA 41.2008 for Pow only v de*

AND FURTHER That Linda LEYCO, Rashpinder BRAR and Saturna POW between October 7, 2008 and May 1, 2013 both dates inclusive at the Town of Oakville and elsewhere in the Province of Ontario, did transfer the possession of proceeds of crime, to wit; money knowing that all of the proceeds was obtained as a result of the commission in Canada of the designated offence of Fraud Over \$5000 contrary to Section 462.31 of the Criminal Code.

cc

AND FURTHER That Linda LEYCO on or about March 1, 2013 at the Town of Oakville and elsewhere in the Province of Ontario, did transfer the possession of proceeds of crime, to wit; money knowing that all of the proceeds was obtained as a result of the commission in Canada of the designated offence of Fraud Over \$5000 contrary to Section 462.31 of the Criminal Code

cc

AND FURTHER That Linda LEYCO on or about March 9, 2013 at the Town of Oakville and elsewhere in the Province of Ontario, did transfer the possession of proceeds of crime, to wit; money knowing that all of the proceeds was obtained as a result of the commission in Canada of the designated offence of Fraud Over \$5000 contrary to Section 462.31 of the Criminal Code..

cc

AND FURTHER That Linda LEYCO on or about June 12, 2013 at the Town of Oakville and elsewhere in the Province of Ontario, did transfer the possession of proceeds of crime, to wit; money knowing that all of the proceeds was obtained as a result of the commission in Canada of the designated offence of Fraud Over \$5000 contrary to Section 462.31 of the Criminal Code.

cc

ONTARIO COURT OF JUSTICE  
CENTRAL WEST REGION  
Certified to be true and correct  
copy of the original document hereto.  
Clerk of the Court:



CHARTERED PROFESSIONAL ACCOUNTANTS OF ONTARIO

*CHARTERED PROFESSIONAL ACCOUNTANTS OF ONTARIO ACT, 2017*

**DISCIPLINE COMMITTEE**

**IN THE MATTER OF:** An allegation against **SATURENA POW**, a revoked member of the Chartered Professional Accountants of Ontario, under **Rule 201.1** of the Rules of Professional Conduct, as amended.

**TO:** Mrs. Saturena Pow

**AND TO:** The Professional Conduct Committee

**DECISION AND ORDER MADE JULY 5, 2018**

**DECISION**

The Tribunal was satisfied that Mrs. Pow had proper notice of today's hearing and determined that the hearing would proceed in her absence.

The Professional Conduct Committee having withdrawn Allegation No. 2, the Tribunal determined that the Allegation, as amended at the hearing, was proven and constituted a breach of **Rule 201.1** of the CPA Rules of Professional Conduct. Having breached this Rule, Saturena Pow ("Mrs. Pow") has committed professional misconduct.

**ORDER**

The Tribunal orders the following:

1. Mrs. Pow be reprimanded in writing by the Chair of the Tribunal.
2. Mrs. Pow shall pay a fine of \$75,000 to the Chartered Professional Accountants of Ontario ("CPA Ontario") within 12 months from the date of this Order, by Thursday, July 5, 2019.
3. Mrs. Pow shall not be eligible for reinstatement or readmission to membership in CPA Ontario other than by an application to the Discipline Committee pursuant to Rule 21 of the Rules of Practice and Procedure, and she is precluded from applying for readmission for a period of five (5) years from the date of this Order, and must satisfy all of the requirements of Rule 21.03 of the Rules of Practice and Procedure before being readmitted.
4. Notice of this Decision and Order, disclosing Mrs. Pow's name, is to be given in the form

and manner determined by the Tribunal:

- (a) to all members of CPA Ontario;
- (b) to all provincial bodies;

and shall be made available to the public.

5. Notice of the Decision and Order, disclosing Mrs. Pow's name, is to be given by publication on the CPA Ontario website and in the *Mississauga News* and the *Oakville Beaver*. Mrs. Pow shall pay all costs associated with the publication and shall be in addition to any other costs ordered by the Tribunal.
6. Mrs. Pow shall pay costs of \$4,000 to CPA Ontario within 12 months from the date of this Order, by Thursday, July 5, 2019.

**DATED** at Toronto this 5<sup>th</sup> day of July, 2018



Stephen Dineley, FCPA, FCA  
Discipline Committee – Deputy Chair

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

**DISCIPLINE COMMITTEE**

**IN THE MATTER OF:** Allegations against **SATURENA POW**, a revoked member of the Chartered Professional Accountants of Ontario, under **Rule 201.1** of the Rules of Professional Conduct, as amended.

