

IN THE MATTER OF
**CHARTERED PROFESSIONAL ACCOUNTANTS
OF BRITISH COLUMBIA**

(“CPABC”)

AND

A COMPLAINT AGAINST

FANGJIE LI, CPA, CMA

(“Respondent”)

DECISION

**Counsel for the Chartered Professional
Accountants of British Columbia (“CPABC”)**

George Cadman, Q.C.

Self-Represented Respondent

Fangjie Li

Place of Hearing:

Vancouver, B.C.

Date of Hearing:

June 22, 2022

Place and Date of Decision:

Vancouver, B.C.
August 3, 2022

Introduction

1. On October 7, 2020, the Respondent pleaded guilty to the offence of fraud under s. 380(1)(a) of the *Criminal Code*, RSC 1985, c. C-46. In doing so he admitted that, between September 1, 2016 and October 30, 2017, he did by deceit, falsehood or other fraudulent means defraud his previous employer of approximately \$102,000.

2. The Respondent failed to report either the guilty plea, or the circumstances, to CPABC. About one year later, a different CPABC member brought the matter to CPABC's attention and an investigation ensued. The Respondent did not cooperate with the investigation, failing to respond to numerous communications from CPABC.

3. Eventually, on February 10, 2022, CPABC's investigation committee determined to issue a Statement of Complaint under CPABC Bylaw 1106(5)(b) in order to pursue a disciplinary action against the Respondent. This Panel then was appointed under s. 53 of the *Chartered Professional Accountants Act*, SBC 2015, c. 1 ("*CPA Act*").

4. The Statement of Complaint is dated April 11, 2022 and is attached to this decision as a schedule. A hearing occurred on June 22, 2022 which the Respondent attended by videoconference.

5. This Panel has no difficulty in finding that the allegations made in the Statement of Complaint have been established. Indeed, the Respondent did not call evidence at the hearing or contest any of them. Equally the Panel has no difficulty in concluding that the Respondent has committed professional misconduct. That leaves for the Panel the question of the appropriate order under s. 53(4) of the *CPA Act*. CPABC seeks cancellation of the Respondent's membership and a significant fine. At the outset of the hearing the Respondent acknowledged that his membership will be canceled. He resisted imposition of a significant fine on the basis of financial hardship. As explained in this decision, the Panel has concluded that a significant fine is necessary in this case, in addition to cancellation of the Respondent's membership, having regard to the interest of public protection.

Statement of Complaint

6. As stated, the Statement of Complaint is attached to this decision as a schedule.

7. The Statement of Complaint alleges that the Respondent committed professional misconduct under s.53(2)(c) of the *CPA Act* in a number of respects. It also alleges conduct contrary to CPABC Rules 101.1(a), 101.2(a), 101.2(b), 104.1, 104.2(a), 201.1, 201.2, 202.1, 205(a), 213 and CPABC Bylaws 508(1)(b), 508(2), 511(1)(c). The text of those provisions is set out in the Statement of Complaint itself.

8. In broad outline, the Statement of Complaint has two areas of focus: first, the Respondent's commission of the fraud itself and, second, the Respondent's dealings as a member with CPABC.

9. With respect to the former, the allegation at paragraph 60 of the Statement of Complaint is as follows:

In particular, in regard to paragraph 43 of this Statement of Complaint, contrary to CPABC Rules 101.1(a), 201.1, 202.1, and 213, between in or about September 1, 2016 and in or about August 30, 2017, Li applied credits totalling \$102,658.68 to his personal credit cards using [his employer's] point-of-sale credit card terminal.

10. The latter, the Respondent's dealings with CPABC, has a number of components, including:

- i. his failure to report to CPABC that he confessed to a fraud, both to his employer and later to the RCMP, and his eventual guilty plea (see paras. 61 and 63 of the Statement of Complaint);
- ii. one day before his sentencing on October 7, 2020, the Respondent contacted CPABC to request the cancellation of his practice license due to "personal/family" reasons which, the Statement of Complaint alleges, he knew or should have known was false or misleading (para. 64 of the Statement of Complaint);
- iii. the Respondent failed to provide CPABC with current information concerning his employment (para. 65 of the Statement of Complaint); and
- iv. the Respondent failed to respond to numerous communications from CPABC concerning CPABC's investigation (paras. 66-74 of the Statement of Complaint).

Discussion and Findings

11. CPABC's evidence took two forms: the sentencing decision from the Respondent's criminal trial and affidavits of CPABC employees concerning their efforts to contact the Respondent as part of CPABC's investigation.

12. In the absence of objection, and in the absence of any dispute of the facts by the Respondent, the Panel consider it appropriate to admit that evidence. CPABC Bylaw 1206(3) provides that a hearing panel is not bound by the rules of evidence and may admit as evidence materials the Panel considers relevant and appropriate. In this case, and again noting the absence of objection or dispute over the facts, the sentencing decision of the Provincial Court judge and the three affidavits meet that standard.

13. As stated, the Respondent did not call evidence. Nor did he contest any of CPABC's evidence or the facts established by that evidence. The Panel makes the following findings:

- i. The Respondent was admitted to membership in the Certified Management Accountant Society of British Columbia on or about July 23, 2012. On the inception of CPABC upon the coming into force of the *CPA Act* on June 24, 2015, the Respondent was admitted to membership in CPABC under s. 78(c) of the *CPA Act*.
- ii. Between 2012 and about 2017, the Respondent was employed by M., a national chain of outlets for products and services to aid mobility. The Respondent started as an accounts receivable clerk and subsequently was an accountant responsible for the financial reporting to the head office and related bookkeeping.
- iii. During the period between September 2016 and August 2017, the Respondent applied credits totalling \$102,658.68 to his personal credit cards using his employer's point-of-sale credit card terminal. The Respondent admitted that he had committed a significant fraud, confessing first to his employer on September 15, 2017 and then to the RCMP on or about June 9, 2018.
- iv. On October 7, 2020, the Respondent pleaded guilty to the offence of fraud under s. 380(1)(a) of the *Criminal Code* in that between September 1, 2016 and August 30,

2017 he did by deceit, falsehood or other fraudulent means defraud his employer of approximately \$102,350.

