

**Mr Christopher Carpenter of HMP Leyhill, Gloucester, formerly of Gloucester, United Kingdom
CIMA Disciplinary Committee Meeting held on 5 June 2020**

References in this decision to Regulations are to those in the Institute's Royal Charter, Byelaws and Regulations (2020) and references to Rules are to the Institute's Disciplinary Committee Rules 2015, in both cases unless otherwise stated. The Disciplinary hearing was conducted in the presence and under the advice of an independent legal assessor.

The Charge

The Committee considered the following allegations against Mr Carpenter:

Factual Allegations

1. *"Between 30 April 2012 and 30 July 2018, you committed fraud whilst occupying a position, namely chief financial officer, in which you were expected to safeguard and not to act against the financial interests of a company (name redacted), and you dishonestly abused that position, thereby intending to make a gain, namely £530,863.*
2. *On 10 July 2019 you pleaded guilty to the charge set out in paragraph 1 and were convicted of Fraud by abuse of position.*
3. *On 14 August 2019 you were sentenced to 54 months imprisonment.*
4. *Your conduct which resulted in the conviction was dishonest."*

Misconduct Allegations

"By reason of the facts alleged above, either individually or collectively, it is alleged that you are guilty of misconduct as defined by the Byelaw 1 of the Institute's Royal Charter Byelaws and Regulations (August 2011, October 2012, July 2015 and December 2018 versions), as follows:

- a. *"...in respect of any ...Member (ii) conduct resulting in any conviction...relevant to their membership ...with the Institute.*

CIMA considers your conduct which resulted in your conviction relevant to your membership, as it constitutes a breach of the fundamental principles of the Code of Ethics (October 2010 and January 2015 versions), in particular (Integrity 100.5 (a) and 110 and Professional Behaviour: Sections 100.5(e) and 150).

- b. *"failure to comply with the Laws of the Institute"*

CIMA considers your conviction and your conduct which resulted in your conviction, a failure to comply with the Laws of the Institute in particular breaching the fundamental principle (Integrity 100.5 (a) and 110 and Professional Behaviour: Section 100.5(e) and Section 150) of the Code of Ethics (October 2010 and January 2015 versions)."

Findings of Fact

Mr Carpenter had admitted the facts of the Charge, as set out in his application form dated 11 March 2020. The Committee considered the certificate of conviction, as well as the admissions made as to the factual allegations. The Committee also considered the relevant documents relied upon by CIMA in relation to each allegation of fact.

The Committee was satisfied that all the facts were proved on the basis of the documentary evidence as well as Mr Carpenter's admissions.

Misconduct

The facts having been found proved, the Committee considered the matter of misconduct. CIMA's Byelaws and Regulations define "misconduct" as "failure to comply with the Laws of the Institute." The Laws of the Institute include the Code of Ethics.

In relation to the charges (set out above), the Committee made the following findings:

The Committee had regard to the nature of Mr Carpenter's conviction, which involved fraud by abuse of position. Between 30 April 2012 and 30 July 2018, he committed fraud while occupying the position of chief financial officer of a company.

The Committee had regard to the transcript of the Judge's Sentencing Remarks at the sentencing hearing at Bristol Crown Court on 14 August 2019.

The Judge noted that Mr Carpenter was expected to safeguard and not to act against the financial interests of the company. The Judge noted that within approximately 3 months of joining the company Mr Carpenter began to carry out a sustained and sophisticated fraud using false invoices that funneled money in the sum of £530,863 to his own company. The Judge also stated that he carried out this fraud over a sustained period of time and it was sophisticated in nature. The Judge also noted that he tried to cover his tracks and this involved blame being placed on other individuals.

The Committee took into account that Mr Carpenter was sentenced to 54 months' imprisonment for a serious criminal offence of dishonesty.

The Committee noted that in his letter to CIMA dated 14 April 2020 he had accepted that he was guilty of misconduct.

The Committee concluded that Mr Carpenter's actions which resulted in his conviction and sentence amounted to a serious falling short of the standards required of a CIMA member and brought him, his profession and the Institute into disrepute.

The Committee therefore decided that the matters found proved were so serious as to constitute misconduct.

Mitigation and Sanction

Having found misconduct as alleged, the Committee went on to consider the questions of mitigation and sanction. In considering what sanction (if any) to impose, the Committee had regard to the Indicative Sanctions Guidance and to the advice of the Legal Assessor. It also had regard to the principle of proportionality and that the sanction imposed should be the least onerous suitable to reflect the seriousness of the misconduct, as well as to protect the public interest.

The Committee took into account the following aggravating and mitigating factors.

The Committee considered that the misconduct was aggravated by the fact that Mr Carpenter committed a fraud while he was in a position of trust, while in a senior role at the company. The fraud continued over several years, the sum of money involved was large, and he went to lengths to cover up his fraud, which also led to blame being placed on others.

The Committee was of the view that the mitigating factors in this case were his early guilty plea in the criminal court, previous good character, admissions to CIMA, and his engagement with CIMA's regulatory process.

The Committee considered each available sanction in ascending order of seriousness. The Committee decided that the matter was too serious for an admonishment, reprimand, severe reprimand or a fine. The Committee did not think that conditions would be workable or appropriate in light of the fact that this is a serious case of dishonesty, rather than concerns about Mr Carpenter's practice, and further he was serving a lengthy period of imprisonment.

The Committee next considered suspension. Dishonesty is difficult to remediate, and in light of the seriousness of the criminal offending, and Mr Carpenter's ongoing imprisonment, the Committee decided that the matter was too serious for suspension to be sufficient to uphold the public interest in this case.

The Committee noted that Mr Carpenter, in his letter dated 14 April 2020 stated that he believed that he should be expelled. However, the Committee exercised its own judgment. Honesty and integrity are fundamental to Mr Carpenter's profession. He breached the trust placed in him as a senior figure in the company in a sustained manner over several years. The Committee concluded that a conviction of this nature was fundamentally incompatible with continuing membership. The Committee concluded that the only appropriate and proportionate sanction which would maintain confidence in the profession, as well as uphold proper standards of conduct and behaviour, was exclusion from membership.

Costs

The Committee considered CIMA's application for costs as set out in the schedule of estimated costs served on the Mr Carpenter on 1 April 2020 and determined that he should not pay costs.