

**SANCTION AGREEMENT**  
**JOHN MATTHEW WILLIAMS-KOVACS, CPA, CMA**  
**FILE 2019049**

IN THE MATTER OF a complaint against John Matthew Williams-Kovacs, CPA, CMA, under s. 66(3) of the *Chartered Professional Accountants Act*, SA 2014, c. C-10.2 (the “CPA Act”).

AND IN THE MATTER OF a sanction agreement pursuant to the provisions of s. 74 of the *CPA Act*.

WHEREAS the Complaints Inquiry Committee, at its meeting of June 24, 2019, was of the opinion that there is sufficient evidence of unprofessional conduct to warrant a hearing before a discipline tribunal, it referred the following allegation of unprofessional conduct to the Discipline Tribunal Roster Chair.

The Complaints Inquiry Committee alleges that John Matthew Williams-Kovacs, CPA, CMA is guilty of unprofessional conduct in that he:

1. Submitted 64 false medical claims to insurance provider, SLI, for medical benefit payment between October 8, 2015 and January 4, 2018 totaling \$3,466.00.

All of which is contrary to the provisions of the *Chartered Professional Accountants Act*, SA 2014, c. C-10.2, or the regulations, bylaws, Rules of Professional Conduct enacted pursuant thereto or standards of practice, constituting unprofessional conduct.

AND WHEREAS John Matthew Williams-Kovacs, CPA, CMA, proposes to enter into a sanction agreement with the Complaints Inquiry Committee under s. 74(1) of the *CPA Act*, admitting to a certain allegation of unprofessional conduct and setting out the sanctions to be imposed in consequence thereof.

AND WHEREAS, if a panel selected under s. 74(2) of the *CPA Act* is unable to recommend this proposed sanction agreement to the Complaints Inquiry Committee, the admissions and sanctions proposed herein are inoperative and of no force and effect, and the proceedings under Part 5 of the *CPA Act* will be continued as if no sanction agreement was proposed.

AND WHEREAS, if the Complaints Inquiry Committee does not approve this proposed sanction agreement under s. 74(8) of the *CPA Act*, the admissions and sanctions proposed herein are inoperative and of no force and effect, and the proceedings under Part 5 of the *CPA Act* will be continued as if no sanction agreement was proposed.

AND WHEREAS, if the Complaints Inquiry Committee does not approve this proposed sanction agreement under s. 74(8)(a) of the *CPA Act*, this document is utterly null and void and of no force or effect and may not be used for any purpose.

**FACTS**

1. John Matthew Williams-Kovacs (“Mr. Williams-Kovacs”) became a member of the Society of Certified Management Accountants of Alberta, now CPA Alberta, on August 27, 2012.
2. In 2015, Mr. Williams-Kovacs began working at the Grande Prairie office of SGE after being relocated from its Calgary office.

3. As an employee of SGE, Mr. Williams-Kovacs had health benefits, which were provided by SLI.
4. Mr. Williams-Kovacs experienced a severe back injury and was diagnosed with chronic facet irritation in relation to his T8 paraspinal muscles, for which he sought medical assistance from physicians and health care providers in Grande Prairie. Mr. Williams-Kovacs was unable to find a medical practitioner in Grande Prairie to diagnose his injury and this injury worsened. For pain management, Mr. Williams-Kovacs was prescribed various prescription pain medications including but not limited to;

- Teva-Naproxen 500Mg tablets
- APO-Baclofen 10Mg tablets
- Vimovo 500Mg/20Mg Tablets
- APO-Tramadol/ACET 37.5/325Mg Tablets

5. Mr. Williams-Kovacs took the following medical steps to remedy his injury;
  - X-ray
  - Computerize tomography (CT) Scan
  - Magnetic resonance imaging (MRI)
  - Two separate rounds of cortisone injections into T4/5/6/7 joint of his spine
  - Five separate rounds of plasma rich therapy injections into T4/5/6/7/8 joints of his spine
  - Wore a back brace

and took the following paramedical services from various practitioners to remedy his injury;

- Massage
- Physiotherapy
- Acupuncture
- Psychologist
- Chiropractor
- Dietician
- Naturopath

Mr. Williams-Kovacs incurred costs associated with the various medical treatments he received and incurred medical costs and travel expenses in excess of \$20,000 from 2015-2018. SLI reimbursed Mr. Williams-Kovacs \$3,466; however, the majority of the claims were denied.

