

1 month pre-trial and 32 months imprisonment for participation in operation that made \$3 million in counterfeit \$20 bills and a ¼ million in \$10 bills

Mr. Todorov was a party to a large counterfeiting operation. He assisted in the delivery of the counterfeit money to market although he was not directly involved in its sale. The counterfeit operation was large, sophisticated and highly remunerative. The scheme was conducted from three different locations, involved numerous people and an extensive number of computers and printers. The counterfeit \$20 bills were high quality and caused a total loss of \$3 million dollars. In addition, \$250,000 worth of \$10 bills were manufactured.

Mr. Todorov was 20 years old at the time of the offence and 23 at the time of the sentencing. He lived with his parents and worked at his father's automotive business. He had 1½ years of college and was planning to register for additional courses.

The Crown suggested a sentence of 3 to 3½ years was appropriate. An accomplice, Mihalkov, played a larger part in the operation, pled guilty and received 4 years. The defence argued for a conditional sentence disposition on the basis that Mr. Todorov was a youthful first-time offender.

The court rejected the argument for a conditional or reformatory sentence noting these were usually imposed for persons involved in small amounts of counterfeiting or amateur operations. The court held at pages 5-6 of its reasons:

Counterfeiting is a very serious offence and there must be very exceptional conditions to justify a nominal term of imprisonment. Counterfeiting constitutes a very serious threat to the community, particularly now, as in seen in this case, when it can be produced relatively easy.

Further, counterfeiting is an offence for which, in my view, denunciation and deterrence are more important factors than for many other offences. It requires pre-meditation, planning, and is driven entirely by greed.

The court gave Mr. Todorov 2 months credit for his 1 month pre-trial custody and imposed a further sentence of 32 months imprisonment.

SUPERIOR COURT OF JUSTICE

B E T W E E N:

HER MAJESTY THE QUEEN

v.

RONALD E. TODOROV

R E A S O N S F O R S E N T E N C E

BEFORE THE HONOURABLE MR. JUSTICE GROSSI
on Tuesday, December 19, 2006, at Toronto, Ontario
Courtroom 7-1, 361 University Avenue

APPEARANCES:

J. Scutt, Esq.

for the Crown

B. FOX, Esq.

for the accused

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(Grossi J.)

TUESDAY, DECEMBER 19, 2006

U P O N C O M M E N C I N G : (2:00 p.m.)

MR. SCUTT: Mr. Todorov is before the court,
Your Honour.

R E A S O N S F O R S E N T E N C E

GROSSI J. (Orally):

Mr. Ronald Todorov was found guilty of the
following counts in the indictment:

Count 3 - possession of counterfeit
money,

Count 6 - possession of instruments used
in making counterfeit money,

Count 7 - making counterfeit money,

Count 8 - possession of a die capable of
making the impression of a stamp; to
wit, a cast-aluminum die with the number
20 on a raised square, and

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Count 22 - possession of a fraudulent
TTC Metropass.

The counterfeit currency operation in which he was engaged was large, highly sophisticated, and abundantly remunerative. The product was of high quality involving a large quantity of counterfeit bills. The recovery of counterfeit twenty-dollar inkjet - OSDO-11/11 aid bills amount to a loss of 3 million dollars to the Canadian public never to be recovered. The ten-dollar bills total \$250,780 never to be recovered.

There were a number of people involved with various roles in the operation. There was nothing amateur about it. The computers and printers used were extensive and expensive. The operation was conducted from three separate locations.

In the reasons for judgment, I reviewed the counterfeit items connected and located in Mr. Todorov's bedroom and the large amount of

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cash where he lived at 71 Grand Valley, the three locations, the photographs and the connection to 25 Cosburne Avenue at the time of the previous takedown.

while Mr. Todorov was a party to this large-scale operation, he was not involved in the sale. One of his roles may be categorized as assisting in the delivery of the counterfeit money to market.

