

The Overhaul of



By the end of February, TICO's eye-catching new web site should be launched. Its user-friendly design provides clear, easy-to-find information for both registrants and consumers, and includes many new sections and links.

Right from the home page, registrants and consumers may conduct a TICO Registrant Search, which is offered by TICO as a public service.

Another enhancement is the placing of all downloadables in one area, which is also reached from the home page. These include TICO's Annual Reports from 1998 to the present, TICO's Business Plans, the TICO Registration Kit for both travel agents and wholesalers, the *Travel Industry Act* (in both English and French), and all of TICO's pamphlets.

Under a section dedicated to Travel Agents and Wholesalers is a "What You Should Know" area, which we hope you will find especially useful. In addition to information on starting up a new travel business and advisories, it lists financial requirements, documentation and disclosures, advertising guidelines, and registration requirements. Under Consumer Awareness, you may download TICO's logo, or listen to the radio and television spots.

Within a section headed News are Press Releases, TICO Registration Revocation List, the Closure List, TICO's proposal for reforming the *Travel Industry Act*, issues of TICO TALK from its inception in January 1999 to today, radio and television ads to be listened to or viewed, and upcoming trade shows and events.

Little has been left unturned in the FAQ section, which is divided into General, Registration, Claims, Complaints, Financial Compliance and Non-financial Compliance (such as outside sales representatives, advertising, invoicing and travel documents).

About Us includes listings of TICO's Board of Directors, Committees and staff, an Organizational chart and the Code of Ethics. And a useful compilation of links is offered to a variety of federal and provincial government offices, the consular offices, Government of Canada travel advisories and the Canadian Passport Office.

A great deal of thought has been invested in revamping our web site. The bottom-line aim was to make it as informative, relevant and user-friendly as possible. We hope we have succeeded, and look forward to your comments. ▲

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TICO BOARD OF DIRECTORS 2002-2003

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Policy and Consumer
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Ministry of Consumer and Business Services
Toronto

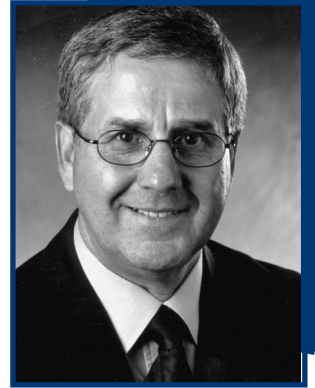
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Management Consultant
Toronto

Robert Pentland
Retired Educator
Ottawa, Ontario

Edward Warren, QC
Solicitor
Warren & Jensen
Kemptville

LETTER FROM THE CEO

While the provincial government has been pushing forward with legislative change and the passing of Bill 180, which will harmonize several consumer protection statutes, TICO has been busy making preparations, behind the scenes, to implement the proposed changes.



Progress is being made on the development of Minimum Educational Standards. TICO is proposing to introduce minimum educational standards on a two-tier basis for travel counsellors, supervisors and managers. It is proposed that all individuals selling travel services directly to the public would be required to pass an entry level examination covering basic travel knowledge and some knowledge of important legislative requirements from the *Travel Industry Act* and *Business Practices Act*. A separate curriculum is being prepared for the supervisor/manager level; however, it is anticipated that most persons already employed at this level will gain an exemption. The industry will be given ample notice before the minimum standards come into effect. There will be sufficient lead-time for colleges and schools to include the material in their respective programmes and for students to learn the necessary material and pass the proposed examinations.

TICO is also preparing to introduce a disciplinary process, which will include administrative penalties for a range of infractions. Currently, the only tools TICO has to address non-compliance are to propose to revoke a registrant's licence or to lay charges under the statute. There are no provisions for penalties for those infractions that are considered less severe. In most instances, staff will continue to issue warning letters for first-time infractions. Then, monetary fines will escalate, depending on the severity of the offence and the number of repeat offences. Registrants will have the right to appeal the penalty. The appeal mechanism is currently under development.

Prior to implementation of these important changes, TICO will provide explanatory materials to the industry and will likely hold a series of town-hall meetings for stakeholders in various locations across the province.

I anticipate that it will be another interesting year for the travel industry. I look forward to working with you over the next year and wish you all the best in 2003.

A handwritten signature in orange ink, which appears to read "Michael Pepper". The signature is stylized and fluid.

Michael Pepper
CEO

Promoting consumer confidence in on-line shopping

For the past two years, the Office of Consumer Affairs (OCA) of Industry Canada has been working on developing consumer e-commerce protection guidelines, through the introduction of a Code of Practice for Consumer Protection in Electronic Commerce. By promoting good practices in consumer protection among businesses that sell goods and services over the Internet, it is hoped the Code will build confidence in e-commerce.

