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PROFESSIONAL EXPERIENCE

Kelly Malcolm, CFI, MSc, CRM is a Certified Forensic Investigator, criminologist and risk profiler with CSO Consulting Services specializing in matters centering on professional misconduct.

Kelly obtained her Master's in Criminology from the London School of Economics in 1996 and gained over 15 years experience working in the investigative field for a number of firms including a large public accounting firm, an expert services firm and a multi-national global risks security group.

Prior to her involvement in investigations, she worked in Human Resources management where she acquired problem solving and issue defining skills relating to a variety of employee behaviours. In 2003, Kelly obtained the designation of Certified Risk Manager from the Global Risk Management Institute and in 2006 she became a Certified Forensic Investigator.

In addition to conducting investigations centering on matters addressing professional conduct, Kelly has undertaken numerous engagements, involving aggression and harassment in the workplace, employee impropriety and misconduct, corporate fraud, compliance audits and issues of shareholder dispute. Kelly's approach to assignments involves a thorough and detailed probe into the matter at hand, all while maintaining a keen awareness of those who might be impacted by the investigation - from senior management, to the staff, to the (alleged) victim and to the individual(s) suspected of the wrongdoing.

Compliance and Risk Management

- Conducts investigations for a governing body. These investigations relate to various types of professional misconduct allegations, including but not limited to conflicts of interest, fraud, sexual harassment or sexual assault, employment/employee related matters, to name a few.
- Conducted the field work for four election compliance audits following the 2010 Municipal Election. This involved reviewing the financial records of the candidates, interviewing the applicant and candidates, and liaising with contributors to obtain additional information. The audits Kelly performed were for:
 - the Town of Fort Erie;
 - the Municipality of Bluewater;
 - the Township of Perth South; and
 - the City of Toronto.
- Conducted the field work for the City of Hamilton compliance audit for the 2003 Municipal Election. This involved reviewing the financial records of the candidates,

interviewing the applicant and candidates, and liaising with contributors to obtain additional information.

- The MTO was tendering their winter snow removal and summer landscaping contracts for five regions within Ontario in 2004. As part of this process, Kelly was engaged to act as a fairness monitor and review their procurement and evaluation process for four (4) of the five (5) regions.
- Conducted a physical security assessment of a manufacturing company to identify areas of risk to the organization. The security assessment also addressed issues relating to human resources risks.
- Conducted a physical security assessment of a union Local to provide comments on the effectiveness and efficiency of the security safeguards in place. As part of the engagement, we provided recommendations to mitigate some areas of risk that had yet to be addressed in their security program.
- Provided recommendations to the Board of Directors of a financial institution regarding its internal controls and accountability procedures relating to specific allegations of dishonesty.

Civil, Tort and Other Investigations

(i) Fraud and/or Theft

- Conducted an investigation regarding an apparent misrepresentation made by a senior employee of a manufacturing company. Inquiries uncovered secret commissions, fraud and theft. The responsible employee was dismissed with cause and an "Accountability" Strategy was implemented for all employees within the company.
- Investigated the misappropriation of company cheques by an employee of a U.S. subsidiary of a Canadian company. As a result of our investigation, a multimillion-dollar inventory theft conspiracy was uncovered. Criminal charges against the responsible parties were filed and insurance fidelity claims were pursued.
- Conducted an investigation dealing with allegations of environmental contract fraud on behalf of the Ontario Realty Corp and the Management Board Secretariat. Anton Pillar Orders were applied for and executed at several contractors and current and former employees' residences and businesses. The Anton Pillar order was upheld in Appeals Court, and both civil and criminal proceedings are pending.
- Participated in an investigation involving an investment scheme to defraud investors using a legitimate tax shelter to promise unrealistic returns. The scheme involved 70 investors with investment dollars totaling \$92 million.

