

Documents reveal spending details

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Byline: Karissa Donkin Telegraph-Journal

SAINT JOHN * A former Saint John Energy executive is accused of using his company credit card from a power utility in Utah to fund several trips to Las Vegas, including visits to the golf course, a \$42.31 bill at a Hooters restaurant and a \$657.55 bill from a steakhouse, court documents reveal.

Anthony Furness was dismissed from Utah's Heber Light & Power, where he worked as chief financial officer, in June 2013. Utah's attorney general has charged him with a single count of theft by deception, accusing him of claiming more than \$50,000 of his personal expenses as being related to business.

He's also wanted in Saint John on a charge of fraud over \$5,000 relating to his time as vice-president of finance and administration at Saint John Energy. He was fired from that role in 2005.

None of the criminal accusations against Furness have been proven in court.

The details about Furness's trips to Vegas come from publicly accessible court documents obtained from Utah. Heber Light & Power launched two civil suits against Furness - one to retrieve \$50,000 worth of personal expenses Furness allegedly claimed from the company, and a second to retrieve a pay advance and \$50,000 home loan.

Though the criminal case related to the expenses is still ongoing, both civil cases have been settled. The settlement orders Furness and his wife to make annual payments to the Utah utility, with 4.5 per cent interest, until they reach \$50,000, according to a copy of the judgment obtained by the Telegraph-Journal.

Though officials in both countries have revealed little about 55-year-old Furness, court documents shed light on the man and the allegations against him.

The story begins in 1997, when he was appointed vice-president of finance and administration at Saint John Energy. Furness had already served 18 years with the company when he got the promotion.

Police allege Furness started "double-dipping his expenses" in January 2000, according to a Saint John police affidavit. But it wasn't discovered until a few years later.

In 2004, former Saint John Energy president and CEO Richard Burpee developed concerns about Furness's expenses, court documents say.

Burpee told police that Furness once owed about \$70,000 through an employee loan program at Saint John Energy that allowed staff to take out loans at six per cent for "anything that plugs into a wall." Loan payments were automatically deducted from employees' paycheques.

When he returned from a six-week vacation to discover Furness had asked payroll to stop deducting his loan payments, Burpee's concern grew.

He began looking into other matters and found concerns with Furness's "corporate credit card and expense account." Burpee told police he worried Furness had been double dipping his expenses.

After more digging, Burpee discovered the money Furness received "through questionable practices was approximately \$40,000," according to the police affidavit.

After Burpee's discovery, Saint John Energy's board of directors voted to dismiss Furness with cause in October 2005, the utility has confirmed.

The company also hired KPMG Forensic Inc. to examine Furness's expense reports, with orders to focus on his expenses relating to conferences and out-of-town meetings, including transportation and accommodation.

The completed audit from KPMG concluded Furness "received potentially inappropriate payments" from Saint John Energy worth a total of \$39,310.28, close to the number Burpee estimated, between January 2000 and May 2005.

As the police investigation continued, Furness kept searching for work. With no paycheque coming in, the Bank of Montreal foreclosed on his Quispamsis home.

After a year and a half of job hunting, Furness was hired as chief financial officer of Heber Light & Power in tiny Heber City, Utah. He worked his first day on Sept. 6, 2006, and filed for bankruptcy a month later.

As Furness worked in Utah, police in Saint John finished their investigation and passed the results on to the Crown prosecutor's office, which must approve any criminal charges in New Brunswick. The Crown laid a charge of fraud over \$5,000 in January 2008.

Police in Saint John searched for Furness so he could answer to the charge. They didn't have much luck until Aug. 6, 2008, when Const. Hayes reached Furness on the phone.

"I advised him of the scope of the investigation and that charges had been approved by the Crown," Hayes wrote in a police affidavit.

"Mr. Furness confirmed that he was living in Heber City and working for Heber City Electric Light and Power. Mr. Furness stated he was not planning to return to Saint John to deal with this matter as he had exhausted his finances paying for lawyers to deal with employment issues.

"I advised Mr. Furness that if he was not going to return and deal with this voluntarily then I would have to make an application for an arrest warrant."

They issued a warrant for his arrest a short time later. Police can't go to Utah and arrest him unless they have an extradition order.

As he avoided the pending criminal charge in Canada, Furness's financial woes piled up in Utah. Though Furness's visa allowed him to work in the United States, his wife and children weren't allowed to work. The family accumulated \$16,000 worth of medical bills during a six-year span.

"We also had to pay our children's tuition for university in order for them to remain in the U.S.A. legally and keep our family together,"Furness wrote in bankruptcy filings.

While the bills piled up, the Utah attorney general alleges Furness began using the Utah utility's money as his own in February 2010.

