

Mr. BALDWIN: Might I ask Mr. Douglas over what length of period this system of defalcation took place and was the plan one which did not provide for some investigation? In other words, was this continued over a long period of time; was there no opportunity, no method, to check on the fact that this particular officer was retaining these funds in his possession? Is it the practice that officers do retain or can retain in their possession sums of money like this without there being any check on it? Is this the common practice?

Mr. DOUGLAS: This extended over a period of about two years, 1961 and 1962.

Mr. BIGG: Did they rule that the doctor actually knew this was going on or was there an error in his accounting system?

Mr. HENDERSON: I think the file indicates that he was aware of what he was doing.

Mr. LEFEBVRE: Yes, I know, but you say it existed for two years.

Mr. THOMAS (*Middlesex West*): It would appear that he was collecting for medical services from this group plan for people who were already covered under the armed services. Therefore, he must have known that what he was doing was a straight case of fraud.

Mr. NOBLE: Mr. Chairman, it seems to me there must have been some laxity on the part of the counsel that represented the government when this case was heard. Would this be —

Mr. HENDERSON: I do not know that. I did not find myself blaming the counsel so much, Mr. Noble, as the fact that having knowledge of this there did not seem to be any concern to go after it. If they had got after it early, they might have salvaged more. That is why I said that I feel there is a lack of effective administration here. The chap came along six months later and asked to be released from the service. Again, the matter was not raised. That would have afforded them a second chance. It was only ten months after that that they got around to asking the Department of Justice if they would please go and collect. If they started earlier, knowing about it, they might have followed it up—

Mr. NOBLE: It seems to me, Mr. Chairman, that this is a pretty small penalty for a man who has been able to get away with this amount of money, and not have to refund the money that he has taken illegally. It must have been illegal.

Mr. BIGG: I have one of these plans myself. Once I got a cheque sent to me personally by the insurance company for \$192. They sent it to me because they could not read the doctor's signature. It is quite possible the doctor did not pay, what I would call, direct personal attention to these things. He did not sign cheques. They can go through to the bank and be deposited to his account I know, as I said, it would take a Philadelphia lawyer to understand my surgical medical plan. The way they pay is very hazy indeed. Sometimes I do not know whether I owe the doctor or whether I do not owe him deductible insurance. As I said, they sent me the cheque and it should have gone to the doctor. I signed the papers saying "please pay my physician". Unless the doctor himself was