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Agenda

Topic	Speakers
Welcome remarks	Fausto Franceschi, KC, Partner
Legal implications of off-duty conduct and conflicts of interest	Cristina Wendel, Partner Jenny Xinyi Wang, Associate
Penalties for supervisors, including jail time, in occupational health and safety prosecutions	Daniel Stachnik, KC, Senior Counsel Tari Hiebert, Partner
Q&A and closing remarks	Fausto Franceschi, KC, Partner

Housekeeping

- Have questions? Please hold them until the end of all presentations, and our speakers will do their best to address as many as possible.
- **CPHR:** This program has been accredited for 1.5 Continuing Professional Development (CPD) hours with CPHR Alberta.





Off duty misconduct

When may it warrant dismissal for just cause in a unionized environment?

- 1. The employee's conduct harms the employer's reputation or product;
- 2. The employee's conduct renders the employee unable to satisfactorily perform their duties;
- 3. The employee's conduct leads to refusal, reluctance, or inability of other employees to work with them;
- 4. The conduct is a serious breach of the *Criminal Code* and injures the general reputation of the employer and its employees; or
- 5. The conduct makes it difficult for the employer to properly manage operations and oversee staff efficiently.

- Grievor was a transit operator for the City.
- A female co-worker was potentially interested in buying the grievor's car. They took his car for a test drive outside of regular working hours. During the test drive, the grievor allegedly made unwanted advances towards the co-worker and touched her breast sexually. He suggested they could be "friends with benefits".
- The co-worker stated that she refused his advances and made it clear she was not interested in a relationship with him.
- The co-worker did not intend to report the incident to her employer because in her view, it had nothing to do with work. She did not report it to the police either.
- The employer found out and began an investigation.

- During the grievor's investigation interview, he denied that he had any interest in having a sexual relationship with the co-worker. He specifically denied having made the "friends with benefits" comment or asking her to invite him into her house. He also denied touching her breast.
- He did admit that in a subsequent phone call, she had said he made her uncomfortable.
- At the arbitration, he acknowledged asking her if she wanted to be "friends with benefits", but claimed he thought it meant just being close friends. He acknowledged asking her to "fool around" but claimed he didn't mean anything sexual by it.
- Overall, he claimed he did not say or do anything that would propose a physical relationship.
- At the arbitration, he explained that the discrepancies in his interview responses were because he was very upset, confused and worried about losing his job.
- The employer terminated the grievor's employment for inappropriate conduct with the co-worker.
- The union filed a grievance.

Off-duty sexual harassment

There were 3 issues before the Arbitrator:

- 1) What happened?
- 2) Was there inappropriate conduct sufficient to justify discipline?
- 3) If so, was termination too severe a penalty?

The Arbitrator answered the questions as follows:

- 1) He accepted the co-worker's evidence of what happened.
- 2) The misconduct justified a disciplinary response despite the off-duty nature of the conduct.
- Touching the co-worker's breast without her consent was a sexual assault which warranted just cause.

- The Arbitrator stated that if the grievor had hit on the co-worker, and accepted it when she said no, it would have been "no big deal". However, the grievor kept pursuing it. This constituted unwanted sexual advances and sexual harassment.
- The Arbitrator accepted that the grievor had touched the co-worker's breast. This was sexual assault and sexual harassment of the most serious kind.
- In reviewing the jurisprudence, the Arbitrator noted that arbitrators have always drawn a line between employees' working and private lives.
- The basic rule is that the employer does not have jurisdiction or authority over what its employees do outside of working hours, unless it can show that its legitimate business interests are affected by that conduct.
- Certain activities such as assault or sexual harassment will have a direct bearing on most employment relationships even where they occur in off hours.

