

AUDITOR GENERAL'S REPORT

Raising the Alarm

Fraud Investigation of a Vendor Providing Life Safety Inspection Services to the City of Toronto

June 28, 2018



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Auditor General



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**APPENDIX 1: Management’s Response to the Auditor General’s Report Entitled:
“Raising the Alarm: Fraud Investigation of a Vendor Providing Life Safety
Inspection Services to the City of Toronto” 101**

EXECUTIVE SUMMARY

The Complaint

Complaint to Fraud and Waste Hotline in summer of 2017

This investigation began with a complaint to the Fraud and Waste Hotline in the summer of 2017. The complainant made many serious allegations about a company that was contracted by the City of Toronto to perform inspections of life safety systems¹, including: inspections of emergency lighting, sprinkler systems, fire extinguisher, and other fire-prevention/life safety system inspections required under the Ontario Fire Code.

Vendor contracted to perform life safety inspections across City

The vendor, York Fire Protection, had been contracted to perform this work at many City-owned buildings across Toronto for multiple years. This vendor has performed similar work for private buildings in the City and in other municipalities. They had operated under several other company names, including Advance Fire Control, which had also performed work for the City, and Advanced Detection Technologies Corp.

Allegations: vendor submitted inaccurate inspection reports, used false identities

It was alleged that the vendor² routinely submitted inspection reports and invoices for work that was not done, forged signatures of their own staff, operated as multiple companies, and used false identities as signatories to contracts.

The allegations are extremely concerning considering that many organizations, such as condo corporations, schools, hospitals, daycares and the City of Toronto, rely on companies to verify their life safety systems are in compliance with the Fire Code.

¹ "Life safety systems are described and mandated by various National Building Code of Canada provisions. Equipment comprising these electrically connected life safety systems includes (but is not limited to): fire alarm systems, with or without voice communication capabilities; emergency lighting, exit signs..." <https://iaeimagazine.org/magazine/2015/09/04/essential-electrical-systems-and-life-safety-systems-is-there-a-difference-between-them/>

² For ease of reference, we will be referring to Rauf Ahmad/Rauf Arain, and the series of companies associated with Ahmad collectively as 'the vendor' because based on the information we have reviewed, Ahmad appears to be the or one of the main directing mind(s) behind this series of companies and corporations.

Facilities Management's review of allegations concluded "there was no indication of any mishandling"

Consistent with her practice, the Auditor General provided the complaint to the Division that contracted with and primarily used the life safety inspection vendors (Facilities Management), so that they could make a first line assessment regarding whether the Division had received the services they contracted for and whether there was any merit to the allegations. Facilities Management concluded there was no support for the allegations. According to management:

"No invoices were paid, unless an inspection report is provided by York and matched with their invoice"

[emphasis added]

Objectives of investigation

The Auditor General launched an investigation which was designed to assess:

- whether the complainant's allegations were valid;
- whether the Division fulfilled its role in ensuring life safety inspections were completed properly before paying the invoice and if the vendor's work can be relied on to satisfy the City's obligations under the Ontario Fire Code; and
- given the nature of the vendor's work and the allegations, whether there were any deficiencies that needed to be followed-up by Toronto Fire Services to ensure public safety.

Multiple companies linked to the same person we call 'the vendor'

Between 2010 and 2017, Advance Fire Control and York Fire Protection³ signed various City contracts totalling over \$395,000 and \$550,000. The person at the centre of both of these companies was Rauf Ahmad, also known as Rauf Arain⁴. Research confirmed that Ahmad was also a Director in Advanced Detection Technologies Corp., a company that was actively bidding on the same City contracts that York Fire Protection was bidding on. Several other companies associated with Ahmad are shown in Section C.2.

³ York Fire Protection is the operating name of Maf-Bar Conseil Ltee.

⁴ For ease of reference hereinafter he will be only referred to as Rauf Ahmad, but his names are used interchangeably when working with clients.

Auditor General investigated the services the vendor provided to the City

The portion of the complaint involving City buildings⁵ was investigated by the Auditor General. In accordance with their mandate to inspect upon receipt of a request or complaint, Toronto Fire Services assisted with site inspections and technical expertise to verify that inspection services provided by third parties were complete and accurate in accordance with the Ontario Fire Code, and given the allegations, that the public and City workers continued to remain safe.

Complaint about private buildings forwarded to Toronto Fire Services

The complainant explained that the vendor was providing life safety inspection services in City-owned and privately owned buildings. The Auditor General does not have jurisdiction over private buildings, so she immediately forwarded the detailed complaint and supporting information to Toronto Fire Services (TFS).

Toronto Fire laid 58 charges against companies and individuals

Toronto Fire Chief Matthew Pegg, following an initial review of the allegations, assigned TFS' Deputy Fire Chief Jim Jessop to lead the formal TFS investigation. In May 2018, his investigation resulted in 58 Fire Code charges being laid against York Fire Protection, Advanced Detection Technologies, Rauf Ahmad and various other people and businesses associated with these companies and person.

The Findings

The following is a brief description of the Auditor General's findings.

⁵ The scope of this review did not include Toronto Community Housing Corporation (TCHC) buildings. TCHC operates independently from the City.

1. Ontario Fire Code inspection report audit trail is missing

Lack of documentation could be found to prove work was done in all cases

There was a lack of inspection reports that could be found in City records to prove that many Fire Code inspections were, in fact, done. In addition, York Fire and Advance Fire had a long history of performance issues and of submitting incorrect and incomplete documentation, or of not submitting documentation at all. Facilities Management⁶ has a responsibility to, but did not ensure this documentary audit trail was sufficient and retained, which is a requirement under the Fire Code.

But City kept awarding contracts to vendor

Despite documentation and concerns about performance issues, the City kept awarding contracts to the vendors and companies associated with Rauf Ahmad. It points to a serious lack of understanding of the importance of life safety inspection reports and of obtaining and retaining reliable proof to show that City buildings are in compliance with the Fire Code.

