

Bruce Gordon Whyte: Summary, as Published in *CheckMark*

Bruce Gordon Whyte, of Ottawa, was found guilty of a charge of professional misconduct, under Rule 201. Over a six year period, while a firm partner, Mr. Whyte improperly charged personal expenses to the firm's account, and to the work in process accounts of clients of the firm. He was fined \$15,000 and expelled from the Institute.

CHARGE(S) LAID re Bruce Gordon Whyte

The Professional Conduct Committee hereby makes the following charge against Bruce G. Whyte, CA, a member of the Institute:

1. THAT, the said Bruce G. Whyte, in or about the period March 1, 1-986 through to August 31, 1991, while a partner in the Ottawa office of Dunwoody & Company, 'failed to conduct himself in a manner that will maintain the good reputation of the profession and its ability to serve the public interest, contrary to Rule 201 of the Rules of Professional Conduct, in that;
 - (a) he improperly charged personal expenses of approximately \$127,000 to the work in process accounts of clients of the firm, of which approximately \$102,000 was included in fees billed to and subsequently collected from clients and- approximately \$25,000 was not collected from clients but was in part absorbed by the office of Dunwoody & Company in Ottawa and in part transferred out of work in process to the personal drawings of Bruce G. Whyte; and
 - (b) he improperly charged to, and collected from, the office of Dunwoody & Company in Ottawa personal expenses of approximately \$9,000.

DATED at Toronto this 4th day of March 1992.

J.L.M. BADALI, FCA - CHAIR
PROFESSIONAL CONDUCT COMMITTEE

DISCIPLINE COMMITTEE re Bruce Gordon Whyte

DECISION AND ORDER IN THE MATTER OF: A charge against BRUCE GORDON WHYTE, CA, a member of the Institute, under Rule 201 of the Rules of Professional Conduct, as amended.

DECISION AND ORDER MADE JUNE, 1992

DECISION

THAT, having seen, heard and considered the evidence, including the agreed statement of facts, filed, and having determined to proceed with the hearing in the absence of Mr. Whyte, pursuant to Institute Bylaw 87(2)(c), being satisfied that he had proper notice of the hearing, and having entered on his behalf a plea of not guilty to the charge, THE DISCIPLINE COMMITTEE FINDS Bruce Gordon Whyte guilty of the charge.

ORDER

IT IS ORDERED in respect of the charge:

1. THAT Mr. Whyte be reprimanded in writing by the chair of the hearing.
2. THAT Mr. Whyte be and he is hereby fined the sum of \$15,000, to be remitted to the Institute within six (6) months from the date this Decision and Order becomes final under the bylaws.
3. THAT Mr. Whyte be and he is hereby expelled from membership in the Institute.
4. THAT notice of this Decision and Order, disclosing Mr. Whyte's name, be given after this Decision and Order becomes final under the bylaws:
 - (a) by publication in *CheckMark*;
 - (b) to the Public Accountants Council for the Province of Ontario; and
 - (c) to the Canadian Institute of Chartered Accountants.
5. THAT Mr. Whyte surrender his certificate of membership in the Institute to the registrar of the Institute within ten (10) days from the date this Decision and Order becomes final under the bylaws.

DATED AT TORONTO, THIS 11TH DAY OF JUNE, 1992
BY ORDER OF THE DISCIPLINE COMMITTEE

B.W STEPHENSON, BA, LLB
SECRETARY DISCIPLINE COMMITTEE

DISCIPLINE COMMITTEE re Bruce Gordon Whyte

REASONS FOR THE DECISION AND ORDER IN THE MATTER OF: A charge against BRUCE GORDON WHYTE, CA, a member of the Institute, under Rule 201 of the Rules of Professional Conduct, as amended.

WRITTEN REASONS FOR THE DECISION AND ORDER MADE JUNE 5, 1992

These proceedings before this panel of the discipline committee of the Institute of Chartered Accountants of Ontario were convened on June 5, 1992.

Mr. Paul Farley attended on behalf of the professional conduct committee. Neither Mr. Whyte nor his counsel Mr. Nelligan was present.