- In assessing the damage to the employer's reputation, an arbitrator can exercise their own judgment and consider what "a fair-minded and well-informed member of the public may think about the off-duty conduct".
- Here, the fact they were co-workers was the only reason the test drive occurred.
- The Arbitrator also considered the grievor's job as a transit operator a position of trust.
- The Arbitrator had no difficulty concluding that off-duty sexual harassment and sexual assault by a transit operator on a co-worker would harm the City's reputation.
- In addition, it would make other co-workers reluctant to work with the grievor, and create operational challenges for the City.

- In assessing whether discharge was too severe, the Arbitrator considered a variety of factors.
- Mitigating factors included the grievor's 17 years of service with no disciplinary record, the lack of progressive discipline, and the very serious negative impact termination had on the grievor.
- Aggravating factors included the seriousness of the conduct (sexual harassment "in its most serious form"), the City's statutory obligations under OHS laws, and the grievor's rehabilitative potential (lack thereof).
- Weighing all the factors, the Arbitrator concluded termination was not an excessive response.

- In the Fall of 2020, two faculty members made harassment complaints to the University about the grievor, a professor.
- The University investigated the complaints and in February 2021, found with both complaints that the grievor's tweets constituted harassment. As a result, in May 2021, the grievor received a two-week suspension without pay.
- After receiving the investigation outcome reports, the grievor made complaints about 17 colleagues.
- Those complaints were investigated and complaints against 6 of the 17 respondents were found to be substantiated. Those 6 received warning letters.
- In March 2021, another faculty member made a harassment complaint about the grievor.
- That complaint was investigated and in November 2021, the investigator found that some of the grievor's tweets constituted harassment and that she had contributed to a toxic workplace.

- In July 2021, the grievor made a complaint against another professor about his tweets.
- That complaint was investigated and found that none of that professor's tweets constituted harassment. The investigator characterized the grievor's complaint as being malicious, frivolous, vexatious and made in bad faith.
- The University terminated the grievor's employment on December 20, 2021.
- The arbitration hearing involved 10 grievances relating to the investigation process, the suspension and dismissal.

- In assessing the substantive discipline, the Arbitrator noted the importance of academic freedom in a unionized university.
- However, absolute academic freedom does not exist there are legal limits on the content or manner of expression, including *Criminal Code* provisions on hate legislation, the civil law of defamation, human rights and occupational health and safety legislation.
- In addition, the collective agreement included protections and limitations on academic freedom.

- The Arbitrator noted that the law was clear that an employer could impose discipline for off-duty conduct that affects the workplace.
- Social media communications were not exempt from the limitations in the collective agreement or from anti-harassment obligations.
- While the harassment policy and Code of Conduct did not specifically refer to social media communications, that did not mean that their provisions did not apply. Since the policies set out behaviour expectations, there was no obligation to amend them to include references to social media.

- The Arbitrator also noted that progressive discipline did not always require starting at the lowest penalty.
- However, the 2 week suspension was not justified. It was not a proportionate response.
- While the complaints against the grievor objected to a wide range of conduct, the investigators dismissed the vast proportion of the allegations and found only a small number of instances constituted harassment.
- The terms of reference in each investigation focused solely on the grievor's conduct, without considering the context in which the substantiated harassing tweets occurred, including the timing.
- The Arbitrator substituted a letter of reprimand for the suspension.

- The Arbitrator was satisfied that there was just cause to discipline the grievor in December 2021, finding that:
 - The grievor had harassed another professor in social media posts.
 - The grievor had made a frivolous, vexatious complaint in bad faith. Her motivation in making the complaint was "to carry on the fight".
 - The grievor significantly contributed to a harassing and toxic workplace environment, negatively impacting the University's mission and reputation.
- However, the Arbitrator held that the termination was disproportionate. The University had not properly considered the time frame for the harassing tweets or the wide range of conduct beyond the harassing tweets included in one of the complaints against the grievor.
- The Arbitrator substituted a monetary remedy instead of reinstatement, finding that the employment relationship was not viable.

Alberta Health Services and HSAA (D.E.)