(ii) Litigation Support

- Assisted counsel in identifying whether there was any evidence of financial impropriety by select Board members and the General Manager of a financial institution based on allegations brought forward by some influential customers. We provided recommendations to improve the internal controls within the organization as a second phase of this engagement.
- Conducted a forensic review to assist counsel acting on behalf of a non-profit Board, in identifying whether the conduct of senior management was appropriate and whether specific areas within the organization posed a risk.



- Performed a damage quantification as it related to benefits paid to union and non-union members by a union employer. We were able to calculate the amount owed by the employer to the union, for benefits collected from the union and non-union workers over a specific period.

(iii) Harassment Investigations

- Investigated employee harassment in a union environment during a strike. A striking employee made several harassing phone calls to co-workers who had crossed the picket line. During the investigations we interviewed all phone call recipients confirmed the identity of the caller as well as revealed the impact of the calls on the employees and the workplace environment. Management used the information obtained, through the investigation, for disciplinary purposes and to instigate policies and procedures around the return to work.
- Participated in the investigations of a situation of employee harassment within a fast paced wholesale distribution company. Three other similar incidents were uncovered during the investigation. The responsible party was tentatively identified. Accountability and 'zero' tolerance protocols were implemented, after which incidents ceased.
- Conducted an investigation relating to anonymous, harassing phone calls and acts of theft against a partner of a law firm. The investigations identified a likely aggressor and raised the issue of how management should deal with similar events in the future.
- Examined evidence and conducted interviews to determine whether harassing actions directed at an employee were discriminatory and whether those actions lead to a breakdown of that individual's performance and ultimate dismissal.

EDUCATION/ PROFESSIONAL DESIGNATIONS

- Business Management Certificate, University of Toronto, ongoing
- Certified Forensic Investigator, Association for Certified Forensic Investigators, 2006
- Certified Risk Manager, Global Risk Management Institute, 2003
- Post-graduate courses in business law and financial accounting, Ryerson University, 1998/1999
- Master of Science, Criminology, London School of Economics, 1996
- Bachelor of Arts, Honours, Sociology, Queen's University, 1995

PROFESSIONAL ACHIEVEMENTS

- President of the Toronto Chapter of the ACFI (2008-2012)
- Presented a half-day workshop on "The Nuts and Bolts of Forensic Investigations" for the ACFI, October 2006.
- Published an article entitled "*What Can an Independent Investigator Do That Cannot be Done Internally*" in *Lawyer's Weekly*, September 2, 2005
- Published an article entitled "Dealing with employee fraud involves many risks to companies" in *Lawyers Weekly*, May 20, 2005
- Authored the Sarbanes-Oxley section of the Association of Certified Forensic Investigators' (ACFI) Fraud Manual, edition 2.01



- Presented a speech on “Pencils to Mouse Clicks”, the Use of Technology in Investigations at the CA-IFA conference, October 18, 2004
- Published an article entitled “*Fraud: Prevention Of*” in Lawyer’s Weekly, October 8, 2004
- Presented a speech on “Implementing an Effective Whistleblower Policy” at the Internal Audit Summit, October 4, 2004
- Published an article entitled “*Criminal Liability for Workplace Safety Now a Reality*” in Lawyer’s Weekly, February 27, 2004
- Authored the Criminology section of the Association of Certified Forensic Investigators’ (ACFI) Fraud Manual, edition 1.01
- Presented a speech on “*Emerging Technology – the use of i2 Software in Investigations*” at an ACFI dinner meeting, January 20, 2004
- Published an article entitled “*Aggression Program May Have Its Benefits*” in Lawyer’s Weekly, October 17, 2003
- Presented a speech on “*Profiling White Collar Criminals*” at an ACFI dinner meeting, April 2003
- Published an article entitled “*Debit Card Fraud Threatens Retailers and Consumers*” in Lawyer’s Weekly, April 25, 2003
- Published an article entitled “*Dealing With Your Top Security Threat: Workplace Aggression*” Plant Magazine, January, 2003