- v. In *R v. Li*, 2020 BCPC 225, the Court imposed a suspended sentence of three years (recently reduced by 10 months).
- vi. One day before the court hearing, the Respondent asked CPABC to cancel a practice license he then held; the reason he provided for this cancellation was “personal/family”.
- vii. Between November, 2017 and November, 2018 the Respondent was employed by RHF. After leaving its employ, the Respondent failed to inform the Registrar of that and, at the present time, CPABC’s member database still shows the Respondent as being employed by RHF.
- viii. On or about September 23, 2021, CPABC’s director of professional conduct telephoned the Respondent and left a voice message for him informing him that an investigation into his conduct had been authorized and requesting the Respondent contact the director of professional conduct.
- ix. Thereafter followed a series of attempted communications with the Respondent. The Respondent failed to respond to any of them. The details of that failure are set out at para. 25 of the CPABC Investigation Report dated December 20, 2021 (Exhibit A to the affidavit of Nancy Lis). The unsuccessful attempts to contact the Respondent, both by Martin Eady, CPABC’s director of professional conduct, and Ms. Lis, CPABC’s professional conduct case manager, were as follows:

Date	Event
September 23, 2021	Mr. Eady attempted to reach Mr. Li via telephone to advise that an investigation had been authorized. Mr. Eady left a voice mail requesting Mr. Li to return his call. Mr. Li did not call Mr. Eady.
September 29, 2021	Mr. Eady attempted to reach Mr. Li via telephone to advise that an investigation had been authorized. Mr. Eady left a voice mail requesting Mr. Li to return his call. Mr. Li did not call Mr. Eady.
October 6, 2021	Ms. Lis sent the Notice of Investigation to Mr. Li through e-Courier.

October 13, 2021	The Notice of Investigation is downloaded by Mr. Li
November 5, 2021	The investigator attempted to reach Mr. Li via telephone to advise that an investigation has been authorized and to set up an interview. The investigator left a voice mail request Mr. Li to return his call. Mr. Li did not call the investigator.
November 17, 2021	The investigator emailed Mr. Li requesting an interview. Mr. Li did not reply to the email.
November 23, 2021	Ms. Lis sent the warning letter to Mr. Li via through e-Courier. The warning letter was not downloaded from e-Courier.
November 29, 2021	Ms. Lis sent a follow up email advising Mr. Li that a letter had been sent via e-Courier. Mr. Li did not reply to the email.
December 2, 2021	Ms. Lis sent a follow up email advising Mr. Li that a letter had been sent via e-Courier and that she had emailed him on November 29, 2021. Mr. Li did not reply to the email.

- x. Further unsuccessful attempts to contact the Respondent followed in early 2022. Those include:
- i. On December 2, 2021, CPABC staff delivered email correspondence to the Respondent informing him that the director of professional conduct had delivered correspondence to the Respondent on November 23, 2021 and that follow-up correspondence had been delivered on November 29, 2021. The Respondent failed to respond.
 - ii. CPABC's vice president of professional conduct attempted to reach the Respondent on or about February 14, 2022 and left a voice message for the Respondent to call him. The Respondent failed to respond.
 - iii. On or about March 18, 2022, CPABC's vice president of professional conduct again attempted to reach the Respondent to discuss the disciplinary proceedings in this matter and left a voice message for the Respondent to call

him. Once again the Respondent failed to make any response to that voice message.

14. A further fact of importance is that, between March 2020 and August 2020, the Respondent made full restitution to his former employer for the amounts he defrauded.

Determinations

(a) Determination under Section 53(2)

15. Section 53(2) of the *CPA Act* empowers the Panel to make one of the determinations set out therein, including whether a respondent has committed professional misconduct. In relevant part, s. 53(2) states:

(2) Subject to subsection (3) [not relevant here], a panel of a disciplinary committee appointed under subsection (1) may inquire, in accordance with the bylaws, into the competence, fitness to practice or professional conduct of a respondent and decide whether the respondent

(a) is incompetent,

(b) is unfit to practice,

(c) has committed professional misconduct,

(d) has,

(i) as a member, engaged in conduct unbecoming a member, or ...

(e) has contravened this Act or the bylaws.

16. CPABC seeks findings that the Respondent committed professional misconduct and acted contrary to the *CPA Act* and bylaws. At the hearing the Respondent did not contest those findings. (In paragraph 58(b)(ii) of the Statement of Complaint there is reference to “ungovernable conduct.” That is not a stand-alone determination within those listed in s. 53(2) and so is not considered in that context. It may of course be relevant to an order made under s. 53(4) and that was the context in which counsel for CPABC referred to it.)

17. The *CPA Act* does not define “professional misconduct.” In the professional discipline context, an oft-cited standard is that professional misconduct is conduct that constitutes a “marked departure” from the conduct expected of members of that profession. Here CPABC bears the burden, on a balance

of probabilities, to establish professional misconduct, based on evidence that is “sufficiently clear, convincing and cogent” (*F.H. v. McDougall*, 2008 SCC 53, para. 46).

18. On the basis of the findings of fact set out above, the Panel has no difficulty in concluding that the Respondent has committed professional misconduct. As the sentencing judge noted, the Respondent’s fraud was a persistent fraud that took place over approximately 17 months and was not impulsive action. The sentencing judge described it as a significant fraud, and the Panel agrees. The sentencing judge noted that the Respondent was in a position of trust arising from his status as a CPA.