Failure to disclose criminal charges

- The grievor was an Addictions Counsellor at the Edmonton Mental Health Clinic with 12 years of service.
- He had previously received an 8-day suspension for attempting to form a non-professional relationship with a university student working in addictions counselling with AHS as part of her practicum requirements. They had drinks together and engaged in sexual activity. Months later, the student reported that she did not consider it to have been consensual.
- AHS found his behaviour to be "unprofessional, unethical and demonstrating a lack of insight" in engaging in a relationship with a supervisee with a risk of exploitation or potential harm.
- The grievor had not grieved the suspension and accepted it as justified.
- AHS' policies imposed an ongoing duty to disclose criminal charges or convictions, stating that that failure to do so could result in disciplinary action up to and including termination.

Alberta Health Services and HSAA (D.E.)

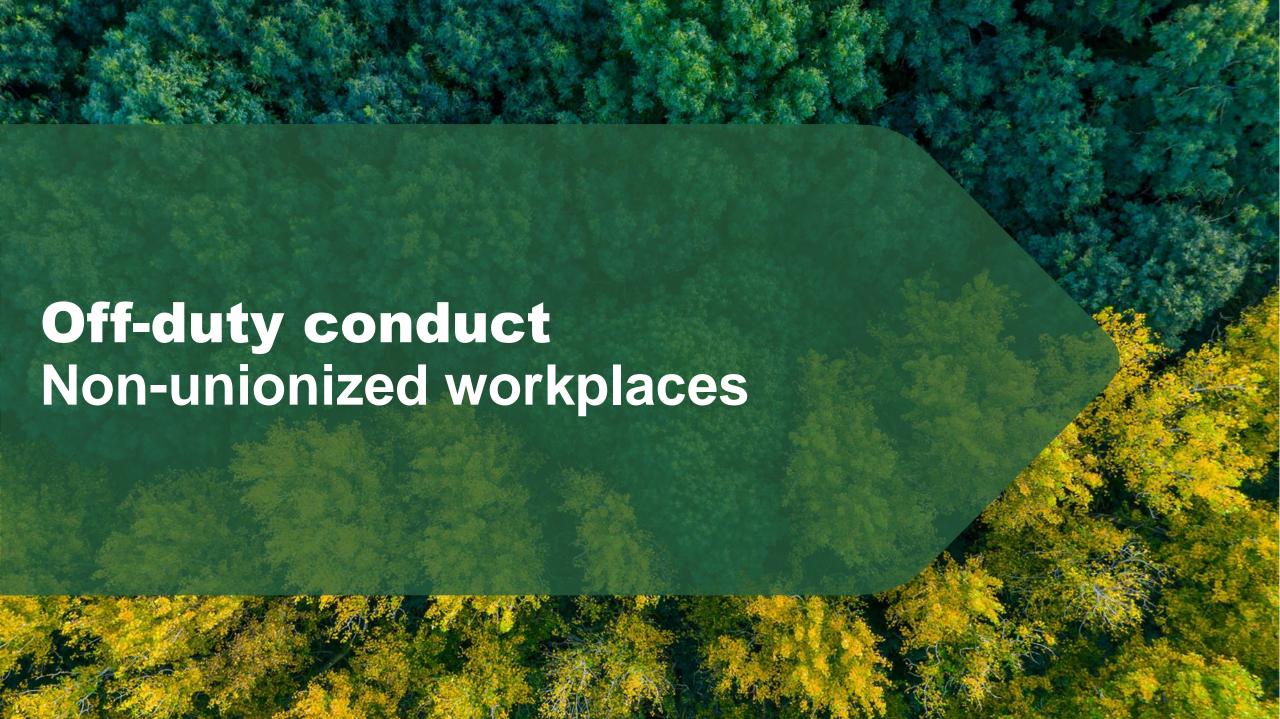
Failure to disclose criminal charges

- About 14 months after the incident, the Edmonton Police Service requested production from AHS related to the incident.
- The grievor then learned he was potentially going to be criminally charged arising from the incident. He was charged a couple weeks later with sexual assault under <u>s. 271 of the Criminal Code</u>.
- AHS learned about the grievor's criminal charge the following month, placed the grievor on administrative leave and investigated the matter.
- The investigation concluded he had failed to disclose the criminal charges, despite being aware of his obligation to do so.
- AHS terminated his employment.
- The criminal charge was withdrawn by the Crown 3 years later.

