



Opposition accuses Liberals of abusing funds

ctvtoronto.ca

Updated: Thu. Dec. 22 2011 5:18 PM ET

The Opposition suggests Ontario's Liberal government may be using a community grant program as a slush fund to reward friends and supporters, just like it did with grants for multicultural organizations four years ago.

Liberal Mike Colle was forced to resign as Citizenship Minister in 2007 after the auditor general concluded millions of dollars were handed out to various ethnic groups with virtually no rules or procedures.

The auditor reached a similar conclusion about grants from the Trillium Fund, repeatedly complaining about a lack of documentation to support who got the money and how it was spent, said Progressive Conservative culture critic Ted Chudleigh.

"I think it's a Colle-gate, I think it's a scandal," Chudleigh said in an interview.

"Certainly managing money is not a strong point of the McGuinty administration."

Responding to Chudleigh's allegations in the legislature earlier this month, Tourism Minister Michael Chan said Chudleigh "clearly understands the great work of the foundation, but for political gain he's willing to throw them under the bus."

In an email Thursday, Chan again dismissed Tory claims that the Trillium grants were being used as a Liberal slush fund.

"The auditor general did not find that anything of the kind was taking place, and in fact supported the work of the Ontario Trillium Foundation," he said.

The Trillium Fund gave out more than \$114 million in grants in 2010-11 to non-profit organizations, community groups, sports associations, environmentalists and others to meet its mandate of helping to strengthen the capacity of the volunteer sector.

About \$2.2 million went to various environmental groups, while other large grants went to associations as diverse as the Canadian Association for the Advancement of Women and Sport (\$536,500), the Alzheimer's Society (\$207,000), the Stratford Festival (\$200,000) and the National Ballet of Canada (\$380,300).

Auditor general Jim McCarter found insufficient detail and inadequate evidence to support many grants, "little evidence the most worth projects were funded," and said the foundation did not effectively monitor spending by grant recipients or the results they reported.

In an interview, Chan said the auditor was "bang on" in his complaints about a lack of documents to support the grants and how they are spent, something he vowed to address.

"There is a gap in (supporting documents) there which we definitely are committed to improving," Chan said in an interview.

"And once you get the documentation, a lot of answers will come out for the questions."

The auditor also criticized the Trillium Foundation for allowing some board members to operate consulting services and obtain contracts from grant recipients, creating what he described as the perception of a conflict of interest.

"I don't believe Trillium board members should be selling consulting services to organizations that are receiving grants," said NDP culture critic Paul Miller.

"If you want to restore credibility to the organization, the minister has got to get consultants off the board of directors and stop that practice immediately."

Chan said he would discuss the situation further with the foundation board to see what new rules should be put in place to avoid conflicts of interest.

"If that's not a conflict of interest, again bordering on fraud, then I think we need a new definition for a conflict of interest," Chudleigh said of board members selling consulting services to grant recipients.

McCarter also found some grant recipients spent the money on things other than for what it had been approved, and one even kept \$10,000 left over from an \$81,000 grant.

"When you don't spend the money on what you're supposed to spend it on, that's fraud," said Chudleigh

The government will not be calling in the police to investigate or to try to recover the money, said Chan.

"I would not go that far," he said.

"We are engaging the foundation, looking at ways and means to improve the system."

The New Democrats said groups receiving the grants should be required to provide more proof of how they're spending the taxpayers' money.

"I'd like to see the people that receive the grants have to be more accountable and possibly there should be audits done when they receive sizable amounts of money to make sure it's going where it's supposed to go," said Miller.

The Trillium Foundation doesn't advertise the availability of its grants in any formal way, and staff solicit applications from groups, something the auditor said was another potential conflict of interest.

"The same people who invite certain groups to apply for grants, or who tell them about the program, later view those applications and determine who gets funding," said McCarter.

Other Trillium grants questioned by the auditor in his annual report include:

- \$400,000 to help sports organizations collaborate, innovate and better contribute to social and economic development in communities.
- \$120,000 to a community organization with one staff member to develop a strategic plan for itself.
- \$222,000 to hire at-risk people to start up a community garden program.
- \$537,000 to provide leadership programs to First Nations' women.
- \$34,000 so a soccer club could buy a new computer system.

Chudleigh said Tory researchers were still digging into some of the large grants to see just where the money went, and vowed to keep hammering the Liberals over the Trillium Fund when the legislature resumes sitting in February.

"I think I'm going to be hammering on this for much of the spring session, see where it leads," he said.