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## Reseller stole millions and only gets 30 months of jail time

Former Microage and MetaFore chief executive Joe Vos is sentenced for defrauding his partners

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by *Paolo Del Nibletto*

In the end [Joe Vos](#) was sentenced, by an Ontario court, to roughly a month for every million he defrauded his own brother Ed and partners James Alexander, Moishe Lerman and others from Microage/MetaFore and Hartco.

CDN has obtained a court prepared Agreed Statement of Facts that was signed off on by Joe Vos. In that document, it states that the former co-owner of Microage Southwestern Ontario, which eventually merged with Microage Calgary and CTI Technologies (owned by Alexander and Lerman), for a period of six years starting in 1995 took money from Microage and [MetaFore](#) and hid it by creating phony accounts receivables and invoices and directing other employees to create bogus records for the use of the money.

According to this court document, Joe Vos between 1996 and mid-2000 stole approximately \$29 million from Microage and, with the exception of about \$8 million, most of the money was returned or recycled back into the company.

For Alexander, this long seven plus year process was an effort to clear his good name and that of his partner Lerman. "When we were forced out of the company there might have been a question mark on our reputations and at the end of seven and a half years that has been cleared up and I am grateful of that," Alexander said.

Alexander's ordeal has taught him that white collar crime is very difficult to prosecute in this country. "We went to several different jurisdictions trying to get anyone interested in pursuing what is a sizable fraud," he added. Until Alexander found Waterloo police Sergeant Rob Zensner and crown prosecutor Melanie Sopinka in 2005 no one was willing to take up their cause.

"That is a long process, and if this was the U.S. it would be much quicker and the sentence much different. For my community (the channel), there is a message here. Do you due diligence. Just because you know someone for a lot of years does not mean you really know everything," he said.

Joe Vos also falsified documents in order to disguise the removal of company funds. He created dummy companies called Row International Bancorp Inc. and OnlineTel to steal more money from his partners in the guise of paying phony invoices. This tactic was also used to keep Deloitte & Touche auditors off the trail, according to the Agreed Statement of Facts.

Alexander, who currently is a senior vice-president and GM at Info-Tech Research Group's Indaba Division, added that he and his partner have never seen the forensic audit. "At the time we left, we had a vague idea that a few million dollars were missing, but never the full magnitude until this document came out," he said.

In the end, Joe Vos' double life resulted in a June 14, 2007 conviction of fraud over \$5,000. The main piece of evidence came from the Aug. 1st, 2000 merger agreement between the Microages and CTI that formed MetaFore. All three parties were each required to pay \$3 million in equity to MetaFore.

Joe Vos fraudulently misrepresented the financial health of Microage to the partners by overstating the accounts receivables and failing to disclose the fraudulent receivables. Joe Vos admitted this to Hartco

employees and the auditors. But the impact was that MetaFore unknowingly assumed the fraudulent receivables of Microage, according to the Agreed Statement of Facts.

The only reasons given by the court documents as to why Joe Vos committed these fraudulent acts is that it was for personal purposes.

Alexander said that the only time Joe Vos communicated with him was to leave him a voice message seven years to saying he would eventually pay him back.

Alexander and Lerman spent the better part of 20 years building a business that started from a retail store and turned into a national solution provider. "That is a lot of emotional equity invested and sweat equity invested in a business and to have it sort of ungloriously taken away from you has been quite traumatic; never mind the financial part," Alexander said.

According to Alexander, the court pushed for a plea bargain in which he and Lerman would be paid \$500,000. That never materialized. However, the cash losses were much larger than the proposed restitution.

"This was never about collecting money, but about bringing closure and seeing justice and not just for me and Moishe, but for other people who were victims of this crime. There were people at MetaFore that lost their jobs, lost out on bonuses and had negative effects placed on their careers because of the missing money."

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