2. Vendor was operating under false identities and multiple companies

Concerns vendor forged signatures and used fake identities to sign City contracts

There are concerns that the vendor has been operating with false identities and under a number of different companies. There are also concerns that the vendor forged the signatures of its own inspectors and used fake identities to sign contracts.

Indifference to issues being raised

Although the Facilities Management Division may not have known the full extent of the vendor's duplicitousness, management was aware, over an extended period of time through staff complaints, that these vendors had serious billing irregularities and unsatisfactory performance relating to inspections, including submitting inspections reports and service orders without customer and/or vendor signatures, billing for work not completed and submitting duplicate invoices.

⁶ For clarity, like other building owners, the responsibility to retain documentation to confirm that the Fire Code is complied with and deficiencies are addressed, rests with City divisions (the building owner), not Toronto Fire Services. Under the authority of the Fire Protection and Prevention Act, the Toronto Fire Service must remain independent because under its Provincial authority, it must enforce the Fire Protection and Prevention Act, Ontario Fire Code and accompanying Regulations and Ontario Fire Marshal Directives.

City staff did not perform their own inspections to ensure public safety

More concerning is that the Facilities Management Division did not take the necessary steps to verify that inspections were being completed in accordance with the Fire Code and that the buildings were safe, especially after Facilities Management's own Life Safety Supervisor and others pointed out many issues, and even after allegations were made about this vendor during this investigation. Instead, despite mounting evidence against this vendor, and throughout this investigation, management⁷ insisted the work was essentially completed and there was a need to trust the vendor.

This highlights indifference to the issues being raised, and/or a lack of understanding of the Division's legal responsibility to ensure that the Fire Code is complied with.

3. Broader systemic issues were identified in how the City of Toronto conducts life safety inspections in its buildings

Problems are not just with one vendor

With respect to the documentation retention requirements stipulated under the Fire Code, the inspections of City buildings by Toronto Fire Services determined that inspection reports and other documentation required to meet Fire Code requirements were frequently not available. For example, inspection reports and clearance reports that demonstrate any deficiencies have been fixed, could not be produced for most City buildings sampled, including the following important civic and critical infrastructure buildings: City Hall, Metro Hall, Union Station, Toronto Police headquarters, Old City Hall and Exhibition Place.

City is not maintaining the inspection documents required under the Fire Code

For every building it owns, it is the City's responsibility to retain the documents required under the Fire Code for access by the Ontario Fire Marshal upon request. There is a lack of understanding and centralized accountability regarding who is managing Fire Code inspections, who is rectifying the identified deficiencies and obtaining the associated clearance reports, and who is retaining all documents to produce to the Fire Marshal when requested.

⁷ Throughout this report, "management" is referring to Facilities Management Division, unless otherwise noted.

The Auditor General also identified issues with the quality of the inspection reports for some other vendors, and there are Fire Code deficiencies identified at various City sites during this investigation that still need fixing.

Management's response to each of the recommendations contained in this investigation report is included in Appendix 1, and shows the status of the progress in addressing the deficiencies.

**Auditor General's
recommendations from
a 2005 report**

It was evident from our review some issues have existed for years. The Auditor General's 2005 report entitled "Maintenance and Administrative Controls Review – Facilities and Real Estate", made the following recommendations:

"4. The Deputy City Manager and Chief Financial Officer give priority to the completion of an implementation plan for facilities maintenance standards including:

(a) a process to monitor compliance with legislative requirements..."

and

*"17. The Deputy City Manager and Chief Financial Officer ensure that all necessary building information is incorporated into the SAP Plant Maintenance and Asset Management Modules to assist in maintenance planning and repair decisions and **provide a record of regulatory inspections.**"*

We note that we have followed up with the Facilities Management Division each year and these recommendations have not yet been implemented.

**Better quality control
and performance
monitoring is needed
for these vendors**

The investigation also shows a lack of consistency and completeness in the work being provided by other City vendors conducting life safety inspections. It is evident that the City must provide clearer direction and conduct quality control tests of these vendors to verify that all vendors service meets Fire Code requirements.

The lowest bidder may not provide the City the with the best value

There may also be a need to adjust the way we hire the vendors responsible to inspect, test and repair our life safety systems. The lowest bidder may not be the best value. Performance verification is paramount. Vendors that are not doing a good job or are difficult to manage can end up costing the City more and creating risk for the City.

Deficiencies and Missing Inspection Reports Do Not Necessarily Mean that City Buildings are Unsafe

This report shows that the City must take action to comply with the Fire Code, including getting its paperwork in order and fixing deficiencies. However, the findings do not necessarily mean that City buildings are unsafe.

In addition, because there are some third-party vendors we are concerned about, it does not mean that all vendors conducting life safety inspection have issues.

Important to "Know Your Vendor"

Conduct due diligence before allowing companies access to buildings and life safety equipment

There are also concerns that if disreputable companies are employed, they will have extensive access to City-owned buildings. Employees with these companies are often left unattended to walk throughout buildings, with access to building plans, keys and keypad codes. Proper background checks are not in place.

Trust in vendor should not override need for due diligence

Due diligence needs to be conducted to verify that a contractor is legitimate and qualified before placing the contractors responsible for our life safety systems in a position of such high trust.

If a disreputable or unqualified company is hired to certify that life safety systems are operating as intended, it can present both a fire hazard and a safety and security risk. It can also create a legal liability for the building owner who is responsible for the building's safety.

Wrongdoing Not Being Reported to the Auditor General and Other Management Issues

Challenges completing this report

We were concerned that several allegations of potential wrongdoing involving the vendors inspecting life safety systems at the City were made by various parties, but Facilities Management failed to notify the Auditor General in a timely manner about those allegations or about additional information being received about the allegations so that they could be investigated. This is concerning because the Deputy Fire Chief specifically requested that the potential wrongdoing be reported to the Auditor General for follow-up and this was not done. The issues regarding reporting allegations of wrongdoing under the Toronto Public Service By-law are discussed more fully in Section F.

Also, although we normally receive full co-operation from City staff, this time we had significant challenges obtaining reliable information from the Facilities Management Division. We believe the challenges we experienced to be isolated to certain members of the Facilities Management team but deeply concerning just the same. A management letter is being issued to the City Manager to address these issues to prevent reoccurrence.

