

# Table of Contents

<i>Preface</i> .....	v
<i>Preface to the Fifth Edition</i> .....	vii
<i>Preface to the Fourth Edition</i> .....	ix
<i>Preface to the Third Edition</i> .....	xi
<i>Subject Matter Table of Contents</i> .....	xxxiii
<i>Table of Cases</i> .....	xxxvii
<b>1 Introduction</b> .....	1
1. UNDERSTANDING WHAT A “FORENSIC INVESTIGATOR” DOES .....	1
2. UNDERSTANDING FRAUD .....	2
3. UNDERSTANDING THE LEGAL CONCEPTS .....	5
(a) Arm’s Length and Non-Arm’s-Length Relationships .....	5
(b) Types of Non-Arm’s-Length Relationships .....	6
(c) Types of Business Relationships .....	6
4. UNDERSTANDING THE DOMESTIC RULES .....	9
5. THE FORENSIC INVESTIGATOR AS PART OF A FORENSIC TEAM .....	13
6. RED FLAGS AND AMBER LIGHTS .....	17
<b>2 The Law of Fraud</b> .....	33
1. MENS REA AND ACTUS REUS .....	33
2. WHAT IS FRAUD? .....	34
3. FRAUD UNDER THE CRIMINAL CODE .....	35
4. FRAUD UNDER AMERICAN CRIMINAL LAW .....	38
5. FRAUD UNDER CANADA’S COMPETITION ACT .....	40
6. FRAUD AND ONTARIO’S CONSUMER PROTECTION ACT .....	40
7. FRAUD: A WORKING DEFINITION .....	43
8. SIGNIFICANCE OF A FINDING OF FRAUD: FRAUS OMNIA CORRUMPIT .....	45
9. FRAUD AND THE CORPORATE VEIL .....	47
10. ACTUAL AND CONSTRUCTIVE FRAUD .....	48
11. CAVEAT EMPTOR .....	50
12. FRAUD, DECEIT AND NEGLIGENT MISREPRESENTATION .....	54
13. FRAUD AND NEGLIGENT MISREPRESENTATION .....	57
14. THE NUANCES OF FRAUDULENT MISREPRESENTATION/ DECEIT .....	63
15. WHY FRAUD? .....	64
16. CONSTRUCTIVE FRAUD AND THE EMPLOYEE/ EXECUTIVE .....	65
17. CONSTRUCTIVE FRAUD AND INSURANCE .....	75

18.	CONSTRUCTIVE FRAUD AND SECURITIES LEGISLATION .....	78
19.	INSIDER TRADING .....	86
20.	PARTICIPATING IN FRAUD .....	89
21.	PLEADING FRAUD .....	91
22.	WITH ALL OF THESE PROBLEMS, WHY ALLEGE FRAUD? .....	94
23.	FRAUD AND PROPOSALS UNDER THE CCAA AND THE BIA .....	96
24.	CONCLUSION .....	98
<b>3</b>	<b>The Adjudication Process .....</b>	<b>99</b>
1.	WHY DO WE CARE ABOUT LEGAL PROCEDURE? .....	99
2.	CRIMINAL PROSECUTION FOR FRAUD .....	99
3.	PRIVATE PROSECUTIONS AND PRE-ENQUETE HEARINGS .....	100
4.	CANADIAN CRIMINAL PROCEDURE .....	103
5.	AMERICAN CRIMINAL PROCEDURE .....	107
6.	CANADIAN CIVIL PROCEDURE .....	107
	(a) Applications .....	108
	(b) A Civil Action .....	109
	(c) Class Actions .....	111
7.	THE TRIAL PROCESS .....	112
	(a) Motions in Limine (Pre-trial Motions Affecting the Trial) ..	112
	(b) The Exclusion of Witnesses .....	112
8.	THE VOIR DIRE .....	113
9.	TESTIFYING AS AN EXPERT .....	114
10.	OPENING STATEMENTS AT TRIAL .....	116
11.	THE PLAINTIFF'S CASE .....	117
12.	THE DEFENDANT'S CASE .....	117
13.	THE CASE IN REPLY .....	117
14.	CLOSING ARGUMENTS .....	117
15.	THE EXAMINATION IN CHIEF .....	117
16.	CROSS-EXAMINATION .....	118
17.	RE-DIRECT .....	118
18.	GENERAL RULES FOR EXAMINATION, CROSS-EXAMINATION AND RE-DIRECT .....	118
19.	THE TRIAL JUDGE'S DECISION .....	119
20.	BURDEN OF PERSUASION AND BURDEN OF PRODUCTION .....	121
21.	CIRCUMSTANTIAL EVIDENCE OF A GUILTY MIND/ INTENTIONAL DECEPTION .....	122
22.	MODUS OPERANDI .....	122
23.	CONDUCT OF THE TRIAL .....	123
24.	SETTLEMENT PRIVILEGE .....	123
25.	LAWYER/CLIENT PRIVILEGE .....	124
26.	THE CRIME FRAUD EXCEPTION TO PRIVILEGE .....	124

27. INSURANCE POLICIES AS ADMISSIBLE EVIDENCE . . . . .	124
28. THE TRIAL RECORD . . . . .	125
29. TIPS ON TESTIFYING . . . . .	125
30. AMERICAN CIVIL PROCEDURE . . . . .	126
31. ENGLISH CIVIL PROCEDURE . . . . .	128
32. WHAT DOES IT ALL MEAN? . . . . .	129
Appendix 3.1 The Forensic Investigator’s Testimony at Trial . . .	131
Appendix 3.2 Impeachment Checklist . . . . .	134
Appendix 3.3 Canadian Criminal Procedure vs. Civil Procedure . . . . .	135
Precedent 3.1 Launching a Private Prosecution . . . . .	136
Precedent 3.2 Information . . . . .	139
<b>4 Pre-Judgment Remedies . . . . .</b>	<b>141</b>
1. INTRODUCTION . . . . .	141
2. CRIMINAL PROCEDURE . . . . .	141
3. CIVIL PROCEDURE . . . . .	142
4. INTRODUCTION TO PRE-JUDGMENT REMEDIES IN CIVIL LITIGATION . . . . .	145
5. OBTAINING FUNDING FOR THE FRAUD INVESTIGATION . . . . .	146
(a) Family Law and Fraud Investigations . . . . .	146
(b) The Costs of Investigating Oppression . . . . .	150
6. EX PARTE PROCEEDINGS AND FULL AND FAIR DISCLOSURE . . . . .	150
7. ANTON PILLER ORDER (“SEARCH ORDER”) . . . . .	154
8. BANKERS’ TRUST ORDER (“TRACING ORDER”) . . . . .	161
9. MAREVA INJUNCTION (“FREEZING ORDER”) . . . . .	162
10. CANADA REVENUE AGENCY’S “NUCLEAR WEAPON” — THE JEOPARDY ORDER . . . . .	171
11. FRAUD AND THE MAREVA/INTERIM INJUNCTION . . . . .	177
12. DISCOVERY COLLATERAL TO MAREVA AND OTHER FORMS OF INJUNCTIVE RELIEF . . . . .	181
13. ABSCONDING DEBTORS ACT AND WRITS OF ATTACHMENT . . . . .	182
14. BANK ACT FREEZE . . . . .	184
15. CONFIDENTIALITY ORDERS . . . . .	186
16. COURT-ORDERED RECEIVER . . . . .	187
17. INSPECTION ORDERS . . . . .	190
18. INTERLOCUTORY INJUNCTION VS. INTERLOCUTORY MANDATORY ORDER . . . . .	191
19. A SPECIAL KIND OF FRAUD — “STEALING A MARCH” ON THE COURT . . . . .	193
20. REPLEVIN ORDER . . . . .	195
21. INTERIM PRESERVATION OF PERSONAL PROPERTY . . . . .	197
22. CAUTIONS AND CERTIFICATES OF PENDING LITIGATION (LIS PENDENS) . . . . .	198

