

The Consumer Awareness Campaign:



IT'S ALL GO!

The 2nd annual TICO Awareness Day took place at Union Station on February 7th with TICO CEO Michael Pepper and Margaret Best, Ontario Minister of Consumer Services on hand to co-host a well-attended press conference. The intent was to promote awareness among consumers throughout Ontario about their rights when it comes to travel protection.

Deliberately staged a month ahead of the always-busy March Break travel season, Awareness Day was created to remind travellers about their rights in terms of travel protection, and the steps that they should take when booking a holiday. By using a TICO-registered travel agency, they ensure that their travel investment is protected. They were also advised to check for the TICO logo and registration

number that TICO registrants must display – in their offices, and on all documentation including on-line.

Consumers were also reminded to always get a receipt for travel services purchased. Should one need to submit a claim to the Compensation Fund, then proof of purchase will be required.

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LETTER FROM THE CEO



The Canadian Transportation Agency (CTA) recently announced its intention to develop regulations respecting the advertising of the price of air services. The Travellers' Protection Initiative (TPI), which consists of the Travel Industry Council of Ontario (TICO), the Association of Canadian Travel Agencies (ACTA), the Public Interest Advocacy Centre (PIAC) and Option Consommateurs, have been asked to participate in the initial consultation process. As you will recall, TPI provided a submission to the Senate Standing Committee on Transport back in October 2006. TPI has long been advocating for the federal government to put rules in place with respect to the advertising of airfares in order to better protect consumers and to level the playing field for travel agents and wholesalers in regulated provinces, who have been required to provide full price disclosure in their advertising for many years. TICO welcomes the opportunity to participate in this important process.

The CTA anticipates having the new price advertising rules in place by December of this year. A number of major Canadian air carriers have already voluntarily increased price disclosure in their advertising, which is very encouraging and will ultimately, benefit consumers.

Canada is not the only jurisdiction that has been looking at air service price advertising. The European Union introduced rules in July of 2008 that require that all taxes, unavoidable charges, surcharges and fees be included in the advertised fares airlines offer. The United States also recently introduced new price advertising regulations, which came into effect on January 26, 2012. Those regulations establish how airlines shall advertise the full cost of airfares, including all mandatory taxes and fees and airline-imposed mandatory fees.

This issue of TICO Talk also contains an update on TICO's Consumer Awareness Campaign. There was a press conference at Union Station on February 7, 2012. Margaret Best, the Minister of Consumer Services, was on hand for the event. The goal was to educate consumers on the consumer protection that exists in Ontario and the benefits of purchasing travel services from an Ontario registered travel agency.

With best wishes for a successful year ahead,

A handwritten signature in blue ink, appearing to read 'Michael Pepper'.

Michael Pepper
CEO

With the immense popularity of making travel arrangements on-line, consumers were told that, in addition to checking that the travel company is registered with TICO, they must also read and understand the Terms and Conditions before confirming their booking. Keeping a paper copy of the documentation related to their travel purchase is also very important.

Travellers were also encouraged to visit TICO's website, which offers a wealth of useful information for consumers, including travel tips and travel checklists which may be downloaded from www.tico.ca. Registrants are encouraged to provide them to their clients.

The Union Station blitz was well attended and earned plenty of media coverage, from various mainstream and ethnic publications and broadcasters. Capitalizing on the crowds passing through, TICO staff handed out informational brochures and reusable enviro-bags.

Win A Dream Trip

Once again, Tico the 'travel industry watchdog' played a key role in TICO's Win A Dream Trip on-line contest, which was worth \$5,000.00 to the winner. The contest ran from January 1 to February 29, 2012, and consumers were invited to guess where Tico was vacationing, which was in a different spot each week.

This campaign focused on social media. Consumers were invited to "Like" TICO on Facebook, which would earn them one more ballot entered for their email address. They were also offered one more ballot, up

to 10 times a day, for posting on TICO's Facebook page. Anyone entering the contest via Facebook also had a chance to win a TICO carry-on case that was given away weekly until the end of the contest.

