

Helping Protect Canada's Capital Markets



IMETs

Integrated Market
Enforcement Teams



We are committed to deterring perpetrators of criminal capital markets fraud by ensuring that there is a genuine risk of being discovered, prosecuted and incarcerated.

The fight against fraud is a constant struggle and continues to be a prominent issue in our society. Tougher domestic and international regulations are spurring companies to improve their governance with the goals of engendering trust and encouraging further investment. Illegal economic activity steals from hard-working and law-abiding Canadians. The consequences affect all of us.

The Government of Canada acts to protect the integrity of the Canadian economy and its capital markets

In 2002, the Speech from the Throne committed Canada to bolstering the enforcement of serious corporate fraud offences.

The 2003 Budget announced legislative amendments to:

- strengthen corporate fraud offences, evidence gathering and sentencing; and
- establish concurrent jurisdiction to prosecute fraud offences federally.

The enforcement of laws governing corporate and securities activities would now take a new turn—an integrated approach, led by the RCMP and its partners.

The complexity of financial investigations requires an integrated approach

Integrated Market Enforcement Teams (IMETs) are funded by the Government of Canada under the stewardship of the RCMP. Their goal is to detect, charge and prosecute those using capital markets to harm the economic interests of Canadians. The RCMP manages the IMET program and works in partnership with the Department of Justice Canada and Public Safety and Emergency Preparedness Canada. The IMET program also enjoys support from the Department of Finance Canada. The investigative teams work closely with securities regulators, representatives of other federal enforcement agencies, law enforcement agencies of local jurisdiction and forensic accountants.

The first IMETs were established in 2003 in Toronto and Vancouver. In addition to a national support centre in Ottawa, the program now has nine teams across the country:

- three in Toronto; and
- two each in Montreal, Vancouver and Calgary.

A Quick Start program has also been established, allowing teams to respond swiftly to major corporate frauds and market irregularities anywhere in Canada. Since crime has no boundaries, some IMET investigations have international components.

In these cases, RCMP liaison officers permanently located in foreign jurisdictions assist in gathering evidence and furthering the IMETs' investigative goals. IMETs also work with and obtain assistance from international law enforcement agencies.

IMETs, which are an integral part of the RCMP's Financial Crime Program, were created as part of a concerted strategy by the Government of Canada to protect the integrity of the Canadian economy and its capital markets. Specifically, IMETs:

- are committed to working in partnership with Canada's public and private sectors to protect Canada's economy;
- show potential perpetrators in the corporate community that the teams are dedicated to detecting and enforcing capital market fraud offences, thus strengthening general deterrence; and
- signal to stakeholder organizations, such as security exchanges and market regulators that these offences are taken seriously.

Financial investigations, by their very nature, are complex and time-sensitive. For this reason, team members include RCMP investigators, legal advisors, securities regulators, representatives from other federal and local enforcement agencies, forensic accountants and various support staff, all of whom are committed to deterring capital markets fraud through enforcement and prosecution. IMET personnel are specialists in markets-related investigations and they receive market-related training in the latest techniques and legal developments in securities fraud.

Economic integrity has always been a concern for the RCMP. It has been one of the RCMP's strategic priorities since April 2006. IMETs work with various partners to ensure the safety and security of Canada's economy not only through enforcement but also via awareness and education.

Education and awareness

Along with their primary focus on investigations and partnerships with other agencies, IMET members also speak at conferences and seminars to educate and help prevent capital markets fraud.

Enforcement cannot be effective without active co-operation from many people. Education, prevention and deterrence all play a role in securing our financial markets. Everyone has a role to play in securing our economy.

What you can do

If you invest in securities or other capital markets products:

- Education is key when investing in capital markets. It is important to be knowledgeable about your investments and to research the company or investor you deal with. For more information, please visit your provincial securities commission's website.

If you are employed by a company and suspect any kind of fraudulent activity:

- Every corporate employee is responsible for reporting dishonest or fraudulent acts he or she believes are being committed or will soon be committed. In order to encourage employees to come forward and reveal corporate misdeeds, laws have been put in place, so-called whistleblower legislation, to protect them from acts of reprisal or retaliation.
- The manner in which a crime is initially detected often depends on the perpetrator's relation to the company. Crimes committed by internal perpetrators are most frequently uncovered internally through tip-offs or the audit process. For more information on preventive measures, please visit our website:
www.rcmp-grc.gc.ca/fio/imets_e.htm
- External perpetrators are most often detected from external methods, such as complaints to Reporting Economic Crime Online (RECOL), effective preventive measures and good corporate security. For more information on RECOL or to report an economic crime, please visit www.recol.ca.

RECOL is an integrated partnership between international, federal and provincial law enforcement agencies, as well as regulators and private commercial organizations that have a legitimate investigative interest in receiving a copy of complaints of economic crime.

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