

SPECIAL EDITION:

— Spotlight On —

Compliance, Non-Financial & Financial



Lack of Oversight Can Have Disastrous Results

When it comes to fraud, unfortunately the travel industry is rife with opportunity for those so inclined to use their occupation for personal enrichment, through the deliberate misuse or misapplication of the employing organization's resources or assets. This is particularly true when a registrant (a travel agency owner) has weak internal controls, or when an employee has the ability to override those controls.

More and more claims are being made on the Ontario Compensation Fund after the actions of a "rogue" travel agent causes the closure of their employer, the travel agency. The majority of these agents had TICO Certification, and some had been registrants and/or supervisor/manager on record with TICO.

To better understand the ruinous impact of fraud on Ontario travel agencies, read on...

CASE STUDY #1

Hired, fired, and hired again... twice!

A travel agent employed as a manager for an Ontario travel agency was convicted for trust accounting offences that resulted in the voluntary termination of the travel agency and \$45,000 in claims against the Compensation Fund.

Not long after, another Ontario travel agency hired this same agent. Ultimately the agent was terminated for issuing return itineraries to clients, when in fact only the outbound travel had been booked, resulting in passengers being stranded overseas.

Unbelievably, this travel agent was hired yet again, as an Outside Sales Representative by a third Ontario travel agency. TICO received complaints that the agent was depositing payments received from consumers for travel services into a personal account. One consumer incurred \$12,733 in financial loss for travel services not received, and for which replacement or return travel had to be purchased in the destination. The travel agency involved refused to take responsibility for refunding the consumers until TICO issued a Notice of Proposal to Revoke the travel agency's TICO registration to operate, since registrants are legally responsible for the actions of their travel agents. Finally, the registrant took responsibility and reimbursed the consumers.

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The Importance of Disclosure

Specific information has to be disclosed to a customer by their travel agent before the sale is completed, as outlined in **Section 36** of Ontario Regulation 26/05. The lack of disclosure can have undesirable consequences for the customer, such as:

- Boarding being denied due to lack of proper travel documentation;
- A change in the travel services purchased, for example: a different hotel, of which they should be notified promptly, or a change in conditions in the destination such as the closure of a property's main pool;

The Regulation requires the travel agent to disclose anything that might affect the customer's decision to purchase. TICO's Disclosure Guidelines can be downloaded at <http://www.tico.ca/industry-info/disclosure-invoicing-requirements.html>. The guidelines cover disclosures received prior to booking, which include conditions of travel, the total price, insurance, travel documents, and other pertinent terms and conditions, along with Invoicing Requirements. To make it even easier, TICO has prepared a handy checklist for you to refer to, which can be accessed here <http://www.tico.ca/legislation-resources/industry-guidelines.html#disclosure>.



The travel agent was charged with five counts of operating as a travel agent without registration, and the matter is still pending before the Provincial Offences Court.

CASE STUDY #2

Ontario travel agency closes due to agent with criminal record

The owner/travel agent of an Ontario registered travel agency voluntarily terminated their TICO registration, when it was discovered that the owner/agent had forged bank statements to reflect positive working capital, had failed to deposit and hold consumer funds in trust, and had without authorization used a deceased customer's credit card to pay for a third-party booking. This resulted in the Compensation Fund paying out \$52,000 in claims.

The former registrant was charged with one count of furnishing false information and 24 trust accounting violations, and pled guilty. They received a \$6,225 fine (including a victim surcharge) and were placed on two years' probation that included 500 hours of community service.

Subsequently, this travel agent was employed by another Ontario travel agency. Here, the agent's customers were directed to make cheque payments in the agent's name, which were then deposited into a personal bank account. The agent did not forward the customer payments to the suppliers of the travel services for which the money was entrusted, and pocketed cash sales.

Unfortunately, the owner of this travel agency was financially unable to settle with affected customers by providing the travel services or a refund. Instead, the owner voluntarily terminated their TICO registration, permitting the consumers to claim on the Compensation Fund.

