

A Scam flying by the window

ART
SINCLAIR

FROM THE CHAMBER



(PKI). Galbraith, as many of us here in Waterloo Region are aware from years of media attention, ran a highly questionable operation where investors – farmers throughout Canada and the United States – purchased breeding pigeons. The offspring was sold back to PKI and it appeared that a decent profit was generated.

However, by late 2007, a number of American jurisdictions commenced actions against Galbraith, arguing the business was a Ponzi scheme where returns were generated not from the operation but rather investments of new farmers. By July of 2008, PKI was bankrupt with losses at that time estimated at \$40 million.

As local and national media reported recently, Galbraith was charged with one count of fraud over \$5,000 and four counts under the Bankruptcy and Insolvency Act. A release from the Waterloo Regional Police Service indicated the indictment followed a lengthy investigation which involved victims throughout Canada and the United States.

Chuck Howitt from the Waterloo Region Record, who should be highly commended for investigating and questioning this operation years ago, contacted former clients in Ohio who were ecstatic with the results originating from local police work. It is now estimated that over 1,000 people invested \$20 million for alleged “guaranteed financial returns.”

Last February, Safer described Galbraith – he did not actually interview him – as “a plain-faced salt-of-the-Earth fellow who travelled the breadth of Canada and rural America marketing a scheme that would make hard-pressed farmers rich.” He also “exuded that charmless charm of Canadians, that excessive politeness and probity that drives them to say please and thank you to ATM machines.”

One of Canada’s leading authorities on fraud and investment schemes is Al Rosen, who has been called the “undisputed reigning champion of forensic accounting in Canada.” The recent charges against Galbraith arrived shortly after Rosen and his son Mark released their book *Swindlers – Cons and Cheats and How to Protect your Investments from Them*.

Rosen does not speak highly of the Canadian regulatory system. He bluntly states that even if regulators don’t recognize a Ponzi scheme when it flies by their window, they are not difficult to spot. Fortunately, Rosen identified the issue that many of us were writing about two or three years ago – that Canadian authorities were doing nothing while American counterparts were using some of their strongest remedies available to rid themselves of Arlan Galbraith.

Perhaps there is some reality here between Morley Safer’s aforementioned remarks about docile Canadians and the inability of regulators to stop any disasters before they reach the stage where millions or billions are lost.

Ironically, 60 Minutes was not the first investigative journalism program to feature

Pigeon King. In November of 2008, Victor Malarek hosted a segment on CTV’s W5 which included a rare interview with a defiant Arlan Galbraith. In response to a question regarding the company’s future, Galbraith claimed he was building a flock of birds to supply a processing plant that was scheduled for operation in 2011. Malarek was further informed that because of the highly confidential nature of this facility and the possibility of competitors stealing information, Galbraith never discussed it with anyone such as a bank or construction company.

A farmer from Bruce County, who lost well into six figures, claims he was told the birds would supply a huge market in the Middle East. Billionaires wanted pigeons for racing. As Al Rosen said, scams are not all that difficult to spot.

And, following up on the analysis of Rosen and the failure of Canadian authorities to act, Malarek interviewed a representative from the Ontario Ministry of Agriculture, Food and Rural Affairs. Not the Minister, Deputy Minister, or Director of Communications. A thirty something communications type – and I have to be careful here since I was once one myself – noted the ministry website provides some excellent resources for farmers regarding new livestock opportunities. Great answer.

In the final analysis, like Bernie Madoff and many before him, Galbraith offered a certain financial salvation to those looking for one. Farm commodity prices generally don’t escalate at a level similar to inputs like fertilizer and fuel. A regular guy from Waterloo was offering something different – profits and a decent living like everyone in the city.

An offer just too good to be true.

Art Sinclair is vice president of the Greater Kitchener Waterloo Chamber of Commerce

Celebrating new year and new hope for new Canadians

There is something magical about a new year: a clean slate, a new beginning, twelve months full of promise. This is especially true for a special group of about 300,000 Canadians who are celebrating their new citizenship.

Sharon Robertson is celebrating with them. As a local Citizenship Judge for Citizenship and Immigration Canada, Sharon personally welcomed many new Canadians to Waterloo Region last year. In this month’s column, Sharon tells us about the joys, challenges and misconceptions facing new Canadians in our community.

Jan: One of United Way’s strategic priorities is to help newcomers feel welcomed and supported in an inclusive community. Can you tell us more about who our newcomers are?