Other on-line avenues for winning the Dream Trip and earning chances to win included emailing family and friends using a special code, following TICO on Twitter and subscribing to TICO's YouTube channel. More than 3,000 people participated in the contest.



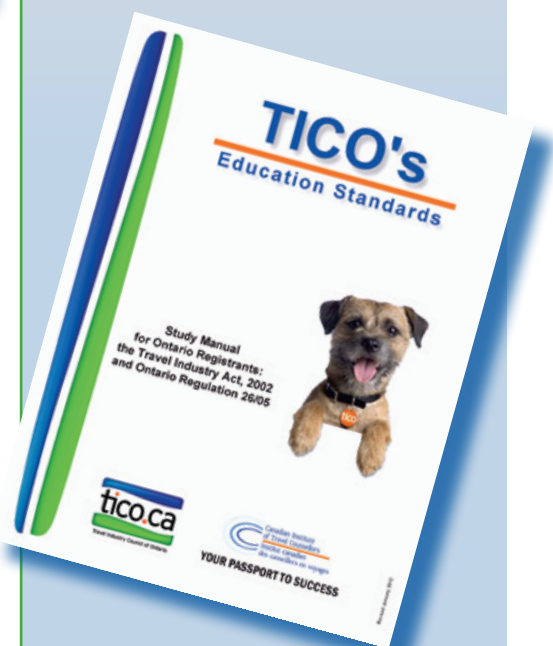
to 10 times a day, for posting on TICO's Facebook page. Anyone entering the contest via Facebook also had a chance to win a TICO

Extremely important to note!

Changes to Ontario Regulation 26/05 have necessitated updating the **Education Standards Study Manual**. Since many registrants like to have a hard copy of the manual on hand in their offices, for reference, it is particularly important to know that these copies are now out-of-date and should be replaced.

The revised manual is available in English and French, as PDF downloads, free of charge, from the websites of both TICO and the Canadian Institute of Travel Councillors (CITC). If you prefer, a coil-bound edition may be purchased for \$15.00 plus tax, from CITC. TICO strongly encourages everyone to either download the updated version or purchase a new print copy from CITC.

For further information regarding the TICO exam and how to register for it, visit TICO at www.tico.ca or CITC at www.citc.ca/en/tico.



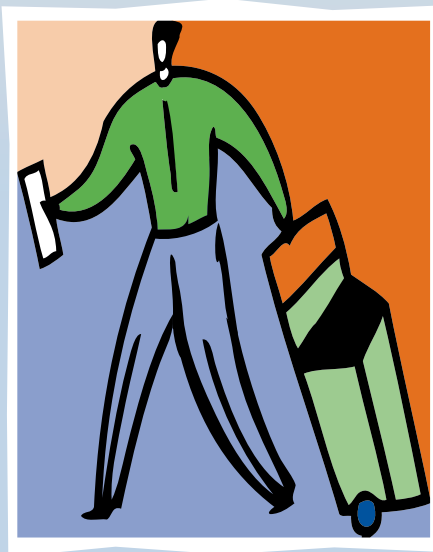
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More Welcome Changes...

to Airline Advertising Rules

As many of you will be aware, TICO has been deeply involved with the **Travellers' Protection Initiative (TPI)** since it was first formed in June 2005. TPI's key demand was for greater federal government protection for Canadian airline passengers, by making changes to questionable airline advertising practices. In Ontario tour operators and travel agents are obliged to include all costs in their travel advertising.

We are happy to report that, last December, the federal government announced that regulations are to be developed by the Canadian Transportation Agency (CTA) with respect to airline price advertising. TICO is in consultations with the CTA on the creation of guidelines on advertising rules for the airlines.



Sanja Skrbic, CA Financial Inspections Supervisor TICO



What is your background, prior to joining TICO?

I graduated with an Honours Business Administration degree from Wilfrid Laurier University, which gave me a good grounding in understanding how businesses run. Then I articulated with a small public accounting firm that focused on not-for-profit audits before joining Grant Thornton, a leading Canadian accounting and business advisory firm. While employed there, I obtained my Chartered Accountant designation. By the time I joined TICO in May 2010, I already had wide-ranging experience in public accounting, from auditing not-for-profits to publicly traded companies.