**BETWEEN:**

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

**-and-**

**Saturena Pow**

**APPEARANCES**

**For the Professional Conduct Committee:** Julia McNabb, Counsel

**For Mrs. Pow:** Not Present and Not Represented

Heard: July 5, 2018

Decision and Order effective: July 5, 2018

Release of written reasons: September 5, 2018

**REASONS FOR THE DECISION AND ORDER MADE JULY 5, 2018**

**I. OVERVIEW**

- [1] This hearing was held to determine whether the allegation that Mrs. Pow had failed to maintain the good reputation of the profession, as the result of being convicted of the criminal offence of fraud, was established and whether it amounted to professional misconduct.
- [2] Mrs. Pow obtained her CGA designation in 1997, and she became a CPA upon amalgamation of the accounting designations in 2014. She was employed as the comptroller of a privately held company, AB Inc., for 17 years. Her employment was terminated in May 2013 after the allegations arose that she had been involved in the misappropriation of millions of dollars from AB Inc., after being alerted by AB Inc.'s bank.
- [3] Between May 1, 2008, and May 1, 2013, three hundred and sixty funds transfers,

totaling more than \$16.5 million, were made from AB Inc.'s bank accounts to the accounts of various people. None of the recipients were entitled to the funds and provided no benefit to AB Inc. A subsequent audit determined that over \$10 million was transferred by fraudulent wire transfers in the 2012 and 2013 fiscal years alone.

- [4] The transfers were made by Mrs. Pow or RB, another person employed by AB Inc. The general ledgers of AB Inc. were manipulated to conceal underpayments to actual suppliers of services, so that the ledgers appeared to be in balance during this period.
- [5] In September 2013, Mrs. Pow was charged criminally with fraud over \$5,000, conspiracy and the transfer of the proceeds of crime. Two other individuals, LL and RB, were charged as well. On May 7, 2015, Mrs. Pow pleaded guilty to the fraud charge, and the other charges were withdrawn. On March 2, 2016, she was sentenced to imprisonment for a period of 4 years and six months.
- [6] Mrs. Pow did not receive "personal financial gain in the classical sense" from these transactions. Although approximately \$500,000 passed through her accounts, Mrs. Pow indicated that the money was ultimately passed along to the other parties to the fraud. At her sentencing hearing, it was revealed in a psychiatric report that Mrs. Pow had assisted LL to gather funds through the fraud because she was persuaded that LL was a saintly person who would use the funds for spiritual and charitable purposes. Mrs. Pow believed that she would benefit spiritually from assisting LL.
- [7] Mrs. Pow subsequently agreed to a civil judgment against her in favour of AB Inc.
- [8] The onus was on the PCC to show on a balance of probabilities that Mrs. Pow's conduct breached CPA Ontario's Rules of Professional Misconduct and constituted professional misconduct.

## **II. PRELIMINARY ISSUES**

### ***Proceeding in Absence of Mrs. Pow***

- [9] To proceed in the absence of Mrs. Pow, the tribunal had to be satisfied that she had received proper notice of the hearing and the allegations against her.
- [10] An affidavit sworn by Mervyn Archdall on May 4, 2018 (Exhibit 1), established that Mrs. Pow was served with the allegations against her on April 30, 2018, at her home address.
- [11] By letter, dated May 21, 2018, to Ms. Couch, the Adjudicative Tribunals Assistant Secretary, which was sent by email (Exhibit B to Exhibit 2), Mrs. Pow acknowledged receiving correspondence about the allegations against her and confirmed that she had pleaded guilty and been sentenced. She indicated that she was unable to hire counsel and advised the tribunal to proceed without her attendance.
- [12] The Notice of Hearing, advising that the hearing would proceed on July 5, 2018, was

delivered on May 24, 2018, to the email address used by Mrs. Pow earlier that week (Exhibit C to Exhibit 2). Mrs. Pow did not respond to the notice at that time.

- [13] By email, dated July 4, 2018 (Exhibit 3), Mrs. Pow confirmed to the Adjudicative Tribunals Assistant Secretary that she did not have legal counsel and was not attending the hearing.
- [14] Based on the foregoing evidence, the tribunal was satisfied that Mrs. Pow had received proper notice of the hearing and decided to proceed in her absence.

### ***Amendment of Allegations***

- [15] The PCC advised the tribunal that it was withdrawing the second allegation, which alleged a failure to co-operate with the regulatory process, and was only proceeding on the first allegation.
- [16] The PCC requested the leave of the tribunal to amend the first allegation to reference a breach of the *Rules* of Professional Conduct, rather than the *Code* of Professional Conduct. The amendment was intended to correctly reflect the provisions in place at the time of the alleged misconduct.
- [17] Ms. McNabb had advised Mrs. Pow by letter, dated June 21, 2018, which was delivered by email on the same date (Exhibit 4), of the PCC's intention to request the amendment.
- [18] The tribunal granted leave to amend the first allegation as it was satisfied that the amendment was an insignificant change that did not affect the substance of the allegation and Mrs. Pow had received notice of the change.

