

## Time to **VOTE!** ✓✓✓✓✓✓



**Once again,** it's that time of year, when the term of one or more individuals on TICO's Board of Directors comes to an end. As TICO has reminded registrants many times over the years, the effectiveness of TICO hinges on the work of its Board. Whether a director has been elected or appointed, each works extraordinarily hard to fully represent you, the TICO registrant.

The travel industry has become increasingly complex on many levels over the past decade. As a result, the Board of Directors has to grapple with a wide range of issues, and ultimately, their decisions influence the livelihood of Ontario registrants and the travel experience of Ontario consumers. It is an enormous responsibility, and yet since the inception of TICO, every board member has been unequivocally committed to the responsibility that this carries.

This is why voting in the upcoming election is critical, and why every TICO registrant should take it seriously. By voting, you are helping to ensure that the Board represents your interests and concerns. By their willingness to invest the time needed to ensure the healthy future of your industry, the candidates who have agreed to run for office deserve your careful consideration and then your vote.

The upcoming election is for one position that is open to a wholesale registrant for a three-year term, commencing at the AGM to be held on June 21, 2016 and ending at the AGM to be held in 2019. It is being held to replace Scott Stewart, whose term will be completed on June 21, 2016.

After the nominations were received, ballots were sent out to all eligible registrants in mid-May. **The deadline for casting your ballot(s) is 5.00 pm Eastern Time on June 10, 2016.**

*Continued on page 3...*

### IN THIS ISSUE...

Message from the Registrar . . . . .	2	Notice of Annual General Meeting . . . . .	6
Presenting Doug Fritz . . . . .	4	Redesign of Consumer Awareness Campaign. . . . .	7
Top 10 Consumer Complaints . . . . .	5	Court Matters . . . . .	8

# TICO BOARD OF DIRECTORS 2015/2016

## INDUSTRY REPRESENTATIVES

Ray De Nure  
CEO

DeNure Tours  
Lindsay

Richard Edwards  
Controller  
Travel Corporation Canada  
Toronto

Mike Foster  
President  
Nexion Canada  
London

Louise Gardiner  
Senior Director  
Operations & Product Solutions  
North American Leisure  
Toronto

Denise Heffron  
Vice President, National Sales & Commercial  
Transat Tours Canada Inc.  
Toronto

Paul Samuel  
Manager, Overseas Travel Division  
Vision 2000 Travel Group  
Toronto

Patricia Saunders  
President  
Marlin Travel  
Orangeville

Scott Stewart  
President  
G. Stewart Travel Services Ltd.  
Peterborough

**Richard Vanderlubbe - Vice Chair**  
President  
Travel Superstore Inc.  
Hamilton

Brett Walker  
General Manager, Canada  
Collette Vacations  
Mississauga

## MINISTERIAL APPOINTMENTS

**Jean Hébert - Chair**  
Consultant  
Ottawa

Patricia Jensen  
Member  
Consumers Council of Canada  
Toronto

Ian McMillan  
Executive Director  
Tourism Sault Ste. Marie

Lorraine Nowina  
Toronto

## MESSAGE FROM THE REGISTRAR

Following my previous *TICO Talk* message for the period up to March, the winter is finally over, and following a very brief spring (at least from Mother Nature's view), summer is now here. This is when families can enjoy important time together, children can experience wonderful adventures through travel, and businesses can rejuvenate or otherwise adjust to slow but steadily improving market conditions. At TICO, our fiscal year-end is now behind us, and we begin a new journey, continuing to build on past successes while tackling new opportunities.



As this issue of *TICO Talk* describes in more detail, our 2016 Annual General Meeting (AGM) is scheduled for June 21. We are trying something new this year, avoiding the severe congestion typical of rush-hour, by holding our AGM meeting early afternoon, and at a new cost-effective venue. It's our hope that many of you will take advantage of the easier access, and time, by attending our AGM and meeting other stakeholders, along with a few of TICO's employees. Personally, I always look forward to the opportunity to network with you, to listen and to share some of TICO's past accomplishments but more importantly to consider TICO's future direction. I hope to see you there!

There is so much I could share with you in this message, but my goal in this final and brief wrap-up of our past fiscal year 2015-2016 is to re-affirm our unrelenting focus, passion and commitment to our core Mission and Vision as it relates to consumer protection. While we share a common commitment to do the "right thing" for the consumer, we also recognize, as Ontario's Regulator, that a fine balance exists between consumer protection and regulatory burden. Our updated three-year Business Plan, located in TICO's Annual Report, contains a renewed focus on collaboration with industry and working with government to influence the modernization of Ontario's travel legislation. As you may be aware, there are several regulatory amendments already underway (more information on these changes can be found on TICO's website) and we remain optimistic that further regulatory reform is a realistic goal.