23.	DISCOVERY OF NON-PARTIES BEFORE COMMENCING THE PROCEEDING . . . . .	200
	(a) Norwich Pharmacal Order . . . . .	200
	(b) Equitable Bill of Discovery . . . . .	202
24.	COMPARING THE PRE-JUDGMENT REMEDIES . . . . .	205
	(a) Comparing the Details of the Motion or Application Itself . . . . .	207
	(b) Does the Remedy Require Proof of a “Serious Issue to Be Tried,” a “Prima Facie Case” or a “Strong Prima Facie Case”? . . . . .	208
	(c) What Is Irreparable Harm and Do You Have to Prove Irreparable Harm? . . . . .	209
	(d) What Is the Balance of Convenience? . . . . .	209
25.	EVIDENCE GATHERING ON MOTIONS OR APPLICATIONS . . . . .	210
26.	CROSS-BORDER CONSIDERATIONS . . . . .	215
27.	CROSS-BORDER COMPLICATIONS . . . . .	217
28.	CONCLUSION . . . . .	220
	Precedent 4.1 Anton Piller Notice of Motion . . . . .	223
	Precedent 4.2 Anton Piller Affidavit . . . . .	226
	Precedent 4.3 Anton Piller Order . . . . .	232
	Precedent 4.4 John Doe Rolling Anton Piller Order . . . . .	237
	Precedent 4.5 Mareva — Notice of Motion . . . . .	244
	Precedent 4.6 Mareva — Affidavit . . . . .	247
	Precedent 4.7 Affidavit in Support of Mareva Motion . . . . .	254
	Precedent 4.8 Mareva Injunction . . . . .	261
	Precedent 4.9 Alternative Form from Bank of Montreal v. Misir . . . . .	264
	Precedent 4.10 Canada Revenue Agency Jeopardy Order . . . . .	267
	Precedent 4.11 Norwich Notice of Motion . . . . .	269
	Precedent 4.12 Norwich Order . . . . .	272
	Precedent 4.13 BIA and Courts of Justice Act — Court-Ordered Receiver . . . . .	274
<b>5</b>	<b>Using the Litigation Process as Part of an Investigation . . . . .</b>	<b>285</b>
1.	INTRODUCTION . . . . .	285
2.	THE LEGAL STANDARD FOR INVESTIGATION . . . . .	286
	(a) Peer Review Using Judicially Accepted Techniques . . . . .	291
	(b) The Perils of Investigators Acting as Experts of Deceit . . . . .	299
	(c) Is “Tunnel Vision” Inevitable? . . . . .	300
	(d) Strategies for Avoiding Investigative Failures . . . . .	301
3.	THE ROLE OF THE EXPERT WITNESS IN THE LITIGATION PROCESS . . . . .	308
	(a) Investigators and Criminal Proceedings . . . . .	312
	(b) Combining Civil and Criminal Proceedings . . . . .	314
	(c) The Effect of a Criminal Charge, Conviction or Acquittal . . . . .	316

(d)	Litigation as the Final Stage of Pre-Trial Investigation . . . . .	319
(e)	Who Should Be the Parties to the Litigation? . . . . .	321
(f)	Using the Courts to Get Evidence from Non-Parties to the Litigation . . . . .	322
(g)	Applications and Motions. . . . .	323
(h)	Experts and Motions for Summary Judgment . . . . .	324
(i)	Taking Advantage of Affidavits on Motions and Applications . . . . .	329
4.	TAKE ADVANTAGE OF THE DISCOVERY PROCESS. . . . .	330
(a)	Examine Affidavits of Documents with a Critical Eye. . . . .	331
(b)	What Are the “Documents” an Investigator Is Entitled to Review? . . . . .	335
(c)	Pre-Trial Inspections of Computers and Other Forms of Real and Personal Property . . . . .	336
5.	PRODUCTION OF HARD DRIVES. . . . .	339
6.	E-DISCOVERY COMPARED WITH COMPUTER FORENSICS IN A FRAUD CASE . . . . .	344
7.	E-DISCOVERY COMPARED WITH COMPUTER FORENSICS AND DATA . . . . .	347
8.	THE IT AUDIT PROCESS DURING E-DISCOVERY AND A FRAUD INVESTIGATION . . . . .	350
9.	EXAMINATIONS FOR DISCOVERY . . . . .	352
(a)	Bifurcation to Avoid Discovery. . . . .	354
(b)	Discovery of Relevant Facts in Privileged Documents. . . . .	357
(c)	Using the Discovery Process to Find Witnesses. . . . .	357
(d)	Using the Discovery Process to Critically Evaluate Expert Opinions . . . . .	358
(e)	What Is an Investigator’s Role in Challenging Opposing Experts? . . . . .	359
10.	SHOULD INVESTIGATORS DESTROY THEIR OWN DRAFT REPORTS BEFORE DISCOVERY OR TRIAL? . . . . .	360
11.	SHOULD INVESTIGATORS ATTEND ON EXAMINATIONS FOR DISCOVERY AND TRIAL TO ASSIST LEGAL COUNSEL? . . . . .	365
12.	PREVENTING AMBUSH AT TRIAL. . . . .	365
13.	THE TRIAL AND THE ADMISSIBILITY OF EVIDENCE. . . . .	366
(a)	What Kind of Evidence Is an Investigator Looking For? . . . . .	366
(b)	Using the Suspect’s Discovery Evidence Against Him at Trial . . . . .	370
(c)	The Trial and Weighing the Evidence . . . . .	371
(d)	Is the Trial the Final Stage of the Investigation? . . . . .	376
14.	INVESTIGATIONS AFTER TRIAL . . . . .	377
15.	CHANGES IN THE RULES OF COURT AS CATALYST FOR CHANGING THE INVESTIGATOR’S ROLE . . . . .	377
16.	CONCLUSION: LESSONS LEARNED . . . . .	379
	Appendix 5.1 E-Trial Checklist . . . . .	380