19. While the Panel does give some credit to the Respondent for his attendance at the hearing, also troubling is the Respondent's persistent failure over a period of some six months to respond to repeated communications from CPABC.

20. We also find that the Respondent committed professional misconduct in relation to his dealings with CPABC. He failed to advise CPABC of his confession to committing fraud and of his criminal conviction. Worse, we find that his communication to CPABC, one day before his hearing in Provincial Court, was calculated to conceal that fact from CPABC. When CPABC did learn of the criminal conviction and initiated a complaint, the Respondent failed repeatedly to respond to CPABC and to fulfill his obligations as a CPABC member to enable CPABC to carry out its regulatory function. Taken together, the Respondent's conduct in that regard is a marked departure from the standard expected of CPABC members.

21. Once again, the Respondent offered no defence and did not argue at the hearing against a finding of professional misconduct. The Panel finds under s. 53(2)(c) that the Respondent has committed professional misconduct.

22. Equally, the Panel finds that the breaches of the *CPA Act* and bylaws set out in the Statement of Complaint are established, based on the facts set out above. Under Rule 102.1 the Respondent had an obligation to notify CPABC promptly after his criminal conviction. He failed to do so. Under Rules 104.1 and 104.2 the Respondent had an obligation to cooperate with CPABC’s regulatory processes and to respond promptly in writing to CPABC communications requiring a written reply. He failed to do so. As stated above, the wording of the provisions at issue is set out in full in the Statement of Complaint. The Panel finds, and the Respondent did not dispute, that the Respondent acted contrary

to CPABC Rules 101.1(a), 101.2(a), 101.2(b), 104.1, 104.2(a), 201.1, 201.2, 202.1, 205(a), 213 and CPABC Bylaws 508(1)(b), 508(2), 511(1)(c).

(b) Determination under Section 53(4)

23. Section 53(4) of the *CPA Act* sets out the available orders upon making a determination under s. 53(2). In relevant part, s. 53(4) provides:

(4) If, after a hearing, a panel is satisfied that subsection (2) (a), (b), (c), (d) or (e) applies to a respondent, the panel may make an order to that effect and may, by order, do one or more of the following:

(a) reprimand the respondent;

(b) suspend with or without conditions for a period specified by the panel

(i) the membership of the member, ...

(c) cancel the membership of the member, ...

...

(e) impose conditions on the continuance of the membership of the member, ...

(f) impose a fine payable to the CPABC of not more than

(i) \$25 000 for

...

(C) a member or a former member,

...

(g) impose costs, based on the tariff established in the bylaws, against the respondent for the expenses the CPABC incurred to conduct an investigation, a proceeding under section 57 or a hearing.

24. As noted already, the Respondent stated at the hearing his acceptance that his membership in CPABC will be canceled as a result of his actions. The point of disagreement between CPABC and the Respondent is whether, in addition to cancelling the Respondent's membership, the Panel should impose a fine on the Respondent. CPABC says that a fine is necessary due to the seriousness of the Respondent's misconduct. The Respondent's sole response with respect to the potential for a fine was

to say that he is under financial pressure, in part due to having repaid the funds he stole, and a fine would add to those pressures.

25. For the reasons that follow, the Panel has concluded that the appropriate order to make in the circumstances of this case is to cancel the Respondent's membership and to impose a fine of \$20,000.

26. The primary purpose of legislation governing professional bodies is protection of the public: James T. Casey, *The Regulation of Professions in Canada* (Carswell: 2001), p. 14-4. Thus in determining the appropriate penalty in professional discipline cases, "the emphasis must clearly be upon the protection of the public interest." *McKee v. College of Psychologists of British Columbia* (1994), 95 BCLR (2d) 66 (CA).

27. In fashioning the appropriate order in this case, the Panel takes guidance from *McGuire v. The Law Society of British Columbia*, 2007 BCCA 442. In that case the Court of Appeal for British Columbia affirmed a Law Society decision to disbar a lawyer who had repeatedly misappropriated trust funds. The Court of Appeal's reasons quoted the following passage from the discipline panel decision:

Wrongly taking a client's money is the plainest form of betrayal of the client's trust. In our view, the public is entitled to expect that the severity of the consequences reflect of the gravity of the wrong. Protection of the public lies not only in dealing with ethical failures when they occur, but also in preventing ethical failures. In effect, the profession has to say to its members, "Don't even think about it." And that demands the imposition of severe sanctions for clear, knowing breaches of ethical standards.

28. The Panel considers those comments applicable here. The Respondent committed fraud by stealing from his employer. For the Respondent, his employer equated to a client. The Respondent used his professional credentials as a member of CPABC to obtain a position in which his employer entrusted him to handle financial transactions. The Respondent betrayed that trust.

29. The preamble to the CPABC Code of Professional Conduct ("CPA Code") provides important guidance. The preamble observes that the CPA Code is derived from five fundamental principles of ethics, which principles are fundamental to the conduct of all registrants. The preamble's discussion of those principles includes the following statements:

- Chartered professional accountants conduct themselves at all times in a manner which will maintain the good reputation of the profession and serve the public interest.

- Registrants are expected to avoid any action that would discredit the profession.
- Chartered professional accountants perform professional services with integrity and due care.
- Registrants are expected to be straightforward, and honest and fair dealing in all professional relationships.
- Ethical conduct in its highest sense ... is a product of personal character – an acknowledgment by the individual that the standard to be observed goes beyond that of simply conforming to the letter of a list of prohibitions.

30. The fraud committed by the Respondent is antithetical to those principles. It disqualifies the Respondent from membership in CPABC. The Panel acknowledges that the Respondent was forthcoming and admitted his wrongdoing when confronted and, since that time, has made restitution. While commendable, those acts do not negate the misconduct. Further, the Respondent compounded matters by his failure to be forthcoming with CPABC and by ignoring this proceeding until the last moment, when he did belatedly attend the hearing.