Why this Investigation is Important

Need for better awareness of importance of Code-mandated inspections and reports

This investigation brings awareness for the need to ensure that when inspecting life safety systems, it is the building owner's responsibility to ensure that the work is carried out properly and that inspection reports be retained as required under the Code. It calls for management to be diligent in following up on issues that occur with vendors.

It serves to notify the public and other municipalities who may have used this vendor that there are serious concerns about the quality of the work performed.

It opens a conversation regarding opportunities to clarify expectations across the industry in the hopes of enabling change in support of public safety.

Changing the Culture

In the summer of 2017, the U.K. government commissioned a report entitled, "*Building a Safer Future: Independent Review of Building Regulations and Fire Safety – Final Report*" that reviewed building regulations and fire safety measures following the Grenfell fire. The situation here in Ontario is very different, according to Fire Chief Matthew Pegg.

"Here in Ontario we are fortunate to have the comprehensive fire protection and fire safety measures that are contained in the Ontario Building Code..."⁸

But the Building Code and Fire Code are not enough to prevent fires. As Chief Pegg said:

"...Fire safety is always very much a team effort, it is very much a partnership (with owners)..."

[emphasis added]

Key themes identified in the investigation

We found in our work that the Fire Code was not being complied with. The "*Building a Safer Future*" report listed the "key issues underpinning the system failure". Those issues included:

1. **"Ignorance** – regulations and guidance are not always read by those who need to, and when they do the guidance is misunderstood and misinterpreted.
2. **Indifference** – ...When concerns are raised, by others involved in building work...they are often ignored...
3. **Lack of clarity on roles and responsibilities** – there is ambiguity over where responsibility lies...precluding robust ownership of accountability."

All three themes were evident during our investigation, and it is these cultural issues that resonated with us.

It is paramount that management work in partnership with the Toronto Fire Service by implementing a culture of compliance with the Fire Code.

⁸ <https://www.cp24.com/news/toronto-building-codes-inspections-will-prevent-infernos-like-london-high-rise-officials-1.3459783>

There needs to be a shift to a culture of compliance with the Fire Code

In 1983, the Hon. John Webber released the *Report of the Public Inquiry into Fire Safety In Highrise Buildings*. In the report, which focused on Ontario high-rises, Webber noted the failure to enforce the Fire Code as an impediment to *"the ability of firefighters to engage successfully in suppression and rescue."*

Webber identified "**improper functioning of fire-safety equipment such as emergency power, fire alarms and fire pumps**" as conditions that can exacerbate fire situations and increase the risk faced by firefighters.

These deficiencies, and deficiencies identified in other inquests were found during our investigation, and are noted at various points in this report.

The responsibility to comply with the Fire Code does not transfer to the vendor the City hires

It is time for City staff to understand that as the building owner they are legally responsible to ensure the Fire Code is complied with, and that this responsibility does not transfer to the vendor they hire.

Summary of Recommendations

17 recommendations

This report makes 17 recommendations in three main areas:

1. The recommendations stress the need for better documentation and a better audit trail to prove that life safety inspections are done and deficiencies are rectified, and for staff to have a better understanding of why documentation is both important and required under the Ontario Fire Code.
2. The recommendations include performing due diligence on vendors before awarding contracts, and addressing issues that are raised. Trust in the vendor must not override the need to perform this due diligence, nor the importance of listening to concerns raised by the City's own staff.

Staff should not be indifferent when serious concerns are raised, and must take steps to ensure public safety is intact when billing or performance issues arise.

3. The recommendations may assist with strengthening the life safety industry, which could include requiring more training and regulation of technicians who enter buildings and perform work, more training for building owners and those responsible for managing buildings on behalf of building owners to help ensure Code compliance, and more formal oversight of these types of vendors because of the high risk to critical City infrastructure.

Thank you

The Auditor General would like to sincerely thank Toronto Fire Services, in particular, Fire Chief Matthew Pegg, Deputy Fire Chief Jim Jessop and their teams for their co-operation and support in helping with this investigation, and other industry representatives.

The Auditor General would also like to thank the Toronto Water Division and those Facilities Management Division staff members who co-operated with our investigation for their openness, help and support during this investigation.

THE COMPLAINT

In May 2017, the complainant made a complaint to the City's Purchasing and Materials Management Division (PMMD) about a vendor that was hired by Facilities Management to conduct life safety inspections⁹ for the City. PMMD informed Facilities Management, and in June 2017 brought the complaint to this office's Fraud and Waste Hotline for investigation. The complainant also made a complaint to the Canadian Fire Alarm Association (CFAA).

⁹ "Life safety systems are described and mandated by various National Building Code of Canada provisions. Equipment comprising these electrically connected life safety systems includes (but is not limited to): fire alarm systems, with or without voice communication capabilities; emergency lighting, exit signs..." <https://iaeimagazine.org/magazine/2015/09/04/essential-electrical-systems-and-life-safety-systems-is-there-a-difference-between-them/>

Allegations related to emergency lighting, fire alarms and sprinkler inspections at City of Toronto and private buildings

The complainant raised several allegations about companies, including York Fire Protection (York Fire) and Advance Fire Control, which were under contract to inspect life safety systems including emergency lighting, fire extinguishers, sprinkler systems and fire alarms at the City of Toronto and private buildings. The allegations extend to other companies with the same owner(s), including MAF-BAR Conseil Ltee., A.D. Technologies, Advanced Detection Technologies Corp., and Ontario Fire Control.

The allegations included that:

- The company was not carrying out inspections in accordance with the Ontario Fire Code
- The company filed tender documents with false names and false references
- The company filed invoices for work that was not done
- The company billed for false deficiencies it claimed to have found and corrected during inspections
- The company duplicated amounts on invoices
- The company duplicated invoices
- The owner falsified inspection reports, or copied reports from previous years and changed the dates and names
- The owner forged the signatures of employees and past employees and used their licence numbers on inspection reports
- The company's owner, Rauf Ahmad (also known as Rauf Arain), was using fake employee names to sign documents
- Employees wore shirts that said "Fire Inspector", when they were in fact fire alarm technicians.