That month, Furness visited a Hooters restaurant, casino and hotel in Las Vegas, charging a \$42.31 bill to his company card, according to court documents filed as part of a civil suit between Furness and Heber Light & Power.

A list of expenses submitted by the company show Furness made eight more trips to Vegas during his time at the utility and spent company dollars on meals, golf, rental cars and hotels. The list shows a final trip to Vegas, around New Year's Day in 2013, with \$223.96 worth of golf and a \$657.55 bill at Morton's Steakhouse.

Court documents also show Furness made one last trip to Florida before his dismissal, expensing a \$340.48 bill from the Tradewinds Island Grand Resort in St. Pete Beach in March 2013.

The total bill for personal travel, according to the Utah attorney general, tops \$14,000.

In May 2013, Heber Light & Power general manager Blaine Stewart noticed "large miscellaneous expenses" submitted by Furness, according to criminal court documents. Typically, Stewart approved and signed off on Furness's expenses, but said he didn't look over the credit card statements or receipts.

The company held a meeting with Furness to talk about the expenses. Court documents say Furness admitted to using the company credit card for personal use, but said he paid back the charges during the next billing cycle.

He claimed his boss did the same, but a similar audit of Stewart's credit card statements and expenses didn't turn up the same irregularities.

In addition to more than \$14,000 worth of travel, including accommodations and meals, Furness is accused of spending more than \$2,300 of company money for gas, in addition to buying electronics, groceries and golf balls.

The company fired Furness in June 2013.

A charge of theft by deception was laid against Furness eight months later. He posted \$15,000 cash bail that same day.

Furness hasn't yet entered a plea to the criminal charge and will return to court on July 23 for a hearing.

On that same day, his home in Utah will go up for sale to the highest bidder, according to a notice of trustee's sale.

In the meantime, a member of the Wasatch County Taxpayers' Association in Utah is asking why no one at Heber Light & Power knew that Furness had been dismissed with cause from Saint John Energy.

Tracy Taylor, president of the association, believes Furness slipped through the cracks.

"Our association members are not happy," she said.

Burpee, the former president and CEO of Saint John Energy, said he didn't know his former employee was hired in Utah until recently. When a headhunting firm from New York called Burpee about Furness shortly after his dismissal in Saint John, Burpee said he told them Furness was dismissed with cause.

Several city councillors in Saint John have also said they want answers about what happened with Furness at Saint John Energy.

They aren't likely to get answers unless Furness returns to Canada to respond to the fraud over \$5,000 charge.

Extraditing Furness back to Canada will require a request from New Brunswick's attorney general to the federal justice minister.

Officials with the justice department's International Assistance Group, which coordinates all extradition requests for the federal government, would review the request and determine if extradition is appropriate.

If they agree, it would file an extradition request to Utah, once Furness's criminal charge there has been dealt with.

"The foreign country will then go through its own processes in responding to the request," federal Department of Justice spokeswoman Carole Saindon wrote in an email.

"Canadian officials will be advised of the progress of the proceedings. Canadian officers will bring back the person to Canada."

Though Saint John police have no power to force Furness to come back to Canada, Chief Bill Reid said he would welcome Furness "with open arms if he comes back."

"When the dust settles on what the United States will be doing, we'll certainly be interested in bringing him back," Reid said.

"But we'll cross that bridge when we come to it."

Former energy boss had suspicions

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Byline: Karissa Donkin Telegraph-Journal

SAINT JOHN * Former Saint John Energy president and CEO Richard Burpee says he is "very disappointed" that one his former employees is accused of taking tens of thousands of dollars from power utilities in Canada and the United States.

Anthony Furness was vice-president of finance and administration at Saint John Energy from 1997 until 2005, when he was dismissed from the utility with cause.

After Burpee started digging into Furness's business practices, he told police he believed Furness received \$40,000 of company money by "double-dipping" his expenses during a five-year span, according to a police affidavit filed in 2008.

Furness moved to Utah, where he was hired as chief financial officer of Heber Light & Power. He was dismissed from that job last year and charged with theft by deception, a second-degree felony in the United States. He's accused of claiming more than \$50,000 worth of personal expenses - including airfare, golf balls and groceries - as being related to business.

"I really couldn't believe it when I found out that a similar action may have been done in Utah," said Burpee, who just returned from four weeks out of the city.

Burpee was president and CEO for 20 of the 26 years Furness worked at Saint John Energy. Despite working together for two decades, Burpee said he didn't know much about Furness's life outside the office.

"He had some good ideas and we implemented a lot of them," Furness said. "Once I found out what was (allegedly) going on, that terminated that sort of thing."