The errant travel agent was charged by law enforcement with fraud, and convicted of two counts of operating as a travel agent without registration, as well as being convicted on three counts of fraud under the Criminal Code of Canada. The agent was sentenced to 12 months in jail on the criminal convictions and to six months in jail on the *Travel industry Act, 2002* convictions, to be served concurrently. In addition, the agent was prohibited from being employed in any capacity in the travel business or any other business where they would have access to cash, credit cards or other type of payment, for five years.

The Importance of Having Checks and Balances

The above situations show how important it is to protect your business. Registrants must be vigilant when it comes to the actions of all employees and outside contractors. This means having controls in place to monitor travel sales and developing best practices in this area. As well, before hiring a new employee, TICO recommends that you always review Charges and Convictions on www.tico.ca, and check references with previous employers. ▲

Financial Inspections FAQs

Financial inspections are a key component of TICO's risk management program, which is carried out under the direction and control of the Registrar, *Travel Industry Act, 2002*. The goal is to identify as early as possible whenever a registrant is a risk, and to work with the registrant to ensure compliance. Following are some of the most frequently asked questions concerning financial compliance.

Can I be exempt from filing the financial statements?

No. All registrants must file financial statements, either reviewed or audited by a CPA licensed accountant.

What are the major disclosure requirements for the financial statements?

1. Ontario Gross Sales
2. Trust Assets: Trust bank balance and Trust prepaid (if applicable)
3. Trust Liability: Customer funds received for future travel services

In addition to the disclosure requirements above, what is the major component of financial statement compliance?

A registrant must be in compliance with the working capital requirement. Working capital is calculated by taking the total of current assets and subtracting current liabilities. Current assets and current liabilities subtotals can be found on your balance sheet. Working capital is further adjusted by the amount of any related party balances, including shareholder balances and TICO security, if applicable.



What causes my working capital to be deficient?

There can be a number of factors that cause working capital to be deficient. The primary reasons are shareholder withdrawals, losses, refinancing, and accumulation of uncollectible accounts receivable.

Am I only required to ensure that the working capital is compliant at year end?

Although registrants submit proof of the working capital position to TICO at year-end, i.e. when the reviewed/audited financial statements are filed, the working capital must be compliant at all times. If you believe at any time during the year that circumstances have caused your working capital to be non-compliant, corrective measures should be taken to correct it at that time.

Do I have to wait for a letter from TICO to advise me of the working capital deficiency?

You can correct the working capital deficiency when completing the financial statements. The fact that the working capital has been corrected should be disclosed in the notes to the financial statements. ▲

Checks and Balances

As shown in our cover story, having checks and balances in place is the best way to ensure that your business is in compliance with the *Travel Industry Act, 2002* and Ontario Regulation 26/05. To ensure that you have the right checks and balances in place, consider:

- Having clearly defined policies and procedures with respect to making bookings, invoicing and the collection of monies;
- Conducting due diligence;
- Providing comprehensive oversight;
- Being aware of all social media and websites on which your travel agents are actively promoting themselves, your business, and advertising or selling travel services;
- Downloading TICO's Outside Sales Representative Guidelines from <http://www.tico.ca/legislation-resources/industry-guidelines.html#outside>; and
- Signing up for TICO's monthly compliance e-blast which provides useful web links to assist you.

Maintaining checks and balances is, of course, as important within the office as it is when working with outside contractors.

As part of the registration and registration renewal process, the registrant must sign a Notice, Consent and Acknowledgement of Terms and Conditions of Registration, in which the registrant accepts responsibility for the actions of all counsellors employed by the registrant and persons on contract who are selling or providing advice regarding the sale of travel services.

The acknowledgement also states that the registrant's responsibility is to ensure that all such sellers of travel services and/or counsellors and/or contractors meet the TICO Education Standards as required by Ontario Regulation 26/05.

Use Your Car to Get Attention!

One effective way to promote your business is to “wrap your car”, by covering it with eye-catching graphics that boost awareness. For legislative purposes, a car wrap is considered a limited space medium, but there are some basic elements that you should consider:

- You must display your company’s registered business name.
- If the graphic includes an agent’s mobile number, the registered travel agency’s business telephone number must also be displayed.
- While your TICO registration number and business address are not required, we encourage you to let consumers know that you are a TICO registrant by displaying the TICO logo.



