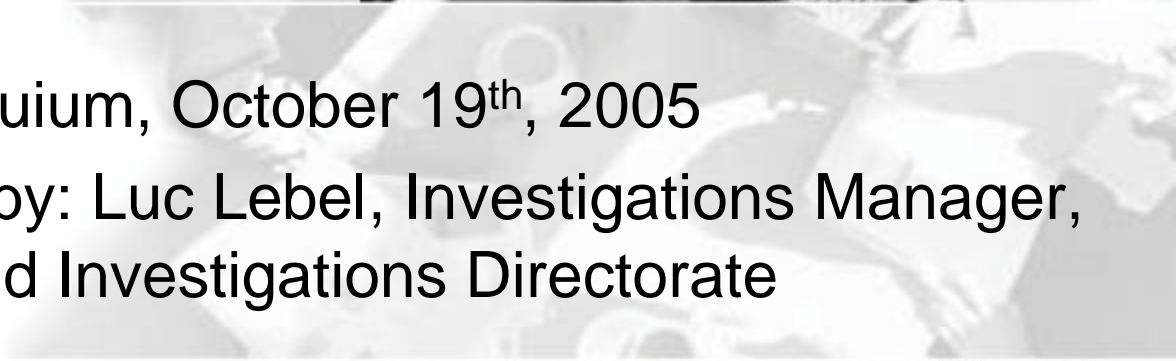




BCMS Colloquium, October 19<sup>th</sup>, 2005  
Presentation by: Luc Lebel, Investigations Manager,  
PWGSC Fraud Investigations Directorate



# Fraud Investigations Directorate



Luc LeBel

Fraud Investigations Directorate

7A1, Phase III

Place du Portage

Gatineau, Quebec

K1A 0S5

(819) 956-2995

E-mail: [luc.lebel@pwgsc.gc.ca](mailto:luc.lebel@pwgsc.gc.ca)

# Fraud Investigations Directorate (FID)

## Objectives

On completing the session, participants:

1. Will have a better understanding of the mandate of the FID at PWGSC.
2. Will be better acquainted with the legal framework that dictates Public Servant professional behaviour.
3. Will be familiar with the investigation process associated with
  1. Public Service Pension Fraud
  2. Government of Canada Credit Card Fraud

# Fraud Investigations Directorate (FID)

## PRESENTATION SCHEDULE

1. Are Public Servants obliged to report wrongdoing?
2. Fraud with Public Service Pension
3. Fraud with Government Credit Cards

# PORTION OF FID'S MANDATE

Fraud Investigations Directorate (FID) is responsible to:

- Examine issues related to fraud, illegal acts, conflict of interest, breaches of trust, and wrongdoing.
- Provide awareness seminars to managers and employees to ensure a heightened fraud awareness and an understanding of the acts/codes and policies which govern each employees' conduct in their professional life; and
- Exclusive liaison with the RCMP and all other jurisdictions of law enforcement on fraud related matters.

# FRAUD INVESTIGATIONS' ROLE

Provide investigative and reporting services to the department under:

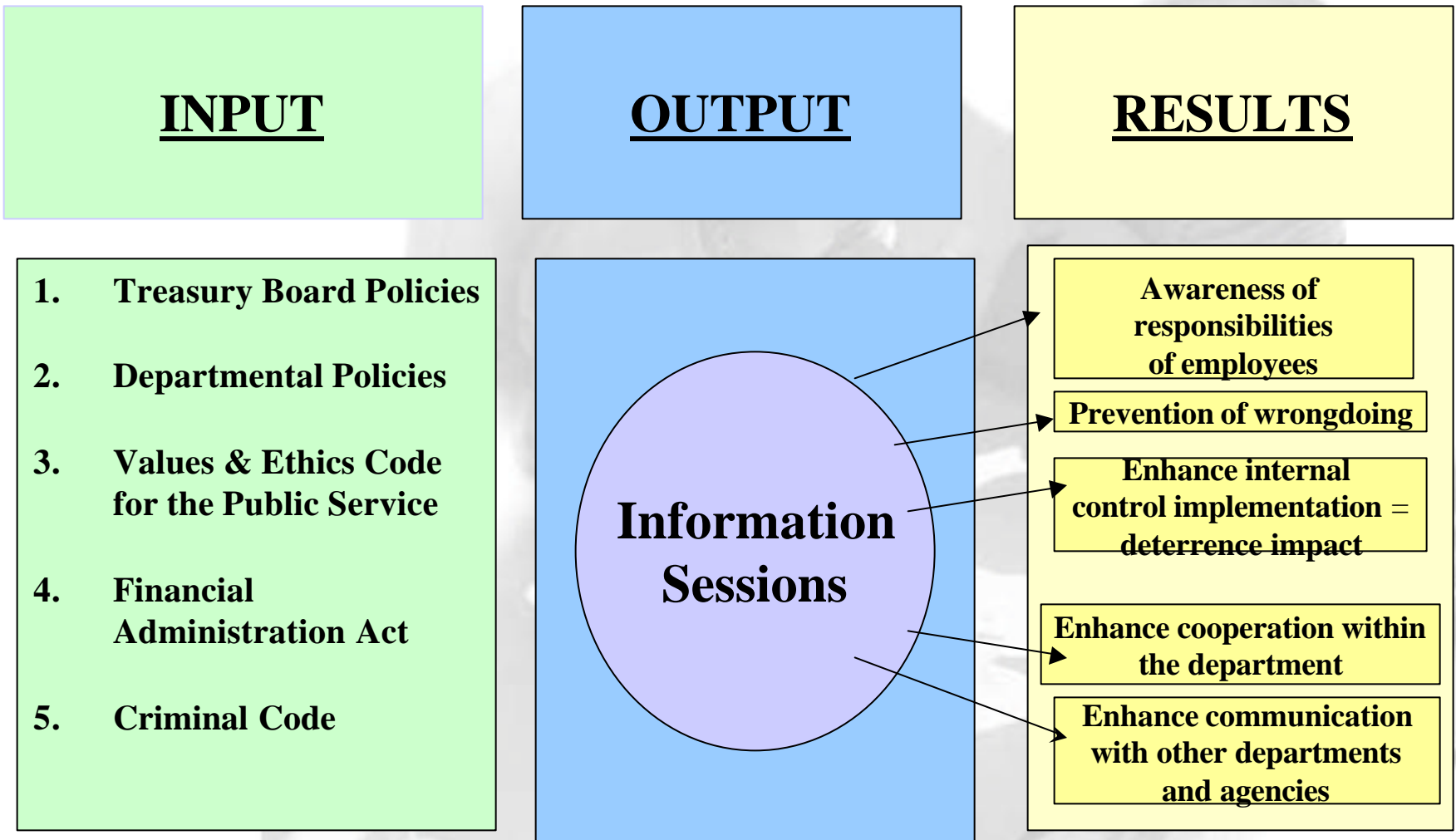
- Treasury board manual, program management and comptrollership component, chapter 4-7, policy on losses of money and offences and other illegal acts against the crown.
- Internet: [http://www.tbs-sct.gc.ca/pubs\\_pol/dcgpubs/TBM\\_142/4-7](http://www.tbs-sct.gc.ca/pubs_pol/dcgpubs/TBM_142/4-7)
- Policy objective: to ensure accountability for all losses of money and all allegations of offences and illegal acts against the Crown and other improprieties by reporting and investigating them, and taking appropriate action.