Alberta Health Services and HSAA (D.E.)

Failure to disclose criminal charges

- AHS relied on the application of progressive discipline and the grievor having acted in such a
 way to destroy the employment relationship by not disclosing the criminal charge.
- The grievor testified he did not recall seeing the policy language requiring disclosure. It was "not something on his mind".
- The Arbitration Board accepted that the grievor failed in his employment obligation by not reporting the criminal charge. This was misconduct which warranted discipline.
- However, termination was an excessive response and "overstepped the seriousness of what occurred".
- The Arbitration Board found that a 1 month suspension was to be substituted for the discharge.



Off duty misconduct

When may it warrant dismissal for just cause in a non-unionized environment?

A contextual analysis involving three steps:

- 1. Determining the nature and extent of the misconduct;
- 2. Considering the surrounding circumstances, including the employee's role, length of service, disciplinary history, and employer policies; and
- 3. Deciding whether dismissal is warranted as a proportional response—i.e., whether the misconduct is so serious that the employment relationship cannot reasonably continue.

- The employee worked full-time for a technology company from 8:30 am to 5:00 pm, Monday to Friday. Hired through friendship with CEO.
- No written contract but a Code of Conduct that stated:
 - A conflict situation can arise when an employee, officer or director takes actions or has interests that may make it difficult to perform his or her duties objectively and effectively;
 - Employer equipment should not be used for non-employer related business, though incidental personal use may be permitted; and
 - All employees, officers and directors have a responsibility to understand and follow the Code of Conduct. A violation of this Code of Conduct may result in appropriate disciplinary action, including the possible termination of employment.
- While the employee had no prior technology experience, the employer had no issues with her performance until January 2017.

- CEO purchased a café and general store. Employee performed volunteer work for said store including (but not limited to) attending trade shows, sourcing and ordering food and beverage, corresponding with the store's employees, contractors and suppliers, and creating signage (which she asked a colleague to assist with).
- Her performance declined due to her involvement with the store. Over several months, she would work on matters for the store during regular office hours. This led to missed deadlines, excessive absenteeism, and delayed responses.
- Before terminating her (and the CEO), the employee was placed on administrative suspension for the purposes of investigating her conduct.
- Upon retaining counsel, she did not further participate in the investigation.
- She was terminated for cause on June 18, 2017.

- In concluding that the employer had valid "just cause" for terminating an employee, the court confirmed generally that employees have a duty to provide full-time service to their employer unless otherwise agreed.
- The court found the following cumulative factors justified the termination:
 - The employee did work for the shop during regular work hours without approval.
 - The employee's work for the shop was broad-reaching and impacted her ability to perform work for the employer. In particular, despite recognizing the importance of certain assigned projects and the associated deadline, the employee failed to complete same.
 - The employee asked a colleague to perform work for the shop (even though she asked him to do so after regular work hours)
 - The employee was not credible in many respects of her testimony regarding her ability to complete her regular duties and work for the shop (her failure to call the CEO led to adverse inferences)

- The court also canvassed whether the fact that there was no warning and that the employee didn't participate in the investigation impacted its conclusion.
- The court described the employee as more "oblivious" than "deceitful" and stated that a warning would be appropriate in the circumstances. The suspension for the purposes of the investigation met that requirement.
- The employee's failure to participate in the investigation was also considered:
 - The employee failed to cooperate with same despite being advised it would be taken as insubordination.
 - The employer did not have an opportunity to notify the employee of the precise nature of its concerns, and the employee lost the opportunity to respond.

