

In the Matter of the

FINANCIAL INSTITUTIONS ACT, RSBC 1996, c.141
(the “Act”)

and the

INSURANCE COUNCIL OF BRITISH COLUMBIA
 (“Council”)

and

GAGANDEEP SINGH DHILLON
(the “Former Licensee”)

ORDER

As Council made an intended decision on June 14, 2022, pursuant to sections 231, 236, and 241.1 of the Act; and

As Council, in accordance with section 237 of the Act, provided the Former Licensee with written reasons and notice of the intended decision dated July 6, 2022; and

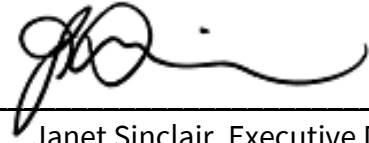
As the Former Licensee has not requested a hearing of Council’s intended decision within the time period provided by the Act;

Under authority of sections 231, 236, and 241.1 of the Act, Council orders that:

- 1) Council will not consider an application for any insurance licence from the Former Licensee for a period of eight years, commencing on the date of this order and ending at midnight on July 26, 2030;
- 2) The Former Licensee is fined \$10,000, to be paid by October 24, 2022, and which must be paid prior to the Former Licensee being licensed in the future; and
- 3) The Former Licensee is assessed Council’s investigation costs of \$1,500, to be paid by October 24, 2022, and which must be paid prior to the Former Licensee being licensed in the future.

Order
Gagandeep Singh Dhillon
LIC-197783C144801R1, COM-2020-00034
July 26, 2022
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This order takes effect on the 26th day of July, 2022.

A handwritten signature in black ink, appearing to read 'Janet Sinclair', positioned above a horizontal line.

Janet Sinclair, Executive Director
Insurance Council of British Columbia

INTENDED DECISION

of the

INSURANCE COUNCIL OF BRITISH COLUMBIA

(“Council”)

respecting

GAGANDEEP SINGH DHILLON

(the “Former Licensee”)

1. Pursuant to section 232 of the *Financial Institutions Act* (the “Act”), Council conducted an investigation to determine whether the Former Licensee acted in compliance with the requirements of the Act, Council Rules, and Code of Conduct, in relation to credit card fraud he committed between January 2017 and July 2019.
2. On May 10, 2022, as part of Council’s investigation, a Review Committee (the “Committee”) comprised of Council members met via video conference to discuss the investigation. The Former Licensee was invited to the meeting but chose not to attend. An investigation report prepared by Council staff was distributed to the Former Licensee and Committee prior to the meeting, and a discussion of the investigation report and its exhibits took place at the meeting. Having reviewed the investigation materials and discussed the investigation, the Committee prepared a report for Council.
3. The Committee’s report, along with the aforementioned investigation report, were reviewed by Council at its June 14, 2022, meeting, where it was determined the matter should be disposed of in the manner set out below.

PROCESS

4. Pursuant to section 237 of the Act, Council must provide written notice to the Former Licensee of the action it intends to take under sections 231, 236 and 241.1 of the Act before taking any such action. The Former Licensee may then accept Council’s decision or request a formal hearing. This intended decision operates as written notice of the action Council intends to take against the Former Licensee.

FACTS

5. The Former Licensee became licensed with Council as a Level 1 general insurance salesperson (“Level 1 Salesperson”) in November 2014. On April 6, 2020, Council was

notified by the Royal Canadian Mounted Police (“RCMP”) that the Former Licensee had been charged with multiple offences under the *Criminal Code of Canada*, including identity theft, unauthorized use of credit card data, and fraud over \$5,000. Council staff reviewed the Court Services Online website, which showed that a charging document had been sworn on April 1, 2020, which contained a total of 30 charges against the Former Licensee.

6. In response to the public harm concerns raised by these charges, Council suspended the Former Licensee’s licence on May 12, 2020, by issuing an order under sections 231 and 238 of the Act.
7. The Former Licensee was sentenced on May 28, 2021, having pled guilty on ten counts of identity theft and one count of careless use or storage of a firearm. His sentence included a conditional sentence order of two years less a day, followed by a two-year probation period.
8. The judge who sentenced the Former Licensee explained that the prosecution was confident that only some of the loss caused by the Former Licensee’s fraud was known with any certainty. He stated that it was proven that banks and merchants suffered actual losses of more than \$250,000 and were exposed to at least three quarters of a million dollars of risk of loss.
9. The fraud committed by the Former Licensee involved abusing his position as an insurance salesperson to learn and misuse credit card and other information belonging to his clients, so that he and his co-conspirators could enrich themselves at the expense of those clients, the banks, and various businesses. The judge stated that the Former Licensee misused the information of at least dozens of clients. The Former Licensee was proven to have personally conducted fraudulent transactions, but the vast majority of transactions, as well as the vast majority of their cumulative value, appear to have been conducted by his co-conspirators.