<b>6 Remedies for Fraud Obtained at Trial</b> . . . . .	383
1. INTRODUCTION . . . . .	383
2. A PRIMER ON DAMAGES . . . . .	383
3. FRAUD AND CONTRACT LAW . . . . .	387
(a) Loss of Bargain Damages . . . . .	389
(b) Cost of Bargain Damages . . . . .	391
(c) Gaps in the Evidence/Costs of Investigation . . . . .	394
(d) General and Aggravated Damages . . . . .	396
(e) Deductions . . . . .	398
(i) The Mitigation Principle . . . . .	398
(ii) The Foreseeability Principle . . . . .	398
(iii) Betterment . . . . .	399
(f) Special Rules for Damages for Fraud . . . . .	399
(g) Fraud and Affirming the Contract . . . . .	408
(h) Constructive Fraud and Damages . . . . .	409
4. TAXATION AND DAMAGES . . . . .	411
5. EQUITABLE COMPENSATION . . . . .	413
6. RESCISSION AND FRAUD . . . . .	416
7. FRAUD AND “EQUITABLE” REMEDIES . . . . .	418
(a) Restitutionary Damages . . . . .	420
(b) Rescission of Contracts, Waivers of Tort and Restitutionary Damages . . . . .	422
(c) Accounting for Profits . . . . .	425
(d) Differential Profit or Comparative Profit Approach . . . . .	431
(e) Differential/Direct Cost Approach . . . . .	432
(f) The Full/Absorption Cost Approach . . . . .	433
8. REASONABLE ROYALTY . . . . .	434
9. BIFURCATION AND “ELECTING” BETWEEN DAMAGES AND DISGORGEMENT OF PROFITS . . . . .	437
10. DISGORING PROFITS AND COMPENSATION “CLAWBACKS” . . . . .	440
11. SUBROGATION . . . . .	442
12. SPECIFIC PERFORMANCE . . . . .	443
13. IMPUTING INCOME . . . . .	444
(a) Introduction . . . . .	444
(b) Family Law . . . . .	444
(c) Income Tax Law . . . . .	445
(d) The Net Worth Method . . . . .	446
(e) Imputing Income for Shareholders . . . . .	449
14. WINDING UP ORDER . . . . .	452
15. A PROPOSED APPROACH TO QUANTIFYING PUNITIVE DAMAGES . . . . .	454
16. INTEREST RATE . . . . .	462
17. LEGAL COSTS . . . . .	469
18. ONTARIO’S RICO STATUTE . . . . .	470
19. INJUNCTIONS, MANDATORY ORDERS, SPECIFIC PERFORMANCE AND EQUITABLE DAMAGES . . . . .	474

20.	CONSTRUCTIVE AND RESULTING TRUSTS. . . . .	475
21.	THE CROWN'S "POST-JUDGMENT" REMEDIES. . . . .	486
22.	OTHER DEFENDANTS . . . . .	490
	(a) Fidelity Bonds and Other Insurance Policies . . . . .	490
	(b) Spouses, Banks, Bailees and Other Potential Defendants. . . . .	492
	(i) Banks . . . . .	492
	(ii) Knowing Assistance. . . . .	509
	(iii) Knowing Receipt and Spouses . . . . .	511
23.	FRAUD AND AUDITOR'S NEGLIGENCE. . . . .	513
24.	FRAUD AND LAWYER'S NEGLIGENCE, KNOWING ASSISTANCE OR KNOWING RECEIPT . . . . .	515
25.	JOINT LIABILITY AND CONSPIRACY . . . . .	516
26.	VICARIOUS LIABILITY FOR FRAUDS BY EMPLOYEES AND PARTNERS . . . . .	519
27.	FRAUD AND THE CHOICE OF REMEDIES. . . . .	520
28.	SOLIDARY LIABILITY, CLAIMS BETWEEN FRAUDSTERS AND THE ROLE OF THE TRUSTEE IN BANKRUPTCY . . . . .	521
29.	CROSS-BORDER CONSIDERATIONS . . . . .	524
	Appendix 6.1 "Fraud Overcomes All": Claiming Loss of Profits in a Fraud Case . . . . .	528
	Appendix 6.2 Piercing the Corporate Veil . . . . .	533
	Precedent 6.1 Statement of Claim . . . . .	537
<b>7</b>	<b>Insolvency Fraud, Fraudulent Conveyances and Tracing . . . . .</b>	<b>553</b>
1.	INTRODUCTION . . . . .	553
2.	INSOLVENCY FRAUD. . . . .	553
3.	FRAUDULENT CONVEYANCES AND PREFERENCES . . . . .	555
	(a) Fraudulent Conveyances. . . . .	555
	(b) Fraudulent Conveyances and Matrimonial Litigation . . . . .	559
	(c) Assignments and Preferences. . . . .	560
4.	PREFERENCES UNDER CANADA'S BANKRUPTCY AND INSOLVENCY ACT ("BIA") . . . . .	566
	(a) Introduction . . . . .	566
	(b) What Are the Differences Between the Two Parts of Section 95? . . . . .	567
	(c) What Does Arm's Length Mean? . . . . .	567
	(d) When Does the Three Months/12 Months Start? . . . . .	568
	(e) Does Fraud Have to Be Proven?. . . . .	569
	(f) Evidence of Pressure Versus a Diligent Creditor Forcing a Sound Business Decision. . . . .	570
	(g) The Role of the Trustee in Bankruptcy. . . . .	571
	(h) The Preference Rules Summarized . . . . .	571
5.	TRANSFERS AT UNDERVALUE UNDER THE BIA . . . . .	573
6.	FRAUD AND BANKRUPTCY. . . . .	577
7.	THE PROBLEM OF THE PHOENIX COMPANY. . . . .	580
8.	INTRODUCTION TO TRACING . . . . .	584
9.	WHY TRACING?. . . . .	584

