

## **Robert Gordon Ian Armstrong: Summary, as Published in *CheckMark***

**Robert Gordon Ian Armstrong**, of Oakville, was found guilty of two charges under Rule 201.1 of failing to maintain the good reputation of the profession and its ability to serve the public interest. He participated in a scheme where under payments were secretly and improperly made from the accounts of the company for which he was employed as controller to another company of which he was secretary-treasurer. He also improperly removed funds from his employer's account for his own personal use, and caused improper payments to be made to another corporate employee. Mr. Armstrong was fined \$7,500 and suspended from membership for 12 months. In deciding not to expel him, the discipline committee took into account Mr. Armstrong's acknowledgement of wrongdoing, and the fact that he had, in part, been manipulated by a superior.

Mr. Armstrong returned to MEMBERSHIP IN GGOD STANDING on December 19, 1996.

## CHARGE(S) LAID re Robert Gordon Ian Armstrong

The Professional Conduct Committee hereby makes the following charges against Robert Armstrong, CA, a member of the Institute:

1. THAT, the said Robert Armstrong, in or about the period December, 1990 through to May, 1991, 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 201.1 of the rules of professional conduct, in that:
  - (a) While the comptroller of Volvo GM Canada Heavy Truck Corporation ("Volvo GM"), he participated in a scheme whereunder payments in the amount of \$25,000 on March 5, 1991 and \$10,000 on April 5, 1991 were secretly and improperly made from the accounts of Volvo GM to Heavy Truck Finance Corporation ("Heavy Truck").
- ~~2. THAT, the said Robert Armstrong, in or about the period January, 1991 through to May, 1992, 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 201.1 of the rules of professional conduct, in that:~~
  - ~~(a) He participated in and concealed from his employer, Volvo GM, a scheme whereunder payments were improperly made by Volvo GM to E.P. Capital Corp. totaling \$88,60530.~~
3. THAT, the said Robert Armstrong, in or about the period September, 1990 through to February, 1991, 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 201.1 of the rules of professional conduct, in that:
  - (a) While the comptroller and signing officer of Volvo GM, he improperly removed funds in the approximate amount of \$8,000 from the account of Volvo GM and converted those funds to his own use rather than the use for which the funds were ostensibly paid.
  - (b) While the comptroller and signing officer of Volvo, he caused payments to be made to Tami Britton, an employee of Volvo GM, in the approximate amount of \$1,620 which were improper.
- ~~4. THAT, the said Robert Armstrong, failed to conduct himself in a manner that will maintain the good reputation of the profession and its ability to serve the public interest in that, on or about the 23<sup>rd</sup> day of December 1994, he was convicted of a criminal offence namely, that between November 15, 1990 and June 25, 1992 at the Town of Milton in the Province of Ontario he did, by deceit, falsehood or other fraudulent means defraud Volvo GM Canada Heavy Truck Corporation of a sum of money the value of which exceeds one thousand dollars contrary to section 380 (1)(a) of the Criminal Code of Canada, all of which is contrary to Rule 201.1 of the rules of professional conduct.~~

DATED at Toronto 12<sup>th</sup> day of January, 1995

JENNIFER L. FISHER, CA – CHAIR  
PROFESSIONAL CONDUCT COMMITTEE

## **DISCIPLINE COMMITTEE re Robert Gordon Ian Armstrong**

**DECISION AND ORDER IN THE MATTER OF:** Charges against **ROBERT GORDON IAN ARMSTRONG, CA**, a member of the Institute, under **Rule 201.1** of the Rules of Professional Conduct, as amended.

**DECISION AND ORDER MADE AUGUST 14, 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 3, charges Nos. 2 and 4 having been withdrawn, THE DISCIPLINE COMMITTEE FINDS Robert Gordon Ian Armstrong guilty of charges Nos. 1 and 3.