ANALYSIS

10. Council has found that the Former Licensee’s misconduct amounted to obvious and serious breaches of his obligations as a licensed insurance salesperson, including of Council Rule 7(1) (licensees must hold client information in strict confidence), Council Rule 7(3)(a)(iv) (licensee must notify Council if charged or convicted of any criminal offence), and Code of Conduct sections 3 (“Trustworthiness”), 4 (“Good Faith”), 6 (“Financial Reliability”), 7 (“Usual Practice: Dealing with Clients”), 12 (“Dealing with the Insurance Council of British Columbia”), and 13 (“Compliance with Governing Legislation and Council Rules”).

11. The fraud committed by the Former Licensee is among the most egregious examples of misconduct that Council has investigated to date. The Former Licensee misused his position as an insurance licensee to materially benefit himself at the expense of a wide range of victims. Council agrees with the sentencing judge's assessment that the Former Licensee's direct and indirect victims included his clients and employers, as well as merchants, banks, and the public in terms of the expense of law enforcement. Further, Council agrees with the judge that the fraud committed by the Former Licensee shakes public confidence in a financial system that we all use.
12. Council identified aggravating factors that made the Former Licensee's misconduct even more reprehensible than it otherwise may have been. Notably, the Former Licensee was warned by the RCMP during its investigation yet continued to conduct fraud despite the warning. Another significant aggravating factor was that the Former Licensee not only misused client credit card information himself, but also went so far as to provide the information to co-conspirators. Furthermore, the Former Licensee was largely uncooperative during Council's investigation, failing to respond to several requests for information from Council's investigator.
13. As for mitigating factors, the most significant is that the Former Licensee is currently facing criminal consequences for his fraud, having been sentenced to a two year less a day conditional sentence on May 28, 2021, to be followed by a two-year probation period. The conditional sentence included a 12-month period of house arrest.
14. Prior to making its decision, Council took several past decisions into consideration as precedents, including the following.
15. *Virlie Aimendral Canlas* (November 2020) concerned a former life and accident and sickness insurance agent ("Life Agent") who convinced numerous clients to obtain life insurance, regardless of their best interests, with the agreement that he would pay their first-year premiums in full. He also conducted unlicensed securities activities with funds received from clients. Chargebacks of over \$250,000 soon resulted from the former licensee's clients terminating or lapsing their policies. Council ordered that no application for an insurance licence would be considered from the former licensee for five years; he was also assessed investigation costs. (Council elected not to fine the former licensee due to his submission that he is attempting to repay the clients financially harmed by his misconduct, as a fine might impair or delay his attempts to repay those clients).
16. *Martin Hroch* (February 2020) concerned a former Level 1 Salesperson who submitted at least 76 false insurance claims through his agency's employee health and wellness

program. The amount claimed in each instance ranged from \$25 to \$75, leading to a total of \$3,045 received fraudulently. Council ordered that no application for an insurance license would be considered from the former licensee for five years; he was also fined \$5,000, as well as assessed investigation costs.

17. *Lisa Anne Allan* (January 2020) concerned a former Level 1 Salesperson who misappropriated over \$16,000 in Insurance Corporation of British Columbia (“ICBC”) funds. The former licensee was charged and convicted for theft over \$5,000. Council ordered that no application for an insurance licence would be considered from the former licensee for three years; it was also ordered that she must complete an ethics course prior to applying in the future, and she was assessed investigation costs.
18. *Vladimir Prokopchik* (September 2019) concerned a former Level 1 Salesperson who misappropriated over \$2,400 in funds, keeping customer payments that were intended for ICBC Autoplan. Council ordered that no application for an insurance licence would be considered from the former licensee for three years; he was also assessed investigation costs.
19. *Paul Brian Bradbeer* (December 2018) concerned a former Life Agent who submitted over 100 fictitious applications for life insurance to an insurer, accepting commissions for each of these fictitious applications, and using the commissions to pay the necessary premiums. Approximately \$650,000 in commissions was paid to the former licensee because of this fraud. Council ordered that the former licensee was unsuitable to hold an insurance licence; he was also fined \$10,000 and assessed investigation costs.
20. *Sun Kyung Oh* (August 2018) concerned a Level 1 Salesperson who misappropriated approximately \$8,000 in premium funds. Council ordered that her licence be cancelled and that no application for an insurance licence would be considered from her for three years; she was also assessed investigation costs.
21. *Yazdi & Associates Financial Services Inc. and Arvin Nazerzadeh-Yazdi* (May 2017) concerned a former Life Agent who established a group health plan for his agency. The agency had only six employees, but the plan had 25 members, most of whom were the former licensee’s family members. The former licensee submitted several health claims on his own behalf through the plan, most of which were not valid; he also assisted others with submitting claims that were found to be false. Council ordered that the former licensee be prohibited from holding an insurance licence for a minimum period of five years, and prohibited him from being an officer or director of an insurance agency for a minimum period of five years. He was also fined \$10,000 and assessed investigation costs.