City owns thousands of buildings

The magnitude of the complaint is vast. Facilities Management informed us that the City of Toronto owns thousands of buildings¹⁰, including civic buildings such as City Hall and Metro Hall, emergency response buildings, daycares, long-term care homes, and recreational buildings. Facilities Management manages a fraction of them.

York Fire and the affiliated companies had contracts to do work at many City buildings managed by Facilities Management.

Auditor General conducted the investigation of the vendor's work in City-owned properties

The portion of the complaint involving City buildings was investigated by the Auditor General. Toronto Fire Services assisted with site inspections and technical expertise.

Only one of all the City buildings that were sampled in the Auditor General's work and inspected by Toronto Fire Services was found to be in compliance with the Fire Code.¹¹ After the City became aware of the inspection results, it conducted its own inspections of 19 critical infrastructure buildings. The majority did not pass.

The systemic non-compliance issues are discussed in further detail in Section E.1.

A portion of the complaint referred to the Fire Chief because it involved private buildings

The Auditor General does not conduct investigations of private companies that perform services for private businesses. Because of this, the Auditor General immediately referred the portion of the complaint involving allegations that work was not being properly completed in private buildings by York Fire to Toronto's Fire Chief Matthew Pegg for review, who immediately launched inspections under his authority.

58 charges laid between March and May 2018

The independent investigation by Toronto Fire Services focused on private buildings and resulted in 58 Ontario Fire Code charges being laid in March and May 2018. This will be discussed in further detail in Section D.1.

¹⁰ Verifying the number of buildings was beyond the scope of this investigation. Toronto Community Housing Corporation (TCHC) buildings are not included in the scope of this report.

¹¹ Not all areas of non-compliance related to York Fire or this vendor.

BACKGROUND

Purpose of Fire Safety Inspections

Ontario Fire Code compliance helps ensure public safety

*"The proper operation of fire protection systems is a vital component in ensuring fire safety for persons and property in the community."*¹²

The Ontario Fire Code governs fire safety standards for equipment, systems, buildings, structures, land and premises in Ontario. One of the main objectives of the Fire Code is to enhance the safety of buildings and facilities.¹³

Building owners responsible to ensure compliance with Fire Code

Building owners are ultimately responsible to ensure compliance with the Fire Code. Building owners, including the City, often use external service providers to conduct inspections to ensure that the Code is being complied with. The City contracted to spend approximately \$14 million on life safety contractors between 2010 and 2017. It ended up spending around \$9.9 million.

The Province Establishes Technician Qualification Requirements

Contractors do not need certifications to inspect emergency lights or extinguishing systems

Except for a qualification to inspect fire alarms and interconnected smoke alarms¹⁴, and as of 2017, sprinkler systems, no formal qualifications are required by the Province of Ontario *"for persons performing service maintenance on (or inspecting) other systems such as... emergency power or special extinguishing systems."*¹⁵ Only the Province has the authority to mandate certification and/or licensing requirements for technicians.

¹² The Ontario Ministry of Community Safety and Correctional Services publishes the Office of the Fire Marshal and Emergency Management OFM-TG-03-2000 Guideline <http://www.mcscs.jus.gov.on.ca/english/FireMarshal/Legislation/TechnicalGuidelinesandReports/TG-2000-03.html>

¹³ <http://www.miltonfire.ca/en/ontariofirecode.asp>

¹⁴ Section 1.2 of Division C of the Fire Code

¹⁵ Guideline OFM-TG-03-2000

<http://www.mcscs.jus.gov.on.ca/english/FireMarshal/Legislation/TechnicalGuidelinesandReports/TG-2000-03.html>

The Ontario Fire Marshal has cautioned building owners about ensuring competency when hiring third-party vendors to ensure Fire Code compliance:

"In employing service personnel to carry out this work, there must be some assurance that the work is done in a competent and professional manner."

[emphasis added]

Ontario Fire Code and Criminal Code Charges

An individual convicted under the Ontario Fire Code can be fined up to \$50,000 or face imprisonment for up to one year. A corporation convicted of an offence can be fined up to \$100,000.

Penalties for non-compliance with the Fire Code can be serious

Some actions can result in Criminal Code convictions, such as criminal negligence. A person is criminally negligent if they do or omit to do anything that is their duty (imposed by law), and if they show wanton or reckless disregard for the lives or safety of other persons.

A person can also be charged with criminal negligence causing death or bodily harm. A conviction for criminal negligence causing death can result in a prison sentence, including life imprisonment.

Building owners are responsible to comply with the Fire Code

As the building owner, it is therefore the City's legal and moral responsibility to ensure all of its buildings are in compliance with the Ontario Fire Code with regards to ensuring life safety equipment is properly inspected, tested and maintained.

Toronto Fire Chief's Responsibility to Council

Fire Chief is responsible to City Council for fire protection and to enforce the Fire Code

At the City of Toronto, the Fire Chief reports to the Deputy City Manager. However, under the *Fire Prevention and Protection Act*, the Fire Chief is directly responsible to Council.

"Responsibility to council

(3) A fire chief is the person who is ultimately responsible to the council of a municipality that appointed him or her for the delivery of fire protection services."

FINDINGS

A. LACK OF PROOF TO SHOW INSPECTIONS WERE DONE

A.1. Lack of Documentation and Understanding of Importance of Fire Inspection Record Keeping

A key control for ensuring a building has been inspected and is in compliance with the Ontario Fire Code is the retention of an audit trail of safety inspections required under the Code.

Building owners required to keep documentation for 2 years

Under the Ontario Fire Code, building owners are required to keep annual, monthly and weekly inspection records and documentation of any corrective measures taken for two years. The records must be made available to the Chief Fire Official upon request.¹⁶

Allegations were concerning

The allegation that the vendor, York Fire and its affiliated companies, was preparing false reports and not always completing the inspections it was billing for and required by the Ontario Fire Code is particularly concerning because compliance with the Fire Code helps to ensure public safety.