Burpee retired from the utility in 2006, the same year Saint John police began investigating the former executive for fraud.

Before he retired, he went to Saint John police with concerns about Furness, meeting with Const. Tony Hayes on Jan. 27, 2006.

"It was still ongoing when I retired," Burpee said.

"After we released him - the board released him for cause - the board decided it would be best if we turned it over to the city police, at which time I did. Then Tony Hayes got involved, and he and I worked together on it."

Until Furness was charged in Utah, Saint John Energy hadn't revealed why Furness was dismissed or that the Crown approved a charge of fraud over \$5,000 against him.

The utility released a statement from current president and CEO Ray Robinson last month, explaining that Furness was fired after "an investigation of some financial irregularities."

Robinson said the utility "did not experience any permanent financial loss from this situation."

Burpee said he was never informed about what happened with the accusations against Furness after he retired.

Shortly after Furness was let go from Saint John Energy, a headhunting company from New York called Burpee to ask about Furness.

"All I told him was he was dismissed for cause," Burpee said. "I don't know whether that was related to his hiring in Heber or not."

Burpee said he didn't even know Furness was in Utah until last November.

Joe Dunbeck, a lawyer with Heber Light & Power, said the company didn't know of any allegations of wrongdoing against Furness when he was hired there.

Once Burpee found out Furness was hired in Utah, he said he spoke with Heber Light & Power's CEO.

Two Saint John city councillors have said they would like to know more about what is alleged to have happened during Furness's time at Saint John Energy.

When asked what he would say to people who are still looking for answers, Burpee said they have to let the case play out through the courts.

"It's a police investigation now and that's the way it's going to have to stand until such time as if and when he is brought to justice, and he is either proven guilty or not guilty."

Utility developed whistleblower policy after alleged fraud

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Byline: Karissa Donkin Telegraph-Journal

SAINT JOHN * In light of allegations that its former vice-president of finance took more than \$39,000 from the utility, Saint John Energy has introduced a whistleblower policy and toughened its business ethics rules.

Anthony Furness is wanted by Saint John police on a charge of fraud over \$5,000 dating back to his time at Saint John Energy. He was dismissed from the utility with cause in October 2005.

When asked what, specifically, the public power company has done to prevent instances of fraud from happening in the company, spokeswoman Jessica DeLong cited the whistleblower and business ethics policies.

Saint John Energy, she added, also "enhanced its business expense review procedures." She didn't specify when the changes happened.

It's alleged that Furness took \$39,310.28 by "double dipping his expenses" between January 2000 and May 2005.

According an arrest warrant affidavit obtained by the Telegraph-Journal, the company didn't discover the allegedly improper expenses until former president and CEO Richard Burpee started digging into Furness's corporate credit card and expense account.

Burpee hasn't returned messages requesting comment, nor has Chris Titus, who was president of Saint John Energy's board at the time.

The police affidavit also revealed that Furness, according to Burpee, once owed as much as \$70,000 through a company employee loan program. The program, the affidavit says, allowed employees to take out loans at six per cent for "anything that plugs into a wall."

When asked if that program still exists, DeLong said it does but that employees can only borrow a maximum of \$7,500. That money, she added, must be paid back within three years.

Deputy Mayor Shelley Rinehart, who took over as chairwoman of Saint John Energy's board in April, said it's important the utility took "immediate action" to make sure there were policies to guard against wrongdoing.

"A whistleblower policy is certainly important so people feel both comfortable and able to report anything that is of concern to them," Rinehart said.

Checks and balances for programs that allow employee loans are crucial to ensure everyone is treated equally "and the interests of the ratepayers are protected," she added.

Late last Friday, Saint John Energy issued a statement confirming Furness was dismissed after an investigation into "financial irregularities," adding that the utility couldn't say much more because of privacy legislation that prohibits discussing personnel issues.

That explanation and statement isn't good enough for Ward 1 Coun. Bill Farren.

"I don't think it's anywhere near enough," the councillor said. "I think the ratepayers deserve a lot better than what that statement concluded."

He wants the utility to "come clean" on all the details so it can have a fresh slate going forward with Rinehart and president and CEO Ray Robinson at the helm.

"It should be brought out into the open and everybody can feel comfortable that the guardians of the purse strings are doing their job properly," Farren said. "I think you can only hide behind lawyers for so long."

Furness also faces a charge of theft by deception in Utah, where he worked as chief financial officer of Heber Light & Power. He's accused of improperly expensing more than \$50,000 worth of items - including groceries, airfare and golf balls - on a company credit card.

None of the allegations against Furness in Canada or the United States have been proven in court.

