

Gary E. Moulton, FCA, CFI

Gary Moulton has practiced as a forensic and investigative accountant for over 30 years. He has investigated allegations of fraud and other financial impropriety in public and private corporations, government and crown corporations and not-for-profit and charitable organizations.

He recently retired from the partnership at Deloitte & Touche LLP, where his leadership positions included representing Deloitte Canada on the Deloitte Global Fraud Services Directorate and serving as the partner in charge of the forensic & dispute services practice in Toronto for several years. He began his forensic accounting career at Lindquist Holmes & Co (now Navigant Consulting) in Toronto, the first forensic accounting practice in Canada.

He served as a member of the Board of Directors of the Canadian Institute of Chartered Accountants' Alliance for Excellence in Investigative and Forensic Accounting (the "IFA Alliance") from its inception in 1998 to 2012 and served as its National Chair between 2005 and 2007. The IFA Alliance provides leadership to uphold the professional integrity, standards and pre-eminence of Canada's Chartered Accountants specializing in forensic accounting through research, education, certification and promotion of CAs, through the designation CA•IFA, that meet prescribed education and experience requirements.

His investigative experience includes employee fraud, investor fraud, fraudulent financial reporting, corruption, bribery and kickback schemes, conflict of interest allegations, bid tendering and contracting irregularities, fraud in financial institutions, including loan fraud and cheque and electronic funds kiting, financially motivated arson and contract murder. He also advises organizations on anti-fraud programs and fraud risk assessments.

He has extensive experience working with law enforcement and criminal prosecution authorities, including the Royal Canadian Mounted Police, the Ontario Provincial Police, and the Toronto Police Service in the investigation of white collar crime. He has carried out investigations in many countries, including Canada, the United States, Mexico, Guatemala, Colombia, the Cayman Islands, Barbados, the United Kingdom, the United Arab Emirates, the Philippines, Pakistan, and Thailand.

He has testified as an expert witness on many occasions in criminal and civil courts of law in Ontario and Quebec, and at professional conduct tribunals and labour hearings. He lectures at the University of Toronto's graduate level Diploma in Investigative and Forensic Accounting program and frequently speaks on topics related to fraud prevention, detection and investigation and on standards of practice for forensic accounting engagements to various professional and business groups.

He was elected as a Fellow of the Institute of Chartered Accountants of Ontario in 2009 (FCA), and in 2012, he

received a Lifetime Achievement Award from the Association of Certified Forensic Investigators of Canada.

Selected Experience

Canada Post

Role: Served as one of the lead partners on a special examination carried out in 2004 on Canada Post following the release of the Office of the Auditor General's Report on Sponsorship, Advertising and Public Opinion Research. The special examination focused on Canada Post's sponsorship, advertising and marketing activities as well as certain other management practices. Coordinated the gathering of thousands of documents and conducted investigative interviews of many employees, including the most senior executives. The Deloitte reports issued in this matter were submitted in the inquiry led by Justice Gomery into the Sponsorship Scandal.

Special Committee Investigation

Role: Retained by independent counsel to a Special Committee of the Board of Directors of a Canadian public company in the publishing industry to investigate non-compete payments. Assisted with the independent counsel's investigation into these transactions, including review of documentation and interviews of witnesses and senior management and Board members.

Commercial Crime Investigations

Role: Has provided forensic and investigative accounting services to many Canadian law enforcement agencies and criminal prosecution authorities in the investigation and prosecution of white-collar crime. Case experience includes employee fraud, management fraud, fraudulent financial statements, supplier fraud, investor fraud, bribery and kickbacks, and financially motivated arson. Testified as an expert witness in many of these cases, including a high profile Canadian murder trial, *Regina v. Helmuth Buxbaum*, where financial evidence was presented to assist in establishing the accused paid for the contract killing of his wife, and a case involving a series of loan transactions which led to the collapse of an Ontario financial institution.

BCCI Investigation and Liquidation

Role: Served for several years as the Partner in charge of forensic and investigative accounting and litigation support services provided to the Official Liquidators of the Bank of Credit and Commerce International. BCCI was closed by banking regulators worldwide in 1991 when fraud and money laundering activities were discovered. Extensive involvement in international litigation for fraud, negligence, commercial bad faith and other causes of action which have resulted in substantial recoveries of funds for BCCI depositors. Liaised with the Government of the Cayman Islands, the Royal Cayman Police Force, the UK Serious Fraud Office, and the US Department of Justice and Federal Bureau of Investigation with regards to criminal investigations pertaining to BCCI.

