

January - March 2004

CONSUMER AWARENESS CAMPAIGN - *full steam ahead*

With any luck, TICO is on the way to becoming a household name - or at least, in Ontario households that like to travel! Starting in January, our Consumer Awareness Campaign launched a series of eight television commercials that will run until June 2004 on CHTV and Global. Featuring two actors depicting a husband-and-wife team, Nicola and Ken Saunders, each commercial focuses on a vital component of the vacation planning process, ending with a message on the importance of booking travel through a TICO-registered travel agency - which is also the thrust of one entire commercial.

The other commercials cover hotel rating systems, the conditions and terms of booking, booking travel services online, the Compensation Fund, cancellation insurance, travel documentation and flight delays. In case any of your clients have questions on topics covered, you can see all the commercials, right on TICO's website, at <http://www.tico.on.ca/>. In addition to the television campaign, TICO will be running a radio campaign throughout Ontario and all registrants will be receiving



posters promoting the value of being a member of TICO and newly designed window decals, which we ask you to display prominently in your offices.

To help reinforce the campaign's message, TICO is suggesting some wording for you

to reproduce on your invoices, brochures, advertisements and any other print and web-based materials, as follows:

"[Registrant name] is registered with the Ontario Travel Industry Council of Ontario (TICO). TICO is an organization mandated by the Ontario Government to administer the Ontario *Travel Industry Act* and an industry financed travel compensation fund. Always look for the TICO sign before you book your travel time."

The text may also be downloaded from our website, along with TICO's logo.

In today's world, consumers are increasingly aware of their vulnerability when travelling. The need to promote the strength and dependability of Ontario's travel industry has never been more important. We ask you to join us in supporting this promotion. ▲

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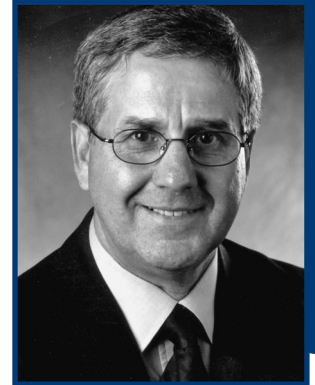
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LETTER FROM THE CEO

As you are aware, the *Travel Industry Act*, 2002 was passed by the Legislature on December 10, 2002 but has not yet been proclaimed into law. The Travel Industry Council of Ontario (TICO) has received a number of calls asking when the new legislation will become law. Unfortunately, TICO is unable to give registrants a definite answer to this question. TICO administers the *Travel Industry Act* and self manages the industry but the authority for the legislation and regulation remains with the Ontario government and when the legislation will be proclaimed is subject to the government's timetable.



Before the *Act* can be brought into force, the government must create regulations to accompany it. The government, in consultation with TICO, has been hard at work on this task and it is anticipated that draft regulations will be released for public consultation in the near future. While some registrants may be frustrated by the amount of time it takes to make legislative and regulatory changes, it is imperative that the changes made will be the right changes that take into consideration what is in the best interests of consumers and the industry and what is realistic, enforceable and cost-effective.

As you know, the *Travel Industry Act* Regulation contains most of the detailed requirements that registrants must comply with. The regulations set out who is exempt from the *Act*, the terms and conditions of a registration, trust accounting and working capital requirements, advertising requirements, disclosure requirements and provisions governing the Compensation Fund. Any proposed changes to these requirements could potentially have a significant effect on your business. As a result, TICO strongly encourages all registrants to review the consultation draft, when it is released, and to provide feedback on the draft regulation. All comments received will be considered by the government in preparing the final regulations.

TICO is aware that many registrants are very concerned with the liability that Section 13 of the *Travel Industry Act* places on them. While that issue will not be addressed in proposed changes to the Regulation, TICO continues to lobby the government to make changes to the *Act* to eliminate this liability. Registrants are encouraged to let the government know their views on this topic, the magnitude of the problem and the need to make changes now.

TICO will advise the industry when the consultation draft is released. TICO will also conduct several town-hall meetings that stakeholders can attend to ask questions and express their views on changes being proposed. Please watch for TICO's advisory and try to attend a town-hall meeting. We want to hear your views. Working together, we can make our industry healthier and stronger for the future.