Correct Travel Documentation An Absolute Must!

Consumer complaints about incorrect travel documentation are constant. TICO understands that in this complex, ever-changing world of travel, keeping on top of travel documentation requirements can be laborious. However, as so much can go horribly wrong, it is vitally important that travel agents research and provide the correct information to the consumer. It is also a legal requirement to detail this information on the invoice.



Whether conducting business online or in person, the travel agent must inform consumers about passports, visas and affidavits needed for each person for whom travel services are being purchased; they should also inform the consumer that every country has a right to refuse entry even if the required information and travel documents are complete. In addition, the customer must be advised that the travel agent is required to answer any questions the customer may have arising from the information provided. If the transaction is occurring online, a telephone number or some other method to answer the customer’s question must be provided. As a best practice, TICO recommends that you include a statement on the invoice, to be signed by the customer in person or clicked to a link when online, indicating the customer has received all required information.

The impact on a consumer who discovers they cannot travel because they were not given the correct information by their travel agent is huge. Consider one situation that came to TICO’s attention:



Left behind

Four friends decided to travel to Spain together. After agreeing on the dates of travel, one member of the group made the booking on everyone’s behalf. The outbound flight departed from Toronto but the return flight was booked via the United States from Madrid. At the end of the holiday, one of the group – who subsequently complained to TICO – was denied boarding by the airline’s personnel because he was travelling on a British passport. This consumer was a landed immigrant in Canada, not a Canadian citizen, therefore he required a visa to enter the United States.

What happened?

His travel companions boarded the flight home, leaving their friend – the landed immigrant – behind. He had to purchase a direct flight from Madrid to Toronto that left the following day, which therefore necessitated paying for overnight accommodation. Understandably,

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MESSAGE FROM THE REGISTRAR

TICO remains focused on the importance of compliance. I believe the majority of our registrants are committed to consumer protection, both from a regulatory compliance perspective and from servicing customer needs as part of their overall customer value strategy. In other words, compliance is integral to implementing “good business practices”, but assists a business with achieving its strategic goals. For these reasons, TICO continues to work with all registrants to ensure compliance, to ensure Ontario’s travel regulations are understood and are implemented alongside other

business practices. Our goal is to communicate regularly, and work with our registrants in as many cost effective ways as possible. We are using our **TICO Talk** newsletter to deliver the message as broadly and effectively as possible. I hope you find this focus on compliance helpful, and invite you to advise us if there are any questions or other means by which TICO can assist. Remember, compliance is not just part of regulation, it also makes good business sense.

This is my last communication to you for calendar 2015. On behalf of my team at TICO, I wish you and your families a very happy holiday and a healthy prosperous New Year.

Richard Smart
President and CEO

Correct Travel Documentation: An Absolute Must! *continued from page 4*

he was extremely upset at not being advised before departing Canada what documentation he required, as well as at the additional costs that he incurred.



What should have happened?

Whether the travel arrangements are made in person, over the telephone or online, an Ontario travel agency is required by law to advise about the typical information and travel documents – such as passports, visas and affidavits – that would be needed by each person for whom the travel services are being purchased. In a group

booking situation, this means that the travel agent must enquire about the travel documentation that each person travelling will be using, so that the agent can counsel them on the applicable entry requirements. A travel agent should never assume that everyone holds a valid Canadian passport. In addition, the travel documentation required by each person travelling must also be reflected in the invoice that is issued after receiving the payment for the travel services. If travel agents think of the invoice as a contract, then it becomes obvious that everything involved in the sale of travel services has to be itemized in detail. ▲

Advertising and the Law

When placing advertising, there are comprehensive and strict requirements to which TICO registrants must adhere. These are detailed in Advertising Guidelines for Ontario Travel Retailers and Travel Wholesalers at www.tico.ca/legislation-resources/industry-guidelines.html#advertising.

TICO has also prepared a handy Advertising Requirements Checklist that can be downloaded from <http://www.tico.ca/files/Advertising%20Checklist-Dec2015%281%29.pdf>.