In conclusion, and on behalf of all TICO employees, we appreciate all your input, comments and engagement in ensuring Ontario provides an effective and efficient marketplace so that consumers can be confident in their travel purchases, and that the travel industry remains strong and vibrant. I wish you and your families a very safe and enjoyable summer wherever your travels may take you.

Richard Smart  
President and CEO

## INTRODUCING the CANDIDATES!

*The following individuals have been nominated and accepted to run for office on TICO's Board of Directors.*



**JIM DIEBEL** is President of Hanover Holiday Tours, located in Hanover, Ontario. After a few years away from the TICO Board of Directors, Jim is looking forward to rejoining the Board and being able to once again contribute to the future of the travel industry. Jim's career in the travel industry spans 30 years, all with Hanover Holiday Tours. After purchasing the company in 1993, he has worked hard at developing new products and continually enhancing the company's relationships with the travel agencies that sell Hanover Holiday tours.

During his previous service on the TICO Board, Jim rarely missed a meeting and was very active on both the main Board and on committees. With changing legislation, and Compensation Fund contribution increases on the horizon, Jim is looking to contribute thoughts and ideas that ensure a fair and sustainable marketplace for all registrants.



**SCOTT STEWART** is President, G. Stewart Travel Services Ltd., an associate member of Carlson Wagonlit Travel, Retail, and Stewart Tours, Wholesale. G. Stewart Travel Services has been in business since 1974, and Scott has worked for the company for 30 years. It is a full service agency with leisure, corporate, groups, incentive travel, motor coach and air charters. G. Stewart Travel Services has several offices and outside sales representatives throughout Ontario. Scott is passionate about TICO and believes in a

professional, regulated industry. He has over ten years' experience on TICO's Board of Directors, and has held several positions as Committee Chair, Board Chair and Vice Chair. Scott believes that there is still much work to do, and he hopes to share his experience and knowledge for another term on the Board. ▲



## Back by Popular Demand

Although the schedule has yet to be finalized, TICO will be offering another round of free, hands-on seminars on accounting practices. In the fiscal year 2015-2016, TICO held 10 seminars and hosted one webinar to provide registrants with a greater understanding of their responsibilities in relation to financial compliance.

The main focus will continue to be trust reconciliations, working capital and financial disclosures. Detailed explanations will also be provided on the financial requirements under Ontario's travel legislation. Registrants wishing to participate are invited to email [tico@tico.ca](mailto:tico@tico.ca), and you will be notified as soon as the dates have been settled.



## Impressive numbers on Education Standards

During the fiscal year 2015-2016, a total of 5,819 exams were written as follows:

- 4,651 Travel Counsellor Exams.
- 240 Supervisor/Manager Exams.
- 928 Combined Travel Counsellor and Supervisor/Manager Exams.

As at March 31, 2016, a total of 54,624 exams have been written since the inception of the Education Standards on July 1, 2009.

## Roundtable Discussions a Hit!

TICO conducted 10 roundtable sessions across Ontario with industry associations, frontline travel agents and travel agency owners. The sessions provided an excellent opportunity for TICO to engage registrants and travel agents with respect to their knowledge and understanding of TICO and its services. In addition, TICO provided a Regulator's perspective and insight on the issue of fraud in the travel industry, along with some tips and best business practices on how to protect their businesses. Case studies were often used to illustrate the severity of the problem.

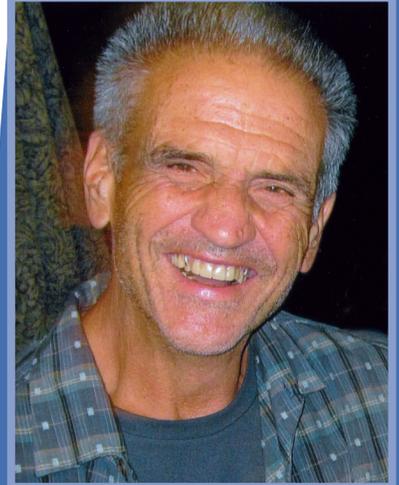
Those in attendance were encouraged to ask questions about TICO's mandate and role in the travel industry. The roundtables also enabled an open dialogue with industry members on various questions and/or industry issues that they wished to raise. As well, TICO addressed the provincial government's proposed regulatory reform, and the proposed increase to the Compensation Fund assessment rate.