What are your responsibilities at TICO?

Basically, I have to ensure that all registrants comply with the financial aspects of the *Travel Industry Act, 2002* and Ontario Regulation 26/05. This entails selecting, monitoring and presenting the results of financial inspections of registrants. Financial inspectors who work in the field apply the procedures that we established for conducting inspections and they report back to me and the Registrar.

I helped TICO develop a template of key factors for assessing a registrant's level of risk. We select registrants for inspection based upon risk analysis, which includes looking at their financial history and their compliance history. As well, we carry out financial inspections and assessments of all new registrants and those who have working capital deficiencies.

I also take on ad hoc projects. Currently I'm assisting with the update of TICO's Trust Accounting Guidelines. Due to the increasingly complex business models that registrants work with, this is necessary. The current guidelines explain how to be compliant with the Act and the Regulation, and provide certain criteria to help registrants remain in compliance. We want to update the guidelines in order to reflect registrants' current needs and to provide more examples that are user-

friendly. For example, registrants have to keep track of customer deposit liabilities, and with technological advances there are now many more ways – such as various on-line payment methods – that customers can make these deposits. These new ways are more complex to keep track of, due to the timing differences between when a payment is made versus when it is received. As the Regulation does not take this specifically into account, the guidelines advise registrants to report all customer deposits, whatever their form, and must ensure that the cut-off period is appropriately accounted for.

What are the challenges of your work?

Keeping up with all the changes in the travel industry and helping the Registrar achieve the necessary level of registrant compliance. The Regulation does not require registrants to send their trust account reconciliation to TICO, although they are required to reconcile their trust account. If a registrant appears to be non-compliant after a visit by our financial inspectors, then we will ask to see the trust account reconciliations.

Part of my job is to provide the Registrar with sufficient information so that the right enforcement decision can be made. Our inspection practices are standardized to ensure that all registrants are treated fairly. While my work is unquestionably full of challenges, it is both gratifying and stimulating to be challenged in so many ways.

Is there any area that is of particular concern to you, because of its impact on the travel industry's future?

The industry business model is becoming increasingly more intricate, not just from a technological aspect, but because we are working with many more complex environmental factors, such as the downturn in the global economy and political unrest in various parts of the world. TICO does what it can to support registrants affected by these factors, but we have no jurisdiction over suppliers based in provinces – or countries – where there is no consumer protection legislation. I hope that ultimately more provinces will join Ontario, Quebec and BC in offering consumer protection.

What do you enjoy most about working at TICO?

It is the most gratifying professional experience that I have had, partly because what we do makes an important difference. There are a lot of challenges, but there is also a sense of accomplishment. Everyone at TICO works hard towards a common goal: ensuring consumer protection. I really enjoy working here...in a way, TICO has become my second home! ▲

Dates to Note



March 14 – 18, 2012

Toronto Sportsmen's Show

Metro Convention Centre
South Building
222 Bremner Blvd.
Toronto

TICO will be distributing informational material at the above show.

TICO TALK Feedback

As we have said time and again, Ontario's travel industry is frequently impacted by events and economic activities beyond our jurisdiction. Nonetheless, TICO works closely with the Ontario government to help ensure that both consumers and the travel industry are protected as much as logistically possible, through legislation and education.

TICO Talk is one of many ways that we strive to keep you informed and we encourage you to contact us if you have questions, comments or concerns about anything that you read here, or on any other matter that impacts the travel industry.

Your opinions are important to us.

We can be reached very easily at
**(905) 624-6241, or at
1-888-451-TICO,**



or by e-mail to
tico@tico.ca.