### ***Jurisdiction over Revoked Member***

- [19] Ms. McNabb noted to the tribunal that Mrs. Pow's membership in CPA Ontario had been revoked on May 15, 2017, as a result of her failure to complete the required professional development hours. Although Mrs. Pow was no longer a member, the PCC took the position that the tribunal continued to have jurisdiction over Mrs. Pow by virtue of section 39 of the *Chartered Professional Accountants of Ontario Act, 2017* ("Act") because the alleged misconduct had occurred while she was a member.
- [20] The tribunal agreed that it continued to have jurisdiction over Mrs. Pow in relation to the allegation against her. The alleged conduct occurred between May 2008 and May 2013. Mrs. Pow was a member of the Certified General Accountants Ontario, the predecessor to CPA Ontario, at all relevant times. Section 39 of the *Act* was clear that CPA Ontario, and therefore this tribunal, continued to have disciplinary jurisdiction over a member in relation to conduct arising while a member, after her membership was revoked.

## **III. ISSUES**

- [21] The tribunal identified the following issue arising from the allegations:

- a) Did the evidence establish, on a balance of probabilities, the facts on which the particulars alleged by the PCC were based?
- b) If the particulars alleged by the PCC were established on the evidence on a balance of probabilities, did those particulars constitute professional misconduct?

#### **IV. DECISION**

- [22] The tribunal found that the evidence established, on a balance of probabilities, the particular set out in the allegation of professional misconduct.
- [23] The tribunal was satisfied that the allegation as constituted was a breach of Rule 102.1, and, having breached this Rule, Mrs. Pow had committed professional misconduct.

#### **V. REASONS FOR THE DECISION**

##### ***Findings Regarding Conduct of Mrs. Pow***

- [24] Rule 18.06 of the *Rules of Practice and Procedure* of CPA Ontario provides that a document certifying the finding of a court that a person committed an offence is proof, in the absence of evidence to the contrary, in these proceedings that the person committed the offence. The PCC filed the certified copy of the Information (Exhibit 5) setting out the charges against Ms. Pow and the disposition of those charges before the Ontario Court of Justice. This Information established that she had pleaded guilty, and been found guilty, of the criminal offence of fraud over \$5,000, contrary to s. 380(1)(a) of the *Criminal Code*.
- [25] Given that there was no evidence to the contrary, the tribunal found that Mrs. Pow had committed this offence and had been convicted of same as set out in the particulars.

##### ***Finding of Professional Misconduct***

- [26] Where a member has been convicted of the criminal offence of fraud, and that conviction is proven in evidence before the tribunal, Rule 201.2 of the Rules of Professional Conduct creates a rebuttable presumption that the member has failed to maintain the good reputation of the profession contrary to Rule 201.1. Further evidence is not necessary to set out the details of the conduct giving rise to the conviction, although such evidence will often be brought forward as it was in this case.
- [27] The fact of Mrs. Pow's conviction for fraud over \$5,000 having been established, the tribunal was satisfied that the rebuttable presumption applied to the allegation against her before the tribunal. There was no evidence before the tribunal to rebut this presumption. The tribunal found that because Mrs. Pow's dishonest conduct breached Rule 201.1 and impugned the good reputation of the profession, the conduct necessarily amounted to professional misconduct.

[28] As a result, the tribunal found that Mrs. Pow committed professional misconduct in that she breached Rule 201.1 of the Rules of Professional Conduct due to her criminal conviction.

## **VI. SANCTIONS**

[29] The tribunal accepted the position of the PCC with respect to the penalty to be imposed in this matter. Given that Mrs. Pow's conduct constituted acts of moral turpitude, the tribunal found that the sanction imposed had to emphasize deterrence to her and other members of the profession considering such conduct, and to reassure the public that CPA Ontario was protecting the trust placed in it and its members.

[30] A written reprimand was necessary as a specific deterrent to the former member and to stress the unacceptability of her conduct as a chartered professional accountant. Even though the evidence indicated that it was unlikely that Mrs. Pow would act in this way again, it was important for CPA Ontario to clearly convey that message as a regulator.

[31] The tribunal concluded that a substantial fine was required, considering all of the circumstances, as a general deterrent to other members of the profession who may be tempted to engage in similar misconduct. The tribunal accepted that the amount of the fine sought by the PCC, being \$75,000, was greater than the amount of the fine in any of the cases identified by counsel to the PCC. However, in the tribunal's view, the nature of the misconduct and the aggravating circumstances in this case, justified the greater fine.