# COMPTROLLERSHIP, POLICY REQUIREMENTS

Departments must ensure that employees are aware of, and are periodically reminded of this policy; their potential liability under section 78 of the Financial Administration Act (FAA) (R.S.C. 1985, c. F-11) and sections 122 and 126 of the Criminal Code; and their personal responsibility under paragraph 80(e) of the FAA to report any knowledge of:

- ➔ a contravention of the FAA or of its regulations;
- ➔ a contravention of any revenue law; or
- ➔ any fraud against Her Majesty.

# Fraud & Conflict of Interest Awareness Sessions





# Financial Administration Act (FAA), Liability for Loss

78. Any person employed in collecting or receiving any public money and who, by reason of their malfeasance or negligence any sum of money is lost to Her Majesty, that person is accountable for the sum as if that person that collected and received it and it may be recovered from that person as if that person had collected and received it.

# Financial Administration Act (Cont'd)

## PART IX – CIVIL LIABILITY AND OFFENCES

### Offences and Punishment

80. Every person connected with the collection, management or disbursement of public money who:
- a) receives any compensation for the performance of any official duty, except as by law prescribed;
  - b) conspires or colludes with any other person to defraud Her Majesty;
  - c) designedly permits any contravention of the law by any other person;

# Financial Administration Act (Cont'd)

## Offences and Punishment (Cont'd) Section 80

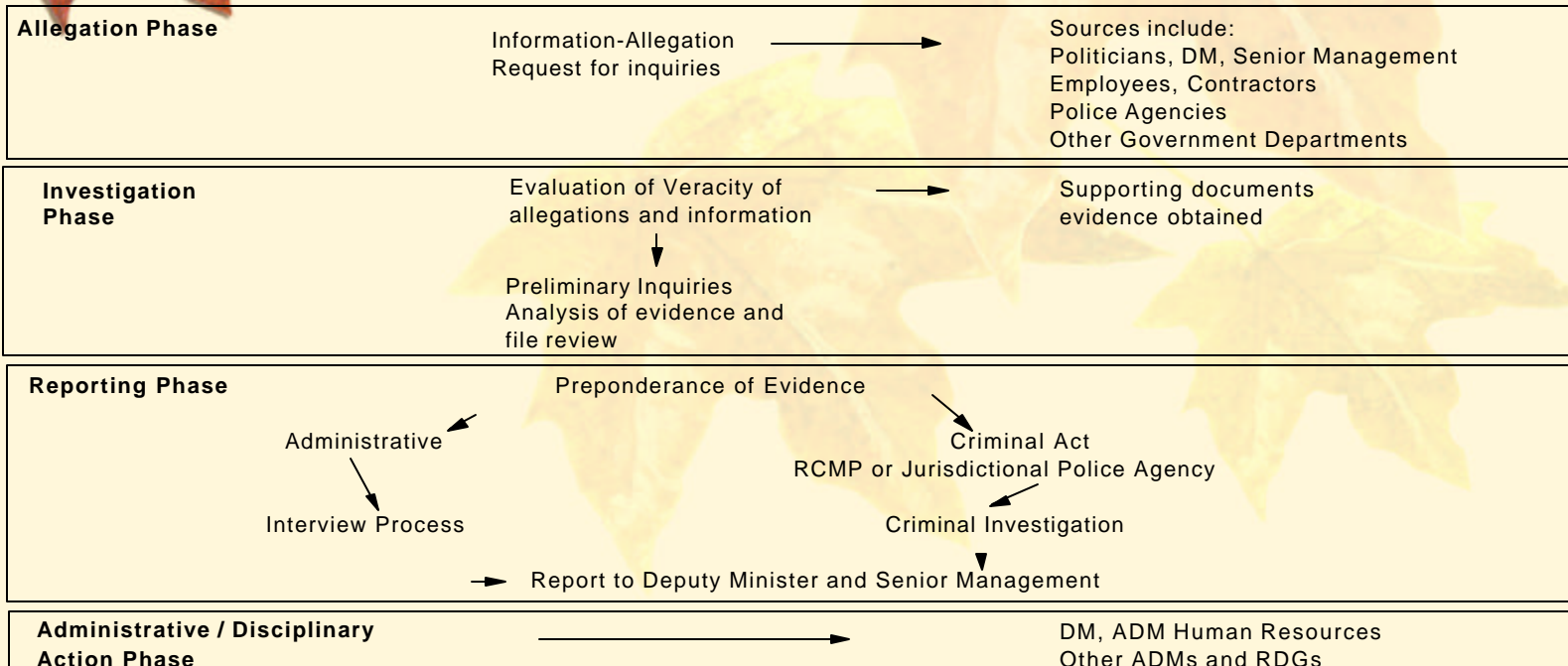
- d) wilfully makes or signs any false entry, false certificate;
- e) having knowledge of a contravention ... fails to report, in writing, that knowledge;
- f) demands or accepts, or attempts to collect any sum of money. For the compromise adjustment or settlement of any charge or complaint is guilty of and liable on conviction to a fine not exceeding \$5,000 and to imprisonment for a term not exceeding five years:

# INVESTIGATION FLOW CHART



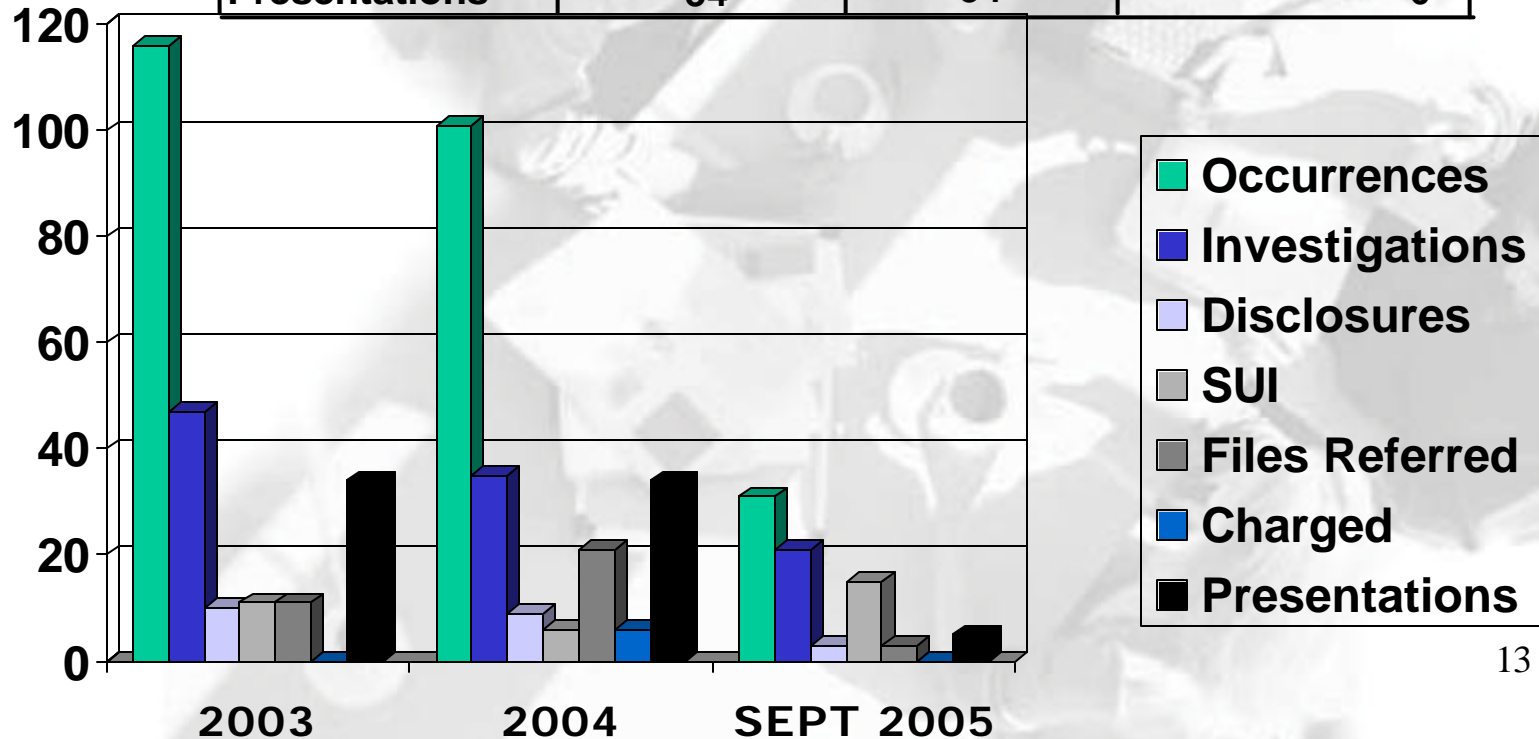
## INVESTIGATION FLOW CHART

*Service and Solutions*



# STATISTICS 2003- JULY 2005

|                       | 2003-2004 | 2004-2005 | April 2005 to date |
|-----------------------|-----------|-----------|--------------------|
| <b>Occurrences</b>    | 116       | 101       | 31                 |
| <b>Investigations</b> | 47        | 35        | 21                 |
| <b>Disclosures</b>    | 10        | 9         | 3                  |
| <b>SUI</b>            | 11        | 7         | 15                 |
| <b>Files Referred</b> | 11        | 21        | 3                  |
| <b>Charged</b>        | 0         | 6         | 0                  |
| <b>Presentations</b>  | 34        | 34        | 6                  |



# PROOF STAGE IN FRAUD CASES

1. Building the circumstantial case.
2. Obtaining direct evidence.
3. Sealing the case through examination of the subject.

# DEFINITION OF FRAUD

## Section 380 Criminal Code

Everyone who, by deceit, falsehood or other fraudulent means, whether or not it is a false pretence within the meaning of this Act, defrauds the public or any person, whether ascertained or not, of any property, money or valuable security of any service.

Basic elements of Fraud are: Dishonesty and Deprivation

# CRIMINAL CHARGES

## PSSA FRAUD

Between the 12<sup>th</sup> day of November, 1997, and the 10<sup>th</sup> day of November 2000, both dates inclusive, at or near Red Deer, Alberta, did by deceit, falsehood, or other fraudulent means defraud Her Majesty the Queen in right of