

KERRY MORRIS

July 3, 2015

Ms. Carol Bellringer

Auditor General of British Columbia
623 Fort Street
Victoria, BC, V8W 1G1

Re: Municipal Water Meter Billing Error - City of North Vancouver

Dear Ms. Bellringer:

I write out of concern that a fraud may have been perpetrated on the health care system by the City of North Vancouver. The facts of this matter are set-out in the documents appended to this letter by electronic link. <http://kerrymorris.ca/wp-content/uploads/2015/06/City-Councils-Pursuit-of-Respect-Not-Reciprocal.pdf>

The background to this issue is that the City of North Vancouver alleged that it had lost \$692K in relation to water delivered to Vancouver Coastal Health's Lions Gate Hospital. The allegation was that City staff misread the meter and billed VCH only about 1/10th of the actual volume delivered.

VCH and the City entered into negotiations to settle this matter, and on the basis of this alleged \$692K loss, the parties agreed to a full settlement by way of VCH paying to the City, inclusive of an over-billing error, the total sum of \$357,518.89, leaving the City to suffer a loss of \$363,232.10.

On April 27th 2015, the City of North Vancouver's CAO made a statement during the video recorded public input period in which he told council, and the community, that the City had in fact not suffered any loss to the water system. If the City did indeed not suffer any loss, as has now been alleged by the City's CAO, then we may have fraudulently extorted \$357,518.89 from VCH, using a false accusations of a \$692,000 water meter billing error.

In the event that the City's fallback argument becomes that we did indeed lose \$357,518.89, then it is clear, the premise under which VCH made payment of that amount was on the basis of a shared loss, wherein both parties to the agreement suffered to a nearly equal extent. If we were made whole, and did not suffer a loss of any sort, then in fact we employed false allegations of loss to extort full recovery. Either way you cut it, if the City has suffered no loss, then the City owes VCH some or all of the amount paid back by VCH.

The only way the funds are not due and owing to VCH is if the City's CAO was not being truthful when he told council that the City had suffered no loss.

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As this is a matter which involves the Provincial healthcare system, I believe the investigation of this matter falls directly within the mandate of the Auditor General of British Columbia. I note the mandate of your offices, as it has been set-out in a recent letter to you by the Minister of Health. I enclose that mandate.

I write to you this day to request that your office investigate this matter, and thereafter make a determination if in fact a loss was suffered by the City in the amount of \$692K. If the loss was in fact not suffered by the City, as alleged by the City's CAO, and the VCH payment of \$357,518.89 to the City constituted a fraudulent debt recovery where no debt existed, then I respectfully request that your office order full repayment of these monies by the City to VCH.

If on the other hand, the City has suffered no loss because of the recovery of the \$357,518.89 then it seems to me the intent of the parties, when they negotiated the settlement agreement (see previous link), was a shared loss, and based on that intent, it would seem to me that the City owes VCH a refund of slightly more than half of the \$357K recovered from VCH.

If the City did indeed suffer a \$692K loss, and the City's CAO was not being truthful with council, staff or the public when he made this statement on April 27th, then that matter is worthy of comment by your office as well, but also constitutes a breach of the Institute of Chartered Accountants of British Columbia ("ICABC") professional standards, and in this regard his statement is already the subject of an investigation by that professional body. Attached are the original complaint and the subsequent letter from the ICABC. (<http://kerrymorris.ca/wp-content/uploads/2015/06/ICABC-Complaint.pdf>) and (<http://kerrymorris.ca/wp-content/uploads/2015/06/ICABC-Professional-Conduct-Enquiry-Process-Notice-June-10.pdf>)

I await your earliest response to this communication. Thank you.

Sincerely,

'Kerry Morris'

Kerry Morris

Cc ICABC
City of North Vancouver, Mayor and Council

Section 10 of the Ombudsperson Act states:

10 (1) The Ombudsperson, with respect to a matter of administration, on a complaint or on the Ombudsperson's own initiative, may investigate
(a) a decision or recommendation made,
(b) an act done or omitted, or
(c) a procedure used by an authority that aggrieves or may aggrieve a person....

10 (3) The Legislative Assembly or any of its committees may at any time refer a matter to the Ombudsperson for investigation and report.

In addition, during second reading debate of the then Ombudsman Act that established the office in 1977, then Attorney General Garde Gardom made the following remarks:

His basic responsibility will be to investigate complaints regarding the administrative processes of government. The bill will empower him to make an investigation either as the result of a complaint he has received or on his own initiative. In addition he will have the duty to investigate and report on any matter that may be referred to him by this assembly or by its committees. Hansard, p. 4601, 31st Parliament