

January-March 2018

THE REFORM OF Ontario's TRAVEL LEGISLATION: NEXT STEPS

The comprehensive review of Ontario's *Travel Industry Act, 2002* conducted by the Ministry of Government and Consumer Services is now on its way to strengthening consumer protection for travel services in Ontario. On December 14, 2017 *Bill 166, Strengthening Protection for Ontario Consumers Act, 2017* received Royal Assent in the Ontario legislature. Besides providing more safeguards for consumers, the amendments also reduce the administrative and financial burden for Ontario's registered travel agents and travel wholesalers. The key changes are:

- Enabling the creation of new rules for representations, such as advertising, by out of province travel sellers who target Ontarians.
- Creating a registration requirement for individual travel salespersons.
- Lessening the burden on travel agents and travel wholesalers by creating a registration class of travel sellers so that businesses would no longer need to register as both travel agents and travel wholesalers.
- Improving compliance with the rules by providing new enforcement tools, such as administrative penalties and compliance orders.



Next Steps

Now that Bill 166 has received Royal Assent, there will be an extensive review of Ontario Regulation 26/05, similar to the review process of the *Travel Industry Act, 2002*. Further consultations by the Ontario government with all stakeholders will be required for the development of changes to the supporting Regulation before the changes to the *Act* take effect. For example, one of the proposed changes is to combine the registration categories of **travel agent** and **travel wholesaler** into a new category of travel seller. As there is no reference in the current Regulation to a travel seller, this will have to be amended to enable that provision.

The government has scheduled targeted consultation meetings with stakeholders in March and April. Following the consultations,

Continued on page 5...

IN THIS ISSUE...

Message from the Registrar.....	2	Notice of the Annual General Meeting ..	5
News From the Consumer Awareness Campaign.....	3	Court Matters.....	6
Workshops and Webinars.....	4	Registrant Code of Ethics	8

TICO BOARD OF DIRECTORS 2017/2018

INDUSTRY REPRESENTATIVES

Jim Diebel
President
Hanover Holiday Tours
Hanover

Richard Edwards
Controller
Travel Corporation Canada
Toronto

Mike Foster
President
Nexion Canada
London

Louise Gardiner
Senior Director,
Associate Program Canada
Carlson Wagonlit Travel
Toronto

Denise Heffron
CATO Representative
Toronto

Marc Patry
Director
CNH Tours
Ottawa

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

Khatera Akbari
Senior Policy Analyst
Government of Canada
Ottawa

Jean Hébert - Chair
Consultant
Ottawa

Vigneswaren (Warren) Kanagaratnam
Director
House of Consulting Inc.
Toronto

Ian McMillan
Executive Director
Tourism Sault Ste. Marie

Lorraine Nowina
Toronto

MESSAGE FROM THE REGISTRAR



With 2018 now well underway, TICO is nearing completion of another fiscal year in March, and what a year it has been!

As reported throughout 2017, the travel industry participated in a review of Ontario's travel legislation from cover-to-cover. The original legislation came into force in Ontario in 1974, and while there have been some changes over the years, these are the most comprehensive.

Through the leadership of Minister MacCharles (Ministry of Government and Consumer Services) and her team, TICO partnered with government and engaged in a public consultation with registrants, consumers and other stakeholders across the province. This consultation has provided a wonderful opportunity for all stakeholders to provide input into the modernization of Ontario's travel legislation. Not surprisingly, we heard a lot!

The public consultation culminated with the passing of the *Strengthening Protection for Ontario Consumers Act, 2017* in December. The government is now considering changes to the Regulation. There remains time for you to provide further input, or simply reinforce input previously provided. Another round of government consultation is targeted for completion prior to the provincial election scheduled this June.

Closer to home, TICO's Consumer Awareness Campaign has just wrapped-up. Hopefully, you enjoyed our two commercial videos, complimented by our online ads, that reinforced the benefits of booking with Ontario registered travel agents. These commercials, broadcasted throughout December and January, reached millions of consumers and so far, the results are positive. As we build our strategy for next year, we are looking to be more innovative and effective at building awareness of Ontario's strong consumer protections for travellers.