This covers advertising on Facebook, Kijiji, and other social media websites, and includes an Advertising Requirements Checklist for Websites <http://www.tico.ca/files/Website%20Checklist-Dec2015%281%29.pdf>.

Your **website** is also considered a representation and must meet the requirements of **Sections 31-35** of Ontario Regulation 26/05 (refer to the download above). It is also very important to keep your website up to date whenever there is a change, such as your address or telephone number.



Group Bookings – Tips and Pitfalls!

When a travel agency is handling a large group, processing every aspect of the sale correctly is crucial. After all, the chance of making a potentially serious error is multiplied many times over, depending on the size of the group.

1. The role of the group's leader

Generally there is one person who is the main contact with the travel agency when making arrangements for the group booking. This person must never be involved with anything perceived as counselling for the purpose of selling travel services, facilitating payments directly from consumers or advertising the travel services for the purpose of selling, since they are not an Ontario registrant.



From time to time, an individual contacts a travel agency wanting to arrange a group trip, whether it is for a theatre-going group or a sports-related group. If the travel agency accepts the business from this individual, and allows him or her to provide counsel to the group, and to facilitate and collect all payments due for the travel services provided, then that individual is acting as a travel agent.

Depending on the circumstances, this may be a contravention of **Section 20** of Ontario Regulation 26/05 which states that a registrant shall not carry on business with another person who is required to be registered under the *Act*, but is not, in fact, so registered. It is imperative to ensure that the lead or main contact person is not acting as an unregistered travel agent.

From time to time, there have been situations in which the individual making the group booking was advertising and selling the travel services unbeknownst to the travel agent. There have also been situations when the supposed group leader absconds with the payments received, putting the would-be travellers and the registered travel agency in an extremely difficult situation, legally and financially – the consumers do not receive travel services for which they paid and the registrant is responsible for providing services for which no money has been received.

2. Disclosure

The intent of the individual group leader may be well-meaning. However, in some cases, the consumers have been given no information on travel documentation requirements (see Page 4) such as visas or acceptable passport expiry dates, and have been denied either boarding or entry into a country.

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DID YOU KNOW ?

- When any **change** is made that affects your registration – such as change of bank accounts, change of ownership, change of managers, or the change or dismissal of a travel counsellor, you must notify TICO. Check <http://www.tico.ca/legislation-resources/registration-forms.html> for all Notice of Business Change forms.
- A travel agency can only advertise, market and sell as a **business name or trade name** that is registered with TICO as a trade name of the travel agency. This applies to outside contractors working with a host agency. If a travel agency or any of its agents use additional business name(s) or trade names, the registrant must register the name(s) with Service Ontario, and complete a Notice of Business Change Form with TICO.
- After selling travel services, an invoice from the registrant to the consumer must be provided promptly by the travel agent, whether in-house or an outside sales representative. The invoice is a contract, and must include all the information required to be disclosed to the consumer at the time of booking, per **Section 38 (1)** of Ontario Regulation 26/05; **Section 36** of the Regulation outlines what must be disclosed prior to completing a travel sale.

It is the travel agent's legal responsibility to provide disclosure to every person travelling (see Page 2). While this can be time-consuming, it is not a task that any customer is permitted, by law, to take on. For example, TICO has seen situations where someone in a group had to cancel, and it turned out that the consumer had not been offered the option of buying travel insurance by the booking travel agent, as required under the legislation. People have also been denied boarding for reasons such as being seven-months' pregnant, or having a criminal record. Before finalizing the sale of travel services, the travel agent is obliged to provide each person travelling with all relevant travel information pertaining to their trip.

3. Invoicing

Every paying customer in a group booking must receive an invoice. **This cannot be emphasized strongly enough.** The invoice should be regarded as a detailed contract between you and the consumer that states exactly what was purchased, the price, any type of restriction, and the terms and conditions. Some travel agencies require the consumer to read and sign the invoice, which is the best way to ensure the consumer is fully aware of what they have purchased.