Shodunke v Paladin Security Group Ltd.

Failing to disclose criminal charges and Recognizance (bail order)

- Employee was hired as a part-time security guard who was required to work at least one shift every pay period (approximately every two weeks).
- Employee would accept then cancel shifts (last minute) provided to him at the Peter Pond shopping mall.
- After the termination of his employment, he filed a human rights complaint alleging the termination of his employment was based on his religious beliefs.
- The complaint provided that the complainant and his wife was named a chief in Nigeria and upon the death of an ancestral king of the Yoruba tribe he was required to attend, and that he raised same with the employer.
- During the hearing, the employer learned that:
 - The employee had been charged with distributing child pornography and faced bail conditions barring him from, among other things, entering public places attended people under the age of 16, such as shopping malls; and using the internet or cell phone; or leaving Alberta.

Shodunke v Paladin Security Group Ltd.

Failing to disclose criminal charges and Recognizance (bail order)

- The tribunal found that:
 - The employee's failure to report his criminal charges put the employer's security licence at risk when they unknowingly continued to employ him.
 - The employee offered no corroborative or confirmatory evidence to support his allegations of discrimination in employment.
 - The employee did not and would have been unable to attend the funeral in Nigeria. He admitted that he hasn't been back for 14 years.
 - The bail conditions prevented the employee from being able to perform his job, regardless.

Shodunke v Paladin Security Group Ltd.

Failing to disclose criminal charges and Recognizance (bail order)

- The tribunal further held that the employee:
 - Took steps to purposely conceal relevant information;
 - Refused to accept any responsibility for his actions;
 - Was disrespectful and dishonest; and
 - Demonstrated a callous disregard for the law under the Security Act.
- While a human rights tribunal decision, the evidence suggests that a termination for cause (or after-acquired cause in theses circumstances) would have been upheld.

Employer and employee rights

It's all about proportionality

- The Employer is entitled to:
 - Maintain a safe, secure, and productive work environment;
 - Protect company property, including its reputation and confidential information; and
 - Enforce legitimate, non-discriminatory polices.
- The Employee is entitled to:
 - Privacy in personal matters that are not related to the workplace; and
 - Protections and rights under human rights legislation and other legislations.

Key takeaways

Recommendations and take aways

- Your right to act depends on the business connection. Always ask: how does this impact our workplace?
- Policies and training are your best preventative tools.
- Don't act on rumours. Investigate where appropriate.
- Consistency and documentation are critical.
- When in doubt, consult with HR or legal counsel.



Introduction

Why are we talking about this?

- Serious workplace injuries and fatalities can involve *criminal* consequences
- "Supervisors" have substantial responsibilities in Alberta

What we will cover:

- The legal basis for supervisors' responsibilities in Alberta
- The legal basis for supervisors' responsibilities under the *Criminal Code*
- How courts define and apply criminal negligence in the workplace
- Examples from recent Canadian court cases
- Practical takeaways

Who is a "Supervisor" by statute?

- Alberta Occupational Health and Safety Act, SA 2020 c. O-2.2
- Defines a "supervisor" broadly at s. 1(nn):

"supervisor" means a person who has charge of a work site or authority over a worker

Supervisor duties under the OHS Act

4 Every supervisor shall

- (a) as far as it is reasonably practicable for the supervisor to do so,
 - (i) take all precautions necessary to protect the health and safety of every worker under the supervisor's supervision,
 - (ii) ensure that a worker under the supervisor's supervision works in the manner and in accordance with the requirements of this Act, the regulations and the OHS Code, and
 - (iii) ensure that none of the workers under the supervisor's supervision are subjected to or participate in harassment or violence at the work site,
- (b) advise every worker under the supervisor's supervision of all known or reasonably foreseeable hazards to health and safety in the area where the worker is performing work,
- (c) report to the employer a concern about an unsafe or harmful work site act that occurs or has occurred or an unsafe or harmful work site condition that exists or has existed, and
- (d) cooperate with any person exercising a duty imposed by this Act, the regulations and the OHS Code.