Canada, as represented by the Canada Pension Plan of money of a value exceeding \$5,000.00, to wit by collecting \$33,516.12 in benefits after failing to advise the directors of the Public Service Superannuation Act under the Canada Pension Plan that his mother, whom he had power of attorney for, had passed away, contrary to section 380 (1) (A) of the Criminal Code of Canada.



# CRIMINAL CHARGES

- 1. Between the 29th day of January, 2002, and the 7th day of August, 2001, at or near Hull, Quebec, did by deceit, falsehood, or other fraudulent means defraud her Majesty the Queen in right of Canada, as represented by the Department of Public Works and Government Services Canada, of money of a value exceeding \$5 000.00, thereby committing an offence under section 380(1) of the Criminal Code of Canada.**
- 2. Between the 29th day of January, 2002, and the 31st day of October, 2001, at or near Hull, Quebec, did , while a Federal Public Servant, commit a breach of trust in connection with the duties of his office in reference to the utilization of a Credit Card and a Cellular Telephone, thereby committing an offence under section 122 of the Criminal Code of Canada.**
- 3. Between the 29th day of January, 2002, and the 7th day of August, 2001, at or near Hull, Quebec, did by deceit, falsehood, or other fraudulent means defraud her Majesty the Queen in right of Canada, as represented by the Department of Public Works and Government Services Canada, of money of a value not exceeding \$5 000.00, thereby committing an offence under section 380(1)b(i) of the Criminal Code of Canada.**