Mexico Bank Crisis Investigation

Role: Led the forensic review component of a high profile and politically sensitive assignment conducted in the late 1990s in Mexico. The assignment involved the comprehensive evaluation of the operations and

functions of the Fund for the Protection of Bank Savings ("FOBAPROA"), which was created by the Mexican government to provide financial relief to banks following the peso collapse in 1994. The Congress of Mexico commissioned the evaluation due to allegations of abuse concerning the manner in which the financial relief was provided. The evaluation was delivered to the Mexican Congress in July, 1999 and received global press coverage. The forensic review identified fraudulent and other improper transactions resulting in a total potential cost to FOBAPROA of US\$7 billion.

Thailand Finance Companies Investigation

Role: In the late 1990s was a member of a multidisciplinary, international team of financial advisors appointed by the Financial Sector Restructuring Authority of the Government of Thailand to assist in the closure and liquidation of twenty-two finance companies. Led a team of forensic investigation professionals which developed and provided advice on financial investigative issues and asset tracing and recovery strategies.

Advertising Agency Fraud

Role: Retained by a pharmaceutical company to investigate allegations of improper billing practices by its advertising agency. The investigation found inappropriate expenses incurred by the agency which were billed back to the pharmaceutical company and hourly charges that could not be supported by activity logs maintained by the advertising agency.

Health Care Industry

Role: Retained by a hospital to investigate allegations that hospital employees had set up "middleman" companies which purchased supplies needed by the hospital from legitimate vendors and then marked up the prices and "resold" the products to the hospital. The investigation resulted in the dismissal of the employees.

Provincial Government Procurement Practices

Role: Led an extensive review of the procurement function for a provincial government agency. Evaluated the adequacy of expenditure controls in place to ensure that the government's assets were properly safeguarded and its exposure to fraud, error, unauthorized transactions, illegal acts, conflict of interest and other irregularities was minimized. The scope of the assignment included an examination of the processes used for initiating, authorizing, procuring, paying and reviewing expenditure transactions in order to make an assessment of risk exposure to inappropriate activity.

Public Works Department Tendering Irregularities

Role: Retained by the Chief Financial Officer of a municipal government to investigate irregularities in the Public Works Department. The investigation revealed unauthorized revisions were made to a signed agreement with a developer for the installation of sewers and road improvements, resulting in significantly increased costs to the municipality; large contracts were "split" into phases or segments in order to circumvent controls requiring higher level approval and/or more rigorous purchasing procedures (e.g. requirement to

obtain bids rather than sole sourcing); change orders were abused in order to make unauthorized purchases.

Political Investigations

Role: Appointed as Compliance Auditor under the Ontario *Municipal Elections Act* to conduct an investigation of the campaign finances of a Toronto area city councillor in the 2000 municipal elections. The investigation identified several apparent contraventions of the Act which led to the prosecution of the councillor. The councillor pled guilty to exceeding campaign spending limits and filing a false financial statement.

Political Investigations

Role: Appointed as Compliance Auditor under the Ontario *Municipal Elections Act* to conduct an investigation of the campaign finances of a candidate running for mayor of a Southwest Ontario city in the 2003 municipal elections. The investigation identified several apparent contraventions of the Act which were reported to the City Council.

Offshore Investment Fraud

Role: Conducted a situational analysis in Southeast Asia for a Canadian financial institution victimized by an investment scheme. The analysis involved reviewing the business practices and conduct of the financial institution's investments manager and suggesting control enhancements to minimize future exposure to such incidents.

Offshore Business Practices Review

Role: Advised the legal, internal audit and corporate security departments of an international high tech company in an investigation of inappropriate business practices engaged in by employees of its subsidiaries in several Central and South American countries to generate sales.

Construction Fraud

Role: Advised the Chief Financial Officer of a public hi-tech company in the investigation of the activities of the company's manager of construction and a third party contractor that was renovating the company's office tower. The investigation was undertaken as a result of information received from an anonymous whistleblower who claimed that the contractor was billing the company for services not performed and was paying secret commissions to the company's construction manager. Based on the evidence gathered, the company terminated the employment of the construction manager and recouped a substantial amount that had been overbilled by the contractor.

Mining industry Plant Supplier Fraud

Role: Retained by a publicly traded mining company with global operations to investigate suspicions concerning the supplier of components to its plant in Eastern Canada. The investigation found that the plant manager had created a "middleman" company to defraud the mining company. He had contracted with several machine shops to manufacture the necessary components. Rather than invoice the plant, he asked the machine shops to invoice another company of which, unknown to them, he was the sole shareholder. After adding a substantial mark-up, this "middleman" company invoiced the plant. Quantified the extra profit

margin generated at the plant's expense, which the plant used as a basis for a claim under its fidelity insurance coverage.