To test the Code, OCA recently began to identify various trade and industry associations willing to participate in piloting a sectoral website certification initiative. TICO - along with other associations in different industries - was asked to identify five or six members who would like to have their websites evaluated against the Code. Participating companies will receive a detailed assessment of their websites, indicating which areas are compliant with the Code and where changes are required in order to build consumer confidence when shopping online. The Office of Consumer Affairs will provide funding for the project.

Ultimately, it is hoped that consumers will benefit from merchants meeting set standards in protecting consumer interests, and that merchants - by meeting the certification requirements - will see increased consumer acceptance of e-commerce

An Angus Reid survey conducted in 2001 found that consumer confidence would increase with the use of a type of web Seal/trustmark program, similar to the *Good Housekeeping Seal of Approval*.



The project will be underway from February to March. As space is limited, participation will be on a first come, first serve basis, and participants should be prepared to devote 1 to 1.5 days of time over the course of the project. ▲

Dates to note

February 21 - 23:

The Outdoor Adventure Show
International Centre
Toronto

April 3 - 6:

Spring Travel and Leisure Show*
International Centre
Toronto

*Please note that the opening night, April 3, is open to the trade only.

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



Changes to the Board

We are sorry to announce that two members of the Board of Directors of TICO have resigned over the past three months - Robert McChlery of the Barbados Tourism Authority and Martin Taller of Ports of Call Travel. We would like to offer our thanks to both of them for their hard work and significant contributions, and to welcome Kathleen Warren of Meconi Travel in Windsor, who is replacing Robert McChlery as the Board's CITC Representative, and Mike Merrithew of Merit Travel Group, who has been nominated by ACTA to replace Martin Taller.

Keeping posted on C3

Some progress has been made in reimbursing Canada 3000 Holidays claimants since the last issue of **TICO TALK**. In late October the Court determined that claimants will receive an interim distribution totalling 40% of their total trust claim, and the distribution was released November 19, 2002. Passengers who paid cash for their initial reservation were reimbursed.

Those who paid by credit or charge card and have not received a refund through their credit card company, however, have to wait until the Trustee, PricewaterhouseCoopers LLP, determines that the card companies are issuing no further credits, in order to avoid double compensation.

Claimants in Ontario who currently have a claim with Canada 3000 Tickets have also received an interim distribution of funds.

TICOTALK feedback

Any comments, concerns or questions that you may have on anything that you read in **TICOTALK**... or on any other travel industry matter, are important to us. Please feel free to contact us at (905) 624-6241, or at 1-888-451-TICO, or by e-mail to tico@tico.on.ca.



Karen Campbell *Administrative Assistant and Communications Coordinator*



A job with a challenge seems to have been one of the prime requisites of Karen Campbell, since she graduated from the University of Toronto with a degree in business administration.

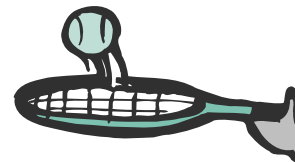
After two years with a moving and storage company, Karen plunged into the travel industry, joining Canadian Airlines in the corporate sales department. From here she moved into the In-flight Department, providing administrative support to flight managers, customer service managers and flight attendants.

As the last hire in Canadian Airlines' Toronto office, Karen was well aware that her position was tenuous and she decided she had better look for another job. Her timing couldn't have been better, as TICO had just advertised the position of administrative assistant. She applied, and joined TICO in December 1999.

From the beginning, Karen provided administrative support for Michael Pepper and the rest of TICO's management team, as well as looking after general administrative duties.

Her responsibilities soon expanded into the creation and development of PowerPoint presentations.

In March 2001, Karen was appointed Communications Coordinator for the Consumer Awareness Campaign. "It was great as I was now able to put to use the marketing skills that I had learned while going to school," she says.



Besides striving to get media attention for TICO, Karen began to take on speaking engagements. She continues to visit local travel and tourism schools to talk to students about TICO's role in the industry. "It was pretty nerve-wracking to begin with. I was hesitant about public speaking and fretted about being asked something that I couldn't answer."

However, Karen faced the challenge by swotting up on the *Travel Industry Act* as much as she could. In addition, her colleagues at TICO gave her plenty of encouragement. "That's the advantage of being part of the TICO team," she says.

Karen also visited some wholesalers, to educate their staff on their legal obligations, under the *Act*, as far as disclosure to consumers is concerned, particularly when there is a change in accommodation or flights.

She loves the creative side of her job. "I really enjoy developing the PowerPoint presentations. Even when working around time restraints, I get a lot of pleasure from starting from scratch and working on a project from beginning to end."

From coordinating the television and print media campaigns to organizing the information kits for all Board and Committee meetings, Karen enjoys the fulfillment of a job well done.