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

Michael Pepper C.E.O.

Processing claims: a learning process

The silver lining to the black cloud of Canada 3000's failure is, perhaps, that it has highlighted some not uncommon misunderstandings and misconceptions when it comes to submitting claims. A number of issues arose that we thought might be helpful to elaborate on in TICO TALK.

Although we certainly hope nothing similar in size and scope to Canada 3000's failure reoccurs, the following points are applicable to closures of all sizes. Should you have any questions on a claim, please contact TICO and we will be happy to help you.

From a travel agency's perspective

- ✈️ Travel claims were submitted for providing alternate travel services to customers although the registrant had not collected payment from the consumer for the original Canada 3000 travel services until after the collapse of Canada 3000. The Compensation Fund does not cover extending credit to a consumer. As stated in Section 51 (2) of the *Travel Industry Act*, a travel agency is only entitled to be reimbursed for the portion of the customer's money that it has passed to a travel wholesaler, airline or cruise line.
- ✈️ Some consumers, who were in destination when Canada 3000 collapsed, purchased a one-way ticket home. They were reimbursed by their travel agency, who later submitted a claim for the cost of the one-way ticket (which is usually substantially more than half of a round trip ticket). The Compensation Fund can only reimburse for half of the cost of the original Canada 3000 ticket, for the services not received.
- ✈️ Some claims involved situations where a travel agency had provided an alternate travel service or refunded the money to their customer, yet the customer had paid by credit card and had already received a charge-back from their credit card company.
- ✈️ Some consumers had paid their travel agent in cash for a Canada 3000 ticket, and the agent had used their personal credit card to pay for the ticket,

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Canada 3000 update

Refunds on claims filed against Canada 3000 Airlines commenced in January. Right up to the January 26 deadline for submitting claims against Canada 3000 Holidays, Canada 3000 Tickets and Canada 3000 Sales, TICO was receiving a steady flow of claims against the three companies.

As we have explained previously, TICO was unable to commence the refund process on claims against Canada 3000 Holidays until the Judicial Trustee, PricewaterhouseCoopers LLP, had made its final distribution payments. We are now able to report that the Judicial Trustee has completed its final distribution payments, and TICO is now processing payments on all completed claims.

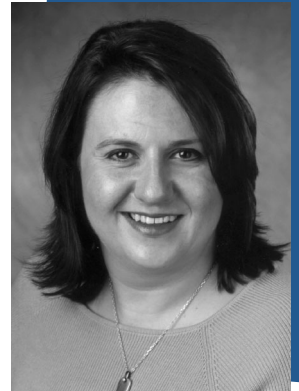


The ins and outs of purchasing travel services online

TICO is producing a new brochure, for distribution at travel shows, which offers detailed tips on purchasing travel services online, including:

- ✦ To be covered by the Compensation Fund, a consumer must book with an Ontario registered travel agency. Consumers will be advised to know who they are dealing with and where their money is going.
- ✦ Ontario registrants are required, by law, to display their Ontario registration number on their website, along with their address and phone number.
- ✦ Ontario travel agencies must provide the same documentation and information, in writing, when bookings are made online as they do when dealing with a customer in person or over the phone.
- ✦ Read the fine print; many websites will not complete a booking until the purchaser acknowledges and accepts the terms and conditions.
- ✦ Trip cancellation insurance is a worthwhile investment; Ontario travel agencies are required to offer it online, at the time of the booking.
- ✦ Keep paper copies of all transactions related to an online booking for travel services.