Form 1 now available On-line

It came to TICO's attention that sometimes travel registrants misplace the Form 1 Remittance that was mailed to them by TICO, to accompany their semi-annual payments to the Compensation Fund. From now on, although we will continue to mail out Form 1 to each registrant, a more generic downloadable version will be available from www.tico.ca should the form be misplaced. You will find it under Industry Info, within the Financial Requirements section, under the tab entitled Filing Financial Statements.

tico.ca
Travel Industry Council of Ontario

FORM 1
TRAVEL INDUSTRY ACT, 2002, S.O. 2002, CHAPTER 30 SCHEDULE D
HALF-YEAR STATEMENT FOR THE SIX MONTHS ENDED: _____ (Month/Year)

REGISTRATION # _____

BUSINESS NAME: _____

ADDRESS: _____

1. GROSS SALES for the six months ended: _____ \$
6 months @ 5 cents (.05) per \$1,000 gross sales

2. Payment due to TICO (MINIMUM \$25) _____ \$

3. P.S.T. on payment (Item 2 at 8%) _____ \$
(H.S.T. does not apply)

4. Total payment due to TICO and remitted herewith (Item 2 plus Item 3) _____ \$

In accordance with TICO's Payment Schedule 1 hereby certify that the information contained in this return is accurate.

(Signature) _____ (Name) _____ (Title) _____

Dated at _____ this _____ day of _____, 20__

PLEASE DO NOT COMBINE PAYMENT FOR FORM 1 WITH ANY OTHER PAYMENTS DUE TO TICO (Example: Registration Renewal)

NOTE: Payments are due to TICO within 90 days after the end of the registrant's fiscal year and fiscal half year.

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Court Matters

CHARGES

Peter Bartholdt and Travel Goodtime Tours Inc. have been charged with one count each of operating as a travel agent without registration, contrary to **Section 4(1)(a)** of the *Travel Industry Act*. The registration of Travel Goodtime Tours Inc. was revoked under the *Act* in July 2011, and the company continued to operate in the Toronto Region.

Panorama Travel & Tours Ltd., Beata Kucharski and Zbigniew Kucharski have been charged with two counts each of failing to maintain trust accounts, contrary to **Section 27** of Ontario Regulation 26/05 made under the *Travel Industry Act, 2002*. Panorama Travel & Tours Ltd was located in St. Catharines, Ontario.

Michael Harry Brunet, Daniel Da Costa and Toronto Leisure Society have been charged with one count each of operating as a travel agent without registration, contrary to **Section 4(1)(a)** of the *Travel Industry Act, 2002*.

Brunet, Da Costa and Toronto Leisure Society operated in Oakville and elsewhere in Ontario.



CONVICTIONS

Jason Konstantos has been convicted of four counts of operating as a travel agent without registration, contrary to **Section 4(1)(a)** of the *Travel Industry Act, 2002*. As part of the sentence, Mr. Konstantos has paid restitution in the amount of \$19,114.07 to consumers and is subject to probation for two years. The probation order requires Mr. Konstantos to perform 50 hours of community service and he cannot be employed in the travel industry in any capacity. Mr. Konstantos was also convicted on one count of Breach of Probation, contrary to **Section 75** of the *Provincial Offences Act*, for failing to pay restitution of \$44,000 to consumers. This stemmed from a previous conviction under the *Travel Industry Act*, in 2005. For the Breach of Probation conviction, Mr. Konstantos was fined \$500; he has paid restitution of \$7,000 to consumers and is subject to a Free-Standing Restitution Order to pay the balance of \$37,000 within five years.

Gail Ellen Tilbrook and National Direct Response Marketing Canada Inc. were convicted of one count each of operating without registration as a travel agent, contrary to **Section 3(1)**

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of the *Travel Industry Act, 2002*. Ms. Tilbrook was the president of National Direct Response Marketing Canada Inc. and in 2003 the company sold travel certificates for airline travel. The company was not registered under the *Act*, and consumers lost approximately \$790,000 when the travel certificates could not be redeemed. Ms. Tilbrook was sentenced to 30 days in jail and a warrant for her arrest was issued. National Direct Response Marketing Canada Inc. was fined \$10,000.

Kimberly Greco and Euro International Performance Tours Inc. have been convicted of one count each of operating as a travel agent without registration, contrary to **Section 4(1)(a)** of the *Travel Industry Act*. Euro International Performance Tours Inc. operated in the Greater Toronto Area and Ms. Greco was the president of the company. Consumers lost approximately \$49,471. Ms. Greco was fined \$2,000 and sentenced to a two-year period of probation. The probation order included restitution of \$32,000 to consumers on the day of sentencing, and further restitution of \$7,200 during the probation period. In addition, Ms. Greco cannot work in the travel industry without the permission of the Travel Registrar, and she will be subject to a freestanding restitution order for the balance of \$10,271 owing to consumers. Euro International Performance Tours Inc. received a suspended sentence.