The feedback received from attendees was very constructive. Both attendees and TICO left the sessions with a greater understanding and appreciation of the issues and challenges facing the travel industry.

## PRESENTING

### Doug Fritz

*On June 15, 2016, Doug Fritz will be retiring, having worked at TICO as an Investigator and Provincial Offences Officer since September 2000. Now a very youthful 74 years old, Doug had anticipated working at TICO for approximately five years, but that extended into a fulfilling 16-year relationship! Fortunately, in his final and very busy weeks, he found time to squeeze in an interview with TICO Talk.*



### Why have you continued working as long as you have?

One of the main reasons is that the people at TICO are a great bunch, and it was an immense pleasure to work closely with TICO staff. On top of that, I enjoyed having the freedom to work under my own steam, chasing things down, and ultimately getting results. The only downside was the long drive each day from Burlington to TICO's offices.

### In the last 16 years, the travel industry has changed significantly. How did this impact your work?

To preface anything that I say, I must note that 99% of TICO registrants and people who work in the travel industry are honest, hard-working and proud individuals. However, as part of my job, I deal with those who have committed an offence under the *Travel Industry Act, 2002* hence my view of the change in the industry is coloured by the increase in number and complexity of offences committed within the industry.

The main issue has been the dramatic increase in fraudulent activity, especially the misuse of credit cards. Investigations take much longer to work on. It takes a minimum of six months now to complete an investigation.

The frequent offenders that we deal with are often "rogue" travel counsellors. For instance, we have some investigations at the moment in which the people involved have been charged many times before, but they are still doing it. The problem, from my perspective, is that when people are found guilty and penalized, it's a provincial offence,

*Continued on page 5...*

so they don't get a criminal record – despite the fact that the actions of one person can impact up to 80 consumers. To my mind, unless the perpetrator is jailed, the financial penalties don't seem to deter them. As travel agencies are responsible for the actions of their travel counsellors, unfortunately it occasionally results in a agency ceasing operations.

### ***Is there anything else you'd like to say about your work?***

The travel business is one of the few areas in which consumers make purchases in advance, so their money has to be protected. I find it very satisfying that TICO is working to protect the consumer's money, and that if the money is lost, we may be able to compensate them through the Compensation Fund. That is the "feel-good" side of what we do. Overall, the system is working well. However, I've found that often consumers are surprised to learn that they can make a claim. I just wish that more people were aware of the Fund. In my opinion, we can't promote it enough.

All in all, the travel industry has been a great one to work in. During my many investigations I've always found that travel agents are eager and receptive to help me. (However, if my retirement is mentioned in the Blue Rag, I can see all the travel agents breathing a sigh of relief and saying "Finally....!")

### ***How do you plan to spend your retirement?***

When you interviewed me 14 years ago, I told you that I enjoy jogging, gardening and walking my dog in my free time. Well, I still garden and walk my dog (although it's a different one)! I'm in good shape, and am young at heart – helped by my six-year-old grandson. I'm looking forward to spending even more time with him. ▲

#### **TRIBUTE TO DOUG**

*Having worked closely with Doug for many years, Soussanna Karas, Legal Counsel and Director, Litigation is best positioned to honour him, on behalf of everyone at TICO*

"Doug epitomizes a great Investigator. He is extremely knowledgeable and meticulous. For a long time, as TICO's only Investigator, he carried a tremendous work load. He was instrumental in compiling evidence, putting together briefs and court disclosures, and developed an impressive database of templates, practices and processes that will live on after he retires. His work ethic and attention to detail are unparalleled. Doug contributed to the overall success of TICO's consumer protection efforts.

Working with him was my privilege. I wish him to have the best time in his retirement. He will be greatly missed here at TICO."

## ***Suspected Fraudulent Activity at #1 for Top 10 Consumer Complaints***

There has been a dramatic change in the leading category of complaints received at TICO. For some years, the number one complaint concerned incomplete or incorrect information being provided to the consumer by a registrant. However, for the 2015-2016 fiscal year, first place goes to suspected fraudulent activity of a travel counsellor (while the incomplete/incorrect information complaint has dropped to ninth). This underscores why issues around fraud are emphasized so much at TICO's roundtable sessions. The top ten complaints revolve around:

1. Suspected fraudulent activity of travel counsellor
2. Invoicing issues (not complete with required information, or not provided to consumer)
3. Individual or company operating unregistered
4. Outstanding refund
5. Service issues
6. Information/documentation (issues related to travelling with passports and other travel documents)
7. Failure to provide proper disclosure of required information (availability of travel insurance)
8. Accommodation changes
9. Incomplete or incorrect information provided to the consumer
10. Cancellation/non-refundable/no insurance

## Successful Prosecutions

During the 2015-2016 fiscal year, investigations into a breaches of the legislation have resulted in:

- 105 charges laid
- 48 convictions
- \$939,435.00 in fines and restitution
- 1,520 days of jail
- 2,555 days of probation

Details on all charges and convictions may be found at [www.tico.ca/enforcement-compliance.html](http://www.tico.ca/enforcement-compliance.html) under Charges and Convictions.