4. School trips

Under certain conditions, per **Section 2 (7)** of Ontario Regulation 26/05, a person employed as a teacher may organize a trip without using a registered travel agent. This is permitted provided that: it is a one-day tour for the school's students as part of the curriculum; the travel services of the trip are approved by the appropriate board, principal or governing body; and the arranger of the trip cannot receive any personal financial gain or profit from arranging the trip.

School trips longer than one day **must** be conducted through a registered TICO travel agency. In this case, it is the travel agent's responsibility to collect payment from the students or their parents. Payment is only made by the school if it is contributing to the cost. TICO's Guidelines on School Trips may be downloaded from <http://www.tico.ca/legislation-resources/industry-guidelines.html#schooltrippguidelines>.

5. Special interest travel

TICO has seen an increase in Special Interest Travel organized by individuals or businesses whose primary purpose is not selling travel, and who therefore are not registered with TICO. Many of these individuals just want to help with the trip arrangements, and are simply unaware that when they put together a tour/retreat/workshop that includes transportation and/or accommodation, their actions or business is contravening the *Travel Industry Act, 2002*. To address this issue and to ensure consumers are protected at all times, TICO has

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DID YOU KNOW ?

TICO's **complaint handling process** is detailed on www.tico.ca. When a consumer is unhappy with the travel services that they have received, they must first attempt to resolve the matter directly with the travel agency and/or the travel wholesaler involved. If the consumer is unhappy with the registrant's response, then they may file a written complaint with TICO, which must outline why they were not satisfied, and how the matter could be resolved to their satisfaction.

After assessing whether it can assist in resolving the complaint, TICO may send a written request to the retail or wholesale registrant asking for information as soon as practical. As detailed in **Section 16** of the *Travel Industry Act, 2002*, registrants are required to respond to all consumer complaints received from TICO. The request from TICO will indicate the nature of the complaint.

TICO makes every effort to assist both the registrant and the consumer reach a mutually agreed-upon settlement. When TICO identifies a compliance issue within the complaint, it is referred to the Compliance team for review. If their review shows that there has been no contravention, the consumer will be informed by TICO that the registrant is compliant. Click here to read about the complaint process more fully. <http://www.tico.ca/consumer-info/complaints.html#complaintprocess>

DID YOU KNOW ?

- When a retail registrant engages in sales with other retailers to sell travel services, it becomes a **wholesale transaction**, for which a wholesale registration is required.
- When using **social media** to sell travel services, registrants must ensure that the content complies with the Advertising Requirements (<http://www.tico.ca/legislation-resources/industry-guidelines.html#advertising>;) have complete agency information in the About section on Facebook; and consider adding the legislated requirements to the About section on Twitter. <http://www.tico.ca/files/Website%20Checklist-Dec2015.pdf>
- **Suspected fraudulent activity** – both inside and outside the office – has made it to No. 8 in the top 10 of consumer complaints to TICO. This rising trend is a huge concern – people have already lost their livelihood.
- Passing TICO's Education Standards exam does not automatically enable someone to **sell travel services**. Individuals may only sell travel in Ontario if they are registered with TICO or employed by a TICO registrant.

Group Bookings – Tips and Pitfalls! continued from page 7

prepared Guidelines for Special Interest Travel that can be downloaded from <http://www.tico.ca/legislation-resources/industry-guidelines.html#specialtravel>.

Registrants who become aware of a situation in which an unauthorized individual is selling travel to a group should advise TICO and refer the individual to the Ontario travel industry's guidelines. Acting as if they were a travel retailer puts the registrant in the position of dealing with someone who is unregistered.

The individual must be informed that Ontario's travel legislation requires the disclosure of all pertinent information regarding the trip, including required travel documentation, to each person paying for the travel. It also requires invoicing and collection of funds to be carried out in accordance with the legislation in order to ensure the complete protection of everyone travelling. To take on the booking and arranging of a tour, the individual must be aligned with a TICO-registered travel agency as a Travel Counsellor/Outside Sales Representative; otherwise, they must make the group bookings through a TICO registrant.



Registering as a travel agent/travel counsellor under the *Act* is not required of an individual or business organizing Special Interest Travel provided they work in collaboration with an Ontario-based TICO registered travel agency to fulfill the travel services OR they work with an end-supplier (such as a hotel, cruise line or an out-of-province tour operator) who offers the package/tour and the Ontario-based individual or business only provides a specialty service not related to travel (such as photography instruction or archeological expertise).