TICO celebrated its 20th anniversary in 2017. Along with this milestone, we set out several important goals beyond the comprehensive review. We maintained a strong focus on our overarching strategic priorities and our objectives for the year. I'm pleased to say that we are making great progress, including our own fiscal performance, and I look forward to sharing more with you at our Annual General Meeting just a few months away.

Continued on page 7...

News from the Consumer Awareness Campaign

Feedback on TICO's 2017-2018 Consumer Awareness Campaign – *Portraying the pitfalls of travel without the benefit of a travel agent's advice* – has been very positive. The television ads appeared on mainstream television stations and online from December 17, 2017 to January 20, 2018.

Following the end of the campaign, TICO once again commissioned a comprehensive Omnibus survey to measure the campaign's effectiveness, which was conducted online between January 26 and February 6, 2018. A representative sample of 1,000 respondents in Ontario were surveyed. To qualify, the respondents had to be 18 years of age and above, and to have travelled in the past two years, or intended to travel in the next year (air travel, packaged holidays, cruise holidays, coach tours and rail tours) and are already involved in the planning.

Much Better Than Last Year

The survey found that there was a six percent increase in the number of travellers who booked a trip with an agent on the phone, or in person, during Q1, jumping from 32% in 2017 to 38% of respondents in 2018 (see chart below).



Changes Afoot

Recently TICO decided, for strategic reasons, to take the Consumer Awareness Campaign in a fresh new direction, while building on our successes to date. With this in mind, a Request for Proposal from marketing companies was issued, and TICO is in the final stage of selecting a firm. Stay tuned for an announcement in the next issue of *TICO Talk*. ▲

Did You Know?

As always, the Omnibus survey highlighted some revealing statistics on the travel patterns of Ontario consumers.

For example:

- 63% of respondents booked their travel online, an increase of 6% (from 58%) over 2017.
- 69% of Ontarians reported taking at least one trip in the past two years.
- 62% of Ontarians plan to take a personal trip and 22% plan to take a business trip within the next year.
- 73% of respondents who recognized TICO's logo are aware that travel services must be purchased from an Ontario registered travel agency to obtain the protection from TICO and the Compensation Fund.
- Interestingly, the average number of travellers is increasing, with a noticeable increase in women travelling more for business.

PERSONAL TRIPS

	Q1 2018	Q1 2017
Men	3.5	3.0
Women	3.3	2.8

BUSINESS TRIPS

	Q1 2018	Q1 2017
Men	3.3	2.8
Women	4.3	2.5

Save the Dates

April 7, 2018

Newcomers Canada Toronto Career and Settlement Fair

10:00am to 4:00pm

Metro Toronto
Convention Centre
255 Front Street West,
North Building
Toronto

TICO will be distributing informational material at the above show.

June 26, 2018

TICO Annual General Meeting

5:00 pm

Corporate Event Centre
5110 Creebank Road
Mississauga

Upcoming Election

There is one elected position available on the Board of Directors, commencing at the Annual General Meeting to be held on June 26, 2018. The elected Retail, Wholesale or Marketing Group position is to replace Patricia Saunders, whose term will be completed on June 26, 2018. The term of office for this position will be three years, ending at the Annual General Meeting to be held in 2021.

Anyone wishing to run for election must be nominated by two registrants, and the completed Nomination Form must be submitted with candidates' biographical information and Criminal Record Check. A Nominations package will be sent to all registrants and will also be available on TICO's website – [click here](#). Nominations must be received at TICO no later than 5:00 p.m. Eastern Time on April 20, 2018.

An Action-Packed Winter at TICO's Learning Centre!

TICO's compliance team has been hard at it for the last few months, conducting a series of informative and interactive workshops for TICO-certified travel agents. The intent is to refresh their knowledge on key areas in the Regulation, including advertising, disclosure at the time of booking, invoicing, websites, and social media. In all cases, useful tools are provided for future reference.