That said, Karen is happily anticipating a year's break, as she will be taking maternity leave from the end of February. "Finally my seven-year-old daughter will get to stay at home in the summer, instead of going to day camp - it will be great to spend that time with her, as well as with the baby."

Another of her passions is tennis, and she plans to make full use of her maternity leave to fit in as much play as possible.

By the time she rejoins TICO, Karen should be re-energized and ready to tackle work again with her characteristic zest. ▲



Legislative approval gained

The Ontario Ministry of Consumer and Business Service's efforts to provide consumers with further protection moved forward in early December. With the passing of Bill 180, the umbrella *Consumer Statute Law Amendment Act, 2002* was given legislative approval.

Once proclaimed, this will consolidate the province's six core pieces of consumer protection legislation, and will involve administrative revisions to the *Travel Industry Act* in order to harmonize it with the new legislation. The revisions, as explained in the last issue of **TICO TALK**, largely concern the disciplinary process. A non-voluntary Code of Ethics will be established, and any breaches will incur financial fines. Before this can take place, however, the Regulation has to be amended to reflect the changes in the *Act* and to provide a clear and detailed direction on how the new system will be implemented.



Updating the rules

As most of you are aware, Section 24 of the Regulation requires the submission of financial statements under a Review Engagement report or an audit, which have to be prepared by a public accountant licensed under the *Public Accountancy Act*. Until very recently, Certified General Accountants (CGAs) and members of the Society of Management Accountants of Ontario (CMAs) were not licensed under the *Public Accountancy Act* but with the passing in December of Bill 213, CGAs and CMAs may now become licensed public accountants provided they meet certain new requirements yet to be established.

It is always important to check that your accountant is a licensed public accountant.



Airline accountability questioned

A significant flaw in consumer protection has come to light, as the result of an alleged fraud concerning a Toronto-area travel agency (which has since closed its doors). Officials of Travel Way Services are said to have sold more than 700 tickets between October 14 and October 21, 2002 without remitting the money to the airlines involved. These airlines included Air Canada, British Airways, BWIA-British West Indies Airways and KLM/Northwest.



While British Airways and BWIA agreed to accept all tickets issued by Travel Way, Air Canada agreed to protect seats reserved for Travel Way's customers, and to accept some of the tickets as issued, but not all. For other passengers, the carrier offered to sell them replacement tickets at the best price currently available. After an investigation of each ticket, Air Canada says it will process a refund if it is satisfied that the passenger is an innocent victim.

KLM/Northwest has refused to accept any tickets issued by Travel Way, offering only to sell a replacement ticket at the lowest possible price, with no future hope of a refund for the cost of the original ticket.

Both TICO and Canada's Air Travel Complaints Commissioner, Liette Lacroix Kenniff, firmly believe that airlines should accept tickets sold by an IATA-accredited agency, even if the money was not passed on to the carrier. By not doing so, the airlines are shifting the financial burden to individual consumers who bought their tickets in good faith from a licensed and accredited IATA-appointed travel agent.

Already armed with more than 100 complaints, the Air Travel Complaints Commissioner is referring the matter to the Canadian Transportation Agency and to the International Air Transport Association, in the hopes that a solution will be found to protect consumers' interests in this type of situation. ▲

Court Matters

► CHARGED

Raul Grijalva was charged with an additional count of operating without registration, contrary to Section 3 (1) of the *Travel Industry Act (Act)*. A trial date is set for March 25, 2003.

S. Louis Farah o/a Farah travel was charged with one count of failure to promptly deposit client funds into the bank account, contrary to Section 19 (3) of the Regulation. Farah was also charged with one count of failure to maintain proper records, contrary to Section 37 (1) (3) of the Regulation and one count of unfair business practices, contrary to Section 2 (1) of the *Business Practices Act*. The next court appearance is February 27, 2003

Keith Bolander, Antonio Avella, 1477203 Ontario Inc., Scubacan International Inc. and Scubacan International (2000) Incorporated were each charged with one count of operating without registration, contrary to Section 3 (1) of the *Act*. The first court appearance is set for January 23, 2003.

► CONVICTIONS

Maple Rhodes Tours Inc. was convicted of operating without registration, pursuant to Section 3 (1) of the *Travel Industry Act*. The company was fined \$5,000 and placed on probation, which included the condition that it pay restitution in the amount of \$3,000 to one of its customers and the condition that it not act or hold itself out as being available to act as a travel agent.

