

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

DISCIPLINE COMMITTEE

IN THE MATTER OF: Allegations against **DEEPAK MEHTA (Student)** under **Rules 103, 401 and 402** of the CPA Ontario Student Code of Conduct.

BETWEEN:

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

-and-

Deepak Mehta

APPEARANCES:

For the Professional Conduct Committee: Kelvin Kucey, Counsel

For Deepak Mehta: Present
James Lane, Counsel

Heard: September 18, 2024

Decision and Order effective: September 18, 2024

Release of written reasons: October 16, 2024

REASONS FOR THE DECISION AND ORDER MADE SEPTEMBER 18, 2024

I. OVERVIEW

- [1] The Professional Conduct Committee (“PCC”) of the Chartered Professional Accountants of Ontario (“CPA Ontario”) made Allegations that Deepak Mehta (the “Student”) made or associated with information regarding his qualifying experience and hours which he knew or should have known was false and misleading, failed to maintain the good reputation of the profession and its ability to serve the public interest, and failed to co-operate with the regulatory process of CPA Ontario.
- [2] This hearing was held to determine whether the Allegations were established and whether the conduct breached Rules 103, 401 and 402 of the *CPA Student Code of Professional Conduct* (the “Code”).

II. COMPLAINT AND THE ALLEGATIONS

- [3] On January 12, 2023, the Student's former mentor, PK, filed a complaint with CPA Ontario against the Student, alleging that the Student filed false practical experience reports for the period of April to September 30, 2022, regarding his experience and hours worked.
- [4] Following its investigation of the complaint from PK, on April 22, 2024, the PCC made the following Allegations against the Student relating to his conduct while he was enrolled as a CPA Ontario student:
1. In or about the period of April 1, 2022, to December 31, 2022, he engaged in professional misconduct in that he made or associated with information regarding his qualifying experience and hours which he knew or should have known was false and misleading;
 2. In or about the period of January 2023 to March 2024, he failed to act at all times in a manner that would maintain the good reputation of the profession and serve the public interest in that he created and filed a professional misconduct complaint against PK, his former mentor, that contained false or misleading statements; and
 3. In or about the period of December 1, 2023, to March 1, 2024, he failed to cooperate with the regulatory processes of CPA Ontario in that he failed to accurately and fully respond to the information requests of the PCC's investigator.

III. ISSUES

- [5] The following issues arose from the Allegations:
- (a) Did the evidence establish, on a balance of probabilities, the facts on which the Allegations made by the PCC were based?
 - (b) If the facts alleged by the PCC were established on the evidence on a balance of probabilities, did the Allegations constitute professional misconduct?

IV. DECISION

- [6] The Panel found that the evidence, namely the facts set out in the Agreed Statement of Facts ("ASF") dated September 4, 2024 (Exhibit 1), established on a balance of probabilities the facts on which the Allegations were based.
- [7] The Panel was satisfied that the facts set out in the Allegations constituted breaches of Rules 103, 401 and 402 of the *Code*, and having breached these Rules, the Student committed professional misconduct.

V. REASONS FOR THE DECISION ON MISCONDUCT

Student's Background

- [8] The Student was a 26-year-old university graduate with a bachelor's degree and a graduate diploma in professional accounting. He registered as a student with CPA Ontario on or about August 21, 2019, and was subject to the provisions of the *Code*.
- [9] In the Fall of 2019, the Student began working at a large accounting firm as a staff accountant in their audit and assurance practice. He said that he resigned from this firm on December 9, 2019 due to health-related issues.
- [10] Subsequent to that, the Student worked at a smaller firm for approximately five months.
- [11] In September 2020, the Student passed the Common Final Examination ("CFE").

Student's False or Misleading PERT Submissions

- [12] The Student was required to complete a minimum of 30 months of qualifying professional experience using the Practical Experience Reporting Tool ("PERT") to obtain his CPA designation.
- [13] From September 2020 to October 2021, the Student worked for a Bank as a commercial account manager.
- [14] In or about October 2021, the Student joined PCPC ("the Firm") under CPA Ontario's Assurance, Compilations, and Taxation Program ("ACT Program") for CPA students.
- [15] Under the ACT Program, the Student identified PK, who was then the owner of the Firm, as his mentor. The Firm offered assurance and accounting, bookkeeping services, corporate and personal tax planning, and business advisory services.
- [16] The Student was hired to lead the Firm's bookkeeping division. Additionally, the Student asserted that he compiled financial statements, prepared the corresponding tax return for clients, and did "some basic audit/review work" under PK's supervision.
- [17] In or about November 2021, PK sold 25% of their ownership in the Firm to SM, CPA, CA (the "Student's Brother"). In March 2022, PK sold an additional 50% of the company's issued shares to the Student's Brother.
- [18] Following the March share purchase, the Student was assigned managerial responsibilities at the Firm with the title of Director. The Student's time records indicated that he worked primarily on the Firm's internal administration and bookkeeping. He did not enter his time on a detailed basis as his work running the Firm was primarily non-chargeable.
- [19] On or about October 1, 2022, the Student submitted a PERT report for the period of March 31 to September 27, 2022.