The sessions are free of charge, and all TICO-certified travel agents, supervisor/managers and TICO registered agency owners are welcome to attend. The workshops provide an excellent opportunity to receive valuable information, ask questions, provide feedback, and network with your peers.

There are two more workshops on Compliance scheduled for this session:

Date: Tuesday, March 27, 2018

Place: Edward Hotel, 185 Yorkland Boulevard, North York
(Boardroom 104)

Time: 1:00 pm to 3:00 PM

Date: Wednesday, March 28, 2018

Place: TICO's office, 2700 Matheson Boulevard East, Suite 402,
West Tower, Mississauga

Time: 1:30 pm to 4:00 pm.

Anyone wishing to sign up must send an email to TICO at tico@tico.ca to make sure there is space available.

For those unable to attend a workshop, TICO is also hosting webinars on the following topics:

 **Disclosure and Invoicing:** this is suitable for travel counsellors and supervisor/managers, as well as agency owners. Again, these webinars are free of charge, and all necessary materials are provided.

 **Advertising:** this webinar reviews the advertising rules and regulations, including where they apply, and how to apply to the various forms of representations, including print, digital and social media.

 **Financial:** the focus is on trust accounting. Individuals within a registrant's organization who are responsible for the financial compliance under the *Travel Industry Act* and Regulation would benefit most from participating. The final session for Winter/Spring 2018 will be on Thursday, March 29, 2018, from 9:00 am to 10:00 am. To register, [click here](#).

Continued on page 5...



FIRST 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 5:00 p.m. on Tuesday, June 26, 2018 at the Corporate Event Centre, 5110 Creekbank Road, 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;
- (d) considering amendments to Articles 3, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18 and 19 of TICO By-law No. 1 to eliminate the Executive and Compensation Fund Committees; reduce the size of the Board from fifteen Directors to eleven Directors by reducing by one the number of Directors appointed by the Minister, appointed by the Association of Canadian Travel Agencies, appointed by the Canadian Association of Tour Operators and elected by Registrant Members; referencing a Competency Matrix as part of its criteria for board members; increasing the term of appointed directors; decreasing the term of elected directors; clarifying some of the financial provisions; clarifying the definition of "associated with" and eliminating the definition of "Trustees"; removing transition provisions and updating section numbers as a result of the above changes; 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.

Written notice must be received by the Secretary on or before May 11, 2018, of any motions to be made at the Annual Meeting.

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, 2018 will be available at the Annual General Meeting and may be requested in writing prior to the meeting.

DATED at Mississauga this 30th day of January 2018.

On behalf of the Board of Directors

Tracey McKiernan
Secretary

2700 Matheson Blvd. East, Suite 402, West Tower, Mississauga, Ontario L4W 4V9
Tel: (905) 624-6241 Fax: (905) 624-8631 Toll-free: 1-888-451-TICO
E-mail: tico@tico.ca Website: www.tico.ca

Plan to Participate!

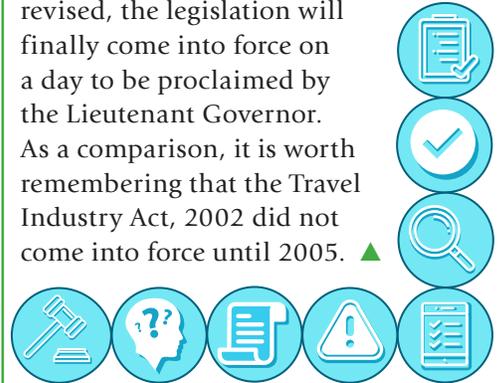
The results of the election for a Retail, Wholesale or Marketing Group position on the Board of Directors will be announced at TICO's Annual General Meeting. We urge the many individuals with extensive expertise and wisdom in this category to consider running.