[32] There were several aggravating factors on which the tribunal relied. First, the fraud went on for an exceptional period of time, namely, five years from May 2008 to May 2013, involving 360 transactions. Mrs. Pow did not change or cease her conduct over this time. Second, the complexity of the fraud that Mrs. Pow implemented and maintained demonstrated the deliberation and pre-planning that Mrs. Pow used in the fraud. Although she was not the mastermind or ultimate beneficiary of the fraud, the fraud would not have been possible without her. This complexity, and the effectiveness with which Mrs. Pow implemented it, allowed the fraud to continue for so long. Third, the fraud involved the wrongful taking of more than \$16 million from a private company. The magnitude of the fraud alone set this case apart from any of those cases cited to the tribunal.

[33] In addition, the evidence of the impact on the family who operated AB Inc. was compelling. This evidence was set out by Justice LeDressay, who convicted and sentenced Mrs. Pow in the criminal proceedings, at pages 5 to 7 of His Honour's reasons for sentence (Exhibit 6, Tab 3) based on the victim impact statement of the company president. Significant facts included that Mrs. Pow was a 17 year employee of the company who had worked herself into a position of trust, not only within the company but with the individual family members as well, and that she had taken advantage of that trust over several years until the fraud was identified. Mrs. Pow's misconduct had devastating effects on both the financial viability of the company and the personal well-being of the company's principals and employees who were shocked by this breach of

trust.

- [34] Given the aggravating circumstances in this case, the tribunal concluded that a fine of \$75,000 was wholly appropriate. Although there were mitigating factors identified, such as Mrs. Pow's lack of a discipline history, the tribunal found that they could not diminish the overwhelming nature of the aggravating circumstances surrounding the misconduct.
- [35] Mrs. Pow had indicated in her correspondence with the PCC that she had no funds to engage counsel. She also informed the PCC that any funds she earned in the future would go to AB Inc. under the civil settlement. The tribunal provided Mrs. Pow twelve months to pay in recognition of her circumstances; however, the tribunal recognizes that it is still unlikely she will be in a position to pay, given her need to honour the civil settlement. Nonetheless, the ability to pay is not a factor that should influence the amount of the fine as this would defeat the goal of deterrence, both specific and general.
- [36] The tribunal concluded that any case involving a finding of fraud by a member, where money was involved, required the removal of the member from the profession. In Mrs. Pow's circumstances, the revocation of her membership was not available to the tribunal as a sanction because her membership had been revoked administratively. However, the tribunal was advised that this administrative revocation could be set aside if Mrs. Pow completed the outstanding professional development hours and paid her fees and insurance up to date. The tribunal found that it was necessary to impose a sanction that precluded Mrs. Pow from pursuing this avenue, given that her conduct would have otherwise justified the revocation of her membership by order of the tribunal.
- [37] The tribunal was satisfied that this objective was met by ordering that Mrs. Pow could not be eligible for readmission except by means of an application to the Discipline Committee, in accordance with Rule 21.03, and by further ordering that she could not make this application for a period of at least five years. The effect of these orders was to put Mrs. Pow in the same position as if she had been an active member at the time of the hearing and the tribunal had revoked her licence. In the tribunal's view, this order consequently met the same objectives of specific and general deterrence as revocation would have done.
- [38] Previous cases, such as the decision of the Discipline Committee in *Institute of Chartered Accountants v. Peter Bogart*, September 9, 2002, at paragraphs 32 to 38, which was affirmed by the Appeal Committee, July 30, 2003, at paragraph 70, have been clear in indicating that the discipline decisions of CPA Ontario should be made public in the absence of rare and unusual circumstances.
- [39] The tribunal agreed that the public needs to know when a self-regulated organization, such as CPA Ontario, takes action to regulate its members. CPA Ontario's commitment to protecting the public mandates publicity, particularly where the action of a member involves moral turpitude. The tribunal did not accept that there were any rare or unusual circumstances in this case to diverge from these principles and ordered full publicity of the decision as a result.

[40] The tribunal was satisfied that this publicity should include publication in local newspapers in the areas both where Mrs. Pow had worked (and where the misconduct had occurred) and where she lived. Although revocation was not possible in this case, the rationale for publishing in local newspapers was the same. In the tribunal's view, the public in the affected communities needed to know that Mrs. Pow was not a member of the profession and could not provide the services of an accountant due to her misconduct.

## VII. COSTS

[41] The tribunal accepted the position of PCC that Mrs. Pow should be responsible for two-thirds of the costs incurred by PCC in the investigation and prosecution of this allegation. The costs outline submitted by the PCC (Exhibit 8) indicated that the total costs incurred were \$6,557.52. Counsel to the PCC proposed an order for \$4,000, being slightly less than two-thirds, given that the hearing did not last a full day.

[42] **DATED** at Toronto this 5th day of September, 2018



Stephen Dineley, FCPA, FCA  
Discipline Committee – Deputy Chair

### Members of the Tribunal

Catherine Kenwell (Public Representative)  
Gordon Krofchick, CPA, CA  
N. Jane Rivers, CPA, CGA

### Independent Legal Counsel

Glenn Stuart  
Stuart Law