Auditor General requested Facilities Management to investigate the matter – they identified no issues

Auditor General asked Facilities Management (FM) to confirm that they only paid for services that were properly provided. FM checked. Found no issues.

The Auditor General asked Facilities Management to immediately investigate the allegations and confirm that the inspections that they contracted for were being completed. Facilities Management investigated and found no indication of wrongdoing. In management's view:

"No invoices were paid, unless an inspection report is provided by York and matched with their invoice..."

¹⁶ The Fire Chief only has six months from the date the work is performed to lay charges under the Fire Protection and Prevention Act (FPPA), not six months from the date they become aware of any issues. Therefore, time is of the essence when producing records so that the Fire Chief is afforded the maximum amount of time to complete an investigation into complex matters.

Facilities Management recognized that from time to time, some supporting documents like packing slips *may* have been left on site, and *occasionally* some supporting documents were contained in emails from staff as opposed to being retained in a centralized location. They noted in several meetings that they couldn't always have staff on site, and there was a need to "trust the vendor".

Auditor General followed up but could not locate inspection reports to support payment

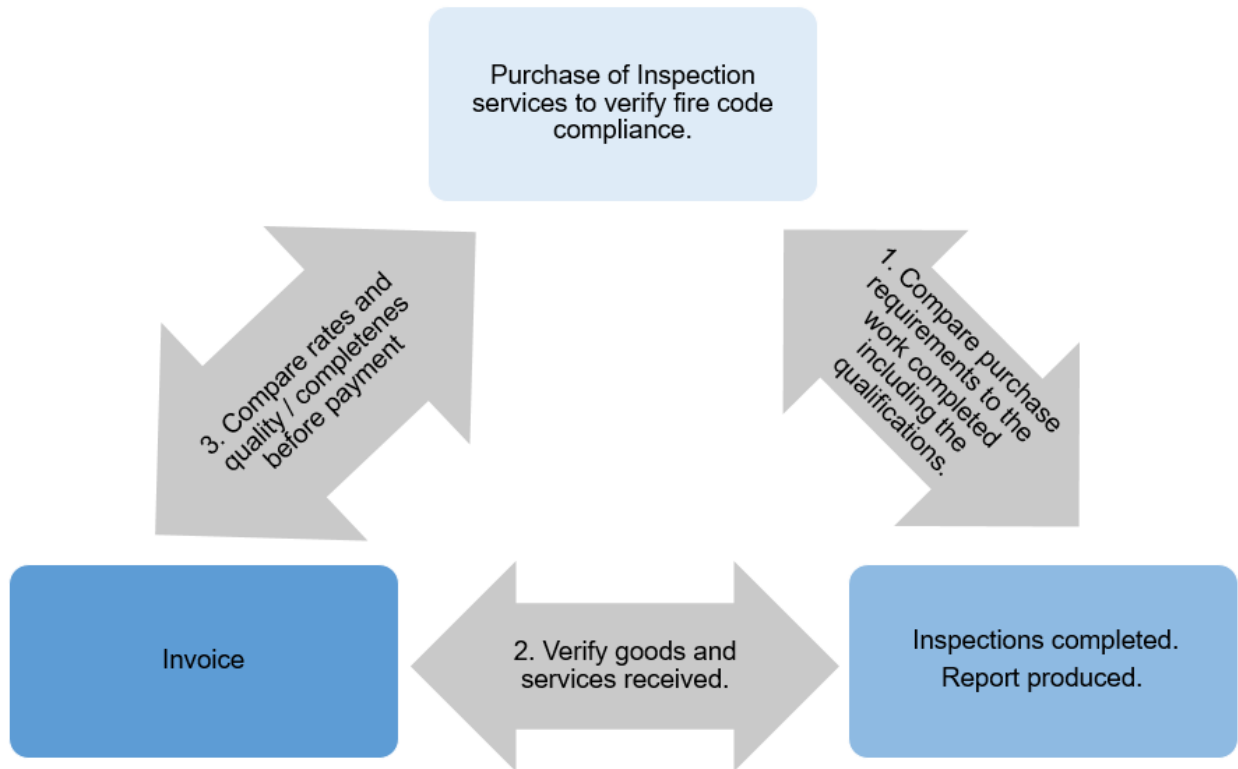
1,400 invoices paid to York Fire between 2014 and 2017

The City paid approximately 1,400 invoices to York Fire between 2014 and 2017 for two contracts executed by Facilities Management and Toronto Water. The Auditor General followed-up to verify that there were no concerns and that the documentation was in order. The Auditor General selected a total sample of 105 invoices, of which 88 related to the Facilities Management contract and 17 related to the Toronto Water contract. The documentation needed to support the invoices included service orders, inspection reports, quotations and sign-in logs.

Management confirmed that three-way matching process was being followed

During the investigation, management from the Facilities Management Division informed the Auditor General that they always followed the City's standard accounts payable three-way matching process to confirm the work was completed before payment. With this method, staff compare the invoice with the purchase order and verify that the goods have been received. Normally, if a discrepancy is found, payment will not be processed until the issues are resolved. The three-way matching process is illustrated in Figure 1.

Figure 1: Three-Way Matching Process



Auditor General could not find all Facilities Management records, the records for Toronto Water could be found

When the Auditor General commenced her work, she was unable to find a significant portion of Facilities Management's supporting documentation for invoice payments, including inspection reports.

She hired an external forensic accounting firm to verify invoices by matching them with supporting documents, given management's assertions that they followed the three-way matching process and that the majority of support should be on file.

Documentation found for half of sampled invoices for Facilities contract

In the end, after extensive effort by us, a forensic accounting firm and Facilities Management, full or partial supporting documentation was found for only 52 per cent of the Facilities Management invoices, or 46 of 88.¹⁷ When confronted with our evidence including the difficulty finding records and the Toronto Fire Services' difficulty locating inspection reports, senior management from Facilities Management confirmed:

"Where there's no service report, the supervisor who does the approval will not necessarily go looking for the service report. It was easier to just pass it through [to payment]"

We note that the Toronto Water Division was able to provide supporting documentation for 17 of the 17 samples selected.

