



Founded 1879

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF ONTARIO

DISCIPLINE COMMITTEE - ICAO
RE: Uladimir Chernik
EX. 1 FILED Oct 29 2011
AM

IN THE MATTER OF:

CHARGES AGAINST ULADZIMIR
CHERNIK, CA, A MEMBER OF THE
INSTITUTE, BEFORE THE DISCIPLINE
COMMITTEE

SETTLEMENT AGREEMENT

*made pursuant to Bylaw 510 (7.1) of the Bylaws of the
Institute of Chartered Accountants of Ontario*

Introduction

1. The Professional Conduct Committee, at their meeting of July 14, 2009, approved a draft charge against Uladzimir Chernik, CA ("Chernik") **Doc 1**.
2. The draft charge pertains to Chernik's application for membership in the ICAO. In making his application, he relied upon his registration with the Ordre des Comptables Agrees du Quebec, which he knew was partially based upon his submission of a false undergraduate degree.
3. The documents referred to in this agreement are found in the Document Brief.
4. The Professional Conduct Committee and Chernik agree with the facts and conclusions set out in this settlement agreement for the purpose of this proceeding only, and further agree that this agreement of facts and conclusions is without prejudice to Chernik in any other proceedings of any kind, including, but without limiting the generality of the foregoing, any civil or other proceedings which may be brought by any other person, corporation, regulatory body or agency.

VC

Member's Background

5. Chernik is originally from Belarus and moved to Canada in 1998. He became a Canadian citizen in 2002.
6. Chernik graduated from high school in Belarus in 1988. He does not have an undergraduate degree; instead, he possesses a false undergraduate degree, obtained in or around 1999, from Donetsk University in the Ukraine **Doc 2**. Chernik has never attended any courses at Donetsk University.
7. Chernik holds a Diploma in Accounting from McGill University, obtained in 2001 **Doc 3**, and a Graduate Diploma in Accounting from Concordia University, obtained in 2006 **Doc 4**. He passed the UFE in 2007 as a student member of the Quebec Ordre. Chernik was admitted as a member of the ICAO in February, 2008 on the basis of his registration with the Quebec Ordre.
8. Chernik lives and works as a CA in Montreal, Quebec. He is a member of the ICAO in good standing.

Background of Complaint

9. Chernik came to the attention of the Professional Conduct Committee when a complaint was filed by his former wife, Ms. Elena Krivosheeva ("Krivosheeva"). Chernik married Krivosheeva and moved to Canada in 1998. Following the move, Chernik found work painting houses, while Krivosheeva was attending McGill University.
10. Chernik states that Krivosheeva's mother suggested that a degree be purchased for him in Russia so that he could attend the Diploma in Accountancy program at McGill. Although Krivosheeva's mother purchased the false degree, Chernik accepted it and relied upon it in applying to McGill University.
11. In the course of acrimonious divorce proceedings, Krivosheeva made a complaint, drawing the false degree to the attention of the Quebec Ordre. As Chernik had been

VC

admitted as a member of the ICAO, the Quebec Ordre forwarded the complaint to the ICAO Professional Conduct Committee.

The Charge

12. Chernik's Application for Membership by Affiliation dated January 4, 2008 **Doc 5** relied upon his student membership in the Quebec Ordre, and was supported by a letter dated January 14, 2008 from Ms. Diane Messier, CA, Vice-President, Education and Professional Development of the Quebec Ordre. **Doc 6**
13. The letter from the Quebec Ordre indicated that Chernik registered as a student on the basis of his degree from Donetsk State University. The letter goes on to say: "having passed the Uniform Evaluation (UFE), completed his practical training, and the twenty five hundred hours required of services rendered, Mr. Chernik has fulfilled the professional requirements for admission to membership in the Ordre des Comptables Agrees due Quebec. This candidate has however, not passed the Statutory French test required for admission to professional bodies in the Province of Quebec."
14. Chernik's application was also supported by references from two chartered accountants with memberships in good standing in the province of Quebec **Doc 5**. Both referees state that they have known the applicant for at least two years, and attest that he is of good moral character and integrity, and that they know of no reason why membership in the ICAO should not be granted.
15. Quebec Regulations require that members hold an undergraduate degree in order to be admitted. **Doc 7** Chernik was at all times aware of the requirement to possess an undergraduate degree when he registered with the Quebec Ordre. He acknowledges that the degree he submitted to support his registration with the Ordre was false.
16. Chernik acknowledges that in applying for membership in the ICAO while relying on his registration with the Quebec Ordre knowing that said registration was based in part on his submission to the Ordre of a false undergraduate degree, he has failed to maintain the reputation of the profession and its ability to serve the public interest.

VC

Considerations Supporting Settlement

17. In addition to all of the circumstances described above, the Professional Conduct Committee took the following factors into consideration on entering into this Agreement:

- a. Chernik acknowledges that his knowing reliance upon a false undergraduate degree was wrong and was the result of a serious error in judgment;
- b. Chernik has expressed remorse for his actions;
- c. Chernik states that he has not included reference to the false degree on his resume since 2002;
- d. More than ten years have passed since Chernik originally relied on the false degree in his application to McGill University;
- e. Chernik has successfully passed the UFE on his own merit;
- f. Chernik has been fully cooperative at all stages of the PCC investigative process; and
- g. Chernik has no prior history in the disciplinary process of the ICAO or of the Quebec Ordre.

VC

Terms of Settlement

18. Chernik and the Professional Conduct Committee agree to the following Terms of Settlement:

- a) A payment by way of fine in the amount of \$5,000;
- b) Notice of the terms of this Settlement is to be published in accordance with the provisions of Bylaw 575(2), including notice to be given to the CICA, the Public Accountants' Council and in *Checkmark* Magazine; and
- c) Chernik will be allowed twelve months from the time the Discipline Committee accepts this Settlement Agreement to pay the fine referred to herein.

19. Should the Discipline Committee accept this Settlement Agreement, Chernik agrees to waive his right to a full hearing, judicial review or appeal of the matter subject to the Settlement Agreement. Upon the member fulfilling the requirements of this Settlement Agreement, the draft charges approved by the Professional Conduct Committee and dated April, 2010 shall be forever stayed.

20. If for any reason this Settlement Agreement is not approved by the Discipline Committee, then:

- a) This Settlement Agreement and its terms, including all Settlement Negotiations between the Professional Conduct Committee and Chernik leading up to its presentation to the Discipline Committee, shall be without prejudice to the Professional Conduct Committee and Chernik; and
- b) The Professional Conduct Committee and Chernik shall be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing on the merits of the allegations set out in the charges, or negotiating a new Settlement Agreement, unaffected by this Settlement Agreement or the Settlement Negotiations.

VC

Disclosure of Settlement Agreement

21. This Settlement Agreement and its terms will be treated as confidential by the Professional Conduct Committee and Chernik, until approved by the Discipline Committee, and forever if for any reason whatsoever this Settlement Agreement is not approved by the Discipline Committee, except with the written consent of the Professional Conduct Committee and Chernik, or, as may be required by law.
22. Any obligations of confidentiality shall terminate upon approval of the Settlement Agreement by the Discipline Committee.

All of which is agreed to for the purpose of this proceeding alone this 14 day of July, 2010.



ROBERT SIMON, CA
DEPUTY CHAIR
PROFESSIONAL CONDUCT COMMITTEE

ULADZIMIR CHERNIK, CA
on his own behalf



VC