## Financial and Non-Financial Compliance



TICO conducted 1,868 bench reviews of registrant financial statements during the 2015-2016 fiscal year, and followed up with 335 financial

site inspections in situations where the bench review process indicated this to be necessary.

Non-financial/compliance site inspections are performed to address issues such as advertising, invoicing and operating without registration. TICO performed 65 compliance site inspections, compared to 53 in the prior year. As a result, a total of 146 warnings for operating without registration and 116 advertising warnings were issued. In addition, 203 invoicing warnings were issued to registrants who did not provide proper invoices and/or receipts in accordance with the Regulation.



Travel Industry Council of Ontario

NOTICE

## ANNUAL GENERAL MEETING

TAKE NOTICE THAT the Annual General Meeting of the members of the Travel Industry Council of Ontario ("TICO") will be held at 1:30 p.m. on Tuesday, June 21, 2016 at the Mississauga Living Arts Centre, 4141 Living Arts Drive, Mississauga, Ontario, for the purpose of:

- (a) receiving the financial statements for the previous financial year, together with the Auditor's Report;
- (b) receiving and considering the Annual Report;
- (c) appointing the auditors for the Corporation and authorizing the Board of Directors to fix the auditor's remuneration. TICO released a Request for Proposals for External Audit Services in February 2016. Following evaluation of the proposals, the TICO Board of Directors is recommending BDO Canada LLP as TICO's Auditors for 2016/2017. More information regarding BDO Canada LLP is available at [www.bdo.ca](http://www.bdo.ca);
- (d) announcing the successful candidate for the position on the TICO Board of Directors; and
- (e) transacting such other business as may properly come before the meeting.

Only members in good standing are entitled to participate in and vote at the meeting. Members of the public are invited to attend. The deadline for providing written notice of any motions to be made at the Annual Meeting has now passed.

Members who will not be attending the meeting are invited to submit written requests for proxies. Copies of the audited financial statements as at and for the fiscal period ended March 31, 2016 will be available at the Annual General Meeting and may be requested in writing prior to the meeting.

DATED at Mississauga this 16th day of May, 2016.

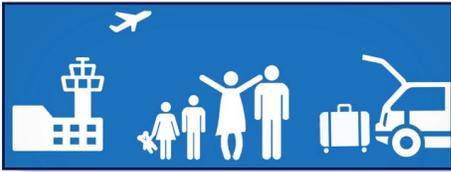
On behalf of the Board of Directors  
Tracey McKiernan  
Secretary

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### Please note!

This year's Annual General Meeting is scheduled for a different time and place –at what we hope will be a more convenient location for TICO registrants: the Mississauga Living Arts Centre. The AGM offers a great opportunity to learn first hand about TICO's current initiatives and issues. The 2016 Annual Report and Business Plan will be released at that time. While there will be a limited number of hard copies available for those who attend, you may also download a copy from TICO's website at [www.tico.ca](http://www.tico.ca). Or, contact us 1-888-451-TICO, or at [tico@tico.ca](mailto:tico@tico.ca) to request a copy. We very much look forward to you joining us for an afternoon of information-sharing and discussion. ▲

# New Strategy Designed for Consumer Awareness Campaign



Building on feedback received from registrants and frontline travel agents who attended TICO's roundtable sessions during 2014-2015, TICO developed an Icon Story. Using innovative

travel icon symbols, a 30-second animated television commercial was produced that told the story of a family denied boarding at the airport due to an expired passport. The call to action that followed stated, "For all the information you don't know you don't know, book with a TICO registered travel agency or website. TICO, Ontario's Travel Regulator. Look for the logo." In one fell swoop, the new campaign promoted the benefits of booking with Ontario registered travel agencies and their travel counsellors, as well as promoting TICO and the consumer protection available in Ontario.

TICO's Icon Story was aired on all Ontario television networks over a four-week period in January and February 2016, achieving 120 Gross Rating Points a week, and delivering an estimated 24 million impressions to provide a more meaningful impact and use of TICO's advertising dollars.

