

AUDIT AT A GLANCE

WHY THIS AUDIT MATTERS

Clear, specific and enforceable bylaws help to ensure that City By-law objectives are enforced in a cost-effective manner. We recognize there are legitimate licensed holistic centres and practitioners. However, for those providing unauthorized services, aside from potentially being a violation to the City's licensing and zoning bylaws, these centres could potentially pose an array of health, safety and community issues, including the risk of human trafficking.

BACKGROUND

Holistic services are defined as "*Any modality used as a tool for therapeutic and wellness purposes....*"

In a 2014 presentation about holistic centres, the City's Municipal Licensing and Standards Division (MLS) indicated that "*the majority of the individuals who were issued a holistic centre and/or a holistic practitioner's licence by the City are offering body rub services.*"

Body-rub parlours and body-rubbers must meet health and safety requirements in order to be licensed. For example, body-rubbers must undergo a medical examination, and a licensed body-rub parlour can only be located in a certain zone away from residential zones, schools or places of worship. Holistic centres and practitioners are not required to meet the same requirements.

BY THE NUMBERS

- 25 body-rub parlour licences
- \$13,102: body-rub parlour licence fee, \$12,660 yearly licence renewal cost
- 410 licensed holistic centres; 107 potentially offering unauthorized services
- \$270: holistic centre licence fee, \$148 yearly licence renewal fee
- 2,294 licensed holistic practitioners
- 37 City-approved PHAs
- 1 holistic practitioner/centre licence revoked in past 5.5 years

A Review of Municipal Licensing and Standards Division's Management of Business Licences – Part Two: Licensed Holistic Centres

What we found

A considerable number of licensed holistic centres appeared to be offering unauthorized services

- 410 licensed holistic centres; we found 107 that appeared to be offering services outside their licensing parameters and conditions. These centres advertised with sexually explicit photographs and had suggestive descriptions of services such as erotic massage.
- 37 of the 107 centres were charged by MLS in 2015 and 2016, for a total of 117 charges for various By-law violations.
- 1 of the 107 centres was charged with operating as an unlicensed body-rub parlour.
- All 37 centres continued to operate under their holistic licence.
- MLS indicated they are aware of problematic centres and, towards the end of our audit, provided us their own list of over 100 problematic licensed holistic centres.

Lack of adequate By-law requirements for Professional Holistic Associations (PHAs)

- Licensed holistic practitioners must be a member of one of the City-approved PHAs. The requirements for PHAs were added to the By-law in 2005 following a MLS staff report. The intent was for the City to rely on the accredited PHAs to govern their members to ensure the integrity and honesty of their services.
- PHAs charge membership fees which can bring in significant annual revenue, e.g. over \$250,000 per year from initial membership fees, and over \$100,000 from annual renewal fees.
- Our review of the 10 largest PHAs lead us to question their legitimacy:
 - Many appear to only exist on paper - one located in an abandoned building, another at a cottage, or a P.O. Box.
 - One PHA's director, according to the College of Massage Therapists of Ontario, was convicted of an "assault". This Director was also convicted for operating an unlicensed body-rub parlour.
 - Another PHA's director was being prosecuted for illegally practising massage therapy.
- The By-law does not give MLS the tools to regulate PHAs:
 - No By-law provision to allow MLS to conduct inspections of PHAs after they have been approved.
 - No By-law provision enabling MLS to revoke the approval of a PHA or to de-recognize PHA members.

How Recommendations Will Benefit the City

A comprehensive review of the existing legal framework and regulatory requirements surrounding holistic centres and PHAs will help the City to ensure compliance with the By-law and minimize risks arising from unauthorized services being offered in licensed holistic centres.