Mr. Farley advised the committee that Mr. Whyte's counsel had indicated to him that neither he nor Mr. Whyte would be attending the hearing. Mr. Farley produced evidence that supported the fact that Mr. Whyte and his counsel had been properly advised of the hearing date and had freely chosen not to appear.

The professional conduct committee had laid one charge against Mr. Whyte, under Rule of Professional Conduct 201, of failing to maintain the good reputation of the profession and its ability to serve the public interest.

Since Mr. Whyte was neither present nor represented at the hearing, the chair entered a plea of not guilty to the charge on the member's behalf.

Mr. Farley presented an agreed statement of facts, signed by himself and Mr. Whyte, and then called Mr. Daniel Edwards, the professional conduct committee investigator, as a witness.

The evidence revealed that over a six year period, while Mr. Whyte was a partner in the Ottawa office of his former firm, he charged large sums of money representing personal expenses to the work-in-process accounts of clients of the firm. A large portion of those charges were included in fees and subsequently collected from clients, and other amounts were absorbed by the firm. Mr. Edwards indicated that Mr. Whyte was cooperative in the investigation. But while Mr. Whyte did not contest the allegations against him, neither did he offer any explanations for his actions.

After reviewing the evidence presented, the discipline committee found Mr. Whyte guilty of the charge under Rule 201.

The committee then heard Mr. Farley's submissions as to sanction, and, after deliberation, made the following order:

ORDER

IT IS **ORDERED** in respect of the charge:

1. THAT Mr. Whyte be reprimanded in writing by the chair of the hearing.

2. THAT Mr. Whyte be and he is hereby fined the sum of \$15,000, to be remitted to the Institute within six (6) months from the date this Decision and Order becomes final under the bylaws.
3. THAT Mr. Whyte be and he is hereby expelled from membership in the Institute.
4. THAT notice of this Decision and Order, disclosing Mr. Whyte's name; be given after this Decision and Order becomes final under the bylaws:
 - (a) by publication in *CheckMark*;
 - (b) to the Public Accountants Council for the Province of Ontario; and
 - (c) to the Canadian Institute of Chartered Accountants.
5. THAT Mr. Whyte surrender his certificate of membership in the Institute to the registrar of the Institute within ten (10) days from the date this Decision and Order becomes final under the bylaws.

Briefly, the reasons for the committee's order are set out below.

The committee considers a reprimand to be necessary to stress to the member the unacceptability of his conduct as a chartered accountant and its negative impact on the profession.

The imposition of a fine of \$15,000 is appropriate in this case to emphasize to the member, the general membership of the Institute, and the public, the seriousness with which the discipline committee views members' failure to adhere to Rule of Professional Conduct 201.

The committee felt that, although there were indications in the evidence that Mr. Whyte felt some remorse for his conduct, that conduct had taken place over a six-year period and amounted to a scheme to cheat his clients and partners of amounts totalling approximately \$137,000. The committee felt strongly that, for the protection of the public and as a general deterrent, this type of conduct could only be dealt with by expulsion.

The committee has ordered publication and notice of its decision and order, including disclosure of the member's name, as both a specific deterrent to the member charged and a general deterrent to all members. Publicity is also necessary to demonstrate to the public that the profession is regulating itself, in order that it can retain the confidence of the public and legislators in the profession's ability to self-govern.

The committee is of the opinion that surrender of the member's certificate of membership is important to ensure that the public is not misled, through the display of the certificate, into believing that Mr. Whyte continues to be a chartered accountant following his expulsion.

DATED AT TORONTO, THIS 22nd DAY OF JULY, 1992
BY ORDER OF THE DISCIPLINE COMMITTEE

P.A. CAMPOL, CA - DEPUTY CHAIR
THE DISCIPLINE COMMITTEE

MEMBERS OF THE PANEL:

G.W. CLARKSON, FCA
R.G. HARRISON, FCA
W.S. HAZLITT, CA
H.R. KLEIN, CA
R.W. WARKENTIN, PEng (Public representative)