Toronto Fire Service also had great difficulty locating the City's inspection reports to ensure Ontario Fire Code compliance

TFS could not locate many Code-mandated inspection reports

Toronto Fire Services had similar difficulties obtaining inspection reports during their independent investigation. For example, on January 31, 2018, after trying to locate Code-mandated inspection reports for months, the Deputy Fire Chief emailed Facilities Management to inform them of the significant challenges he was having in obtaining information to close an investigation started three months earlier, in October 2017. Similar documentation deficiencies were being experienced when inspecting other buildings as well.

Toronto Fire Services' difficulty in obtaining documentation corroborates what the Auditor General was experiencing.

There is no reliable audit trail of inspection reports to support invoice payment and to demonstrate compliance with the Fire Code.

In the *"Building a Safer Future"* report, the "lack of an audit trail as to whether essential safety work was carried out..." was seen to be "a deep flaw".

[emphasis added]

¹⁷ This appears to be an issue with Facilities Management and not fully an issue with the vendors.

Recommendation:

- 1. City Council request the Deputy City Manager, Internal Corporate Services to create a governance process for any City-owned buildings, inclusive of standards, protocols and monitoring practices, that enables all Divisions, Agencies and Corporations:**
 - a. to ensure compliance with all Ontario Fire Code regulations**
 - b. to retain on file for a period of not less than two years all documentation supporting the City's compliance with the Ontario Fire Code.**

B. PROBLEMS WITH YORK FIRE'S INVOICES AND CONTRACTS

B.1. Serious Issues Noted in the Documents We Could Locate

Many issues identified from review of sample invoices and documentation

For the documents we could find, we identified numerous deficiencies, including issues with the vendor's work and insufficient supporting documentation provided by the vendor to prove that work was completed¹⁸.

The following list is an overview of the issues identified in our review of the sample invoices and available supporting documentation. The more concerning issues are discussed in detail below.

- Possible overbilling the City for the number of emergency lighting units inspected
- Possible overbilling the City for the incorrect number of replacement batteries, as compared to York Fire's inspection reports

¹⁸ Once the Auditor General hired a forensic firm to assist with locating and examining documents, some Facilities Management staff assisted. We would like to acknowledge those Facilities Management staff members who tried to find and located some documents within their organization, including trying to locate log books and service orders. However, after best and reasonable efforts, we were still only able to find documentation for 52 per cent of the invoice sample.

- Instances where the number of batteries replaced appears to be quite high compared to the total number of batteries at the Toronto Facilities locations
- Potentially overbilled hours where invoices included a higher number of labour hours charged than indicated on the supporting documentation
- Service orders indicating the same technician attended three locations on the same day at the same time
- Deficiencies not listed on the service order wherein York Fire invoices included repairs / replacement of deficiencies that were not indicated on the service orders
- Parts indicated on service orders are not the same as parts listed on invoices
- Duplicate charges where it appears that the City has been charged twice for the same replacement part and labour hours
- Deficiencies with York Fire's invoicing / supporting documentation where invoice dates appear to be incorrect, or not consistent with the supporting documentation provided
- Contract Release Orders or Divisional Purchase Orders issued after date of service.

Concerns about overbilling for emergency lighting units

Concerns about overbilling the number of emergency lighting units inspected

Our review of the sample invoices identified several instances where York Fire submitted an inspection report for emergency lighting units, but billed the City for a higher number of units inspected or billed the City for work that was outside the scope of the contract.

For example, the contract stipulates that the City is charged for the inspection of emergency lighting units only. However, on several invoices, York Fire also charged the City for the inspection of remote units and exit units, which are not covered by the contract terms.

Facilities Management's Life Safety Supervisor also identified this as an issue when reviewing York Fire's invoices and wrote to the vendor in an email:

"There are mistakes and info missing. No technicians name on the report, some have no date of inspection. If a battery was replaced this year then the expiry date can't be next year. Some invoices are wrong as you don't get to charge me per remote head or exit sign.

I will also need your tech's service report and signed off by someone on site that he was there and did the work."
[emphasis added]

The supervisor told his manager about the issues with York Fire and the manager confirmed to us that for York Fire:

"... the reports were inaccurate. Sometimes the reports had showed more emergency lighting than there was, sometimes it showed less. They just weren't accurate."
[emphasis added]

Service order issues

Based on our review of the sample selection, it appears that York Fire may be submitting inaccurate service orders.

Example 1: Working at the same time in different places

Inaccurate information on service orders

We identified several instances, one shown below in Table 1, where the service order indicated a York Fire technician was present at multiple places at the same time.

Table 1: Service Orders Showing Technician at 3 Different Locations at the Same Time

Service Order	Invoice Number	Technician	City Location	Date	Time
#477681	#38897	Technician X	399 The West Mall	11-Dec-15	6:30am to 9:30am
#498985	#38899	Technician X	2700 Eglinton Avenue West	11-Dec-15	6:30am to 9:30am
#499025	#38670	Technician X	31 Glen Watford Drive	11-Dec-15	8:00am to 3:00pm

Based on Table 1, it appears that the York Fire technician worked at two separate inspection locations (399 The West Mall and 2700 Eglinton Avenue West) on the same date and at the same time. Furthermore, it appears that the technician also worked at a third location (31 Glen Watford Dr.) for part of the time that he allegedly worked at the other two locations.

When asked for an explanation, Ahmad said he wasn't sure, but that:

"Maybe [the technician] was with other technicians and he was jumping from one to other site trying to make sure that the work is done properly."

And then added:

"The time in, time out is not the requirement of [the] City..."

Technician confirms he was not at the building locations on the dates noted on the service orders

We contacted Technician X who appears to be a credible source of information. He confirmed that according to his records, he was not scheduled to be at any of those three locations on December 11, 2015. He said that he did attend those three sites, but according to his records, those visits were on different dates. He noted it was not the first time that he has seen information showing that he was at a location, when in fact he was not at that location at all or on that date.