Local Government Purchasing Fraud

Role: Retained by an Ontario police service to assist in its investigation of two government employees charged with fraud. The two employees created a phantom supplier, which ostensibly sold stationery and office supplies to the government. The investigation revealed that no supplies were ever provided. Testified as an expert witness in court at the criminal trial of one of the accused.

Bribery of Public Officials

Role: Retained by an Ontario police service to assist in its investigation of purchasing practices at a local municipal zoo. The investigation revealed that secret commissions were paid by a supplier of animals to a purchasing official at the zoo.

Government Housing Fraud

Role: Retained by the Internal Auditor of a provincial housing agency to investigate allegations of supplier kickbacks at a low-income housing project. The investigation found that contracts were granted to parties related to project managers on higher-than-market financial terms and certain maintenance contractors had paid bribes to the project managers to obtain business.

Employee Fraud

Retained by an Ontario police service to assist in an investigation and testified as a Crown witness at the subsequent criminal trial of an employee of a dentist in Southwestern Ontario accused of defrauding the dentist by misappropriating cash receipts.

Investor fraud

Retained by an Ontario police service to assist in the investigation of the collapse of a trust company as a result of loans made to an investor group. Testified as a Crown witness at the subsequent criminal fraud trial of the investment promoter and an executive of the trust company.

Arson

Retained by an Ontario police service to assist in the investigation of the owners of a business destroyed by fire. Testified as a Crown witness at the subsequent criminal trial of the accused charged with arson and provided accounting evidence to establish that the business was in financial difficulty.

Education/Professional Designations

Bachelor of Commerce degree (1977) from Dalhousie University, Halifax, Nova Scotia

Chartered Accountant (Institute of Chartered Accountants of Nova Scotia (1981), Ontario (1982 to present)

CA-designated specialist in forensic accounting authorized to use the designation CA•IFA by the Canadian

Institute of Chartered Accountants (2000)

FCA, Institute of Chartered Accountants of Ontario (2009)

Professional and Community Affairs

Speaker on forensic accounting, fraud awareness, and financial investigation techniques to many organizations, including the Canadian Institute of Chartered Accountants, the Association of Certified Fraud Examiners, the Association of Certified Forensic Investigators, the Canadian Insolvency Practitioners Association, the Institute of Internal Auditors, the Canadian Police College, the Ontario Police College, and corporate executives, internal auditors, accountants and law enforcement officers in Canada, the United States, the Caribbean, Europe and the United Kingdom.

National Chair of the Board of Directors (2005 to 2007) and Co-Chair of the Member Services and Marketing Committee of the CICA's Alliance for Excellence in Investigative and Forensic Accounting. Chaired the IFA Alliance's annual professional development conference in 1999, 2000, 2001, 2003 and 2004.

Publications

Author or co-author of several papers and articles on white collar crime including:

"Investigating Employee Fraud" published by the CICA's Interest Group in Investigative and Forensic Accounting (1993),

"Collecting, Organizing and Securing the Evidence", published by Federated Press (1998).

"Fraud in Not-For-Profit Organizations", published in Canadian Fundraiser (2000).

"An Introduction to Asset Tracing and Recovery", which was presented to the Pacific Rim Money Laundering and Financial Crimes Conference, Vancouver, British Columbia (2000).

"Canada's New Money Laundering Legislation", published by the CICA's IFA Alliance (2001).

"Safe Disclosure", cover story about whistleblowing in CA Magazine, published by the CICA (2003).

"Preventing Fraud in the Public Sector", published by Canadian Government Executive magazine (2006)

Testimony

Regina v. Bobbie (Ontario Criminal Court)(fraud)

Regina v. Buxbaum (Ontario Criminal Court)(first degree murder)

Regina v. Carter & Huggins (Ontario Criminal Court)(arson)

Regina v. Flood (Ontario Criminal Court)(fraud)

Regina v. Galluci (Ontario Criminal Court)(fraud)

Regina v. Howe (Ontario Criminal Court)(fraud)

Regina v. Maxwell (Ontario Criminal Court)(theft)

Regina v. Quinn (Ontario Criminal Court)(theft)

Regina v. Stewart (Ontario Criminal Court)(fraud)

Regina v. Sylvester (Ontario Criminal Court)fraud)

Regina v. Unck (Ontario Criminal Court)(fraud)

Regina v. Wallace (Ontario Criminal Court)(fraud)

Regina v. Zanolli (Ontario Criminal Court)(fraud)

ACH International v. Royal Bank (Ontario Superior Court of Justice)(theft by conversion)

Bank of Nova Scotia v. Bank of Montreal, (Quebec Superior Court)(customer kiting scheme)