31. That the Respondent's fraud resulted in a criminal conviction and sentence does not displace the CPABC's regulatory role. The purposes of professional discipline proceedings are not to punish offenders but instead to protect the public, to maintain high professional standards and thereby to preserve public confidence in the profession. Those are the considerations underpinning the order that the Panel makes here.

32. As noted in the decision of another CPABC panel in *Patterson* (October 22, 2019, para. 30), "To hold the CPA designation is a professional privilege." To similar effect is the statement by the panel in *Petke* (August 8, 2019, para. 12) that the rules contained in the CPABC Code "are at the essence of the privilege of membership in the profession, the integrity of the profession, and the professional status reflected by the CPA designation." This Panel agrees with those statements. Regrettably, as found in *Patterson* (para. 30), the Respondent's "blatant and willful disregard of his professional obligations and responsibilities constitutes egregious misconduct ... and makes him unfit to practice as a CPA."

33. Counsel for CPABC advanced the position that, in the circumstances of this case, cancellation of membership alone would be insufficient to fulfill CPABC's responsibility for the public interest. He submitted that a fraud such as this, together with efforts to conceal that from CPABC, merit a significant fine. The Panel agrees.

34. To repeat, the Panel acknowledges the Respondent's attendance at and participation in the hearing. Like the Respondent's confession and payment of restitution, that is a mitigating factor. But for those mitigating factors, the fine which the Panel has decided to order might have been higher. It is important to emphasize, however, that, while the Panel has considered those factors in relation to the order made under s. 53(4), those are after-the-fact actions which, themselves, neither explain nor diminish the serious misconduct that the Respondent does not contest.

35. As stated, the only issue taken by the Respondent at the hearing was over the amount of a fine. He said that he is under financial pressure which a fine would exacerbate. The Respondent offered only a general comment in that regard, and he did not provide specific information about his financial circumstances or any supporting documentation. The Panel notes that this was one of several topics on which the Respondent was vague at the hearing. That included the fact that he was not forthcoming about the fact that the Provincial Court recently reduced the duration of his suspended sentence. In the end the Panel finds that the Respondent's unsupported references to financial pressures do not displace the Panel's obligation to fashion an order that fulfills its public interest mandate.

36. The seriousness of the Respondent's misconduct requires in the public interest that, in addition to cancellation of the Respondent's membership, the Panel impose a significant fine. Reflecting the seriousness of the Respondent's fraud, which persisted over a period of time, but taking into account the mitigating factors referred to, the Panel imposes a fine of \$20,000 under s. 53(4)(f)(i) of the *CPA Act*.

37. CPABC also seeks costs. The Respondent did not make any argument to the contrary. The Panel agrees that an order for costs is appropriate, given the findings and conclusions stated.

Conclusion

38. Accordingly, the Panel makes the following orders under s. 53 of the *CPA Act*:

- i. finding the Respondent to have committed professional misconduct (s. 53(2)(c));

- ii. finding the Respondent to have contravened the *CPA Act* and by-laws (s. 53(2)(e));
- iii. canceling the membership of the Respondent (s. 53(4)(c));
- iv. imposing a fine payable to CPABC in the amount of \$20,000 (s. 53(4)(f)(i)); and
- v. imposing costs, in an amount to be determined based on the tariff, and to be paid by the Respondent in addition to the fine (s. 53(4)(g)).

Date: August 3, 2022



For the Panel:

Wendy Knight, FCPA, FCGA

Rick Y.L. Lam, CPA, CA

Dawn Demery

SCHEDULE "A"

IN THE MATTER OF THE ORGANIZATION OF CHARTERED PROFESSIONAL ACCOUNTANTS OF BRITISH COLUMBIA

AND IN THE MATTER OF A COMPLAINT AGAINST FANGJIE LI, CPA, CMA

STATEMENT OF COMPLAINT

I. INTRODUCTION

1. On June 24, 2015, the *Chartered Professional Accountants Act*, S.B.C. 2015, c. 1 (the "**CPA Act**") came into force, amalgamating the Certified General Accountants Association of British Columbia, the Certified Management Accountants Society of British Columbia ("**CMABC**"), and the Institute of Chartered Accountants of British Columbia to establish the Organization of Chartered Professional Accountants of British Columbia ("**CPABC**") as the unified professional regulatory body for professional accountants in British Columbia, and thereby repeal the *Accountants (Management) Act*, R.S.B.C. 1996, c. 4.
2. Fangjie Li ("**Li**") was admitted to membership in CMABC on or about July 23, 2012, and was admitted to membership in CPABC pursuant to section 78(c) of the *CPA Act*.
3. Pursuant to Bylaw 508(1):
 - (a) Li has provided the Registrar of CPABC (the "**Registrar**") with a mailing address of 8531 No. 2 Road, Richmond, BC V7C 3M4 for the delivery of regulatory communications by CPABC; and
 - (b) Li has provided the Registrar with an e-mail address of lfj1983@hotmail.com for the delivery of regulatory communications by CPABC.
4. In the course of investigating CPABC Complaint File No. 21-086, CPABC's staff and CPABC's Investigator in this matter (the "**Investigator**") delivered correspondence to Li by e-Courier (delivered to the e-mail address referred to in

paragraph 3(b)), e-mail (delivered to the e-mail address referred to in paragraph 3(b)), registered mail (delivered to the address referred to in paragraph 3(a)), and also attempted to communicate with him by telephone.

