



SANCTION AGREEMENT ALAN MICHAEL LESCHYSHYN

On the 6TH day of February 2013, the Complaints Inquiry Committee of the Institute of Chartered Accountants of Alberta (“Institute”) approved and accepted a sanction agreement pursuant to the provisions of Section 74 of the *Regulated Accounting Profession Act, R.S.A. c. R-12 (RAPA)*.

Under that sanction agreement, Alan Michael Leschyshyn, admitted he was guilty of unprofessional conduct, in having failed to perform services with integrity and due care in that, as Chief Financial Officer of Company A, he:

1. directed \$33,171 of Company A funds to pay his personal tax obligation, without authorization;
2. altered weekly financial results by recording journal entries which he knew or should have known were false or misleading, including adjustments to:
 - a. general ledger account – revenue, for \$28,000;
 - b. general ledger account – direct expense, for \$241,000;
 - c. general ledger account – wages, for \$36,000;
 - d. general ledger account – phone/fax, for \$12,000;
 - e. general ledger account – amortization, for \$37,800;
 - f. general ledger account – lease interest, for \$2,000.

CONDUCT

Mr. Leschyshyn was employed by Company A, as controller and subsequently, in October 2009, was additionally appointed as Area Manager of an operating division. Mr. Leschyshyn had signing authority on Company A’s main bank account and also had access to the signature stamp of the Chairman of Company A. Company A had a practice of accruing 1% of revenue weekly, for each operating division to cover unexpected and unaccrued expenses at year-end. During 2010 and 2011, Mr. Leschyshyn’s operating division was incurring large losses during the winter and spring months. Mr. Leschyshyn directed staff to reallocate the 1% accrual contributed by other divisions to his operating division, which offset the losses of Mr. Leschyshyn’s division. Company A’s management discovered the altered results and Mr. Leschyshyn was asked to resign. After Mr. Leschyshyn’s resignation, an unusual general entry was identified by Company A’s external audit team, an entry for Canada Revenue Agency in the amount of \$26,488 to the Outside Services account. The cheque, which was obtained from the bank, was issued to the Receiver General for Canada, signed by Mr. Leschyshyn and the Chairman of Company A, by way of signature stamp. The remittance voucher related to the payment was made to Mr. Leschyshyn’s personal tax account. Mr. Leschyshyn reimbursed Company A for \$26,488. A subsequent entry was discovered for \$6,683 for Canada Revenue Agency, posted to the Payroll Income Tax Withholding account. A copy of the cheque was obtained, which was issued to the Receiver General of Canada, was signed by Mr. Leschyshyn and the Chairman of Company A, by way of signature stamp. The payments were not part of Mr. Leschyshyn’s employment agreement and there was no documentation showing that the payments were authorized. Mr. Leschyshyn reimbursed Company A for \$6, 683.



ORDERS

Alan Michael Leschyshyn, and the Complaints Inquiry Committee agreed that the sanctions to be imposed in consequence thereof be:

- cancellation of registration;
- payment of a fine of \$10,000 per finding of unprofessional conduct; for a total of \$20,000, within 120 days of the issuance of the statement of costs;
- payment of costs of the investigation, hearing and compliance with the orders, not exceeding \$2,500 within 120 days of the issuance of the statement of costs.

PUBLICATION

Alan Michael Leschyshyn and the Complaints Inquiry Committee agreed to the following publication:

- a summary of the sanction agreement's admissions and sanctions be provided to all provincial institutes, the Institute of Chartered Accountants of Bermuda and any other professional organization to which Alan Michael Leschyshyn belongs and the Institute is aware, as of the date of this order;
- a notice of the sanction agreement's admissions and sanctions be provided to all provincial institutes to which Alan Michael Leschyshyn applies for membership at any time following the date of this sanction agreement;
- a notice of the sanction agreement's admissions and sanctions be provided to anyone who directs an enquiry to the Institute about the discipline history of Alan Michael Leschyshyn;
- a summary of the sanction agreement's admissions, the nature of the conduct, any orders made as a result of the findings be published on the Institute's public website on a named basis;
- the sanction agreement with all third parties' names replaced by pseudonyms, be published on the Institute's public website on a named basis and a copy of that written decision be provided to Quicklaw in accordance with the bylaws;
- a notice of the cancellation of registration, including the nature of the conduct, any orders made, the terms of any sanction agreement, and any conditions to be met prior to any application for reinstatement be published to all chartered accountants; and
- a notice of the sanction agreement's admissions and sanctions be placed in the Edmonton Journal, the Calgary Herald, and the newspaper of the city/town where Alan Michael Leschyshyn resides at the date of this order, and that more information can be obtained from the Institute.

Acting Discipline Tribunal Secretary
February 20, 2013