Tina Shewchuk, *Client Services Representative*

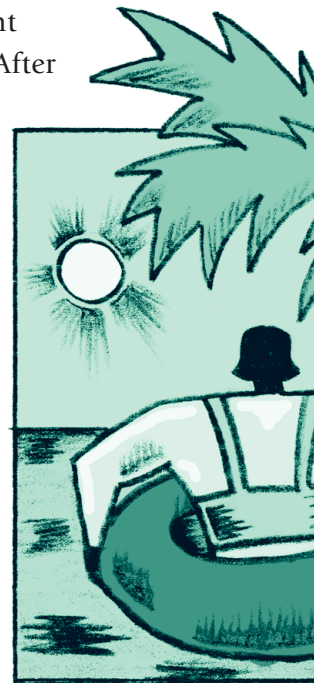


When Tina Shewchuk graduated from Toronto's Seneca College of Applied Arts and Technology in the early 1990s with a diploma in chemical technology, she was set to launch her career as a chemical technologist by joining Ontario Hydro. Fate intervened, however, in the form of a deep, countrywide recession and a hiring freeze at her prospective employer.

Nothing deterred, Tina decided to pursue her interest in travel by joining Adanak Tours at an entry-level position, helping to promote March Break trips to the Caribbean. She then moved to Hola Sun, where she spent the next four-and-a-half years as a destination representative, mostly in Cuba and Mexico.

In 1996 Tina returned to Toronto, to work as an outside sales representative with Hola Sun, covering the Greater Toronto Area. Her next position was with Regent Holidays, working as a destination supervisor. After Regent Holidays merged with Montreal-based Nolitours, Tina joined World of Vacations, and was eventually promoted to product buyer for Cuba, the Bahamas, the west coast of Mexico, Barbados and Costa Rico.

In one of life's strange twists, World of Vacations was also taken over by Nolitours, and so, in June 2001, Tina joined Canada 3000 Holidays as a product coordinator, handling the inside operation for Florida, Cuba, Panama and the English Caribbean - a position that she was enjoying immensely, until September 11.



A question of privacy

January 1, 2004 saw the enactment of new legislation in Canada to protect personal information. One of the core obligations is that an individual's knowledge and consent is required for the collection, use or disclosure of personal information - with a few exceptions such as law enforcement or emergency purposes. One of the driving forces behind this legislation was to reduce the fraudulent use of personal information, which experienced exponential growth over the past decade.

TICO has received many enquiries from registrants on the ramification and impact of the new legislation, but is not in a position to provide legal advice on this issue. TICO does, however, recognize the importance of privacy and the sensitivity of personal information, and has its own very detailed privacy policy, which you may read on the website at <http://www.tico.on.ca/>, under "All About TICO". In addition, there is a link on the website to the Privacy Commissioner of Canada at <http://www.privcom.gc.ca/> for further information on the legislation.

With the downfall of Canada 3000, Tina began to work closely with TICO, who had immediately come on-site to deal with the bankruptcy. This led to Tina joining TICO as a Client Services Representative, providing support to the Claims Department. With her extensive experience in travel, it was a perfect fit!

Tina's responsibilities include assisting in claims investigations, on-site visits when an agency closes, and contacting potential claimants to advise them of the situation. She also provides back up to the Complaints Department.

For the most part, she has worked on Canada 3000-related claims and can cite a litany of common errors made by the consumer, from providing no or improper documentation with a claim to having it signed by the wrong person - because a claim must be submitted by the person who paid for the travel services, which is not necessarily the traveller.

Tina's biggest challenge - and biggest satisfaction - is helping to resolve a complex claim. "Sometimes, especially when working with an airline, it feels like you're in a labyrinth, trying to sort out a really 'foggy' situation." She finds it equally rewarding, when her efforts help resolve a claim, whether it's for \$100 or \$5,000.

"All my early years in the travel industry have really paid off," says Tina. "Working as a destination rep, you deal with so many people from so many walks of life, speaking different languages (Tina is fluent in English, Spanish and Ukrainian, and can get by in French and various Slavic languages), from different cultures, in many different situations... it's helped enormously in everything I've done since, both personally and professionally."

Tina continues to travel as much as she can, including yearly visits to Cuba. "Having lived there for four years, I have friends to visit and just love the country. Travel is so deeply entrenched in my system, it's hard to let it go!" ▲



Dates to note

February 20 - 22, 2004:

Outdoor Adventure Show
International Centre,
6900 Airport Road
Mississauga

April 1-4:

Spring Travel & Leisure Show*
International Centre, Hall 55,
6900 Airport Road
Mississauga

*Please note that the opening night, April 1, is open to the trade only.