II. BACKGROUND

5. Between in or about 2012 and in or about September, 2017, Li was employed by Motion LP, a limited partnership under the laws of the Province of British Columbia, doing business as Motion Specialities, first as an accounts receivable clerk, and subsequently as an accountant responsible for financial reporting to the head office of Motion LP and related bookkeeping.
6. Motion LP is a national chain of outlets for products and services to aid mobility.
7. Pursuant to his employment with Motion LP, Li was responsible for, *inter alia*, balancing the books of Motion LP, attending to accounts receivables, and submitting financial reports in connection with Motion LP's business in Burnaby, British Columbia.
8. During the period between in or about September, 2016 and in or about August, 2017, Li applied credits totalling \$102,658.68 to his personal credit cards using Motion LP's point-of-sale credit card terminal.
9. On or about September 15, 2017, Li confessed to Motion LP that he had committed a significant fraud on Motion LP. On or about June 9, 2018, Li confessed to the RCMP that he had committed a significant fraud on Motion LP.
10. Li failed to report to CPABC that on or about September 15, 2017, he had confessed to Motion LP that he had committed a significant fraud on Motion LP, or that on or about June 9, 2018, he had confessed to the RCMP that he had committed a significant fraud on Motion LP.
11. Li pleaded guilty to the offence of fraud under section 380(1)(a) of the *Criminal Code*, R.S.C. 1985, c. C-46 (the "**Criminal Code**"), in that between September 1,

2016 and August 30, 2017, Li did by deceit, falsehood or other fraudulent means, defraud Motion LP of approximately \$102,658.00.

12. Li failed to report the guilty plea to CPABC.
13. In *R. v. Li, 2020 BCPC 225*, on October 7, 2020, the Court imposed a suspended sentence of three years and commented on the circumstances of Li's crime as follows:

[1] The accused, Fangjie Li, has plead guilty to an offence contrary to section 380(1)(a) of the *Criminal Code* in that between the 1st of September, 2016, through to the 30th day of August, 2017, at Burnaby, British Columbia, did by deceit, falsehood or other fraudulent means defraud Motion LP

[5] ... Mr. Li was employed as an accounts receivable clerk by ... Motion LP doing business as Motion Specialities, a national chain of outlets for products and services to aid mobility. In 2014, the branch's accountant left the company and Mr. Li took over as the accountant responsible for financial reporting to head office and bookkeeping.

[6] As a result of anomalies with respect to two credit cards, an investigation was commenced, and on September 15, 2017, the regional manager and branch general manager sought the assistance of Mr. Li as the branch accountant in investigating these anomalies.

[7] ... Mr. Li confessed that he had committed the fraud. At that stage, the company was aware of \$30,000 worth of fraudulent refunds through that credit card or the two credit cards and their transactions. Mr. Li told them he believed the sum to be closer to \$60,000 or \$70,000.

[8] A further forensic investigation was commenced and it was determined that the total quantum defrauded from Motion Specialities was \$102,658.68.

[9] The accused was interviewed by the RCMP on June 9, 2018, and he made a second confession.

[34] At the time he was employed at Motion LP, he was a certified [*sic*] professional accountant. ...

[35] ... {Mr. Li} compromised his position as an accountant which disturbed the company and of course compromised the public interest.

[36] In the victim impact statement, it is noted, in part, that Mobility provides assistance to members of the public who have physical

limitations. I have taken that into account this fraud shook-up staff and management.

...

14. One day before the sentencing hearing referred to in paragraph 13, Li asked CPABC to cancel the practice licence he then held; the reason he provided for this cancellation was "Personal/Family"
15. Between November, 2017 and November, 2018, Li was employed by the Richmond Hospital Foundation (the "**Foundation**").
16. After leaving the employ of the Foundation, Li failed to inform the Registrar that he was no longer employed by the Foundation; at the present time, CPABC's member database still shows Li as being employed by the Foundation.
17. On January 24, 2019, Motion LP filed a Notice of Civil Claim against Li in the Supreme Court of British Columbia as a result of Li's fraud against Motion LP, seeking a number of remedies against Li, including damages, punitive damages, and special costs. Li has not filed a Response to Civil Claim.
18. On December 8, 2020, the criminal prosecution against Li and his plea of guilty to the fraud that he committed on Motion LP was reported in local newspapers: ["COVID-19 keeps accountant who stole \\$100K from Burnaby business out of jail"](#).
19. On or about September 23, 2021, CPABC's Director, Professional Conduct (the "**Director, Professional Conduct**") left a voice message for Li informing him that an investigation into his conduct had been authorized, and requested that Li contact him.
20. Li failed to respond to the Director, Professional Conduct's voice message of September 23, 2021.
21. On or about September 29, 2021, the Director, Professional Conduct left a voice message for Li, informing him that an investigation into his conduct had been authorized, and again requested that Li contact him.

22. Li failed to respond to the Director, Professional Conduct's voice message of September 29, 2021.
23. On or about October 6, 2021, CPABC delivered a Notice of Investigation to Li, which was downloaded by Li.
24. On or about November 5, 2021, the Investigator attempted to reach Li to arrange an interview, and left a voice message for Li asking Li to call him.
25. Li failed to respond to the Investigator's voice message of November 5, 2021.
26. On or about November 17, 2021, the Investigator delivered e-mail correspondence to Li to arrange an interview.
27. Li failed to respond to the Investigator's e-mail correspondence of November 17, 2021.
28. On or about November 23, 2021, the Director, Professional Conduct delivered correspondence to Li that stated, in part:

... {T}he investigator in this matter ... has made unsuccessful attempts to reach you by telephone (November 5th) and email (November 17th). His attempts have been unsuccessful to date as you have not responded to him. ... I note that you did not respond to my telephone messages of September 23, and 29, 2021. Please be reminded that under the CPA Code of Professional Conduct, specifically Rules 104.1 and 104.2, you must cooperate with the CPABC regulatory processes. Therefore, please contact ... by Friday, November 26, 2021. Failure to do so may result in the authorization of a new complaint for breach of Rules 104.1 and 104.2.
29. Li failed to respond to the Director, Professional Conduct's correspondence of November 23, 2021, and failed to contact the Investigator by November 26, 2021, or at all.
30. On or about November 29, 2021, CPABC staff re-delivered to Li the Director, Professional Conduct's correspondence of November 23, 2021.
31. Li failed to respond to the Director, Professional Conduct's re-delivered correspondence of November 23, 2021.

