

Gerald David Eades: Summary, as Published in *CheckMark*

Gerald David Eades, of Ingersoll, was found guilty, under Rules 201.1 and 205, of failing to conduct himself in a manner so as to maintain the good reputation of the profession and its ability to serve the public interest, and of signing or associating himself with statements or representations which he knew or should have known were false or misleading. While employed as the controller of a company, Mr. Eades misappropriated \$5,187.21 from his employer by claiming the same expenses to the company, and reimbursed himself for expenses which he had paid with the corporate credit card. Mr. Eades attempted to misappropriate an additional \$1,715.40, but was discovered, and his employment was terminated. He made full restitution to his employer. Mr. Eades was fined \$1,000 and expelled from the Institute. The discipline committee specified that notice of its order in *CheckMark* indicate that the quantum of the fine levied was determined in consideration of Mr. Eades' financial circumstances.

CHARGE(S) LAID re Gerald David Eades

The Professional Conduct Committee hereby makes the following charges against Gerald D. Eades, a suspended member of the Institute:

1. THAT, the said Gerald D. Eades, in or about the period of December, 1989 to October, 1991, signed or associated himself with statements or representations which he knew or should have known were false or misleading, in that he prepared expense reports and submitted them to his employer, Westinghouse Canada Inc., for reimbursement of alleged expenses in the approximate amount of \$6,900 which he represented were incurred during the course of his employment when he knew that the amount claimed was not owing to him by his employer, contrary to Rule 205 of the rules of professional conduct.
2. THAT, the said Gerald D. Eades, in or about the period of December, 1989 to October, 1991, failed to conduct himself in a manner which will maintain the good reputation of the profession and its ability to serve the public interest, in that he prepared expense reports and submitted them to his employer, Westinghouse Canada Inc., for reimbursement of alleged expenses in the approximate amount of \$6,900 which he represented were incurred during the course of his employment and accepted approximately \$5,000, in payment, when he knew that the amount claimed was not owing to him by his employer, contrary to Rule 201.1 of the rules of professional conduct.

Dated at Toronto this 20th day of October, 1994.

J.L. FISHER, CA - CHAIR
PROFESSIONAL CONDUCT COMMITTEE

DISCIPLINE COMMITTEE re Gerald David Eades

DECISION AND ORDER IN THE MATTER OF: Charges against **GERALD DAVID EADES**, a suspended member of the Institute, under **Rules 201.1 and 205** of the Rules of Professional Conduct, as amended.

DECISION AND ORDER MADE MARCH 2, 1995

DECISION

THAT, having seen and considered the evidence, including the agreed statement of facts, filed, and having heard the plea of guilty to charges Nos. 1 and 2, THE DISCIPLINE COMMITTEE FINDS Gerald David Eades guilty of charges Nos. 1 and 2.

ORDER

IT IS ORDERED in respect of the charges:

1. THAT Mr. Eades be reprimanded in writing by the chair of the hearing.
2. THAT Mr. Eades be and he is hereby fined the sum of \$1,000, 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. Eades be and he is hereby expelled from membership in the Institute.
4. THAT notice of this Decision and Order, disclosing Mr. Eades' name, be given after this Decision and Order becomes final under the bylaws:
 - (a) by publication in *CheckMark*, wherein it will be indicated that the quantum of fine ordered to be paid by Mr. Eades was determined in consideration of Mr. Eades' financial circumstances;
 - (b) to the Public Accountants Council for the Province of Ontario; and
 - (c) to the Canadian Institute of Chartered Accountants.
5. THAT Mr. Eades 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 9TH DAY OF MARCH, 1995
BY ORDER OF THE DISCIPLINE COMMITTEE

BRYAN W. STEPHENSON, BA, LLB
SECRETARY - DISCIPLINE COMMITTEE

DISCIPLINE COMMITTEE re Gerald David Eades

REASONS FOR THE DECISION AND ORDER IN THE MATTER OF: Charges against **GERALD DAVID EADES**, a suspended member of the Institute, under **Rules 201.1 and 205** of the Rules of Professional Conduct, as amended.

WRITTEN REASONS FOR THE DECISION AND ORDER MADE MARCH 2, 1995

These proceedings before this panel of the discipline committee of the Institute of Chartered Accountants of Ontario were convened on March 2, 1995. Ms. Deborah McPhadden attended on behalf of the professional conduct committee. Mr. Eades represented himself, and confirmed for the record that he understood he had the right to be represented by legal counsel.

The professional conduct committee had laid two charges against Mr. Eades, to both of which he pleaded guilty. The member confirmed that he understood that upon a plea of guilty, and upon that basis alone, he could be found guilty by the discipline committee.