TICO will be distributing informational material at all of the above shows.

TICO TALK Feedback

As always, we would like to hear from you, whether you have comments or questions on anything you read in TICO TALK, or on any other travel industry matter. Your views and insights are important to us. We can be reached at (905) 624-6241, or at 1-888-451-TICO, or by e-mail to tico@tico.on.ca.



Processing Claims - a learning process continued from Page 3

rather than their agency's corporate card. The travel agent's claim would not have been eligible, as no consumer funds were passed. Similarly, some consumers made cheques payable to an individual travel agent, not the agency - this also is not covered.

- ✈️ Claim Forms must be completed by someone who has authority to subrogate the rights of the travel agency, as required by the *Act*, not by a travel counsellor.
- ✈️ Be sure to get your claim in by the filing deadline.
- ✈️ The Compensation Fund does not cover lost commission.

From a travel wholesaler's perspective

- ✈️ It can be logistically challenging to acquire documentary proof of a consumer paying a travel agency and the travel agency paying the travel wholesaler, yet it is the wholesaler's responsibility to provide proof of both payments to support their claim.
- ✈️ To be eligible for compensation, a seat has to be sold to a consumer. Some wholesalers claimed for seats that they had paid a deposit for in advance and held, but had not sold.

From a consumer's perspective

- ✈️ Having to get letters from their credit card company confirming that they had not received a charge-back caused some aggravation. However, it was imperative for TICO to obtain this information to ensure that consumers had not already been refunded by their credit card companies.
- ✈️ Many consumers cancelled their trips after the events of September 11, 2001, and as a goodwill gesture, Canada 3000 had announced that the tickets for any postponed travel could be used at a later date. However, a goodwill gesture is not claimable against the Compensation Fund. Complicating the entire Canada 3000 situation even further is the time it has taken for the claims process to be transferred from the Trustee to TICO. The longer it takes, the more problematic it becomes for all concerned parties to acquire copies of documents required to support a claim. It has been a long and arduous process; with any luck, the entire travel industry has become considerably more knowledgeable as a result - and a stronger entity, ready to face the road ahead. ▲

Court Matters

► CHARGED

591578 Ontario Inc. o/a Hansa Travel and Roderick MacArthur were charged with one count each of operating without registration, contrary to Section 3 (1) of the *Travel Industry Act*. See conviction information below.

National Direct Response Marketing Canada Inc. and Gail Tilbrook were charged with one count each of operating without registration, contrary to Section 3 (1) of the *Act*. Both were also charged with one count each of false, misleading or deceptive consumer representation, contrary to Section 2 (1)(viii) of the *Business Practices Act*. The next court date is scheduled for March 3, 2004 at Brampton Provincial Offences Court.

Amazonas Travel Agency Inc. and Pedro Ruso were charged with one count each of failure to deposit consumer money into a trust account, contrary to Section 36 (3) of Regulation 806/93, *Travel Industry Act*. See conviction information below.

► CONVICTIONS

EMI Travel Management Inc. was convicted of one count of operating without registration, contrary to Section 3 (1) of the *Travel Industry Act*. The company was fined \$15,000 and given 12 months to pay the fine.

Nicholas Ramesh was convicted of one count of operating without registration, contrary to Section 3 (1) of the *Act*. Ramesh was fined \$3,000 and given 12 months to pay the fine. He was also placed on probation for one year, during which period he cannot act as a travel agent or manager without the prior approval of the Registrar.

Robert Davies was convicted of one count of operating without registration, contrary to Section 3 (1) of the *Act*. Davies was placed on two years probation that includes restitution to ten consumers in the amount of \$1,524 and 30 hours of community service.

Keith Bolender and Antonio Avella were convicted of one count each of operating without registration, contrary to Section 3 (1) of the *Act*. The two men had been operating through a company called Caribbean Trips N Tours. Bolender and Avella both received a suspended sentence and were directed to comply with a six-month probation order, including restitution of USD\$17,438 to a consumer in California who had booked group travel services to Cuba through Caribbean Trips N Tours.