10.	TRACING IN A NUTSHELL . . . . .	586
11.	FOLLOWING AN ASSET AND THE FORENSIC INVESTIGATOR . . . . .	588
12.	FRAUD AND THE LAW OF TRACING . . . . .	588
13.	SPECIAL TRACING RULES TO ASSIST AGAINST FRAUDSTERS . . . . .	592
	(a) Problems with Following an Asset — Claimant Does Not Have, and Cannot Acquire, Good Title . . . . .	592
	(b) Problems with Following an Asset — The Nemo Dat Exceptions . . . . .	594
	(c) Claiming Against Substitute Assets . . . . .	596
	(d) The Mortgagee as Bona Fide Purchaser for Value Without Notice . . . . .	599
	(e) Tracing Money Used to Discharge the Fraudster’s Debt (and Subrogation and Backtracing) . . . . .	600
	(f) The Replacement Exception to Tracing . . . . .	602
	(g) Interim Summary . . . . .	603
	(h) Applying the Principles — The First Island Financial Services Case . . . . .	609
	(i) Competing Victims’ Claims . . . . .	617
	(i) A Hypothetical Example of Equitable Tracing — Claiming by Substitution . . . . .	621
	(ii) The Change of Position Defence . . . . .	623
	(j) Summary of Claiming Rules — Following and Tracing into Substitute Assets . . . . .	623
	(k) Practical Considerations for Claiming . . . . .	625
14.	TRACING AND INSOLVENCY . . . . .	626
15.	“CLAWBACK” TRACING CLAIMS . . . . .	626
	(a) Pyramid and Ponzi Schemes . . . . .	628
	(b) The American Approach to Ponzi Schemes Compared to the Canadian . . . . .	633
	(c) Conclusion: The Tracing Checklist . . . . .	640
16.	RETRIEVING GOOD TITLE: NEMO DAT, TITLE FRAUD AND MORTGAGE FRAUD . . . . .	649
	(a) Nemo Dat and Land Titles Legislation . . . . .	653
17.	THE BULK SALES ACT . . . . .	666
	Appendix 7.1 Methods of Tracing Using an Example . . . . .	667
	Appendix 7.2 A Typical Case Involving Pro Rata Sharing of Funds . . . . .	673
	Appendix 7.3 Tracing and the Banking System . . . . .	678
	Appendix 7.4 Bankruptcy Duties and Offences . . . . .	693
<b>8</b>	<b>Post-Judgment Remedies for Fraud . . . . .</b>	<b>695</b>
1.	OTHER EXECUTION PROCEEDINGS . . . . .	695
	(a) Seizure . . . . .	695
	(b) Garnishment . . . . .	695
	(c) Examination in Aid of Execution . . . . .	697

(d) Contempt of Court . . . . .	698
(e) Equitable Receiver . . . . .	700
(f) Post-Judgment Mareva . . . . .	701
(g) Seizing or Garnishing a Professional's Trust Account . . . . .	702
(h) Bankruptcy Offences . . . . .	705
(i) The Fraudster, Exempt Assets and "Unfair" Discharge . . . . .	707
(j) Examinations by the Trustee in Bankruptcy . . . . .	707
(k) Contempt on an Examination in Aid of Execution . . . . .	708
(l) Conclusion . . . . .	708
Precedent 8.1 Notice of Motion . . . . .	710
Precedent 8.2 Affidavit . . . . .	712
Precedent 8.3 Order for an Equitable Receiver from Daniels v. Daniels . . . . .	714
<b>9 Fraud and the Examination in Aid of Execution . . . . .</b>	<b>717</b>
1. INTRODUCTION . . . . .	717
2. QUESTIONS ASKED ON EXAMINATIONS IN AID OF EXECUTION . . . . .	720
3. THE FORENSIC USE OF NET WORTH ANALYSIS . . . . .	721
4. EXAMINATION OF THIRD PARTIES . . . . .	723
5. CONTEMPT AS A REMEDY FOR FRAUDULENT CONVEYANCES AND BREACHES OF COURT ORDERS . . . . .	725
6. FRAUD AND RELEASES . . . . .	726
7. APPORTIONMENT OF LIABILITY AND RELEASES . . . . .	730
8. RES JUDICATA AND SUBSEQUENT LAWSUITS . . . . .	732
Appendix 9.1 Questions for Examination of Personal Debtor . . . . .	737
Appendix 9.2 Witness Statements . . . . .	747
Precedent 9.1 Minutes of Settlement . . . . .	750
Precedent 9.2 Full and Final Release . . . . .	768
Precedent 9.3 Notice of Examination in Aid of Execution . . . . .	770
<b>10 Expert Evidence in the Litigation Process . . . . .</b>	<b>773</b>
1. INTRODUCTION . . . . .	773
(a) Qualifying an Expert . . . . .	774
(b) Relevance . . . . .	775
(c) Reliability . . . . .	775
(d) Necessity in Assisting the Trier of Fact . . . . .	776
(e) Scope of Expert Testimony . . . . .	776
(f) Use of "Learned Treatises" and Statistics by Experts . . . . .	778
(g) Who Can Be an Expert? . . . . .	779
(h) Objectivity and the Expert Witness . . . . .	782
(i) Evidence-Based Expert Testimony . . . . .	786
(i) Contingency Fees and Objectivity . . . . .	788
(i) How Experts Get into Trouble . . . . .	793
2. THE FORENSIC ACCOUNTANT AND PRIOR NEGATIVE JUDICIAL OPINION . . . . .	797
(a) A Primer on the Law Regarding Cross-Examination . . . . .	797