- [20] In November 2022, amidst a shareholder dispute between PK and the Student's Brother, PK left the Firm. The former partners commenced a civil action regarding their breakup.
- [21] On or about November 4, 2022, PK withdrew as the Student's mentor.
- [22] After PK's departure from the Firm, the Student's role focused on firm leadership, including oversight of the cloud solutions team, tax compliance and associated cycle of financial statement preparation for the Firm's clients.
- [23] On or about January 12, 2023, PK filed a complaint with CPA Ontario against the Student, alleging that the Student filed a false PERT report for the period of April to September 30, 2022, regarding his experience and hours.
- [24] Following an investigation by the PCC, the following issues were identified with the Student's PERT report:
- (a) His time entries recording the work that he performed contained detail errors and/or lump sum time entries with little or no supporting detail.
 - (b) He failed to provide CPA Ontario with a detailed summary of his time at the Firm.
 - (c) Documentation that he provided did not have dates for times he was absent and some of the individual timelines claimed included more time than what is possible in a day.
 - (d) He failed to provide any documentation that indicated that he or his supervisors followed any process for tracking and retrieving hours logged on the Firm's time management software.
- [25] The Student asserted that he misunderstood the PERT qualifying hours reporting process. In particular, he stated that he believed that a portion of the work that he performed regarding the Firm's internal financial reporting could be included in his qualifying hours. His time recorded for work performed internally at the Firm was later reported to CPA Ontario as qualifying hours by the Student's Brother in reliance on the Student's time records.
- [26] The Student admitted to a lack of due care and timeliness in his recording of reportable time.
- [27] The Student admitted that he made or associated with information which he knew, or should have known, was false or misleading, whether by statement or omission, contrary to Rule 103 of the *Code*.

Student's Unsubstantiated Complaint to CPA Ontario about PK

- [28] On July 20, 2023, the Student filed a complaint against PK, his former mentor (the "PK Complaint"). The Student alleged the following:
- (a) PK had demanded that the Student provide PK with a personal guarantee and security against his personal assets on a vendor takeback to finance the sale of PK's remaining shares to the Student's Brother. PK refused to hold a mentor meeting and sign off on the Student's PERT report in retaliation of the Student declining to provide a/the personal guarantee.

- (b) PK failed to provide another CPA Ontario student employed by the Firm in the CPA pre-approved program with promised mentor support.
- (c) PK failed to supervise him during PK's vacation between July and September 2022, and the Student had no mentor support and was unable to work on assurance files.

[29] Pursuant to an investigation report issued to the PCC on March 6, 2024, the Student's allegations about PK were determined to be unfounded and unsubstantiated leading to closure of the complaint file against PK. This was because:

- (a) there was no evidence that PK refused to sign off on the Student's PERT as retaliation for the alleged business request. The Student admitted that he did so based on speculation as to PK's intentions and without further substantiation;
- (b) contrary to the Student's assertions, the other CPA student was briefly employed by the Firm as a CPA student and this student was not approved for any form of education program. Furthermore, as CPA Ontario's student mentor rules prohibit a qualified CPA from acting as a mentor for more than one student at a time, PK could not have acted as a mentor to the other student; and
- (c) beginning in April 2022, as his mentor, PK communicated to the Student that he was not performing the necessary file work to gain the technical competencies or experience to meet the PERT requirements.

[30] The Student admitted that he was wrongheaded in filing the complaint about his former mentor and his actions were motivated by false inferences about PK's intentions. He conceded that in filing the complaint to CPA Ontario, he failed to maintain the good reputation of the profession and to serve the public interest, contrary to Rule 401 of the *Code*.

Student's Failure to Co-operate with the Investigation

[31] On or about February 13, 2023, CPA Ontario's Director of Employer Relations filed a professional conduct complaint against the Student alleging that he filed a false PERT report for the period of April to September 30, 2022, regarding his work experience.

[32] On November 29, 2023, the PCC appointed an Investigator to investigate the various complaints (on and by the Student). The Investigator released her investigation report on February 26, 2024.