### **ORDER**

IT IS ORDERED in respect of charges Nos. 1 and 3:

1. THAT Mr. Armstrong be reprimanded in writing by the chair of the hearing.
2. THAT Mr. Armstrong be and he is hereby fined the sum of \$7,500, to be remitted to the Institute within fifteen (15) months from the date this Decision and Order becomes final under the bylaws.
3. THAT Mr. Armstrong be suspended from the rights and privileges of membership in the Institute for a period of twelve (12) months from the date this Decision and Order becomes final under the bylaws.
4. THAT notice of this Decision and Order, disclosing Mr. Armstrong'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. Armstrong surrender his certificate of membership in the Institute to the secretary of the discipline committee within ten (10) days from the date this Decision and Order becomes final under the bylaws, to be held by the secretary during the period of suspension and thereafter returned to Mr. Armstrong.
6. THAT in the event Mr. Armstrong fails to comply with the requirements of paragraphs 2 and 5 of this Order, or either of them, within the time periods therein specified, he shall thereupon be suspended from the rights and privileges of membership in the Institute, and notice of his suspension, disclosing his name, shall be given in the manner specified in paragraph 4 hereof.

7. THAT in the event Mr. Armstrong is suspended pursuant to paragraph 6 hereof, the suspension shall terminate upon his compliance with the term of the Order in respect of which he was suspended, provided that he complies within six (6) months from the date of his suspension.
8. THAT in the event Mr. Armstrong fails to terminate a suspension imposed pursuant to paragraph 6 hereof within the time period specified in paragraph 7, he shall thereupon be expelled from membership in the Institute, and notice of his expulsion, disclosing his name, shall be given in the manner specified in paragraph 4 hereof.

DATED AT TORONTO THIS 17TH DAY OF AUGUST, 1995  
BY ORDER OF THE DISCIPLINE COMMITTEE

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

## **DISCIPLINE COMMITTEE re Robert Gordon Ian Armstrong**

**REASONS FOR THE DECISION AND ORDER IN THE MATTER OF:** Charges against **ROBERT GORDON IAN ARMSTRONG, CA**, a member of the Institute, under **Rule 201.1** of the Rules of Professional Conduct, as amended.

### **WRITTEN REASONS FOR THE DECISION AND ORDER MADE AUGUST 14, 1995**

These proceedings before this panel of the discipline committee of the Institute of Chartered Accountants of Ontario were convened on August 14, 1995.

Mr. Brian Bellmore attended on behalf of the professional conduct committee, and Mr. Armstrong attended with his counsel Mr. Paul Stunt.

Four charges had been laid against Mr. Armstrong by the professional conduct committee. At the outset of the hearing, the professional conduct committee withdrew charges Nos. 2 and 4.

Mr. Armstrong then pleaded guilty to the two remaining charges, which read as follows:

1. *THAT, the said Robert Armstrong, in or about the period December, 1990 through to May, 1991, 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 201.1 of the rules of professional conduct, in that:*
  - (a) *While the comptroller of Volvo GM Canada Heavy Truck Corporation ("Volvo GM"), he participated in a scheme whereunder payments in the amount of \$25,000 on March 5, 1991 and \$10,000 on April 5, 1991 were secretly and improperly made from the accounts of Volvo GM to Heavy Truck Finance Corporation ("Heavy Truck").*
2. *THAT, the said Robert Armstrong, in or about the period September, 1990 through to February, 1991, 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 201.1 of the rules of professional conduct, in that:*
  - (a) *While the comptroller and signing officer of Volvo GM, he improperly removed funds in the approximate amount of \$8,000 from the account of Volvo GM and converted those funds to his own use rather than the use for which the funds were ostensibly paid.*
  - (b) *While the comptroller and signing officer of Volvo GM, he caused payments to be made to Tami Britton, an employee of Volvo GM, in the approximate amount of \$1,620 which were improper.*

Mr. Bellmore entered as exhibits a statement of agreed facts accompanied by an exhibit book. After deliberation upon the evidence presented, the discipline committee found Mr. Armstrong guilty of charges Nos. 1 and 3.

In respect of Charge No. 1, the evidence showed that, while comptroller of Volvo GM Canada Heavy Truck Corporation (Volvo GM) Mr. Armstrong, together with his superior, a Mr. Howald, attempted to have Volvo GM enter into a joint venture arrangement with a company named Heavy Truck Finance Corporation (Heavy Truck), whereby Heavy Truck would provide financing assistance to Volvo GM dealers. Mr. Armstrong was secretary/treasurer of Heavy Truck. Despite a decision of the Board of Directors of Volvo GM not to get involved in a joint venture with Heavy Truck, Mr. Armstrong entered into an arrangement to engage the services of Heavy Truck, and made payments totalling \$35,000 to Heavy Truck, which were posted to Volvo GM miscellaneous receivables. Postdated cheques were then received back from Heavy Truck as security for repayment of the advances, but were never deposited to Volvo GM's bank account. First Mr. Howald and then Mr. Armstrong retained them, knowing that there were insufficient funds in Heavy Truck's bank account to cover them. In September 1991, upon Mr. Armstrong's approval, the \$35,000 advanced to Heavy Truck was written off by Volvo GM.