32. On December 2, 2021, CPABC staff delivered e-mail correspondence to Li informing him that the Director, Professional Conduct had delivered correspondence to Li on November 23, 2021, and that follow up correspondence had been delivered to Li on November 29, 2021.
33. Li failed to make any response to the Director, Professional Conduct's re-delivered correspondence of November 23, 2021 or CPABC's correspondence of December 2, 2021.
34. On or about February 14, 2022, CPABC's Vice President, Professional Conduct (the "**Vice President, Professional Conduct**") attempted to reach Li to have a discussion about CPABC's concerns with his conduct, and left a voice message for Li asking Li to call him.
35. Li failed to respond to the Vice President, Professional Conduct's voice message of February 14, 2022.
36. On February 10, 2022, CPABC's Investigation Committee (the "**Investigation Committee**") met to discuss Complaint File No. 21-086 (the Investigator had previously delivered a draft of the Investigation Report in this matter to Li, but Li did not provide any comments or make any response). The Investigation Committee determined to issue a Statement of Complaint in this matter under CPABC Bylaw 1106(5)(b) in order to pursue a disciplinary action against Li.
37. On or about February 24, 2022, CPABC staff delivered correspondence to Li informing him that the Investigation Committee had determined under CPABC Bylaw 1106(5)(b) to issue a Statement of Complaint in this matter.
38. On or about March 18, 2022, the Vice President, Professional Conduct attempted to reach Li to discuss the disciplinary proceedings in this matter, and left a voice message for Li asking Li to call him.
39. Li failed to make any response to the Vice President, Professional Conduct's voice message of March 18, 2022.

III. RELEVANT PROVISIONS OF THE CPA ACT, CPABC'S BYLAWS, AND RULES OF THE CPABC CODE OF PROFESSIONAL CONDUCT (the "CPABC CODE")

40. The provisions of the *CPA Act* relevant to the allegations in this Statement of Complaint are as follows:

...

Hearing

53(2) ... a panel of a disciplinary committee appointed under subsection (1) may inquire ... into the competence, fitness to practice or professional conduct of a respondent and decide whether the respondent

...

(c) has committed professional misconduct,

...

(e) has contravened this Act or the bylaws.

...

41. The provisions of CPABC's Bylaws relevant to the allegations in this Statement of Complaint are as follows:

Contact Information

508 (1) Every member must provide the Registrar with

(a) their current municipality of residence,

(b) a current business or employment address, and

(c) a current mailing address and, subject to subsection (3), a current e-mail address for delivery to the member of any regulatory communications by CPABC.

(2) A member must immediately notify the Registrar, in writing, of any change in the information provided by the member under subsection (1).

...

Obligation to Report

511 (1) A member must immediately notify the Registrar, in writing:

...

(c) upon ... pleading guilty to a criminal offence ... ,

...

Delivery

- 1303 (1) A requirement in these bylaws to deliver a notice or communication to a member may be satisfied
- (a) by personally delivering the notice or communication to
 - (i) the member ..., or
 - ...
 - (b) by mailing the notice or communication to the most recent mailing address provided by the member ... under Bylaw ... 508 ... or
 - (c) by transmitting the notice or communication to the most recent e-mail address provided by the member ... under Bylaw ... 508
- (2) Delivery of a notice or communication in accordance with subsection (1) is deemed to be effected
- ...
 - (b) if mailed, on the third day after the date of mailing, excluding weekends and holidays, or
 - (c) if transmitted by e-mail, on the day of transmission.
- ...

42. The Rules of the CPABC Code relevant to the allegations in this Statement of Complaint are as follows:

- (a) **101 Compliance with governing legislation, bylaws, regulations and the Code**
RULES:

- 101.1** (a) All registrants ... shall comply with the CPA Code of Professional Conduct.
- (b) All registrants ... shall comply with:
- (i) the *Chartered Professional Accountants Act* of British Columbia, bylaws and regulations of CPABC;

101.2 Registrants who identify that they have breached the CPA Code shall

(a) take whatever action might be appropriate or required by law, as soon as possible, to satisfactorily address the consequences of any such breach; and

(b) evaluate whether the breach is such that it needs to be reported to, CPABC, and if so, report it promptly.

...

(b) **102 Matters to be reported to CPABC**

RULES:

102.1 Illegal activities

Registrants shall promptly notify CPABC after having been ... :

(a) convicted of any criminal offence, including but not limited to an offence of fraud ...

...

(c) **103 False or misleading applications**

RULE:

A registrant shall not sign or associate with any letter, report, statement or representation relating to any application to CPABC which the registrant knows, or should know, is false or misleading.

...

(d) **104 Requirement to co-operate**

RULES:

104.1 A registrant shall co-operate with the regulatory processes of CPABC.

104.2 A registrant shall:

(a) promptly reply in writing to any communication from CPABC in which a written reply is specifically required;

...

(e) **201 Maintenance of the good reputation of the profession**

RULES:

201.1 A registrant shall act at all times with courtesy and respect and in a manner which will maintain the good reputation of the profession and serve the public interest.