	(b) The Admissibility of Negative Judicial Comments . . . . .	799
3.	GOOD TACTICS MAKE GOOD EXPERTS — MOTIONS IN LIMINE . . . . .	800
4.	PRIVILEGE AND THE EXPERT'S REPORT . . . . .	803
5.	ACCOUNTANTS AS PROFESSIONALS AND PROPERTY: THE NEED FOR FORENSIC STANDARDS . . . . .	807
6.	THE PROCEDURE FOR INTRODUCING EXPERT EVIDENCE AT TRIAL . . . . .	812
	(a) Expert's Report . . . . .	813
	(b) Expert Witness's Curriculum Vitae . . . . .	813
	(c) Expert Evidence and the Fraud Engagement . . . . .	814
7.	WHAT'S NEW? . . . . .	817
	(a) Experts Meet and Confer under the New Rules . . . . .	819
<b>11</b>	<b>Fraud, the Criminal Code and Planning the Fraud Engagement . .</b>	<b>821</b>
1.	INTRODUCTION: CRIMINAL AND CIVIL FRAUD . . . . .	821
2.	CRIMINAL FRAUD IN THE UNITED STATES AND THE UNITED KINGDOM . . . . .	822
3.	CRIMINAL CODE PROVISIONS . . . . .	825
4.	ATTEMPTED FRAUD . . . . .	826
5.	AIDING AND ABETTING A FRAUD . . . . .	828
6.	FRAUD AND CRIMINAL ORGANIZATIONS IN CANADA . . . . .	831
7.	SENTENCING FOR FRAUD IN CANADA . . . . .	833
8.	COMPARING AMERICAN AND CANADIAN APPROACHES TO CRIMINAL FRAUD . . . . .	837
9.	CONFLICTS OF INTEREST AND BRIBERY OF DOMESTIC AND FOREIGN OFFICIALS . . . . .	843
10.	FORGERY AND FRAUD . . . . .	864
11.	CONSTRUCTIVE FRAUD UNDER CIVIL AND PENAL STATUTES . . . . .	867
	(a) Full Disclosure and Securities Legislation . . . . .	867
	(b) Full Disclosure and the Franchisee . . . . .	875
12.	A COMPARISON OF CRIMINAL AND CIVIL FRAUD GENERALLY . . . . .	880
13.	RECOVERY OF ASSETS USING THE CRIMINAL LAW . . .	881
14.	THE CRIMINAL LAW AS A THREAT . . . . .	882
	(a) Using the Criminal Code to Attack Investigators ("Pretexting") . . . . .	882
	(b) Extortion and Compounding . . . . .	884
	(c) Breach of Legislation and Civil Remedies (Credit Card Checks and Invasion of Privacy) . . . . .	885
15.	THE CRIMINAL LAW AS AN OPPORTUNITY . . . . .	886
16.	EVIDENCE GATHERING . . . . .	888
	(a) The Criminal Code and Regulatory Offences . . . . .	888
	(b) Using Testimony in Regulatory Proceedings in Criminal Proceedings . . . . .	888

(c)	What is Money Laundering and Money Laundering Legislation? . . . . .	890
(d)	The American Approach to Witness Cooperation . . . . .	897
(i)	Blow It Up . . . . .	898
(ii)	Rain Down . . . . .	898
(e)	The Identification Doctrine . . . . .	899
(f)	How Corporate Regulatory and Criminal Liability Works in Practice . . . . .	903
(g)	Aiding and Abetting Outside the Criminal Code . . . . .	906
(h)	How Does Alleging a Conspiracy Help? . . . . .	906
17.	CIVIL LITIGATION AS AN INVESTIGATORY TOOL . . . . .	908
(a)	No Stay of Civil Case Pending Completion of Criminal Proceeding . . . . .	908
(b)	The Ambit of the “Implied Undertaking” Rule . . . . .	908
18.	COMPENSATING THE VICTIM OF FRAUD . . . . .	909
(a)	Restitution, Forfeitures and Recovering Property for the Victims of Fraud . . . . .	909
(b)	How Does One Get Disclosure of the Crown Brief? . . . . .	916
(c)	Res Judicata and the Effect of a Prior Criminal Conviction . . . . .	918
19.	LEVELLING THE PLAYING FIELD . . . . .	922
(a)	Indemnification of the Fraudster by His Employer of the Costs of Litigation . . . . .	922
20.	MISUSE OF THE CRIMINAL LAW . . . . .	924
21.	PLANNING THE FRAUD INVESTIGATION . . . . .	926
22.	THE FORENSIC METHOD OF INVESTIGATION . . . . .	927
(a)	Why Sufficient? . . . . .	927
(b)	Why Appropriate? . . . . .	928
(c)	Why Relevant? . . . . .	928
(d)	Why Reliable? . . . . .	928
(e)	Why Professional? . . . . .	928
(f)	Why Unbiased? . . . . .	928
23.	A PROFESSIONAL INVESTIGATION . . . . .	929
24.	CONCLUSION . . . . .	932
	Appendix 11.1 Interviewing the Suspect and Other Witnesses . . . . .	933
	Appendix 11.2 Criminal Fraud and Similar Offences . . . . .	936
	Appendix 11.3 Case of Fraud and Similar Offences . . . . .	941
	Appendix 11.4 Police Checklist — Information the Police Need for Filing a Complaint of Fraud . . . . .	957
	Appendix 11.5 Victim Impact Statements . . . . .	958
	Precedent 11.1 Application for a Management Order . . . . .	959
	Precedent 11.2 Management Order . . . . .	961
	Precedent 11.3 Application for a Restraint Order — Bank Account . . . . .	962
	Precedent 11.4 General Warrant to Search under Section 487.01 of the Criminal Code . . . . .	964
	Precedent 11.5 Information to Obtain a Production Order . . . . .	966

Precedent 11.6 Production Order . . . . .	968
Precedent 11.7 Production Order for Financial or Commercial Information. . . . .	971
Precedent 11.8 Telewarrant to Search . . . . .	973
Precedent 11.9 Endorsement of the Warrant . . . . .	974
Precedent 11.10 Relinquishment of Interest . . . . .	975
Precedent 11.11 Feeney Warrant to Enter Dwelling House . . . . .	976
Precedent 11.12 Information to Obtain Feeney Warrant . . . . .	980
Precedent 11.13 DAGG Notice of Motion . . . . .	984
Precedent 11.14 Affidavit in Support of DAGG Motion . . . . .	987
Precedent 11.15 Order on DAGG Motion. . . . .	990
<b>12 Going on the Offensive When a Fraudster Claims Privilege . . . . .</b>	<b>993</b>
1. INTRODUCTION — HOW PRIVILEGE AFFECTS YOUR PRACTICE. . . . .	993
(a) Discovery of Evidence. . . . .	997
(b) Types of Privilege . . . . .	999
2. SETTLEMENT PRIVILEGE . . . . .	999
3. UNDERSTANDING LEGAL PROFESSIONAL PRIVILEGE (LPP) . . . . .	1001
(a) The Reasons for the Rule . . . . .	1001
(b) The Limits of LPP . . . . .	1003
(c) A Legal Advisor for the Purpose of LPP . . . . .	1003
(d) The Ambit of LPP . . . . .	1004
(e) Legal Advice and the Crime-Fraud Exception to LPP. . . . .	1006
(f) Intentional Wrongdoing . . . . .	1008
4. CONFIDENTIAL COMMUNICATIONS . . . . .	1011
(a) Confidentiality and LPP . . . . .	1011
(b) What Does Confidential Mean? . . . . .	1012
(c) Who Is the Client? . . . . .	1012
(i) Common Interest Privilege, Corporate Groups and Joint Clients . . . . .	1012
(ii) Receivers and Trustees in Bankruptcy . . . . .	1017
(d) Confidentiality and Waiver . . . . .	1018
(e) Waiver and Forfeiture of LPP . . . . .	1018
5. THE LPP RULES IN BRIEF. . . . .	1023
(a) Litigation Privilege . . . . .	1025
(b) The Implied Undertaking Rule and Privilege . . . . .	1034
(c) The Legal Professional Privilege Checklist . . . . .	1036
(d) The Importance of Suing Personally . . . . .	1038
(e) Forensic Investigation and Privilege . . . . .	1041
(f) Putting LPP to Work — A Typical Example . . . . .	1043
6. CONCLUSION. . . . .	1048
<b>13 Public Investigations . . . . .</b>	<b>1053</b>
1. PUBLIC INQUIRIES AND FRAUD INVESTIGATIONS . . . . .	1053
2. AUDIT VS. INVESTIGATION . . . . .	1055

