

# KERRY MORRIS

June 6, 2015

Via Email  
lchan@ica.bc.ca

## ICABC

Suite 500, One Bentall Centre  
505 Burrard Street, Box 22  
Vancouver, BC, V7X 1M4

Attention: **Ms. Liz Chan, CA, CPA**  
**Director of Ethics**

Re: **Kenneth Tollstam, CAO - City of North Vancouver**  
**Complaint under S.205 of "False or Misleading Documents and Oral Representations"**

I hereby file a complaint that the City's CAO has violated S.205 (False or Misleading Documents and Oral Representations) of the ICABC Rules of Professional Conduct.

### **"205 False or Misleading Documents and Oral Representations**

*A member, student or licensed firm shall not*

... ..

*(b) make or associate with any oral report, statement or representation which the member, student or licensed firm knows, or should know, is false or misleading."*

On April 27th 2015, in open council chambers, during the Public Input Period, City of North Vancouver CAO Kenneth Tollstam, made an 'Oral Representation' in relation to an immediately preceding presentation made by the undersigned. In my presentation to council, I alleged that, based on the information released to me under an FOI request made upon Vancouver Coastal Health ('VCH'), it appeared that the City had suffered as much as a \$692K loss of billing income in relation to a water meter billing error involving Lions Gate Hospital.

In what is an unprecedented act by the City's CAO, on the record, in a video recorded statement, live broadcast over the internet, Mr. Tollstam told City residents, City Staff, Council, and myself that:

*"...Staff is, the policy and practice is, that we don't want to say anything, but speakers are here, but I want to assure the public, the citizens, **that the City in the water system has suffered no losses.** The auditors have looked at our statements, they have been privy to all of the documents, the documents that Mr. Morris has, he only has part of it, and by having part of the picture, your making assumptions which are wrong. So I want to assure the citizens here and to council, that everything is in order. **We have not suffered losses.** That is a fact. And the other thing is your worship, we don't comment on customer actual usage. We don't give out information on actual usage. Same thing with BC Hydro or BC Gas or things of that nature. So that is my final word on this issue..."*

A copy of the relevant video tape link is attached to this letter: (<https://vimeo.com/126461858>).

The FOI document production provided by VCH discloses that the City of North Vancouver suffered a \$363,232.10 loss. Alternatively, if we have not suffered a loss, then we have used false data and argument to extort \$357,518.89 from VCH. VCH, having competent accounts employed at that organization, appear by the correspondence and data provided by them, to concur with the City's billing loss error estimates, and as such agreed to make a payment to the City of an amount equal to approximately 1/2 of the loss suffered by the City in relation to this billing error.

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The finances of a public body must be fully and properly disclosed in the financial statements of that organization. The exceptions to disclosure are often described as the "Three L's" (Law, Labour, & Land). These matters properly remain in camera until resolved, but after resolution are available, unless compelled by privacy law, to be made public. In this case, the documents released in this FOI request were made available by VCH. There can be no rational for a need to protect the interest of a third party. It is clear that the entire reason for keeping this matter in confidence was to deprive the public of the knowledge and confirmation that a \$363K financial loss of public monies had occurred.

The particulars of the loss, how it occurred, and the CAO's untruthful conduct are disclosed in the following document: (<http://kerrymorris.ca/wp-content/uploads/2015/06/City-Councils-Pursuit-of-Respect-Not-Reciprocal.pdf>). The FOI documents and all other communications associated with this issue have been linked through the aforementioned document.

This is not the first or only misrepresentation made by CAO Kenneth Tollstam. Mr. Tollstam also brought shame on the City when he accused the District of North Vancouver of owing the City some \$1.2M in shared services credits in relation to the North Shore's RCMP contract. The District of North Vancouver council of the day took issue with this accusation, and the Mayor, on behalf of the District wrote to the City, and this is what they said:



In this instance, the misrepresentation made by the CAO resulted in a particular council decision to reject a study to consider the financial implications (Pros and Cons) of greater financial co-operation between the District and the City.

This is an issue which would go directly to the CAO's job security, and potentially delve into financial matters in the City, such as the VCH billing error. It is thus clear that the statements made by the CAO in which he led council to believe that the District owed the City \$1.2M were of direct benefit to

his career, and covered up the fact of the VCH billing loss. The CAO was in a personal conflict.

There now exist two documented incidents of the CAO making false and misleading statements to council and the public in relation to public finances. Many in the public are now unable to trust the honesty and accuracy of the City's statements. As an example, while the evidence of the \$363K loss is clear, the City's auditors have provided no note to disclose the fact of this loss. This causes the public to enquire just what other losses have been omitted or left out of the statements? This conduct brings shame on the ICABC and its members.

The statement made by Mr. Tollstam also forms a public attack on the undersigned, as he suggest I have wrongful asserted the City lost money. In fact, the City did lose money, and the wrongdoing was Mr. Tollstam's refusal to be honest with Taxpayers.

For all the reasons stated above, I herein ask that the ICABC bring an investigation into the conduct of the CAO, compel him to make public disclosure of the loss, and compel the City to add a note to its annual financial statements disclosing the fact of the loss. I further ask that CAO Tollstam be required

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to make a public apology to council, during a live broadcast video recorded council meeting, apologizing to council for misleading them as to the false allegation of a debt in relation to the RCMP contract involving the District. I further ask that Mr. Tollstam be required to make, both orally and in writing, a similar apology to the Council, staff and residents of the District of North Vancouver, for alleging their improper conduct had led them to owe the City \$1.2M. I ask that this apology be posted in the North Shore News, in addition to its online presents.

Finally, I ask that you compel Mr. Tollstam to make a public apology to Council, the public, and in particular, to me, in relation to the false nature of the statement he made about the water meter billing error loss, on April 27th 2015, in which he brought ridicule and insult upon the undersigned.

I request that Mr. Tollstam be required to make all of the aforementioned apologies promptly as delay causes material harm to the reputations of all involved.

Respectfully,

"Kerry Morris"

Kerry Morris

Cc Mayor and Council  
Minister Responsible, Coralee Oakes  
Premier, Christy Clark  
District of North Vancouver, Mayor and Council