6. In 2017, a Calgary-based physician diagnosed Mr. Williams-Kovacs' injury and started him on a treatment regimen that provided moderate improvement to his injury but would require further medical treatment for his injury in the future. Those treatments required Mr. Williams-Kovacs to make frequent trips from Grande Prairie to Calgary, resulting in additional expenses that Mr. Williams-Kovacs paid, but most of these claims were denied by SLI.

7. Mr. Williams-Kovacs purchased supplemental health benefits through CI.
8. During the period October 8, 2015 to January 4, 2018, Mr. Williams-Kovacs submitting false online claims to SLI in relation to some of his medical expenses.
9. In his false claims, Mr. Williams-Kovacs:
  - a. Submitted fictitious dates of medical appointments and procedures involving health care providers for which SLI had previously approved claims;
  - b. For previously-denied claims, substituted falsified claims for procedures that he knew would be approved by SLI;
  - c. Changed the date on receipts that SLI had previously approved which were the same dollar amount as the treatments that SLI denied; and
  - d. Changed the date to purport a new claim on treatments that he knew, from previous experience, SLI would approve.
10. On April 27, 2018, SLI sent a letter to Mr. Williams-Kovacs informing him that it conducted an investigation into his claims and that the claims were confirmed as being false. SLI demanded reimbursement in the amount of \$3,466 by May 11, 2018.
11. On May 2, 2018, SLI informed SGE about the potential fraud involving Mr. Williams-Kovacs' claims.
12. On May 3, 2018, Mr. Williams-Kovacs wrote a cheque to reimburse SLI for his false medical claims.
13. On May 8, 2018, KJ, Vice President of SGE, initiated a discussion with Mr. Williams-Kovacs about the situation relating to his false medical claims.
14. On May 22, 2018, as a result of the false medical claims, SGE terminated Mr. Williams-Kovacs' employment.
15. On August 20, 2018, Mr. Williams-Kovacs sent a letter to CPA Alberta in which he reported his conduct in respect of the false medical claims.
16. On February 24, 2019, Mr. Williams-Kovacs gave an irrevocable undertaking to CPA Alberta, in which he committed to inform his current and prospective employers about the reason for his termination from SGE, being the false medical claims to SLI.

THEREFORE, I, John Matthew Williams-Kovacs, CPA, CMA, admit to the allegation of unprofessional conduct as set out in the June 24, 2019 motion referring the matter to a hearing, as modified below, in that I:

1. Submitted 64 false medical claims to insurance provider, SLI, for medical benefit payment between October 8, 2015 and January 4, 2018 totaling \$3,466.00.

AND I, John Matthew Williams-Kovacs, CPA, CMA, and the Complaints Inquiry Committee agree that the sanctions to be imposed in consequence thereof will be:

1. A six month suspension of registration;
2. Payment of a fine of \$5,000 within 90 days of the statement of costs being served;
3. Payment of costs of the investigation, hearing and compliance with the orders, in accordance with bylaw 1601, within 90 days of the statement of costs being served;
4. Mandatory publication pursuant to section 98 of the *CPA Act* and bylaws 1550-1557;
5. If John Matthew Williams-Kovacs fails to comply with the Tribunal's orders within the time specified, the registration of John Matthew Williams-Kovacs will be cancelled.

I, John Matthew Williams-Kovacs, CPA, CMA, acknowledge that, pursuant to s. 74(9) of the *CPA Act*, each admission of unprofessional conduct herein is to be considered and treated, for all purposes, as a finding of unprofessional conduct by a discipline tribunal and that this sanction agreement is to be considered and treated, for all purposes, as a decision and order of a Discipline Tribunal.

I, John Matthew Williams-Kovacs, CPA, CMA, acknowledge that, pursuant to s. 74(11) of the *CPA Act*, there is no appeal allowed from this sanction agreement, nor from the orders contained herein.

By signing this sanction agreement, I, John Matthew Williams-Kovacs, CPA, CMA, acknowledge and understand that this is a legal and binding document and acknowledge that I was advised to seek legal counsel and have voluntarily made the admissions herein.

This sanction agreement may be executed in counterpart and/or by facsimile or other electronic reproduction and such copies, when executed, shall be as fully effective and binding as if all parties signed one and the same document.

DATED this   2   day of   October  , 2019, in the City of Grande Prairie, in the Province of Alberta.

*"signed by John Matthew Williams-Kovacs"*

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John Matthew Williams-Kovacs, CPA, CMA

*"signed by witness"*

\_\_\_\_\_  
Witness as to the signature

*"Witness name"*

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Printed name of witness

APPROVED and ACCEPTED by the Complaints Inquiry Committee on the 3 day of  
October, 2019.

*"signed by the CIC Chair"*

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CIC Chair