3.	WHAT HAT ARE YOU WEARING? . . . . .	1056
4.	TAX EVASION . . . . .	1057
5.	IS THIS AN AUDIT OR A FRAUD INVESTIGATION? . . . . .	1060
6.	CHARTER RIGHTS AND INTERROGATING A SUSPECT . . . . .	1066
7.	THE CHOICE OF REGULATORY OR CRIMINAL . . . . .	1067
8.	PROSECUTION FOR TAX EVASION . . . . .	1071
	(a) The Interaction of Tax Evasion and No-Fault Automobile Insurance. . . . .	1073
9.	CROSS-BORDER INVESTIGATIONS . . . . .	1074
10.	A CASE STUDY . . . . .	1077
	(a) Step 1: Look at the Statutory Context . . . . .	1079
	(b) Step 2: From Compliance to Prosecution (the Jarvis Factors). . . . .	1081
	(c) Step 3: Proceeding in Accordance with Charter Protection . . . . .	1082
11.	ACTING AS A CROWN AGENT . . . . .	1083
12.	PERSONS IN AUTHORITY AND THE CONFESSIONS RULE . . . . .	1085
13.	REGULATORY FAILURE . . . . .	1087
14.	CONCLUSION . . . . .	1088
	Precedent 13.1 Charter Warnings by Regulatory Investigators. . .	1090
<b>14</b>	<b>Fraud Investigations and the Rules of Evidence . . . . .</b>	<b>1091</b>
1.	INTRODUCTION . . . . .	1091
2.	A PRIMER ON THE RULES OF EVIDENCE . . . . .	1092
	(a) The Hearsay Rule Examined. . . . .	1095
	(b) Evidence and Credibility. . . . .	1097
3.	THE REVERSE ONUS AND ADVERSE INFERENCES . . . . .	1099
4.	CIRCUMSTANTIAL EVIDENCE . . . . .	1100
5.	PROVING FRAUD . . . . .	1103
6.	THE ONUS AND STANDARD OF PROOF FOR FRAUD. . .	1104
7.	USE OF EVIDENCE FROM CIVIL PROCEDURE IN CRIMINAL TRIAL . . . . .	1108
8.	THE REMORSEFUL FRAUDSTER. . . . .	1109
9.	IMPROPERLY PROCURED EVIDENCE . . . . .	1111
10.	PIPEDA AND THE ADMISSIBILITY OF EVIDENCE . . . . .	1114
11.	HEARSAY AND AFFIDAVIT EVIDENCE . . . . .	1116
12.	THE CO-CONSPIRATOR'S EXCEPTION TO THE HEARSAY RULE . . . . .	1117
13.	HEARSAY AND THE BUSINESS RECORDS RULE . . . . .	1118
14.	REAL AND DEMONSTRATIVE EVIDENCE . . . . .	1119
15.	THE FORMS OF AFFIDAVITS AND EXHIBITS . . . . .	1120
16.	YOU CAN HANDLE THE TRUTH . . . . .	1120
17.	THE VOLUMINOUS RECORDS RULE (SPREADSHEETS AND OTHER SUMMARIES) . . . . .	1122
18.	SIMILAR FACT EVIDENCE . . . . .	1123

19.	IS A WITNESS'S FAILURE TO SPEAK "EVIDENCE"?	1124
20.	THE "DOCUMENTS IN POSSESSION" DOCTRINE	1126
21.	ADMITTING PRIOR CONSISTENT STATEMENTS	1127
22.	DOCUMENT PRESERVATION	1127
23.	THE MYTH OF THE CHAIN OF CUSTODY	1133
24.	CONCLUSION	1134
<b>15</b>	<b>The Day-to-Day Practice of the Forensic Investigator</b>	<b>1137</b>
1.	THE INITIAL CLIENT INTERVIEW	1137
2.	NOTES OF THE INITIAL MEETING	1139
3.	USING THE CLIENT TO OBTAIN INFORMATION	1140
4.	THE ENGAGEMENT LETTER	1141
5.	ENGAGEMENT ACCEPTANCE CONSIDERATIONS	1142
	(a) Quality and Competence	1142
	(b) Conflicts of Interest	1143
	(c) Assistance Throughout the Litigation Process	1143
	(d) Independence and Objectivity	1143
	(e) Fees	1143
	(f) Timing and Staffing Considerations	1144
6.	PERFORMANCE OF THE ENGAGEMENT	1144
	Appendix 15.1 Conflict of Interest Checklist	1147
	Precedent 15.1 Engagement Letter	1149
<b>16</b>	<b>Construction Fraud</b>	<b>1155</b>
1.	INTRODUCTION	1155
	(a) The Construction Pyramid	1155
	(b) The Procurement Process	1156
2.	MANAGEMENT FRAUD IN THE PROCUREMENT PROCESS	1157
3.	MANAGEMENT AND EMPLOYEE FRAUD	1159
4.	THE VARIOUS STAGES OF FRAUD DURING A PROJECT LIFE CYCLE	1160
	(a) Red Flags	1161
5.	A FRAUD AUDIT OF THE BIDDING PROCESS	1162
	(a) The Bid Process	1162
	(b) The Contract B Administration Stage	1166
	(c) Closing Out the Project	1168
	Appendix 16.1 Construction Fraud Data Analytics	1172
	Precedent 16.1 Employee Conflict of Interest Policy	1174
	Precedent 16.2 Supplier Code of Conduct for Hospital	1180
<b>17</b>	<b>The Dark Arts: Defending Fraud Claims</b>	<b>1183</b>
1.	THE "SYSTEM"	1183
2.	BLAME THE VICTIM — AFFIRMATION OF THE CONTRACT AFTER THE FRAUD IS REVEALED	1184
	(a) Laches	1185
	(b) Limitation Periods and Fraud	1185
	(c) Blame Others for Not Catching Him	1187