Jorge Enrique Aroca and World Tours International Inc. have been convicted on one count each of operating as a travel agent without registration, contrary to **Section 4(1)(a)** of the *Travel Industry Act, 2002*. World Tours Int Inc. operated in the Greater Toronto Area. Mr. Aroca was sentenced to seven days in jail and is subject to a two-year period of probation. During that time, he cannot be employed in any capacity in the travel industry.

Consolidated Travel Activities Ltd. o/a Canadian Tours International has been convicted of one count of operating as a travel wholesaler without registration, contrary to **Section 4(1)(b)** of the *Travel Industry Act, 2002*. Consolidated Travel Activities Ltd. o/a Canadian Tours International was fined \$1,000.

▶ REVOCATIONS

Between October 28, 2011 and January 20, 2012, one company had its registration revoked: **1344288 Ontario Inc. o/a Apex International Travel**. ▲

**The Consumer Awareness Campaign:
It's All Go!** continued from page 3

Some more on-line tips

If your business has a Facebook account, we encourage you



to "like" TICO's Facebook page; that way, your clients will be connected to TICO. Besides offering them

a direct opportunity to enter the **Win the Dream Trip** contest, it will also reinforce the importance of buying travel from a TICO registered agency.

And finally, TICO has been using its "new" logo for almost two years. However, some registrants are still using the old logo on their websites, in advertising and in print brochures. Since we are asking consumers to look for the logo before booking any travel services, we encourage ALL registrants to use the correct one! ▲

Changes to The Board

CATO has appointed a new representative to TICO's Board of Directors, and we would like to offer a hearty welcome to **Daryl McWilliams**, Vice President Sales & Marketing, Sunwing Travel Group. With his extensive background in the travel industry, his contributions to Board-level dialogues and decision-making will be a valuable addition.

Upcoming Issues

In future issues of
TICO TALK we plan to
include:

- Update on the Consumer Awareness Campaign
- Timely reports on events and issues

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TICO's Pledge

TICO's Board of Directors is committed to providing this annual reminder of the Registrants' **Code of Ethics**.

CODE OF ETHICS

The Travel Industry Council of Ontario (TICO) strives to provide a fair and informed marketplace for consumers. TICO strongly encourages all Ontario registrants to comply with the following Code of Ethics, which targets the values and principles that are in keeping with this objective.

- **Integrity:** Conduct our activities with honesty, dignity and fiscal responsibility, always protecting and promoting the best interests of our clients.
- **Disclosure:** Communicate material facts to our clients; supply accurate and complete information in a clear and understandable manner to assist consumers to make informed decisions in their choice of travel services.
- **Marketing:** Refrain from using any form of misleading advertising or innuendo in marketing products and services.
- **Competition:** Practice fair and open competition and refrain from unjustly criticizing competitors, their products and services or their business methods.
- **Accountability:** Fulfill all contractual obligations promptly and completely. Respond to legitimate complaints without delay. Maintain accurate and complete records of all client transactions and safeguard consumer monies.
- **Compliance:** Abide by applicable laws and regulations and never knowingly do business with those operating outside those laws. Registrants are required to ensure that all employees and other sellers of travel associated with the Registrant are conversant with all aspects of the *Travel Industry Act, 2002*, the Regulations and this Code of Ethics.
- **Cooperation:** Cooperate with any investigation/inquiry by the Registrar or TICO staff to resolve any problems or disputes as soon as possible.
- **Competency:** A registrant is responsible for the competency of all staff.
- **Respect:** Treat all people with equality and respect
- **Confidentiality:** Treat every client transaction confidentially. Do not disclose any information without permission of the client, unless required to do so by law.
- **Conflict of Interest:** A Registrant's first responsibility is to its clients and the clients' best interests. Any commercial gain and/or preferred relationships between a Registrant and suppliers will at all times be secondary. ▲