Mr. Scutt for the Crown provided a number of cases and submits that given Mr. Todorov's role in the operation -- he should be sentenced to a period of three to three and a half years. He argues that there are no mitigating circumstances. There was no guilty plea nor any assistance in identifying the others involved.

Mr. Fox on behalf of Mr. Todorov argues that the lack of a plea should be set off against the section 8 motion with respect to the warrant at 71 Grand Valley. This was a real issue and supported by my ruling that the

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warrant was improper, though the evidence was admissible. I would agree.

Further, I agree that Mr. Mihalkov played a larger part in the operation than Mr. Todorov. However, Mr. Mihalkov pled guilty and received a sentence of four years.

Mr. Fox argues that Mr. Todorov is a youthful first-time offender and a disposition other than incarceration should be considered. However, the case of R. v. Priest refers to situations not involving serious offences. This case involves very serious offences.

Mr. Fox argues that Mr. Todorov did not testify foregoing a possible explanation. On the other hand, by not testifying he avoided being cross-examined.

Mr. Todorov is 23 years of age. He was 20 at the time of the offences. He lives with his father and is employed at his father's automotive business. His work is satisfactory. He has a Grade 12 education

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plus one and a half years college. He is scheduled to register for courses in January. He is single and has no dependants. He is involved in his church. He spent one month in pre-trial custody.

Mr. Fox argues that Mr. Todorov should be given a conditional sentence. I, of course, have considered counsel's submissions and reviewed the cases provided. The cases where a reformatory sentence or a conditional sentence was imposed are, for the most part, dealing with persons who were involved in small amounts of counterfeiting and/or an amateur operation.

Counterfeiting is a very serious offence and there must be very exceptional conditions to justify a nominal term of imprisonment. Counterfeiting constitutes a very serious threat to the community, particularly now, as is seen in this case, when it can be produced relatively easy.

Further, counterfeiting is an offence for

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which, in my view, denunciation and deterrence are more important factors than for many other offences. It requires pre-meditation, planning, and is driven entirely by greed.

First of all, let me say that a conditional sentence in these circumstances is totally inappropriate.

Secondly, I appreciate Mr. Scutt's position that Mr. Todorov should receive a sentence in the range of three to three and a half years. The Crown's position has considerable merit given the massive scale of counterfeiting and Mr. Todorov's part in the operation.

Sentencing is an individual process and a sentence for a first time offender should not be such that it causes the individual to lose all hope.

Now, Mr. Todorov, you are united with your father who is your employer. You are satisfactorily performing your job.

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Mr. Scutt raises a question as to when you became involved with your churches. I am prepared to give you the benefit of the doubt re your attendance and volunteering at your churches.

In my view, a penitentiary term must be imposed upon you taking into consideration all of the circumstances mentioned, in particular general deterrence, and giving you credit of one month re pre-trial custody on a two-for-one basis, I sentence you to a term of imprisonment of 32 months.

Now, Mr. Scutt, with respect to the forfeitures, I have no problem with section 462. Mr. Fox, you said that you would be making submissions with respect to the money that was found in Mr. Todorov's bedroom.

MR. FOX: Yes, Your Honour. Quite frankly, I think that there is a claim with respect to that money by Ms. Todorov's mother, not with respect to all of it but with respect to twenty-odd thousand. I think that she should

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Honour as to the origination of the money, things of that nature. There are documents that she has and can present to the court to show where the money came from. Mr. Scutt has these documents also. But it's a situation where she should be given the opportunity to determine whether or not -- or least give evidence on that particular issue since it's her funds.

THE COURT: Yes, Mr. Scutt.

MR. SCUTT: Those documents were presented during the course of the trial and were in fact exhibits. My understanding of Your Honour's ruling was that you found her explanation for the money not at all satisfactory and that you concluded that this was in fact money obtained through the proceeds of crime. So given those findings, I don't know what point there would be in her making further representations to the same effect at this point. The section -- and I'll just provide Your Honour a copy of the draft.

THE COURT: Yes.