The Consumer Awareness Campaign also included a dedicated digital marketing media strategy that targeted Ontario travellers in a younger age bracket. The strategy included pay-per-click advertising to capture consumers on the internet when searching for travel services. Display ads were used and linked to customized landing pages that provided consumers with TICO's consumer awareness message. This resulted in 32,765 clicks and 11,117,536 impressions during the fiscal year and generated 247,944 visits to TICO's website, an increase of 26% over the previous year.

TICO also enhanced its website by introducing a search optimized blog with useful travel tips and information for consumers. This generated over 8,221 page views and some blogs were shared over 1,000 times. In addition, TICO introduced postings that included informative information about travel and consumer protection, and the benefits of booking with Ontario registered travel agencies on social media networks such as Facebook and Twitter.

The public relations component of the campaign included various media interviews throughout the year and an ongoing biweekly column that appears in the Travel section of the Toronto Star's Saturday edition. The column answers readers' travel questions and promotes awareness of various travel-related issues as well as consumer protection available in Ontario.

Finally, an omnibus survey is conducted by TICO annually, to measure the success of the campaign. This year, awareness of TICO in Ontario increased 33% compared to 32% in the previous year. The survey also indicated a 69% increase in consumer's knowledge of TICO's roles, compared to 66% in the previous year. These were encouraging results on TICO's ongoing efforts to increase awareness of TICO and understanding of the consumer protection available in Ontario. ▲

## Update on Claims and the Compensation Fund

Despite a significant increase in enforcement activity, the 2015-2016 fiscal year saw another very low claims year – well below budget – for the travel industry, although it was marginally higher than the prior year. Total net claims were \$98,068 (compared to \$55,622 the previous year). Gross claims resulting from the closure of registrants and end suppliers totaled \$101,140, paid to 94 passengers. \$813 was approved for Trip Completion claims.

Recoveries from prior year security deposits and repayments from registrants totaled \$3,072. TICO is required to hold all Compensation Fund monies in trust.

As of March 31, 2016, the Fund's assets totaled \$20,813,919 compared to \$20,850,147 as of March 31, 2015.



# Upcoming Issues

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

- Report on the Annual General Meeting
- Trade Shows and upcoming events
- Update on Regulatory Reform

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Travel Industry Council of Ontario

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## Court Matters

### CHARGES

Finton Travel Ltd. was charged with one count of carrying on business with Carolyn Solomon, who was required to be registered as a travel agent, but was not in fact so registered, contrary to **Section 20** of Ontario Regulation 26/05 made under the *Travel Industry Act, 2002*. Thomas Chellakudam, an officer of Finton Travel Ltd., was charged with one count of failing to take reasonable care to prevent Finton Travel Ltd. from committing the offence under **Section 20** of the Regulation, contrary to **Section 31(2)** of the *Act*. Finton Travel Ltd. operates in Toronto and elsewhere in Ontario



Carolyn (Michelle) Solomon 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. Solomon has been previously charged under the *Act*. Including current charges, she has been charged with a total of 18 counts. The matter is currently before the court. In addition, Toronto Police has issued a News Release announcing that Ms. Solomon has been arrested and charged with two counts of fraud over \$5,000.

David and Jennifer Hemmings 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*. David and Jennifer Hemmings operated in Whitby and elsewhere in Ontario and have never been registered as travel agents under the *Act*. This is the second charge under the *Act* for David Hemmings. He pled guilty to one count of operating as a travel agent without registration in October 2013 and was sentenced to a fine of \$3,000.

### CONVICTIONS

Jinling Wei and Herui Travel and Tours Corp. (Herui Travel) pled guilty and were each convicted of one count of operating as a travel agent without registration, contrary to **Section 4(1)(a)** of the *Travel Industry Act, 2002*. Ms. Wei was sentenced to a fine of \$10,000 plus the Victim Fine Surcharge, for a total of \$12,500 and a Probation Order for a period of two years with a condition not to operate or otherwise be employed in the travel industry in any capacity. Herui Travel was sentenced to a \$20,000 fine plus Victim Fine Surcharge, for a total of \$25,000. This is a second conviction for Ms. Wei and Herui Travel under the *Act*. They were previously charged and convicted in November 2012 of operating as a travel agent without registration.

### REVOCATIONS

Between February 15, 2016 and April 21, 2016, two companies had their registration revoked: Sejin Travel Limited o/a Trans World Travel, Etobicoke; and GIT Aviation Services Ltd. o/a Gill International Travel, Ottawa.

For further information on Charges and Convictions, click here: [www.tico.ca/enforcement-compliance/charges-convictions.html](http://www.tico.ca/enforcement-compliance/charges-convictions.html). ▲