The AGM also offers an excellent opportunity to speak with TICO's Board of Directors, during the AGM. Please join us for an evening of information-sharing and discussion.

The Reform of Ontario's Travel Legislation: Next Steps... continued from page 1

a Regulatory Reform Proposal will be developed. Once complete, the proposal will be posted on the Regulatory Registry and stakeholders will have another opportunity to provide feedback.

After the review process has been completed and the Regulations revised, the legislation will finally come into force on a day to be proclaimed by the Lieutenant Governor. As a comparison, it is worth remembering that the Travel Industry Act, 2002 did not come into force until 2005. ▲



An Action-Packed Winter at Tico's Learning Centre!... continued from page 4

Webinars are also being planned on Tools for Success (covering advertising, disclosure at time of booking, invoicing, websites and social media), TICO Tips Tutorial on Trust Reconciliations, a Tools for Success Compliance Tutorial, and TICO Tips for Working Capital. Alternatively, you may view the tutorials on Trust Reconciliations, Compliance and Working Capital on the [Learning Centre's webpage](#).

Based on feedback from the survey conducted after each workshop or webinar, participants found TICO's Learning Centre's offerings on the website to be an excellent resource – so please [check here](#) for up-to-date information on future workshops and webinars, in order to register as soon as possible. To ensure receiving notifications on a timely basis, check TICO's e-blasts, or sign up to receive them if you are not already on the e-list. ▲

A Successful Outcome

Further to the previous conviction and sentencing of **Ronald Greenwood** in relation to the failure of **MKI Travel and Conference Management Inc. (MKI)**, Mr. Greenwood brought a proceeding in the Ontario Court of Appeal for the Court's permission to hear a further appeal of his conviction and sentence. On December 20, 2017, the Court denied this request and upheld the convictions entered March 10, 2017 and the sentence imposed on September 7, 2017 to:

- 1 18 months' jail for each of the three convictions. These jail sentences are to be served concurrently;
- 2 Pay restitution in the amount of \$2,036,933 to the Travel Industry Council of Ontario Compensation Fund.

The sentence was imposed in relation to the Ontario Court of Justice earlier finding that Ronald Greenwood was guilty of:

- 1 Two counts of failing to prevent MKI from committing an offence of failing to deposit trust funds into the trust account (**Section 27(3)** of Ontario Regulation 26/05 made under the *Travel Industry Act, 2002*);
- 2 One count of failing to prevent MKI from committing an offence of failing to obtain the Registrar's consent in advance of opening a second trust account (**Section 27(4)** of the Regulation).

MKI was a registered travel agent and wholesaler under the *Act*

Continued on page 7...

Court Matters

CONVICTIONS



Dominic Daly was convicted of three counts of operating as a travel agent without registration, contrary to **Section 4(1)(a)** of the *Travel Industry Act, 2002*. Mr. Daly, who operated in Toronto, was fined a total of \$3,000.00, including a Victim Fine Surcharge. He was also ordered to pay restitution of \$3,881.00 and was placed on probation for two years. Finally, prior to the Court proceeding, Mr. Daly also repaid \$835.00 to a consumer.

Gerardo Calderon and **Gladys Calderon**, carrying on business as **Smartchoice Travel & Tours**, were convicted and sentenced under the *Travel Industry Act, 2002*. Gladys Calderon was convicted of five counts of failing to deposit and hold consumer funds in a trust account, contrary to **Section 27(3)** of Ontario Regulation 26/05 under the *Act*. The Court sentenced Ms. Calderon to pay fines, including a victim fine surcharge, totaling \$12,500.00 and placed her on probation for two years, during which time she was ordered to pay restitution of \$23,700.00.

Gerardo Calderon was convicted of one count of making a false statement on an application for registration, contrary to **Section 31(a)** of the *Act*. The Court sentenced Mr. Calderon to a fine, including victim fine surcharge, totalling \$2,500.00.