(d) The Wrong Forum for Hearing the Dispute . . . . .	1189
(e) Foreign Judgment Was Procured by Fraud . . . . .	1194
(f) Sue the Expert Witness . . . . .	1195
(g) The Claim Is Being Asserted for an Improper Purpose . . . . .	1201
3. STRIKING THE PLEADING/MAKING A MOTION FOR PARTICULARS . . . . .	1202
(a) Motions for Security for Costs . . . . .	1205
(b) The Discovery Plan . . . . .	1205
(c) Production Motions . . . . .	1206
4. DISCOVERIES AND UNDERTAKINGS/REFUSAL MOTIONS . . . . .	1209
5. PRE-TRIAL AS A DEVICE FOR DELAY . . . . .	1209
6. ENLARGING THE INVESTIGATION BEYOND THE SCOPE OF EXPERTISE OF THE VICTIM'S EXPERT . . . . .	1211
7. USING THE SUSPECT AS AN EXPERT WITNESS . . . . .	1212
8. CHALLENGING THE PLAINTIFF'S CLAIM TO PRIVILEGE . . . . .	1212
9. RELY ON THE PRESUMPTION OF REGULARITY . . . . .	1214
10. AN INVESTIGATOR'S OWN "BLACK OPS" . . . . .	1215
11. CONCLUSION . . . . .	1216
Appendix 17.1 The Black Ops Top 20 Checklist . . . . .	1217
<b>18 The Forensic Investigation as Science . . . . .</b>	<b>1235</b>
1. INTRODUCTION . . . . .	1235
2. A SYSTEMATIC APPROACH TO ENGAGEMENT . . . . .	1237
(a) Pre-Engagement and Planning Procedure Phase . . . . .	1238
(b) Freeze and Formulate Phase . . . . .	1238
(c) Investigation Phase . . . . .	1239
(d) Reporting and Wrap-Up Phase . . . . .	1239
3. A SYSTEMATIC APPROACH TO PROOF . . . . .	1239
4. DEBENHAM'S DOZEN . . . . .	1251
<b>19 A Canadian Investigator's Professional Obligations (and Liabilities) . . . . .</b>	<b>1255</b>
1. INTRODUCTION . . . . .	1255
2. WHAT DOES BEING A PROFESSIONAL MEAN? . . . . .	1255
(a) A Systematic Approach to Advising a Client in a Fraud Case . . . . .	1256
(b) The Common Practice . . . . .	1256
(c) The Use and Misuse of Expected Value . . . . .	1257
(d) A New Model . . . . .	1257
(e) Decision Making under Uncertainty . . . . .	1261
(f) Witness Credibility Analysis — How You Get the Numbers . . . . .	1266
(g) Are Findings of Credibility Made Independently for Each Issue? . . . . .	1269
3. HOW DOES THE LAW DEFINE A PROFESSION? . . . . .	1272

4.	WHAT ARE THE IMPLICATIONS OF BEING A PROFESSIONAL? .....	1273
5.	A FIDUCIARY DUTY .....	1273
6.	A PROFESSIONAL'S DUTY OF CARE .....	1275
7.	THE ROLE OF STANDARDS AND CODES OF ETHICAL CONDUCT .....	1278
8.	ARE INVESTIGATORS PROFESSIONALS? .....	1279
9.	THE NEW PROFESSIONAL LIABILITY OF INVESTIGATORS .....	1281
10.	THE BIRTH OF THE TORT OF NEGLIGENT INVESTIGATION .....	1282
11.	THE DEATH OF MALICIOUS PROSECUTION .....	1289
12.	APPLYING THE PUBLIC INVESTIGATOR'S STANDARD OF CARE .....	1294
13.	THE STANDARD OF CARE AND THE STAGES OF THE INVESTIGATION .....	1296
14.	CAUSATION AND THE POLICE-PROSECUTION CONTINUUM .....	1297
15.	UNDER WHAT CIRCUMSTANCES WILL CLAIMS BE SUCCESSFUL? .....	1297
16.	HOW "SCIENTIFIC" APPROACHES TO LIE DETECTION CAN GET AN INVESTIGATOR INTO TROUBLE .....	1299
	(a) Statement Validity Analysis, Criteria-Based Content Analysis and Forensic Linguistics .....	1304
	(b) Polygraph Evidence .....	1311
	(c) Neuro-Linguistic Programming ("NLP") and Kinesic Interviewing .....	1314
	(d) Other Behaviour: Red Flags — "Experience" and "Profiling" .....	1317
	(i) My Experience Tells Me Who Is Lying .....	1317
	(ii) Certain "Kinds" of People Have a Propensity to Lie or Commit Crimes .....	1318
	(e) The Use of Inadmissible or Fabricated Evidence .....	1318
	(f) The Dangers of Using Inadmissible Evidence in Your Forensic Investigation .....	1319
	(g) Obtaining Confessions: Interviewing and Interrogation Techniques .....	1324
	(i) The Reid Method .....	1325
	(ii) The Cognitive Interview .....	1329
	(iii) The PEACE Method .....	1331
	(iv) Motivational Interviewing .....	1332
	(h) Bias in the Lie Detection Process .....	1332
17.	PROVING LYING IS NOT PROVING YOUR CASE .....	1339
18.	WHO CAN SUE FOR PROFESSIONAL MALPRACTICE? .....	1340
19.	NEGLIGENT INVESTIGATION AND THE PRIVATE INVESTIGATOR .....	1342