Bolender and Avella were also convicted of three additional counts each of operating without registration, contrary to Section 3 (1) of the *Act*. for activities related to Scubacan International Inc., Scubacan International (2000) Incorporated and 1477203 Ontario Inc. o/a Scubacan International. They were directed to comply with a two-year probation

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Changes on the Board

Farewell and thank you to Robert Pentland, who recently retired from the TICO Board of Directors. An appointee of the Ministry of Consumer and Business Services, his contributions were greatly appreciated. And a warm welcome is extended to Michael Janigan, who has taken over the Ministry-appointed position on the Board.

A serious backlog

As the result of new documentation requirements, a birth certificate must frequently be included with applications for Canadian passports. The large volume of applications to the Office of the Registrar General for copies of birth certificates has created a huge backlog. Currently the Office is receiving, on average, 11,000 phone calls per day! Please advise clients that they should expect it to take from 18 to 20 weeks for a birth certificate application to be processed, before they are able to commence the application for a new or renewed Canadian passport.

Upcoming Issues

In future issues of TICO TALK we plan to include:

- Update on the Legislative and Regulatory Review
- Update on Canada 3000
- Details on TICO's upcoming AGM
- Update on TICO's Business Plan and Annual Report
- Profiles on TICO staff and much, much more!

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order, which included restitution of USD\$132,288.18, to be made to consumers in equal instalments between April 1, 2004 and January 4, 2006. In addition, within 60 days, Bolender and Avella were each ordered to pay CAD\$2,250 into court, for witness travel expenses. Charges against Scubacan International Inc., Scubacan International (2000) Incorporated and 1477203 Ontario Inc. o/a Scubacan International were dropped.

On December 19, 2003, following an ex-parte trial, Jasen Earl Plunkett was convicted of Breach of Probation under the *Provincial Offences Act*. Plunkett had previously been convicted under the *Travel Industry Act* for operating as a travel agent without registration, contrary to Section 3 (1) of the *Act*, in January 2002. The original probation order required that Plunkett pay restitution to consumers within one year of the conviction. For the Breach of Probation, Plunkett was sentenced to a 30-day period of incarceration, and an extension of the original probation order, to commence on January 14, 2004. The probation order includes restitution of \$6,981.28 to consumers, payment of the original fine of \$5,000, and the requirement not to act as a travel agent for the term of the probation order. On January 15, 2004 Plunkett was incarcerated but on January 21, 2004, as a result of a bail and an appeal application, his conviction for Breach of Probation was overturned. He was then released on bail. A new trial date has been scheduled for February 18, 2004 relating to the Breach of Probation.

On February 5, 2004, Pedro Ruso was convicted of one count of failing to deposit consumer money into a trust account, contrary to Section 36 (3) of Regulation 806/93, *Travel Industry Act*. Ruso received a suspended sentence with a two-year probation order that included restitution to the Compensation Fund of \$11,491.81, to be paid in monthly instalments commencing May 2004. Additionally, he is not to act as a travel agent without the prior approval of the Registrar. The charge against Amazonas Travel was withdrawn.

On February 3, 2004, Roderick MacArthur was convicted of one count of operating without registration, contrary to Section 3 (1) of the *Act*. MacArthur received a suspended sentence with a two-year probation order that included restitution of CAD\$5,181.13 and USD\$1,635 to consumers and another travel agent.

➤ REVOKED REGISTRATION

Between October 1, 2003 and January 22, 2004, eleven companies have had their registration revoked: Arrow Travel Agency Ltd.; Destination Unlimited Inc. o/a Destination Unlimited Travels; Maria Aguas and Lydia Valerio o/a Flight Zone Travel and Tours; Globe Travels Inc.; 1133214 Ontario Inc. o/a Internet Travel; Barreto Manual and Conchacha Dossantos o/a It's a Small World Travel; Premier Travel Group Inc. o/a Premier Tour & Reception; Sandpiper Travel Ltd. o/a Sandpiper Travel; Silver Star Travel Inc.; Sunwin Travels and Tours Inc. o/a Sunwin Travels and Tours; and Yi Hui Travel Centre Inc. ▲