Smartchoice Travel & Tours was a registered travel agent that operated in Toronto and other areas in Ontario. Its registration under the *Act* was voluntarily terminated on June 13, 2014. The failure of Smartchoice resulted in four claims against the Travel Industry Compensation Fund to assist eight passengers for a total of \$10,910.00.

Francisco (Frank) Cardona pled guilty to and was convicted of one count of operating as a travel agent without registration, contrary to **Section 4(1)(a)** of the *Travel Industry Act, 2002*.

The Court sentenced Mr. Cardona to pay a fine of \$10,000.00 within two years; to pay restitution totalling \$4,060.00; and to report to a probation officer as so directed by his assigned probation office for one year, and to notify that probation office of any changes to his address. In addition, prior to accepting a job in the travel industry, Mr. Cardona is required to:

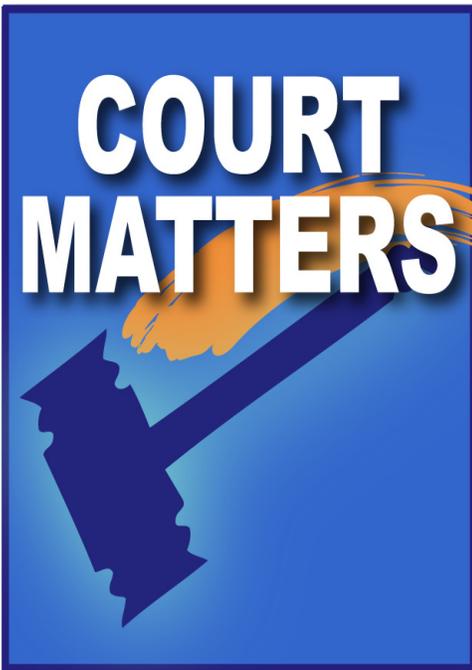
(a) Inform his prospective employer, in writing, of his conviction under the *Travel Industry Act, 2002*; and

(b) Inform the Registrar, *Travel Industry Act, 2002*, in writing, of the position being offered, the name of the travel agent and the term of employment and provide proof of having informed the prospective employer of his conviction under the *Travel Industry Act, 2002*.

Continued on page 7...

Mr. Cardona paid \$1,500.00 in restitution payments prior to being sentenced by the Court. He was also convicted criminally of one count of fraud over \$5,000.00. Sentencing in the criminal matter will be conducted at a later date. Mr. Cardona operated in Toronto. He was previously an outside sales representative for **Tri World Travel**, which was convicted in September 2017 in relation to actions when Cardona was their outside sales representative.

Alicia Kielek pled guilty and was convicted of five counts of operating as a travel agent without registration, contrary to **Section 4(1)(a)** of the *Travel Industry Act, 2002*. Ms. Kielek operated in Toronto. The Court sentenced Ms. Kielek to **200 hours of community service** to be completed within 2 years; to pay **Restitution** totaling \$13,904.96; and to report to a probation officer as so directed by her assigned probation office for a two-year period, and to notify that probation office of any changes to her address. In addition, prior to accepting a job in the travel industry, Ms. Kielek is required to:



- (a) Inform her prospective employer, in writing, of her conviction under the *Travel Industry Act, 2002*; and
- (b) Inform the Registrar, *Travel Industry Act, 2002*, in writing, of the position being offered, the name of the travel agent and the term of employment and provide proof of having informed the prospective employer of her conviction under the *Travel Industry Act, 2002*.

Ms. Kielek paid \$7,599.15 in restitution payments prior to being sentenced by the court.

In January 2018, the Ontario Court of Justice convicted

Tajmahal Tourism Inc. of five counts of operating as a travel agent without registration, contrary to **Section 4(1)(a)** of the *Travel Industry Act, 2002*. In the same decision, the Court found **Sunil Kumar Chinthapatta**, who had been jointly charged with Tajmahal Tourism Inc., not guilty of personally operating as a travel agent without registration. This decision was based on the evidence at the trial. Tajmahal Tourism Inc. was sentenced to fines of \$12,000.00 per count on all five counts consecutive for a total amount, including a mandatory victim fine surcharge, of \$72,000.00.