Sharon: We swear in 300,000 new Canadian citizens each year. That’s about one per cent of our population. We choose 60 per cent of them based on a point system. They must demonstrate that they are financially supporting themselves. The point system includes employment skills, work experience, language ability and education. Another 30 per cent are made up through family reunification. These people have a relative in Canada who is a Canadian citizen or permanent resident who must sponsor and assist the applicant in immigrating to Canada. They also have to guarantee the applicant’s finances during the first few years of residency in Canada.

Jan: What about refugees?

Sharon: Refugees make up 10 per cent of our new citizens. These people are in danger if they remain in their own countries and they’re seeking protection in Canada. We’re fulfilling our UN obligations and are able to choose most of the refugees who come into Canada.

Jan: In our research at United Way, we’ve learned there are many barriers and obstacles that newcomers face. Discrimination is still an issue. In Canada, 30 per cent of newcomers

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report some form of discrimination when they attempt to access services and supports. Do you hear stories like this from the newcomers you meet?

Sharon: The biggest myth I hear about is the myth of new immigrants being a burden on the social system. This view is based on an outdated social perspective that’s in conflict with reality and change. From what I’ve seen -- and what our statistics show -- the majority of immigrants are too busy earning a living. Welfare is the last thing on their minds. They come to make something of their lives and for their children. On average, they’re more educated than the general population in the KW area.

Jan: Locally, how would you describe the new Canadians we’re welcoming to the Region?

Sharon: We have a large group of very educated, skilled workers. They’re often supported by companies such as RIM, who need their technical expertise and credentials. In fact, two out of three Information Technology inventions in Canada were created

by engineers who were immigrants or children of immigrants. We have a higher proportion of educated, skilled immigrants than other regions I’ve worked in as a Citizenship Judge. We also see a refugee population that has minimal support by comparison. But regardless of their skill level and support network, all new Canadians face challenges with accessing employment and education as well as feeling a sense of belonging in a new country and new community. These elements are essential to their success and happiness.

Jan: Being an active member of your community is an important part of being connected and feeling empowered. That’s why we’re providing support to ethno-cultural groups and associations as well as cultural interpreters. We also provide subsidies to help newcomers participate in local programs and services.

Sharon: I think we make assumptions about others based on our own world-view. I experienced this myself recently, when someone was looking for the Citizenship Judge, saw me and wanted to know where the “older white man” was. They just didn’t envision a small Asian woman as the Judge. We all do this, even if unconsciously. I spent 34 years as an elementary and secondary school educator, and I spent a great deal of my time helping kids to understand how our differences make us better as a country and community. We shouldn’t be afraid of our differences. We should celebrate them.

Jan: The numbers tell us just how important it is to embrace our differences. According to projections by Statistics Canada, Canada’s population will become increasingly diverse. By 2031, half of Canadians over 15 will be either foreign born or have at least one foreign-born parent. Three quarters will have a mother tongue that is neither French nor English.

Sharon: It’s true: we need our immigrant population and we’ll come to rely on them even more in the future. By 2026, 100 per cent of our workforce growth will come from new immigrants. You’d think this might

mean a loosening of requirements, but we’ve actually made our testing process much more challenging this year. The citizenship test is now at a secondary school level rather than the Grade 5 level it used to be. I’m not sure how many long-time Canadians could pass it!

Jan: Test me!

Sharon: Tell me the name of Canada’s Governor General. Then tell me how many electoral districts there are in Canada. Next, tell me which region is known as the industrial and manufacturing heartland of Canada. While you’re at it, who is General Sir Arthur Currie?

Jan: I’m at an unfair advantage on the first one: it’s Waterloo’s own David Johnston. I’m drawing a blank on the second one, but I’ll guess Ontario for question 3. I’m guessing Currie was a war hero?

Sharon: You can see the challenge level here, especially for fact-based questions with more difficult vocabulary. New Canadians know as much or more about our country as long-term citizens. It’s inspiring to see how hard they work to earn their citizenship.

Jan: So, our new Canadians are highly literate about Canadian history and culture, they’re working or anxious for gainful employment, and they’re increasingly more educated and skilled. That certainly helps make a ‘business case’ for hiring them and helping them to feel welcomed and appreciated.

Sharon: That’s backed up by a November 2009 Angus poll. If a business wants to grow, it needs to embrace multiculturalism. Canada is a true expert at managing diversity, but we need to manage and embrace it on a personal and workplace level as well. When I swear in new Canadians, I feel such a sense of hope and gratitude to be in a room full of people who are so hopeful and so anxious for a new beginning.

Note: I’m ‘taking reservations’ for this column. If you’d like to meet me for breakfast and a discussion, please drop me a note at jvarner@uwaykw.org.

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