22. *Mahin Heidari* (June 2015) concerned a Life Agent who submitted at least 35 false personal health insurance claims through her group benefits insurance provider for services that never occurred. She received approximately \$2,200 for these false claims. Council ordered that the licensee be prohibited from holding an insurance licence for a minimum period of three years and fined her \$10,000 (which could be reduced to \$5,000 if she repaid the insurer). She was also assessed investigation and hearing costs.

DISPOSITION

23. Having considered the facts, as well as the relevant mitigating and aggravating factors and precedent cases, Council has determined that the Former Licensee's misconduct was at a level of egregiousness that necessitates both a lengthy licensing prohibition as well as the levying of the maximum possible fine.

Period during which no licence applications will be considered

24. Council has concluded that it would be suitable to order that no licence application be considered from the Former Licensee for a ten year period. However, Council has elected to lower this period to eight years rather than ten, taking into account that the Former Licensee has already been without an active licence for over two years, since being suspended by Council in May 2020.

25. In the precedents examined, the maximum specified period of licensure prohibition was five years (as in *Canlas*, *Hroch*, and *Yazdi*), while in one case (*Bradbeer*) a former licensee was deemed unsuitable for licensure but with no specified prohibition length set out in the order. Council recognizes that an order that no insurance licence be considered from the Former Licensee for an eight year period exceeds the length of similar terms ordered in the precedents; however, given the circumstances, Council believes the greater length to be appropriate. The Former Licensee directly abused his position as a licensee in a routine and flagrant manner ("virtually daily," in the judge's words), harming numerous clients, his employers, and many other victims as he did so. Rather than holding client personal information in confidence, as is required of an insurance salesperson, he instead used his access to information to defraud clients, and even passed the information on to other criminals. Given the serious and repeated nature of the Former Licensee's fraud, Council considers it appropriate to prohibit him from applying for an insurance licence for longer than the five year periods set out in the precedents.

Fine

26. As has been stated above, Council has determined that the Former Licensee's actions warrant levying of the maximum possible fine. As of 2020, the Act provides that the maximum fine that Council can order against an individual is \$25,000. However, during the period of the Former Licensee's misconduct (2017 to 2019), the maximum fine allowed by the Act against an individual was \$10,000. In the interests of fairness, Council intends to fine the Former Licensee \$10,000, as that was the maximum fine at the time the misconduct was committed.

Investigation Costs

27. Council believes that its investigation costs should be assessed to the Former Licensee. As a self-funded regulatory body, Council looks to licensees who have engaged in misconduct to bear the costs of their disciplinary proceedings, so that those costs are not otherwise borne by British Columbia's licensees in general. Council has not identified any reason for not applying this principle in the circumstances.

INTENDED DECISION

28. Pursuant to sections 231, 236 and 241.1 of the Act, Council made an intended decision to:

- a) Not consider an application for an insurance licence from the Former Licensee for a period of eight years from the date of Council's order;
- b) Fine the Former Licensee \$10,000, to be paid within 90 days of Council's order, and which must be paid prior to the Former Licensee being licensed in the future; and
- c) Assess the Former Licensee Council's investigation costs of \$1,500, to be paid within 90 days of Council's order, and which must be paid prior to the Former Licensee being licensed in the future.

29. Subject to the Former Licensee's right to request a hearing before Council pursuant to section 237 of the Act, the intended decision will take effect after the expiry of the hearing period.

RIGHT TO A HEARING

30. If the Former Licensee wishes to dispute Council's findings or its intended decision, the Former Licensee may have legal representation and present a case in a hearing before Council. Pursuant to section 237(3) of the Act, to require Council to hold a hearing, the Former Licensee **must give notice to Council by delivering to its office written notice of this intention within fourteen (14) days of receiving this intended decision.** A hearing will then be scheduled for a date within a reasonable period of time from receipt of the notice. Please direct written notice to the attention of the Executive Director. **If the Former Licensee does not request a hearing within 14 days of receiving this intended decision, the intended decision of Council will take effect.**
31. Even if this decision is accepted by the Former Licensee, pursuant to section 242(3) of the Act, the British Columbia Financial Services Authority ("BCFSA") still has a right of appeal to the Financial Services Tribunal ("FST"). The BCFSA has thirty (30) days to file a Notice of Appeal once Council's decision takes effect. For more information respecting appeals to the FST, please visit their website at www.fst.gov.bc.ca or visit the guide to appeals published on their website at www.fst.gov.bc.ca/pdf/guides/ICGuide.pdf.

Dated in Vancouver, British Columbia on the 6th day of July, 2022.

For the Insurance Council of British Columbia



For Janet Sinclair
Executive Director