[33] During the investigation, the Student asserted his inability to provide requested documentation to the Investigator citing reasons such as, his inability to provide software-based time records, his misunderstanding of the accountability of the PERT reporting process, his loss of computer hardware and his loss of a cellular telephone.

[34] The Student admitted that he failed to appreciate the gravity of the Investigator's requests and that he failed to appropriately co-operate with the processes of CPA Ontario, contrary to Rule 402 of the *Code*.

Analysis of Finding

- [35] Under Rule 103 of the *Code*, a student shall not make or associate with any information which the student knows, or should know, is false or misleading, whether by statement or admission. The Student admitted that the information in his PERT report that he submitted on October 1, 2022, was false or misleading. The Student's Brother relied on the Student's inaccurate or incorrect time records and as a result, confirmed that the false or misleading information was true. The Student thus associated with the false or misleading information that his brother verified and submitted to CPA Ontario.
- [36] Commentary 3 for Rule 103 reminds students of the importance of diligence in ensuring that all information provided to CPA Ontario is true, factual and complete, and contains no errors or anything false or misleading. Accurate and truthful reporting to a CPA's professional regulator is an essential requirement as it ensures that CPA Ontario can govern its students and members and can maintain public confidence in the competence and integrity of the profession.
- [37] With respect to the unsubstantiated complaint that the Student made against PK, both CPA Ontario and PK were put to time and expense to review this matter. A complaint against a colleague should not be made frivolously or for ulterior purposes. Allegations of professional misconduct are serious and should not be made to further a personal dispute.
- [38] Finally, although the parties did not provide any supporting documentation respecting the Student's failure to co-operate with the Investigator, the Panel was prepared to accept the Student's admission that he had failed to appreciate the gravity of the Investigator's requests and failed to co-operate with the processes of CPA Ontario. The Student admitted that he had breached Rule 402, and he had experienced counsel to explain the significance of that admission.
- [39] The requirement of timely cooperation with any investigation conducted by or on behalf of CPA Ontario is critical to the governance of CPA Ontario. Without such cooperation, CPA Ontario is unable to fulfil its mandate to protect the public. This is an important professional obligation of all students and members. The Student's failure to meet his obligations was concerning.

VI. DECISION AS TO SANCTION AND COSTS

- [40] After considering the joint submission of the parties, the Panel concluded that the appropriate sanction was a six-month suspension of the Student's membership in CPA Ontario, a fine of \$10,000 payable by June 18, 2025, publication of the Decision and Order, sanctions in the event of non-compliance with the terms of the Order, and costs of \$10,000 payable by the Student by June 18, 2025.

VII. REASONS FOR THE DECISION AS TO SANCTION

- [41] The purpose of sanction in a professional discipline matter is to provide specific deterrence to the student or member who has committed professional misconduct and general deterrence to others in the profession at large. Sanctions are intended to demonstrate to the public that CPA Ontario is serious about disciplining its students and members for contraventions of their

respective Codes to protect the public and to maintain public confidence in the profession.

- [42] Prior to the hearing, the parties came to an agreement about the proposed sanctions and costs, which was presented to the Panel.
- [43] Where there is a joint submission from the parties about the appropriate sanctions, the agreement reached by the parties is entitled to a high level of deference. A joint submission should be adopted unless it is contrary to the public interest, and it would bring the regulatory process into disrepute because it was beyond the reasonable range of sanction for similar professional misconduct. In the words of Justice Moldaver of the Supreme Court of Canada in the matter of [R. v. Anthony Cook](#), rejection of a joint submission:

“denotes a submission so unhinged from the circumstances of the offence and the offender that its acceptance would lead reasonable and informed persons ... to believe that the proper functioning of the justice system had broken down” (para 34).

- [44] Counsel for the PCC and the Student submitted that the joint submission was reasonable and fair, and that the rejection of the joint submission would bring the regulatory process of CPA Ontario into disrepute. For the reasons set out below, the Panel accepted the joint submission.

Range of Sanctions in Other Student Discipline Hearings

- [45] The Panel was provided with a Joint Brief of Authorities that included the reasons for decision for three cases where the Discipline Committee found that the students had committed professional misconduct: [Banerjee \(Re\), August 21, 2017](#); [LoRusso \(Re\), September 16, 1994](#); and [Postrado A.L \(Re\), June 1, 2017](#). While counsel for the PCC noted that misconduct in these cases was different from the Student’s misconduct and that these decisions had been made many years ago, the agreement as to sanctions and costs were based on these cases.
- [46] The range of penalties in those cases included suspensions from six months to nine months and fines from \$3,000 to \$10,000. The costs awarded against the students in *Banerjee (Re)* and *Postrado A. L. (Re)* were \$15,000 and \$3,000 respectively. The Panel agreed that the fairness of the joint submission was generally supported by the comparison with these cases.

