

Laurel Elizabeth Hudson (Tanner)

Cranbrook, BC

Called to the bar: May 19, 2000

Discipline hearing : November 20 to 22, 2013

Panel : Thelma O'Grady, Chair, Don Amos and Brian J. Wallace, QC

Decision issued : January 20, 2014 (2014 LSBC 02)

Counsel : Carolyn Gulabsingh for the Law Society; Richard Gibbs, QC for Laurel Elizabeth Hudson (Tanner)

FACTS

Laurel Elizabeth Hudson (Tanner) agreed that she deliberately falsified accounts submitted to the Legal Services Society (LSS) on her behalf and on behalf of other lawyers employed by her firm, even after being cautioned about doing so by LSS, as follows:

- Between April and October 2007, Hudson submitted to LSS for payment at least six accounts that falsely stated the time spent by lawyers in order to recover time spent by legal assistants. She knew the accounts were false and that LSS did not permit billing for time spent by legal assistants.
- Between October 2007 and April 2008, Hudson caused the time records of lawyers who worked at her firm to be altered on at least 12 accounts to include time spent by legal assistants. These false accounts were submitted to LSS for payment based on the altered time records.
- Between April and September 2008, Hudson caused the time records of lawyers who worked at her firm to be altered to include approximately 20 per cent more hours than had actually been worked by the lawyers and caused at least nine false accounts to be submitted to LSS based on the altered time records.
- Between June and November 2008, Hudson caused at least five false accounts to be submitted to LSS for payment in which she claimed preparation time related to court applications when no application was filed on that date, or multiple applications were filed on the stated date and preparation time was claimed for each application, contrary to the LSS tariff.
- Between April 2007 and November 2008, Hudson caused accounts to be submitted electronically to LSS on behalf of other lawyers in her firm. She used the other lawyers' e-billing access codes when she knew it was not permitted to submit accounts for payment on behalf of other lawyers without prior authorization from LSS.

Admission and Disciplinary Action

Hudson admitted that her actions constituted professional misconduct.

At the hearing, Hudson's counsel cast doubt on her admission to one of the allegations, but did not withdraw Hudson's agreement to it. The panel considered whether this allegation had been proven. The allegation arose immediately following a 2007 LSS audit of Hudson's firm's billings, which uncovered that legal assistant billings were identified in the firm's records, but not on the bills to LSS. After the audit, Hudson's firm continued these billings but without identifying them in its billing records. In letters and the agreed statement of facts, Hudson admitted to the allegation twice, and denied it twice. The panel found that the

facts supported her admission and there was no evidence to support her denial.

The panel considered a number of aggravating factors. Hudson's misconduct was not an isolated incident. Rather, it consistently occurred over an extended period of time. Despite the caution from LSS that billing for legal assistants' time was not permitted under the tariff, she found another way to do it.

Hudson deliberately misreported time and submitted false invoices to LSS because she thought that she was justified in doing so, and because she believed that the exclusion of legal assistants' time from the LSS tariff was improper.

The direct victim of Hudson's misconduct was LSS, as Hudson received thousands of dollars from LSS on the basis of falsified billings. The resources expended by LSS to satisfy the false accounts, and in uncovering the false accounts submitted by Hudson, also took resources away from LSS clients or potential clients who would have benefitted from those resources. Further, BC taxpayers were indirect victims of Hudson's misconduct as LSS is funded, in part, through revenue generated by the provincial government.

Letters of reference attested that Hudson was a dedicated and skilful lawyer. It was clear to the panel that she had great concern for poor and marginalized people and their lack of access to justice. When LSS took away her vendor number, she continued to assist poverty clients by doing pro bono work.

The panel found no evidence that Hudson's misconduct was the result of duress or undue influence at the time of the wrongdoing. Hudson admitted that she had temporarily lost her "moral compass." In the panel's view, her intentional dishonesty fell far below the standard that the Law Society expects of lawyers.

The panel ordered that Hudson:

1. be disbarred; and
2. pay \$13,860 in costs.