20. SUING INSURANCE INVESTIGATORS PERSONALLY FOR BAD FAITH . . . . .	1346
21. NEGLIGENT INVESTIGATION AND CHARTER REMEDIES . . . . .	1348
22. DAMAGE AWARDS . . . . .	1351
23. SHOULD INVESTIGATORS SUPPORT “THE CANADIAN TORT”? . . . . .	1352
24. WHAT THEN IS TO BE DONE? . . . . .	1353
25. CONCLUSION . . . . .	1358
<b>20 Insurance Fraud and Arson Investigations . . . . .</b>	<b>1363</b>
1. INTRODUCTION: WHAT IS INSURANCE? . . . . .	1363
2. WHAT IS INSURANCE FRAUD? . . . . .	1368
3. ARSON FOR PROFIT . . . . .	1369
(a) Investigating Arson . . . . .	1369
(b) The “Usual Suspects” for Arson for Profit . . . . .	1373
(c) The Types of Arson Experts . . . . .	1374
(d) Experts and Arson for Profit . . . . .	1375
(i) The Fire Was of Incendiary Origin . . . . .	1378
(ii) The Plaintiff Had Sufficient Motive for Setting the Fire . . . . .	1383
(iii) The Plaintiff Had the Opportunity to Set the Fire . . . . .	1387
(iv) Bad Faith and Arson for Profit Claims . . . . .	1387
(e) An Arson Investigation Gone Awry . . . . .	1390
(f) The Need for Transparency . . . . .	1394
(i) What Is “Civil” Fraud? . . . . .	1395
(ii) Arson as Our Exemplar of Civil Fraud . . . . .	1397
(iii) Using a Model Involving Situational Red Flags to Determine Whether Arson Took Place . . . . .	1400
(iv) Identifying the Arsonist: Behavioural Red Flags . . . . .	1403
(v) Ranking the Suspects: Behavioural Red Flags . . . . .	1404
4. CONCLUSION . . . . .	1407
Appendix 20.1 Group Ranking and Inconsistent Rankings . . . . .	1408
Appendix 20.2 Find Arson Before You Look for an Arsonist . . . . .	1412
Appendix 20.3 Applying and Ranking Inculpatory and Exculpatory Factors . . . . .	1413
Appendix 20.4 A Verification Method . . . . .	1415
<b>21 Big Data Analytics, Big Financial Institutions and Big Money Fraud Litigation . . . . .</b>	<b>1417</b>
1. INTRODUCTION . . . . .	1417
2. WHAT IS “BIG DATA ANALYTICS”? . . . . .	1418
3. BIG DATA ANALYTICS — HOW DOES IT WORK? . . . . .	1422
4. BIG DATA ANALYTICS AND FRAUD DETECTION — WHAT IS THE ATTRACTION? . . . . .	1423
5. BIG DATA ANALYTICS AND FINANCIAL INSTITUTIONS — OUR EXEMPLAR . . . . .	1424

6.	LOOKING AT CREDIT CARDS . . . . .	1425
7.	BANKS PROTECT YOU — AND OTHERS. . . . .	1429
8.	WHAT ABOUT THE CUSTOMER’S RIGHT TO PRIVACY? . . . . .	1437
9.	WHAT DOES IT MEAN FOR FINANCIAL INSTITUTIONS? . . . . .	1437
10.	WHAT IS THE C-SUITE TO DO? . . . . .	1438
	(a) Identify Your Stakeholders . . . . .	1438
	(b) Understand the Information and Liability Flows within Your Network . . . . .	1439
	(c) Identify the Risks of Loss and Moral Hazards in Your Network . . . . .	1441
	(d) Understand the Limitations of BDA . . . . .	1442
	(i) Complexity Results in Alchemy . . . . .	1442
	(ii) BDA Is Entirely Left Brained . . . . .	1443
	(iii) The C-Suite Must Control the Golem . . . . .	1444
	(iv) Silo Failure and the C-Suite. . . . .	1445
11.	CONCLUSION. . . . .	1445
	Appendix 21.1 FINTRAC’s Red Flags of Suspicious Transactions . . . . .	1446
<b>22</b>	<b>Social Media Investigations and the Law of Privacy . . . . .</b>	<b>1453</b>
1.	SOCIAL MEDIA INVESTIGATIONS . . . . .	1453
2.	WHERE IS “SOCIAL MEDIA” EVIDENCE? . . . . .	1453
3.	WHICH WEBSITES DO I LOOK AT TO GET WHAT I NEED? . . . . .	1456
4.	SOCIAL MEDIA MONITORING TOOLS . . . . .	1457
	(a) Admissibility of Social Media Evidence. . . . .	1458
5.	PRIVACY LEGISLATION IN CANADA . . . . .	1458
6.	THE CRIMINAL LAW, THE REASONABLE EXPECTATION OF PRIVACY, AND THE NEW TECHNOLOGY . . . . .	1463
7.	PRIVACY, THE WORKPLACE COMPUTER AND INTERNET USE . . . . .	1467
8.	PRIVACY, SOCIAL MEDIA AND CIVIL LITIGATION. . . . .	1469
9.	PRIVACY, LAWYERS AND SOCIAL MEDIA INVESTIGATORS . . . . .	1471
	(a) Confidentiality of Information . . . . .	1472
	(b) Deceptive or Misleading Conduct/Truthfulness in Statements to Others. . . . .	1472
	(c) Prohibition on Contacting Party Represented by Counsel . . . . .	1474
	(d) Pretexting . . . . .	1474
10.	CONCLUSION — SO WHERE DO WE STAND? . . . . .	1475
	Appendix 22.1 Metadata and Emails. . . . .	1476
	Appendix 22.2 The New Tort of Invasion of Privacy. . . . .	1482

Precedent 22.1 Social Media Preservation Letter — Opposing Party . . . . .	1501
Precedent 22.2 Social Media Preservation Letter — Third Parties . . . . .	1503
<b>23 Cyberfraud, Cryptocurrencies, Fintech, Whistle-Blowers and All Things New . . . . .</b>	<b>1507</b>
1. CYBERFRAUD . . . . .	1507
(a) What is “Hacking”? . . . . .	1507
(b) What are the Steps in a “Hack”? . . . . .	1508
(c) Hacking for Fraudulent Purposes . . . . .	1508
(d) Other Forms of Cyberfraud . . . . .	1509
2. FINTECH, BITCOIN, BLOCKCHAIN AND OTHER “DISRUPTIVE” TECHNOLOGIES . . . . .	1511
3. WHISTLE-BLOWERS, PROTECTION FROM REPRISALS AND QUI TAM LEGISLATION . . . . .	1512
(a) Canadian Whistle-Blowing Legislation . . . . .	1513
4. DERIVATIVES, FRAUD AND THE 2008 FINANCIAL CRISIS . . . . .	1515
(a) Case #1: Derivatives, Fraud and the 2008 Financial Crisis . . . . .	1517
(i) Why Did the 2008 Recession Persist? . . . . .	1520
(b) Case #2: Nick Leeson and Barings Bank . . . . .	1520
(c) Case Study #3: Bernie Madoff’s Ponzi Scheme . . . . .	1522
(d) The “Lie” of “LIBOR” . . . . .	1524
(i) Libor Litigation . . . . .	1525
5. PARLIAMENTARY EXPENSE SCANDALS . . . . .	1526
<b>24 The Psychology of the Fraudster . . . . .</b>	<b>1527</b>
1. PROFESSIONAL VS. CIRCUMSTANTIAL FRAUDSTERS . . . . .	1527
2. GROUP PSYCHOLOGY . . . . .	1529
3. FINAL THOUGHTS . . . . .	1530
4. NON-PROSECUTION AGREEMENTS, DEFERRED PROSECUTION AGREEMENTS, AND REMEDIATION AGREEMENTS . . . . .	1531
Appendix 24.1 Common Rationalizations for Consequential Fraudsters . . . . .	1534
<i>Index . . . . .</i>	<i>1537</i>