Example 2: Duplicate signatures on service orders

During our review, we noticed a large number (27 per cent) of service orders did not have a customer signature (a City staff member), and 56 per cent only had a first name.

Customer signatures appeared to be identical

In some cases, the customer signatures appeared to be identical on more than one service order, suggesting that they may be forgeries. The York Fire technician signatures also appeared to be identical and possibly forged.

The following are signatures of City staff and York Fire technicians from different service orders that look identical and may have been electronically forged.

Figure 2: Signature Example 1





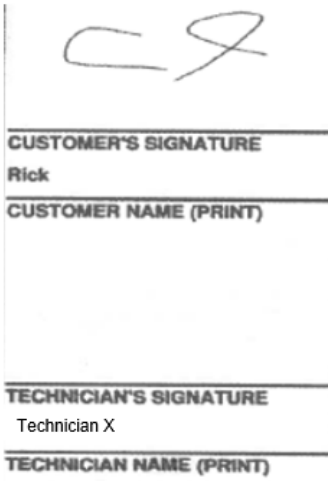

	Service Order #0499522 dated 28-Jun-16	Service Order #0499523 dated 28-Jun-16
Customer Name of City Staff: "Max" York Fire Technician Name: "Technician X"	 <hr/> CUSTOMER'S SIGNATURE Max <hr/> CUSTOMER NAME (PRINT)  <hr/> TECHNICIAN'S SIGNATURE Technician X <hr/> TECHNICIAN NAME (PRINT)	 <hr/> CUSTOMER'S SIGNATURE Max <hr/> CUSTOMER NAME (PRINT)  <hr/> TECHNICIAN'S SIGNATURE Technician X <hr/> TECHNICIAN NAME (PRINT)

Figure 3: Signature Example 2

	Service Order #0499628 dated 29-Jul-16	Service Order #0499629 dated 29-Jul-16
Customer Name of City Staff: "Leah Wood" York Fire Technician Name: "Technician X"	 <hr/> CUSTOMER'S SIGNATURE Leah <hr/> CUSTOMER NAME (PRINT)  <hr/> TECHNICIAN'S SIGNATURE Technician X <hr/> TECHNICIAN NAME (PRINT)	 <hr/> CUSTOMER'S SIGNATURE Leah <hr/> CUSTOMER NAME (PRINT)  <hr/> TECHNICIAN'S SIGNATURE Technician X <hr/> TECHNICIAN NAME (PRINT)

Figure 4: Signature Example 3

	Service Order #0498985 dated 11-Dec-15	Service Order #0477681 dated 11-Dec-15
<p>Customer Name of City Staff: "Rick"</p> <p>York Fire Technician Name: "Technician X"</p>		

The Auditor General engaged an independent forensic examiner who specializes in handwriting analysis to review the authenticity of the above signatures.

The forensic examiner confirmed that all of the above signatures, including that of the York Fire technician, were copied and pasted and therefore not genuine.

Forensic examiner opinion is that signatures are not genuine

The expert wrote:

"...the evidence supports my opinion to a reasonable degree of scientific certainty that the signatures of Leah Wood...are duplicate signatures and not genuine but are electronically manipulated.

The signatures of Max, Rick and [Technician X] are also not genuine in that they have been electronically manipulated in some way so that a duplication of the signatures occurred.

It is my opinion that a fraud is being perpetrated and that York Fire Protection Service Orders are being created and falsified signatures electronically manipulated to create the Service Orders. Every Service Order presented for this particular examination was fraudulently created and not genuine."

[emphasis added]

Meeting with the Vendor

On June 14, 2018, Rauf Ahmad was summonsed under the Auditor General's Ontario Public Inquiries Act powers to come to the Auditor General's Office for an interview with documents. Some of his answers are included in this report.

Vendor's explanation for the duplicate signatures does not make sense

Technician X's signature, shown in the previous examples, had faint lines behind it, as if it had been signed on lined paper and then photocopied. The Auditor General (AG) asked Rauf Ahmad (RA) how an original signature could possibly look like that:

RA: *"I don't know, I think... [the technician]...signed on some other Word document with a background and he copied that and throw that on the actual thing."¹⁹*

To which the Auditor General questioned:

AG: *"He signed on a different Word document, but then he did it for multiple [service orders], exactly the same?"*

¹⁹ We spoke to the technician and he confirmed this is not the case. Based on the evidence, we believe him.

Ahmad then varied his explanation, saying the signatures were exactly the same because he had his technicians send him copies of their signatures. He would then auto-fill service orders and include the technician's signatures "*by default setting*" when they sign onto a computer with a passcode – i.e. the service orders were signed before the work was done. He presented this as if it was a practical, time-saving solution for his technicians "*...they don't have to sign*".

Technician confirmed the signatures do not look like they are his

There was not enough writing to determine who might have authored the signatures, but as described above, the examiner concluded that the service orders were falsified.

We contacted Technician X to show him the signatures in Figures 2-4. Technician X stated that the signature "*does not look like mine at all*".

In addition, Max and Leah are both respected City of Toronto employees, but the signatures on the service orders are not their signatures.

Example 3: Not obtaining customer signatures to confirm work was completed

Our review also identified many instances where there was either no customer signature, or the signature block said "no one was present to sign". However, our verification confirms that staff were in fact available to sign the service order.

For example, there was more than one service order for an annual inspection at a fire hall where the technician noted that they could not obtain a signature because the fire fighters were out on an emergency call or not available to sign.

A portion of the service order is illustrated in Figure 5 below.

Figure 5: Excerpt of Service Order showing technician's rationale for not having the customer sign.

BRIEF DESCRIPTION OF WORK COMPLETED :

FINDINGS : 1. Other

TECHNICIAN DESCRIPTION : [REDACTED] Completed annual E-Light Inspection Replaced 2x 6/7 batteries. Fire fighters left for emergency before I could get a signature.