Former Saint John Energy VP accused of 'double dipping' expenses

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Byline: Karissa Donkin Telegraph-Journal

SAINT JOHN * Former Saint John Energy executive Anthony Furness allegedly took more than \$39,000 from the power company by "double dipping his expenses," a police affidavit obtained by the Telegraph-Journal reveals.

The affidavit, filed by police in order to issue a warrant for Furness's arrest, offers a glimpse into how much public money Furness is accused of taking and how Saint John Energy officials discovered the alleged wrongdoing.

Furness, formerly the public utility's vice-president of finance, was dismissed by Saint John Energy in October 2005 after the company detected "some financial irregularities," current CEO and president Ray Robinson has said. When contacted on Monday afternoon, the company declined further comment on the matter.

Furness is wanted by police in Saint John. Officers here have never been able to locate him so he can answer to a charge of fraud over \$5,000.

Across the border, Furness also faces a charge of theft by deception in connection to more than \$50,000, which the Attorney General in Utah alleges he claimed as personal expenses while working for a power company in that state. None of the allegations against Furness in Canada or the United States have been proven in court.

The story begins in 2004, when former Saint John Energy president and CEO Richard Burpee became concerned with some of Furness's "business practices," the police affidavit says.

At the time, Saint John Energy had a loan program that allowed employees to take a loan for "anything that plugs into a wall." Once they were approved for the loan, payments were deducted from an employee's paycheque. Burpee told police that, at one point, Furness owed the company \$70,000 through this program.

Around the same time, when Burpee went on vacation for six weeks, Furness allegedly asked members of Saint John Energy's payroll department to stop taking payments for the loan out of his account, a violation of company policy.

The violation prompted Burpee to start digging further. He started looking into Furness's corporate expense account and company credit card. He discovered that Furness was "double dipping his expenses" to the tune of about \$40,000, the affidavit says.

Burpee met with Saint John police Const. Tony Hayes on Jan. 27, 2006, to share his concern. At the time, police said they were investigating an unnamed Saint John Energy employee for fraud over \$5,000, but the utility didn't reveal who was being investigated.

The utility hired KPMG Forensic Inc. to audit Furness's expenses, with a focus on expenses related to out-of-town travel.

The audit, completed on June 26, 2006, found that Furness received \$39,310.28 in "potentially inappropriate payments" between January 2000 and May 2005.

As police and Saint John Energy probed Furness's expense account, publicly accessible bankruptcy documents show he was on the edge financially. His home in Quispamsis was foreclosed in 2006 by the Bank of Montreal.

After a year and a half of job searching with no income coming in, Furness was hired as chief financial officer of Heber Light & Power in Heber City, Utah, which has a population of slightly more than 12,000. Company lawyer Joe Dunbeck has said Heber Light & Power didn't know of any allegations of wrongdoing when Furness was hired.

Furness moved to Utah in September 2006 with his son, and the rest of his family followed them two months later. The conditions of his work visa meant Furness could work, but his wife and children under 21 could not.

Despite landing a job, Furness's expenses kept piling up. The family arrived in Utah during a real estate boom and paid between \$1,500 and \$2,000 a month for rent, in addition to more than \$16,000 in medical bills. He filed for bankruptcy in October 2006.

Back in New Brunswick, the Crown's office approved a fraud over \$5,000 charge against Furness in January 2008.

After eight months of searching for Furness, Hayes tracked him down and talked to him on Aug. 6, 2008. He told him about the investigation and the charge, and Furness explained that he moved to Utah.

"Mr. Furness stated that he was not planning to return to Saint John to deal with this matter as he had exhausted his finances paying lawyers to deal with employment issues," Hayes says in the affidavit. Satisfied that Furness wasn't going to come back to Saint John to deal with the charge voluntarily, police laid a warrant for his arrest on Aug. 18, 2008.

Five years later, in May 2013, Heber Light & Power general manager Blaine Stewart "noticed large miscellaneous expenses" submitted by Furness.

An audit later determined that Furness allegedly expensed \$51,356.54 of personal expenses as being related to business between February 2010 and May 2013, including airfare for his wife, golf balls, groceries and electronics.

He was dismissed from his job in Utah in June 2013. A few months later, he was charged with a second-degree felony charge of theft by deception. He's free on \$15,000 bail and is scheduled to appear in court in Utah again on July 23.

The Telegraph-Journal has been unable to track down Furness in Utah for comment. David Lutz, who was retained by Furness in 2008, declined comment on his client's behalf.

"It is unethical for a lawyer to comment as to whether he even represented someone or is now representing them unless the client is one who says it," Lutz said.

- With files from Don MacPherson of The Daily Gleaner