Should you have any questions concerning the requirements around school trips or special interest travel, please contact TICO directly at (905) 624-6241, toll-free: 1-888-451-TICO, or tico@tico.ca ▲

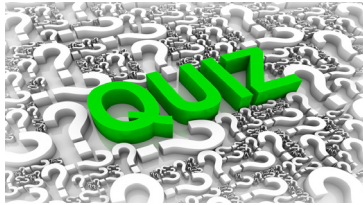


TICO's Compliance Team, from left to right: Eric Neira, Dorian Werda, Anabel Andre and Tina Shewchuk.

Take the **TICO Challenge**

1 At what point during the booking process are travel agents required to disclose their travel counselling fee or service charge to the customer?

- A. After full payment has been made.
- B. Before the actual sale takes place.
- C. When the client asks for information.
- D. Both A) and C)



2 ABC Travel is organizing a ski trip to Switzerland for a group from the local Ski Club. The group leader, John Smith, has booked ski trips with ABC Travel for several years and is familiar with what information the agency will need in order to book this particular trip. To help coordinate the booking for the group, which of the following steps is John able to do?

- A. Collect the deposit for the trip from those that want to participate on the trip and bring the monies to the agency.
- B. Provide travel documentation advice to the members of his club.
- C. Provide the members with information obtained from his travel agent regarding pricing, accommodations and contact information where they can reach ABC Travel for more details.
- D. All of the above.

3 When a client is booking directly online with a registered agency, the need for providing information on the travel documentation required for each person travelling is no longer required.

True or False?

4 Mary Green, agent at ABC Travel, is working on the Ski Club trip to Switzerland. Which of the following is she required to provide to each member booking the trip with her?

- A. Disclose information to the client that may affect their decision to book the trip.
- B. Issue each client a customized invoice.
- C. Explain the availability of medical and cancellation insurance.
- D. All of the above.

5 XYZ Travel has been working with Excellent Vacations, a registered wholesaler in Ontario, for a few years. Over the last few months, XYZ Travel has not been receiving their commission cheques and is now concerned that the wholesaler may be running into financial difficulty. A decision is made to stop dealing with this operator. What must XYZ Travel do at this point?

- A. Continue to call the wholesaler and demand commission payment.
- B. File a claim against the Compensation Fund.
- C. Advise TICO that you have ceased conducting business with the wholesaler.
- D. Both B & C.

6 Sunshine Travel Inc. recently hired Wendy Jones as an outside sales representative. Wendy specializes in destination weddings and has created a business name that she would like to advertise as "Weddings by Wendy". She plans on creating a website using the same name and the URL www.weddingsbywendy.com. What must Sunshine Travel do to ensure that Wendy is operating in compliance with the Ontario Regulation?

- A. Make sure that her business name and URL is registered with TICO as a trade name of the travel agency.
- B. Advise Wendy she can use whatever business name she likes.
- C. Tell Wendy to arrange the advertising for her own business.
- D. None of the above.

7 Steve and Anne are planning their dream trip to Africa. As this was a special trip, they wanted to make sure they got the expertise of a travel agent to ensure that all went smoothly. They visited Exotic Trips Travel and met with Jack. What is Jack required to discuss with his clients?

- A. He must confirm what type of travel documentation they will be travelling with.
- B. Mention the requirements for visa and inoculations for their trip.
- C. Advise the clients that the country they are visiting has the right to refuse entry even if the required information and their travel documents are complete.
- D. All of the above.

8 Whether a booking is made online through a registered agency or in a travel agency office, the agency is required to issue an invoice for that client.

True or False?

Answers at bottom of Page 10

Ceasing to Trade

Once in a while, a TICO registrant discontinues working with another registrant due to concerns about their financial stability. This may be related to receiving an NSF cheque, late or non-payments, or credit card misuse (chargebacks). Whenever this decision is made, the registrant is obliged by **Section 21, Ontario Regulation 26/05** to promptly notify the Registrar in writing of the fact, and of the reasons for ceasing to trade.