1163954 Ontario Inc. o/a The Ultimate Travel Brokers and its principal, William Cockburn, were convicted of one count of failing to maintain trust accounting, contrary to section 36 (6) of Regulation 806/93 made under the *Act*. Cockburn received a suspended sentence and two years probation, which included the condition that he does not act or hold himself available to act as a travel agent or operate or administer a *Travel Industry Act* trust account. In addition, Cockburn must make restitution to TICO in the amount of \$273,353.27, which represents the amount paid from the Ontario Travel Compensation Fund for claims against 1163954 Ontario Inc. The company was fined \$50,000 and given 24 months to pay the fine.

Norma Heseltine o/a Travel Agents International was convicted of one count of operating without registration,

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Closing doors

Amazonas Travel Agency Inc. o/a Amazonas Travel Agency Inc. voluntarily terminated its retail and wholesale registration under the *Travel Industry Act* as of December 4, 2002. This Toronto-based company mainly sold air-only to various destinations. An initial estimate indicates that 19 consumers will be affected by the closure, with claims against the Fund totalling approximately \$16,000. This estimated exposure might decrease as the Manager of the agency has come through with payments to suppliers for some of the future bookings.

Scanditours Canada Inc. o/a Baltic Travel Centre and Scandinavian Travel Centre voluntarily terminated its retail and wholesale registration on October 25, 2002. An initial estimate indicates that ten consumers will be affected by the closure, with claims against the Fund totalling approximately \$20,000.

In Gloucester, Apna Group (Ontario) Ltd. o/a Travel Max voluntarily terminated its retail registration on December 19, 2002. An initial estimate indicates that seven consumers will be affected by the closure, with claims against the Fund totalling approximately \$5,000.

In Rexdale, Travel Way Services Inc. o/a Travel Way Services Inc. voluntarily terminated its retail registration on November 5, 2002. This agency's closure is further complicated as it sold more than 700 airline tickets to consumers in October, but did not remit the money received to the airlines involved.

For further information, refer to article on page 6.

Upcoming Issues

In future issues of TICO TALK we plan to include:

- Update on the Legislative and Regulatory Review
- Update on Canada 3000
- Profiles on TICO staff and much, much more!

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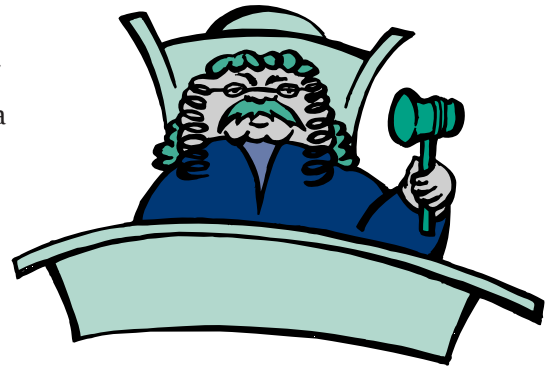
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pursuant to Section 3(1) of the *Act*. Heseltine received a suspended sentence and an 18-month period of probation, including 100 hours of community service. During that time, she cannot hold herself out as a travel agent.



Winston James of All Nations 1/2 Price Travel Services Ltd. was convicted of one count of operating without registration, contrary to Section 3 (1) of the *Act*. James received a suspended sentence and was placed on probation for 18 months, which includes the completion of 100 hours of community service.

1078371 Ontario Inc. o/a Dale Tours International was convicted of knowingly furnishing false information indicating that it was maintaining minimum working capital, contrary to Section 25 (1) (a) of the *Act*. The company was fined \$5,000. 1078371 Ontario Inc. o/a Dale Tours International and Dale Cloutier were convicted of failing to maintain trust accounting, contrary to Section 36 (6) of the Regulation. The company was fined \$5,000 with respect to this conviction. 1078370 Ontario Inc. o/a Canatours and Dale Cloutier were convicted of one count of failing to maintain trust accounting, contrary to Section 36 (6) of the Regulation. The company was fined \$5,000. In addition, Cloutier was placed on a 15-month probation order, which included the condition that he cannot act as a travel agent or travel wholesaler and cannot operate a *Travel Industry Act* trust account.

Escape Travel Ltd. and James Bruce Moss were convicted of one count of failing to maintain trust accounting contrary to Section 36 (3) of the Regulation. The company was fined \$5,000. Moss was given a suspended sentence and placed on an 18-month probation order, during which he cannot act as a travel agent.

► REVOKED REGISTRATION

Between October 1, 2002 and January 16, 2003, eight companies have had their registration revoked: Astra Travel & Services Inc., Faraway Enterprises Ltd. o/a World Wide Travel Service, First Class Travel Ltd., Globe Travels Inc., Jemstar Travel & Tours Inc., Myrna Bravo and Irma DeBorja o/a Golden Star Travel & Tours, Speedy Travel & Tours Ltd. o/a Jel-Air Holidays and Varem Travel Ltd. o/a Best International Travel and Tours. ▲