For further information on Charges and Convictions, [click here](#). ▲

So, as I look back over 2017 and towards the completion of our 2017/2018 fiscal year, I am pleased to see the state of the industry from a Regulator's vantage. Despite competitive challenges and the constant threats facing the travel marketplace, 2017 was a very strong year. Claims against the Compensation Fund remain amongst the lowest in TICO's history.

I am also reminded, once again, of the immense pride I take in leading this great organization. We have a talented and committed team, who remain squarely focused on our consumer protection mandate as expressed in our Vision/Mission statements. Our Board of Directors continue to provide outstanding governance and support as we move forward with critical changes that will transform Ontario's consumer protection model for years to come. What a year it has been indeed, as this momentum propels us forward for an exciting 2018.

Richard Smart,
President and CEO

whose registration was voluntarily terminated effective May 13, 2013. MKI operated in Ottawa. Ronald Greenwood was a director of MKI. The Ontario Travel Industry Compensation Fund paid a claim more than \$2 million related to the closure of MKI.

Upcoming Issues

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

- Update on the Annual General Meeting
- Spotlight on Nominees for election to the Board of Directors
- Update on Legislative & Regulatory Review
- Introduction to TICO's new marketing firm
- Trade Shows and upcoming events

Copyright © 2018 Travel Industry Council of Ontario. All rights reserved. Contents of this newsletter may be reproduced in whole or in part provided the intended use is for non-commercial purposes and the Travel Industry Council of Ontario is acknowledged as the source on all copies. Some materials in this newsletter may be subject to copyright from an outside source and therefore there may be different restrictions on the reproduction of this material. This newsletter is published by the Travel Industry Council of Ontario and is provided to all *Travel Industry Act, 2002* registrants. The information provided in this newsletter is provided for general knowledge purposes only and is not intended to be legal advice.



Travel Industry Council of Ontario

2700 Matheson Boulevard East,
Ste 402, West Tower,
Mississauga, Ontario L4W 4V9.

Tel: (905) 624-6241
Fax: (905) 624-8631
Toll-free: 1-888-451-TICO
e-mail: tico@tico.ca
web site: www.tico.ca

TICO's Registrant CODE OF ETHICS

The Travel Industry Council of Ontario strives to provide a fair and informed marketplace for consumers. TICO strongly encourages all Ontario registrants to comply with the following Code of Ethics, which targets the values and principles of TICO's objectives.

- **Integrity:** Conduct our activities with honesty, dignity and fiscal responsibility, always protecting and promoting our clients' best interests.
- **Disclosure:** Communicate material facts to our clients by supplying accurate and complete information in a clear and understandable manner that assists consumers in making informed decisions in their choice of travel services.
- **Marketing:** Refrain from using any form of misleading advertising or innuendo in marketing products and services.
- **Cooperation:** Cooperate with any investigation/inquiry by the Registrar or staff of the Travel Industry Council of Ontario to resolve any problems or disputes as soon as possible.
- **Respect:** Treat all people with equality and respect.
- **Accountability:** Fulfill all contractual obligations promptly and completely. Respond to legitimate complaints immediately. Maintain accurate and complete records of all client transactions and safeguard consumer monies.
- **Compliance:** Abide by applicable laws and regulations and never knowingly do business with those who operate outside those laws. Registrants are required to ensure that all employees and other sellers of travel associated with the Registrant are conversant with all aspects of the *Travel Industry Act, 2002* and the Regulation, and are familiar with this Code of Ethics.
- **Competency:** Maintain responsibility for the competency of all staff.
- **Confidentiality:** Treat every client transaction confidentially. Do not disclose any information without a client's permission, unless required to do so by law.
- **Conflict of Interest:** Be responsible first to clients and a client's best interests. Any commercial gain and/or preferred relationships between a Registrant and suppliers will at all times be secondary. ▲