The charges to which Mr. Eades pleaded guilty read as follows:

1. *THAT, the said Gerald Eades, in or about the period December, 1989 to October, 1991, signed or associated himself with statements or representations which he knew or should have known were false or misleading, in that he prepared expense reports and submitted them to his employer, Westinghouse Canada Inc., for reimbursement of alleged expenses in the approximate amount of \$6,900 which he represented were incurred during the course of his employment when he knew that the amount claimed was not owing to him by his employer, contrary to Rule 205 of the rules of professional conduct.*
2. *THAT, the said Gerald Eades, in or about the period December, 1989 to October, 1991, failed to conduct himself in a manner which will maintain the good reputation of the profession and its ability to serve the public interest, in that he prepared expense reports and submitted them to his employer, Westinghouse Canada Inc., for reimbursement of alleged expenses in the approximate amount of \$6,900 which he represented were incurred during the course of his employment and accepted approximately \$5,000, in payment, when he knew that the amount claimed was not owing to him by his employer, contrary to Rule 201.1 of the rules of professional conduct.*

The evidence before the discipline committee, in the form of an agreed statement of facts and a document brief, filed as exhibits, was that, while employed as controller of Westinghouse Canada Inc., Mr. Eades misappropriated \$5,187.21 from his employer by claiming the same expenses twice. On four separate occasions, he both authorized payment of expenses directly to his corporate credit card account, and claimed personal reimbursement on expense reports. Some of the items for which Mr. Eades authorized payment to his corporate credit card account were personal expenses which he should not have charged to his employer. Mr. Eades attempted to misappropriate an additional \$1,715.40, but was discovered and terminated from employment. Mr. Eades made full restitution to his employer, who agreed in the circumstances not to pursue criminal charges.

After reviewing the evidence before it, the discipline committee found Mr. Eades guilty of the charges.

The committee then heard submissions on sanction, and, upon deliberation, made the following order:

ORDER

IT IS ORDERED in respect of the charges:

1. THAT Mr. Eades be reprimanded in writing by the chair of the hearing.
2. THAT Mr. Eades be and he is hereby fined the sum of \$1,000, 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. Eades be and he is hereby expelled from membership in the Institute.
4. THAT notice of this Decision and Order, disclosing Mr. Eades' name, be given after this Decision and Order becomes final under the bylaws:
 - (a) by publication in *CheckMark*, wherein it will be indicated that the quantum of fine ordered to be paid by Mr. Eades was determined in consideration of Mr. Eades' financial circumstances;
 - (b) to the Public Accountants Council for the Province of Ontario; and
 - (c) to the Canadian Institute of Chartered Accountants.
5. THAT Mr. Eades 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.

The reasons for the committee's order are briefly set out below.

Reprimand

The committee is of the view that a reprimand is necessary as a specific deterrent to the member, to stress to him the unacceptability of his conduct as a chartered accountant.

Fine

The professional conduct committee requested a fine in the range of \$7,000 to \$10,000. The discipline committee concurred with counsel for the professional conduct committee that a fine serves both as a general and a specific deterrent. In setting the quantum of the fine at \$1,000, the discipline committee took into consideration the age of the member, who was 57, his weak financial status, and the fact that he had made restitution to his employer. Mr. Eades stated that his assets and income were minimal, and the committee satisfied itself that his position precluded him from paying a higher amount.

Expulsion

The principle of general deterrence is of utmost importance in this case. The charges of which Mr. Eades was found guilty involved moral turpitude on his part. His conduct, which so undermines the good reputation of the profession, cannot be tolerated by the discipline committee. Accordingly, the committee ordered that Mr. Eades be expelled from the Institute.

In his submissions, Mr. Eades agreed that expulsion was the appropriate sanction in the circumstances of this case.

Notice

The disciplinary process of a self-governing professional organization must be viewed by its members and the public as an open process. The committee ordered notice of its decision and order in the manner specified, including disclosure of the member's name, as a specific and general deterrent, and stipulated that the notice published in *CheckMark* indicate that the quantum of fine ordered to be paid was determined in consideration of Mr. Eades' financial circumstances.

Surrender of Certificate

As is usual in cases of expulsion, the member was ordered to surrender his certificate of membership in the Institute.

DATED AT TORONTO, THIS _____ DAY OF APRIL, 1995
BY ORDER OF THE DISCIPLINE COMMITTEE

D.P. SETTERINGTON, CA - DEPUTY CHAIR
THE DISCIPLINE COMMITTEE

MEMBERS OF THE PANEL:

C.J. BURKE, FCA
J.J. LONG, CA
B.L. STEPHENS, CA
W.L. WOOD, CA
R.W. WARKENTIN (Public representative)