Suspension

- [47] Counsel for the PCC advised that the Student’s current deadline to complete the CPA certification program was May 7, 2026, and this deadline had been factored into the parties’ agreement about the length of his suspension. CPA Ontario also indicated that it might disallow the qualifying hours already submitted by the Student. It was clear from the record that the Student still required additional qualifying hours to fulfill the practical experience requirements for the CPA designation, which he would need to fulfill after the suspension lapsed. Counsel for the PCC commented that it was not the intention of the suspension to effectively prevent the Student from completing his PERT requirements by the expiry of the above deadline.
- [48] The suspension of the Student is a specific deterrent to him and is a sufficient general deterrent to other students. The Panel found that a six-month suspension reflected the seriousness of the Student’s professional misconduct. The Panel took into consideration the

mitigating circumstances, namely the Student's agreement to the ASF and the joint submission on sanctions. Paragraph 43 of the ASF stated that the Student had demonstrated significant insight into his actions and recognized that even if he is able to fulfill his practical experience requirement, at the time of admission as a member of CPA Ontario, the Registrar will be required to review his conduct to determine if he meets the good character requirement. While not specifically identified in the ASF, the Decision and Order would be provided to the Registrar to assist with their review at the time of the Student's admission as a member.

Fine

- [49] The Panel found that the agreed-upon fine of \$10,000 reflected the gravity of the Student's conduct and its reasonableness was based on the cases included in the Joint Brief of Authorities adjusted for passage of time. The Panel also found that it was reasonable to give the Student nine months to pay the fine.

Publication

- [50] The Panel concluded that there were no rare or unusual circumstances to justify or require the withholding of the usual notice disclosing the Student's name. Publication is in the interests of transparency of CPA Ontario disciplinary matters; it shows that CPA Ontario takes the matter of governing its students and members seriously and is in the interest of general and specific deterrence. The usual order with respect to publication was made.

No Requirement to Complete Ethics Courses

- [51] The Panel noted that in the decisions provided by the parties in the Joint Brief of Authorities, prior Discipline Committee panels had ordered the students to complete ethics and/or professional development programs. In *LoRusso (Re)*, for example, the panel noted that this requirement would assist LoRusso in his rehabilitation because "*we want everyone - Mr. LoRusso, the profession, and the general public - to know this, and to know that we want our order to facilitate that rehabilitation.*"
- [52] The Panel asked counsel for both parties why this requirement was not included as a sanction in the ASF. Counsel for the PCC indicated that the Student had accepted responsibility for his professional misconduct and there was no need to add an additional cost burden of an ethics course. Counsel for the Student asserted that he had advised the Student to complete ethics courses to demonstrate his rehabilitation given that the Student would be subject to a good character review at the time of his admission as a member.
- [53] The Panel noted the Student's intention to complete the CPA certification program. Considering the requirements of enabling competencies under the program, the Panel acknowledged that the Student will be required to demonstrate ethical behaviour during the course of the program and identify instances of ethical behaviour in future PERT reports. These PERT reports would be subject to review and approval by CPA Ontario. While the Panel decided not to deviate from the sanctions agreed upon by the parties, we urge the Student to follow through with the advice of his counsel and undertake appropriate and relevant ethics related courses as there will be a review of his good character on admission to the profession.

Conclusion Respecting Sanctions

- [54] The Panel concluded that the proposed sanctions that had been negotiated between the parties were reasonable and fair in the circumstances as set out in the ASF.

VIII. REASONS FOR THE DECISION AS TO COSTS

- [55] With respect to costs, the law is settled that an order against a student or member for costs with respect to disciplinary proceedings is not a penalty. Costs are intended to indemnify the PCC based on the underlying principle that the profession should not bear all of the costs of the investigation, prosecution and hearing arising from a student's or member's misconduct.
- [56] The PCC requested costs of \$10,000, which were two-thirds of their actual costs. The Panel reviewed the PCC's Bill of Costs (Exhibit 3) and found that the agreed-upon costs were fair and reasonable.

DATED this 16th day of October, 2024



Richa Khanna, CPA, CA, LPA
Discipline Committee – Deputy Chair

Members of the Panel

Jim Huang, CPA, CGA
Barbara Ramsay, Public Representative
Nancy Tran, Public Representative

Independent Legal Counsel

Susan J. Heakes, Barrister & Solicitor