Penalties under the OHS Act

- **48(1)** A person who is guilty of an offence under section 47 is liable
 - (a) for a first offence,
 - (i) to a fine of not more than \$500 000 and, in the case of a continuing offence, to a further fine of not more than \$30 000 for each day during which the offence continues after the first day or part of a day, or
 - (ii) to imprisonment for a term not exceeding 6 months, or to both fines and imprisonment,

and

- (b) for a 2nd or subsequent offence,
 - (i) to a fine of not more than \$1 000 000 and, in the case of a continuing offence, to a further fine of not more than \$60 000 for each day or part of a day during which the offence continues after the first day, or
 - (ii) to imprisonment for a term not exceeding 12 months, or to both fines and imprisonment.

Supervisors can be charged and convicted

R. v. Volker Stevin Contracting Ltd., 2025 ABKB 244

- Alberta Court of King's Bench released its decision on April 17, 2025, which was an appeal from a lower court's decision.
- Upheld conviction on Count 27 against the supervisor, Michael Joseph O'Neill.
- Upheld the sentence imposed on Mr. O'Neill: \$50,000 fine plus a victim fine surcharge of \$10,000 = \$60,000

Count 27 — Mr. O'Neill General Duty Offence

On or about October 2, 2019, at or near Airdrie, Alberta, being a supervisor, and as far as it was reasonably practicable to do so, did fail to take all precautions necessary to protect the health and safety of a worker under his supervision, to wit Habtom Abraha, by driving over him with a company vehicle while distracted, contrary to Section 4(a)(ii) of the *Occupational Health and Safety Act*, S.A. 2017, Chapter 0-2.1, as amended.

Count 30 — Mr. O'Neill Specific Duty Offence

On or about October 2, 2019, at or near Airdrie, Alberta, being an operator, and where the movement of a part of powered mobile equipment, to wit a company truck, created a danger to a worker, to wit Habtom Abraha, moved the equipment where the worker was exposed to the danger, contrary to section 258(I)(b) of the *Occupational Health and Safety Code*.

Supervisors can be charged and convicted

R. v. Volker Stevin Contracting Ltd., 2025 ABKB 244 – General Supervisor Duty

[50] The trial judge discussed this count at paras 283-312 of the conviction decision and concluded that Mr. O'Neill breached his duties in this regard by failing to:

- (a) ensure that he knew of Mr. Abraha's location before moving the Truck;
- (b) do a visual inspection of the work site, including in front of the Truck, prior to moving the Truck;
- (c) advise Mr. Abraha that the Truck, which had been stopped in a position such that it was acting as a "shield", was going to be converted from use as a "shield" to a moving object.

[52] The trial judge found that Mr. O'Neill, having regard to the resident's request to enter his driveway and being distracted by the work call he was having with his own supervisor, took no steps at all in relation to Mr. Abraha's health and safety. These finding were supported by the evidence and are not unreasonable.

The Criminal Code

The *Criminal Code* (s.217.1) applies to all worksites in Canada:

Duty of persons directing work

217.1 Every one who undertakes, or has the authority, to direct how another person does work or performs a task is under a legal duty to take reasonable steps to prevent bodily harm to that person, or any other person, arising from that work or task.

The Criminal Code

Criminal negligence

- 219 (1) Every one is criminally negligent who
 - (a) in doing anything, or
- (b) in omitting to do anything that it is his duty to do, shows wanton or reckless disregard for the lives or safety of other persons.

Definition of duty

(2) For the purposes of this section, *duty* means a duty imposed by law.

Causing death by criminal negligence

- **220** Every person who by criminal negligence causes death to another person is guilty of an indictable offence and liable
 - (a) where a firearm is used in the commission of the offence, to imprisonment for life and to a minimum punishment of imprisonment for a term of four years; and
 - (b) in any other case, to imprisonment for life.