201.2 There is a rebuttable presumption that a registrant has failed to maintain the good reputation of the profession or serve the public interest when the registrant is charged under Rule 201.1 on account of any matter referred to in Rule 102.1(a) ... and a certified copy of a document which provides proof of guilt in respect of such matters is filed with the Disciplinary Committee. For purposes of this Rule, documents which provide proof of guilt include a certificate of conviction, order, decision, settlement agreement which includes an admission of guilt or other similar relevant document.

(f) **202 Integrity and due care and Objectivity**

RULES:

202.1 Integrity and due care

A registrant shall perform professional services with integrity and due care.

...

(g) **205 False or misleading documents and oral representations**

RULE:

A registrant shall not:

(a) sign or associate with any letter, report, statement, representation or financial statement which the registrant knows, or should know, is false or misleading, whether or not the signing or association is subject to a disclaimer of responsibility, nor

(b) make or associate with any oral report, statement or representation which the registrant knows, or should know, is false or misleading.

...

(h) **213 Unlawful activity**

RULE:

A registrant shall not associate with any activity that the registrant knows, or should know, to be unlawful.

...

IV. APPLICATION OF CPA ACT, CPABC BYLAWS, AND RULES OF CPABC CODE

43. The actions and conduct of Li as described in paragraph 8 of this Statement of Complaint:

(a) are contrary to CPABC Rules 101.1(a), 201.1, 202.1, and 213; and

- (b) constitute professional misconduct under section 53(2)(c) and (e) of the *CPA Act*.
- 44. The actions and conduct of Li as described in paragraph 10 of this Statement of Complaint:
 - (a) are contrary to CPABC Rules 101.1(a), 101.2(b), and 201.1; and
 - (b) constitute professional misconduct under section 53(2)(c) and (e) of the *CPA Act*.
- 45. The actions and conduct of Li as described in paragraph 11 of this Statement of Complaint:
 - (a) are contrary to CPABC Rules 101.1(a), 201.1, 201.2, 202.1, and 213; and
 - (b) constitute professional misconduct under section 53(2)(c) and (e) of the *CPA Act*.
- 46. The actions and conduct of Li as described in paragraph 12 of this Statement of Complaint:
 - (a) are contrary to CPABC Bylaw 511(1)(c), and CPABC Rules 101.1(a) and (b), 102.1(a), and 201.1; and
 - (b) constitute professional misconduct under section 53(2)(c) and (e) of the *CPA Act*.
- 47. The actions and conduct of Li as described in paragraph 14 of this Statement of Complaint:
 - (a) are contrary to CPABC Rules 101.1(a), 103, 201.1, and 205(a); and
 - (b) constitute professional misconduct under section 53(2)(c) and (e) of the *CPA Act*.

48. The actions and conduct of Li as described in paragraph 16 of this Statement of Complaint:
- (a) are contrary to CPABC Bylaws 508(1)(b) and 508(2), and CPABC Rules 101.1(a) and (b), and 201.1; and
 - (b) constitute professional misconduct under section 53(2)(c) and (e) of the *CPA Act*.
49. The actions and conduct of Li as described in paragraph 20 of this Statement of Complaint:
- (a) are contrary to CPABC Rules 101.1(a), 104.1, and 201.1; and
 - (b) constitute professional misconduct under section 53(2)(c) and (e) of the *CPA Act*.
50. The actions and conduct of Li as described in paragraph 22 of this Statement of Complaint:
- (a) are contrary to CPABC Rules 101.1(a), 104.1, and 201.1; and
 - (b) constitute professional misconduct under section 53(2)(c) and (e) of the *CPA Act*.
51. The actions and conduct of Li as described in paragraph 25 of this Statement of Complaint:
- (a) are contrary to CPABC Rules 101.1(a), 104.1, and 201.1; and
 - (b) constitute professional misconduct under section 53(2)(c) and (e) of the *CPA Act*.
52. The actions and conduct of Li as described in paragraph 27 of this Statement of Complaint:
- (a) are contrary to CPABC Rules 101.1(a), 104.1, 104.2(a), and 201.1; and

- (b) constitute professional misconduct under section 53(2)(c) and (e) of the *CPA Act*.
- 53. The actions and conduct of Li as described in paragraph 29 of this Statement of Complaint:
 - (a) are contrary to CPABC Rules 101.1(a), 104.1, 104.2(a), and 201.1; and
 - (b) constitute professional misconduct under section 53(2)(c) and (e) of the *CPA Act*.
- 54. The actions and conduct of Li as described in paragraph 31 of this Statement of Complaint:
 - (a) are contrary to CPABC Rules 101.1(a), 104.1, 104.2(a), and 201.1; and
 - (b) constitute professional misconduct under section 53(2)(c) and (e) of the *CPA Act*.
- 55. The actions and conduct of Li as described in paragraph 33 of this Statement of Complaint:
 - (a) are contrary to CPABC Rules 101.1(a), 104.1, 104.2(a), and 201.1; and
 - (b) constitute professional misconduct under section 53(2)(c) and (e) of the *CPA Act*.
- 56. The actions and conduct of Li as described in paragraph 35 of this Statement of Complaint:
 - (a) are contrary to CPABC Rules 101.1(a), 104.1, and 201.1; and
 - (b) constitute professional misconduct under section 53(2)(c) and (e) of the *CPA Act*.
- 57. The actions and conduct of Li as described in paragraph 39 of this Statement of Complaint:

- (a) are contrary to CPABC Rules 101.1(a), 104.1, and 201.1; and
 - (b) constitute professional misconduct under section 53(2)(c) and (e) of the *CPA Act*.
58. The actions and conduct of Li as described in paragraphs 5 to 39 of this Statement of Complaint:
- (a) when assessed individually, constitute professional misconduct or contravention of the *CPA Act* or CPABC's Bylaws under section 53(2)(c) or (e) of the *CPA Act*; or
 - (b) in the alternative, when assessed cumulatively:
 - (i) constitute professional misconduct or contravention of the *CPA Act* or CPABC's Bylaws under section 53(2)(c) or (e) of the *CPA Act*, or
 - (ii) constitute ungovernable conduct, contrary to the duty to cooperate with CPABC under section 51(6) of the *CPA Act* and CPABC Rule 104.
59. Particulars of the actions and conduct of Li as described in paragraphs 5 to 39 of this Statement of Complaint are described in paragraphs 60 to 74.
60. In particular, in regard to paragraph 43 of this Statement of Complaint, contrary to CPABC Rules 101.1(a), 201.1, 202.1, and 213, between in or about September 1, 2016 and in or about August 30, 2017, Li applied credits totalling \$102,658.68 to his personal credit cards using Motion LP's point-of-sale credit card terminal.
61. In particular, in regard to paragraph 44 of this Statement of Complaint, contrary to CPABC Rules 101.1(a), 101.2(b), and 201.1, Li failed to report to CPABC that:
- (a) on or about September 15, 2017, he had confessed to Motion LP that he had committed a significant fraud on Motion LP; or
 - (b) on or about June 9, 2018, he had confessed to the RCMP that he had committed a significant fraud on Motion LP.

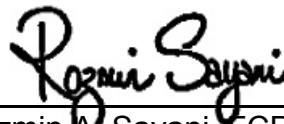
62. In particular, in regard to paragraph 45 of this Statement of Complaint, contrary to CPABC Rules 101.1(a), 201.1, 201.2, 202.1, and 213:
- (a) Li pleaded guilty to the offence of fraud under section 380(1)(a) of the *Criminal Code*, in that between September 1, 2016 and August 30, 2017, Li did by deceit, falsehood or other fraudulent means, defraud his former employer Motion LP of approximately \$102,658.00; and
 - (b) Li's guilty plea referred to in paragraph 62(a) gives rise to a rebuttable presumption that he has failed to maintain the good reputation of the profession or serve the public interest.
63. In particular, in regard to paragraph 46 of this Statement of Complaint, contrary to CPABC Bylaw 511(1)(c), and CPABC Rules 101.1(a) and (b), 102.1(a), and 201.1, Li failed to report to CPABC his guilty plea to the offence of fraud under section 380(1)(a) of the *Criminal Code*.
64. In particular, in regard to paragraph 47 of this Statement of Complaint, contrary to CPABC Rules 101.1(a), 103, 201.1, and 205(a), one day before the sentencing hearing referred to in paragraph 13, Li requested the cancellation of his practice licence with CPABC due to "Personal/Family" reasons, which statement Li knew or should have known was false or misleading.
65. In particular, in regard to paragraph 48 of this Statement of Complaint, contrary to CPABC Bylaws 508(1)(b) and 508(2), and CPABC Rules 101.1(a) and (b), and 201.1:
- (a) Li failed to provide the Registrar with a current employment address after he left the employ of the Foundation; and
 - (b) Li failed to immediately notify the Registrar after he left the employ of the Foundation so that his employment address in CPABC's records could be kept current.

66. In particular, in regard to paragraph 49 of this Statement of Complaint, contrary to CPABC Rules 101.1(a), 104.1, and 201.1, Li failed to respond to the Director, Professional Conduct's voice message of September 23, 2021 informing him that an investigation into his conduct had been authorized, and requesting that Li contact him.
67. In particular, in regard to paragraph 50 of this Statement of Complaint, contrary to CPABC Rules 101.1(a), 104.1, and 201.1, Li failed to respond to the Director, Professional Conduct's voice message of September 29, 2021, informing him that an investigation into his conduct had been authorized, and again requesting that Li contact him.
68. In particular, in regard to paragraph 51 of this Statement of Complaint, contrary to CPABC Rules 101.1(a), 104.1, and 201.1, Li failed to respond to the Investigator's voice message of November 5, 2021 asking Li to call him.
69. In particular, in regard to paragraph 52 of this Statement of Complaint, contrary to CPABC Rules 101.1(a), 104.1, 104.2(a), and 201.1, Li failed to respond to the Investigator's correspondence of November 17, 2021 seeking to arrange an interview.
70. In particular, in regard to paragraph 53 of this Statement of Complaint, contrary to CPABC Rules 101.1(a), 104.1, 104.2(a), and 201.1, Li failed to respond to the Director, Professional Conduct's correspondence of November 23, 2021, and failed to contact the Investigator by November 26, 2021, or at all.
71. In particular, in regard to paragraph 54 of this Statement of Complaint, contrary to CPABC Rules 101.1(a), 104.1, 104.2(a), and 201.1, Li failed to respond to the Director, Professional Conduct's correspondence of November 23, 2021 when CPABC staff re-delivered it to him on or about November 29, 2021.
72. In particular, in regard to paragraph 55 of this Statement of Complaint, contrary to CPABC Rules 101.1(a), 104.1, 104.2(a), and 201.1, Li failed to respond to the

Director, Professional Conduct's correspondence of November 23, 2021 when CPABC staff re-delivered it to him on December 2, 2021.

73. In particular, in regard to paragraph 56 of this Statement of Complaint, contrary to CPABC Rules 101.1(a), 104.1, and 201.1, Li failed to respond to the Vice President, Professional Conduct's voice message of February 14, 2022 asking Li to call him.
74. In particular, in regard to paragraph 57 of this Statement of Complaint, contrary to CPABC Rules 101.1(a), 104.1, and 201.1, Li failed to respond to the Vice President, Professional Conduct's voice message of March 18, 2022 asking Li to call him.

DATED at Vancouver, British Columbia this 11th day of April, 2022.



Rozmin A. Sayani, FCPA, FCA
Panel Chair, Investigation Committee

TO: Fangjie Li, CPA, CMA

AND TO: The Disciplinary Committee