In respect of Charge No. 3, the evidence showed that, despite a no bonus directive from the Board of Directors of Volvo GM, Mr. Armstrong paid himself a bonus of \$8,000, upon the instructions of Mr. Howald, by way of a series of cheques, purporting to be for various CICA courses and materials. Mr. Armstrong also made improper remuneration payments totalling \$1,620 to an employee of Volvo GM, upon the approval of Mr. Howald, which he charged to automobile expenses and education fees.

After making its findings of guilty on the charges, the committee heard submissions as to sanction from both parties, and, upon deliberation, made the following order:

### **ORDER**

IT IS ORDERED in respect of charges Nos. 1 and 3:

1. THAT Mr. Armstrong be reprimanded in writing by the chair of the hearing.
2. THAT Mr. Armstrong be and he is hereby fined the sum of \$7,500, to be remitted to the Institute within fifteen (15) months from the date this Decision and Order becomes final under the bylaws.
3. THAT Mr. Armstrong be suspended from the rights and privileges of membership in the Institute for a period of twelve (12) months from the date this Decision and Order becomes final under the bylaws.
4. THAT notice of this Decision and Order, disclosing Mr. Armstrong'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. Armstrong surrender his certificate of membership in the Institute to the secretary of the discipline committee within ten (10) days from the date this Decision and Order becomes final under the bylaws, to be held by the secretary during the period of suspension and thereafter returned to Mr. Armstrong.
6. THAT in the event Mr. Armstrong fails to comply with the requirements of paragraphs 2 and 5 of this Order, or either of them, within the time periods therein specified, he shall thereupon be suspended from the rights and privileges of membership in the Institute,

and notice of his suspension, disclosing his name, shall be given in the manner specified in paragraph 4 hereof.

7. THAT in the event Mr. Armstrong is suspended pursuant to paragraph 6 hereof, the suspension shall terminate upon his compliance with the term of the Order in respect of which he was suspended, provided that he complies within six (6) months from the date of his suspension.
8. THAT in the event Mr. Armstrong fails to terminate a suspension imposed pursuant to paragraph 6 hereof within the time period specified in paragraph 7, he shall thereupon be expelled from membership in the Institute, and notice of his expulsion, disclosing his name, shall be given in the manner specified in paragraph 4 hereof.

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 committee felt that Mr. Armstrong's conduct was serious, involving a breach of trust, and warranted a significant fine as both a general and specific deterrent. The committee ordered a \$7,500 fine, but allowed fifteen months to pay, taking into account Mr. Armstrong's financial situation.

### **Suspension**

In ordering a twelve-month suspension, the committee considered the serious nature of Mr. Armstrong's conduct, but it took into account his acknowledgement of wrongdoing, and the fact that he had, in part, been manipulated by a superior, in determining that expulsion was not appropriate in this case.

The lengthy suspension and fine, it was decided, would act as a specific deterrent to the member and demonstrate to the membership and general public that this type of behaviour will not be tolerated.

### **Publicity**

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. The committee considered such notification also necessary to demonstrate to the public that the profession is regulating itself, so as to retain public confidence in the profession's ability to self-govern.

### **Failure to comply**

As is the normal practice of the committee, it ordered that failure to comply with any of the requirements of the order will result in suspension and, ultimately, expulsion of the member. This sort of provision ensures that orders of the discipline committee will be complied with by those who wish to retain their professional designation and membership in the Institute.



DATED AT TORONTO, THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 1995  
BY ORDER OF THE DISCIPLINE COMMITTEE

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

MEMBERS OF THE PANEL:

L.R. FLEMMING, CA  
H.R. KLEIN, CA  
J.J. LONG, CA  
W.L. WOOD, CA  
R.W. WARKENTIN, PEng (Public representative)