SAVE the DATES

January 23 – 24, 2016

Toronto's
Ultimate
Travel Show



Direct Energy Centre - Hall C
100 Princes' Blvd
Toronto

February 19 – 21, 2016

Toronto Golf
Show
& Travel Show



International Centre
6900 Airport Road
Mississauga

February 19 – 21, 2016

The
Outdoor
Adventure
Show

Toronto Outdoor
Adventure Show

International Centre - Hall 5
6900 Airport Road
Mississauga

Upcoming Issues

In future issues of **TICO TALK** we plan to include:

- Update on the Proposed Regulatory Changes to the *Travel Industry Act*
- Update on Compliance-related webinars
- The 2015-2016 Consumer Awareness Campaign
- Trade Shows and upcoming events

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Travel Industry Council of Ontario

2700 Matheson Boulevard East,
Ste 402, West Tower,
Mississauga, Ontario L4W 4V9.

Tel: (905) 624-6241
Fax: (905) 624-8631
Toll-free: 1-888-451-TICO
e-mail: tico@tico.ca
web site: www.tico.ca

Court Matters

CHARGES



Raquel Gordon was charged with two counts of operating as a travel agent without registration, contrary to **Section 4(1)(a)** of the *Travel Industry Act, 2002*. Ms. Gordon operated in Toronto and elsewhere in Ontario.

Alicia Kielek was charged with three counts of operating as a travel agent without registration, contrary to **Section 4(1)(a)** of the *Travel Industry Act, 2002*. Ms. Kielek operated in Toronto and elsewhere in Ontario. This is the fourth time Ms. Kielek has been charged under the *Act*. To date, a total of 29 counts have been laid against Ms. Kielek.

Jinling Wei and Herui Travel and Tours Corp. (Herui Travel) were each charged with one count of operating as a travel agent without registration, contrary to **Section 4(1)(a)** of the *Travel Industry Act, 2002*. Ms. Wei and Herui Travel operated in Toronto and elsewhere in Ontario. Ms. Wei and Herui Travel were previously charged by TICO and convicted in November 2012 of operating as a travel agent without registration.

Marek Paszyn and Aquarius Scuba Diving Centre Inc. (Aquarius) were each charged with one count of operating as a travel agent without registration, contrary to **Section 4(1)(a)** of the *Travel Industry Act, 2002*. Mr. Paszyn and Aquarius operated in Toronto and elsewhere in Ontario.

Lorna (Natalie) Arcega has been charged with two counts of operating as a travel agent without registration, contrary to **Section 4(1)(a)** of the *Travel Industry Act, 2002*. Ms. Arcega operated in Toronto and elsewhere in Ontario.

Carolyn Solomon has been charged with one count of operating as a travel agent without registration, contrary to **Section 4(1)(a)** of the *Travel Industry Act, 2002*. Ms. Solomon operated in Toronto and elsewhere in Ontario.

CONVICTIONS

Following a lengthy trial, **MKI Travel and Conference Management Inc.** (MKI) was found guilty of two counts of failing to deposit customer funds in the trust account, contrary to **Section 27(3)** of Ontario Regulation 26/05 made under the *Travel Industry Act, 2002*; guilty of failing to seek the Registrar's consent to open a second trust account, in advance, contrary to **Section 27(4)** of the Regulation. MKI was found not guilty of failing to keep customer funds in the trust account, contrary to **Section 27(6)** of the Regulation. **Ronald Greenwood, President, Shareholder and Director**, was acquitted of all charges. TICO has appealed the decision.

REVOCATIONS

Between April 27 and September 14, 2015, two companies had their registration revoked: **Ernie King Travel Services Ltd.**, Toronto and **Deborah Lloyd, o/a The Travel Broker & Cruise Centre**, Kingston. ▲

USEFUL CHECKLISTS

Following are the links to TICO's checklists:

- [Website Review](#)
- [Booking](#)
- [Invoicing](#)
- [Advertising](#)

Answers to the TICO Challenge 1. B; 2. C; 3. False; 4. D; 5. C; 6. A; 7. D; 8. True