The Criminal Code

Causing bodily harm by criminal negligence

- 221 Every person who by criminal negligence causes bodily harm to another person is guilty of
 - (a) an indictable offence and liable to imprisonment for a term of not more than 10 years; or
 - (b) an offence punishable on summary conviction.

Case Example 1

King v. R. (2025 NBCA 12)

- Jason King was convicted of **criminal negligence causing death**.
- The conviction was based on his failure to fulfill his duty as the deceased's immediate supervisor.
- Specific failures included:
 - Not implementing a proper safety plan or hazard assessment.
 - Not following manufacturer instructions for the plug.
 - Not informing workers of increased risks
 - Neglecting confined space safety procedures
 - Proceeding with the leak test despite knowing the worker was in the hole

Sentencing

King v. R. (2025 NBCA 12)

- Jason King received 3 years imprisonment.
- Conviction based on:
 - Pattern of Failures not a one-time mistake
 - Ignored Obvious Risks danger was clear even to a layperson
 - Breach of Duty failed to plan, assess, or warn workers
 - **Procedural Lapse**s ignored manufacturer instructions
- The trial judge found King "did nothing he was required to do" regarding safety. His attention to safety was "nowhere close to what was minimally required". His conduct reflected a "wanton and reckless disregard for the lives and safety of those under his supervision."
- The trial judge stated at the sentencing hearing that "Mr. Henderson died because those legislative duties and obligations on Mr. King, as supervisor, were ignored were never put in place. At trial, Mr. King acknowledge that he had not informed himself as to what was legally require of him."

Case Example 2

R. v. Urgiles (2025 ONSC 845)

- Mr. Urgiles was convicted of criminal negligence causing death.
- Specific failures included:
 - Not ensuring tires met safety standards, despite their obvious condition
 - Ignoring the reported steering issue and directing the driver to use the unsafe truck.
 - His conduct was "part of an on-going course of negligent conduct. The tires on the Freightliner ... did not become unroadworthy immediately before the collision".
- These actions showed "wanton and reckless disregard" for the driver's safety.
- His conduct was a "marked and substantial departure" from a reasonable supervisor.
- He gave no thought to the obvious and serious risk.
- The risk was objectively foreseeable. His failure to maintain the tires was a significant contributing cause of the death.

Sentencing

R. v. Urgiles (2025 ONSC 845)

- Urgiles was sentenced to 5 years of imprisonment.
- Conviction based on:
 - Directed Unsafe Work forced the use of clearly unsafe equipment
 - Ignored Warnings failed to act on reported safety issues
 - Chronic Negligence ongoing poor safety practices and maintenance failures
- Aggravating factors included his long history of safety violations, unsatisfactory record, and running the company via his spouse to bypass regulations.
- His moral blameworthiness was considered much higher because his conduct was an "on-going course of negligent conduct."

Practical key takeaways for employers

- Criminal liability is real: Supervisors can face imprisonment
- Broad legal duty: Applies to anyone directing work
- Beyond OHS Act compliance: Criminal negligence requires a marked, reckless departure from reasonable conduct
- Foreseeable risks: Ignoring obvious dangers can lead to conviction
- One breach or a pattern: Both can support criminal charges
- Ignorance isn't a defense: Failing to know the supervisor's responsibilities and legal requirements applicable to the work is itself negligent
- Causation is key: Supervisor's actions must significantly contribute to the harm

What can you do? The importance of training

These cases highlight why proper supervisor training is not just recommended, but essential. Effective training ensures supervisors:

- Understand their legal obligations under both the OHS Act and the Criminal Code
- Recognize the serious legal consequences of non-compliance
- Know how to implement, monitor, and enforce workplace safety protocols
- Are equipped to inspect, maintain, and confirm the safety of all equipment
- Take worker concerns and hazard reports seriously
- Foster a workplace culture that prioritizes safety over speed or convenience



Thank you!



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