MR. SCUTT: The actual section and the way

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it's worded indicates it is to be forfeited to Her Majesty to be disposed of as the Attorney General directs or otherwise dealt with in accordance with the law, and there are specific provisions under the Criminal Code for a person to attempt to obtain money. Now, there was a previous application by Ms. Todorov in provincial court and I think in part because, you know, the criminal proceedings were still before the court and so on that at that time that -- it was Judge Mocha ruled that there was no basis for returning the funds. Whether her ruling is at the end of day permanent or whether there could be a second application I guess remains to be determined. But I think by making the order and based on what I'm saying now, I'm in no way trying to prevent Ms. Todorov from exercising her rights to make a claim if she so wishes with respect to this money and, you know, I'm content even that -- I don't know what her intentions are. But if she intends to make a claim, say, within the next, you

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know, 60 days or so that, you know, the order
could be, perhaps -- an addendum that, you

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know, subject to any further claim by
Ms. Todorov to be made before a court within
a further 60 days, so that if she wants to
initiate a further claim, she claim. But I
don't know what other point I could get this
order from the court other by having Your
Honour make it now.

THE COURT: Yes. Mr. Fox, do you have
anything in reply?

MR. FOX: No. I think that my friend has
given an adequate alternative to what I'm
suggesting. I'm just wondering if we can
just -- I didn't attend before Judge Mocha
for the hearing. Did she rule that she
didn't have jurisdiction at that point in
time and withhold a ruling or did she just --
what did she --

MR. SCUTT: She made a ruling. There was a
full hearing. There was evidence called.
Ms. Todorov testified. There were the same
documents. And, frankly, Judge Mocha has
some of the same concerns as Your Honour did
about the inconsistencies and why the money

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was sitting there for so long unused and so on, and so she wasn't satisfied that the

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money at that point -- I think it was a combination of having concerns plus the fact that the trial was still in the future and she wasn't prepared to release the money.

So --

THE COURT: Yes. Well, I think that that is a proper way to dispose of it. I did make the finding in the trial proper that these monies -- I did not accept the evidence of Mrs. Todorov and I made in my finding in the judgment and also referring to the cash that was found in Mr. Todorov's bedroom implicated him to that degree. So I think that that's fair. If you put that addendum on here, it gives Mrs. Todorov and opportunity within -- did you say 60 days, Mr. Scutt?

MR. SCUTT: If that's --

MR. FOX: Sixty days is fine.

MR. SCUTT: Is that sufficient time?

MR. FOX: If we could make it 90 days.

MR. SCUTT: Ninety, that's fine.

MR. FOX: Because of the Christmas season and

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stuff like that.

THE COURT: Gives Mrs. Todorov an opportunity
to revisit this and possibly something will

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come to fruition for her. So I'll have you,
Mr. Scutt, put that addendum on there and
then I'll sign it.

MR. FOX: The only other request that I make
is Mr. Todorov was wondering whether or not
he could commence his sentence after
Christmas, but I don't know what Your
Honour's position is because --

THE COURT: Yes. I don't think --

MR. FOX: I think Your Honour is not going to
be here. That's the problem.

THE COURT: Exactly, yes. I can't
accommodate you on that.

MR. SCUTT: Did Your Honour want me to hand
write or retype it formally?

THE COURT: You can just write it in. I'll
be down in my chambers and they can bring it
down and I'll sign it.

MR. SCUTT: The other matter, in terms of
Your Honour's ruling, I believe on all the
counts that you can make that sentence
concurrent. I'm just checking. Count 22, I

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don't know if that --- the maximum would
allow a sentence of that length to be
imposed, the possession of --

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THE COURT: Yes, well --

MR. SCUTT: I'm content on that. Perhaps a
six-month concurrent sentence and then the 32
months is concurrent on Counts 3, 6, 7, and
8. Is that agreeable?

THE COURT: Yes. So ordered.

THIS IS TO CERTIFY that the
foregoing is a true and accurate
transcription of my notes to the
best of my skill and ability.

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GEORGANNA STOMP
Official Court Reporter

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