Division confirms that staff were available to sign the service order

Toronto Fire Services tracks the live-time location of every Operations crew member, the location of each emergency incident and detailed accounts of each Operations crew members that responded to an emergency incident (complete with the time the crew responded to the emergency and returned to the fire station). Toronto Fire Services confirmed to us that there was no fire emergency call at the time noted on the service order. The Division Commander said at that time:

"...no trucks were dispatched...I do not see any training listed where they would have been out of the hall."

As such, it appears that York Fire did not put accurate information on the service order. We contacted a technician that said to us there were times when there was no one available to sign at the sites.

Missing information on service orders

Deficiencies are not listed on service orders

Some service orders provided to us included the following statement: "*see report for deficiencies*". As such, the York Fire technician may have filled out the deficiencies on the inspection report and not the service order. Deficiencies should be noted on both the inspection report and service order.

Furthermore, due to the difficulty in obtaining documents at the City, we may not have all service orders that relate to each invoice. Accordingly, we may have only received and reviewed a service order for an invoice that lists deficiencies, but those deficiencies may have been repaired on another service order. In addition, York Fire does not always provide service order numbers on their invoices, so we are not able to know how many service orders relate to each invoice.

Request for information and summoning the vendor

When we could not find supporting documentation at the City, Facilities Management made several requests for information to York Fire, but was unable to obtain any additional documentation from York Fire. The Auditor General's Office made two requests to York Fire for copies of their inspection reports to support the work performed, but did not receive a response. The Auditor General then summonsed Ahmad under her Ontario Public Inquiries Act powers.²⁰

Inconsistent invoices and service orders

Inconsistencies should be investigated

Sloppy documentation and inconsistencies, a large number of errors and excuses, frequently altered documentation, absent or inadequate test or inspection reports and missing supporting documentation can be indicators of fraud²¹. Although this may not mean an actual fraud is occurring, based on the totality of the information, if an employee sees some of these indicators, it should be investigated. It could be a possible fraud.

At a minimum, City management should question and investigate recurring inconsistencies because the vendor is responsible for carrying out detailed tests, inspections and recording readings shown on life safety equipment. If the billings for the inspections are erroneous, there is a chance that the inspections themselves are not in order.

²⁰ The Auditor General issued a summons to Rauf Ahmad, Rauf Arain, Dave Daniels and others. The process server was unable to serve the summons to Dave Daniels as they were advised by Rauf Ahmad that Dave Daniels "does not reside at the said address".

²¹ The Department of Defense Office of the Inspector General in the United States provide a list of some "Fraud Red Flags and Indicators." <http://www.dodig.mil/Resources/Fraud-Detection-Resources/Fraud-Red-Flags/>

Possible duplicate billings

For example, it wasn't uncommon to see an email like this to York Fire from the Life Safety Supervisor regarding the billings:

"I have two invoices with the same invoice #, both in different amounts. Please send a credit in the amount of \$96.31"

Frequent errors

As early as December 2015, there had been so many billing errors and excuses, two Facilities supervisors wrote to York Fire Protection, stating:

"(We) ... are done with your excuses of "glitch", "typo" etc. We have tried but no more"

Logos missing on vendor's invoices

In addition, invoices and service orders frequently changed. For example, when logos were missing on invoices, it can mean that invoices are being altered or billing controls are not in place. An explanation for missing logos should be reasonable.

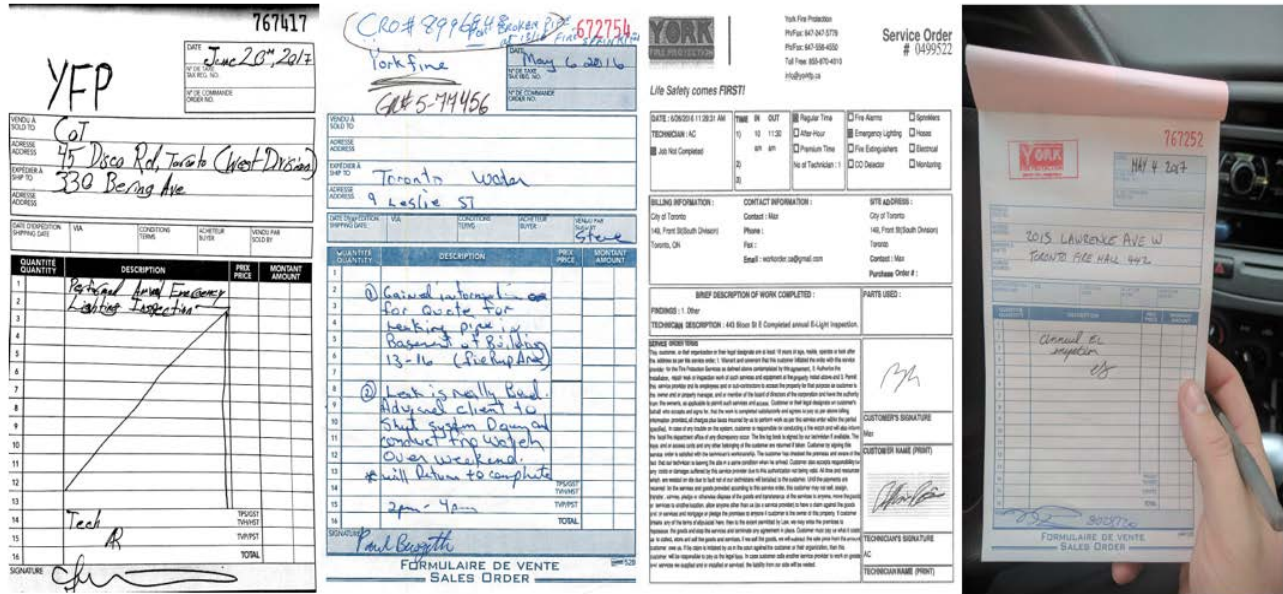
City: *"Why is there no company logo on the invoices ...?"*

York: *"We are in the process of upgrading all of our internal data system, due to that you didn't get any LOGO's this time, But if you are still looking the ones with the LOGO as all the previous times, then please give me until the end of the day so I can re-submit to you."*

Inconsistent and changing service orders and invoices

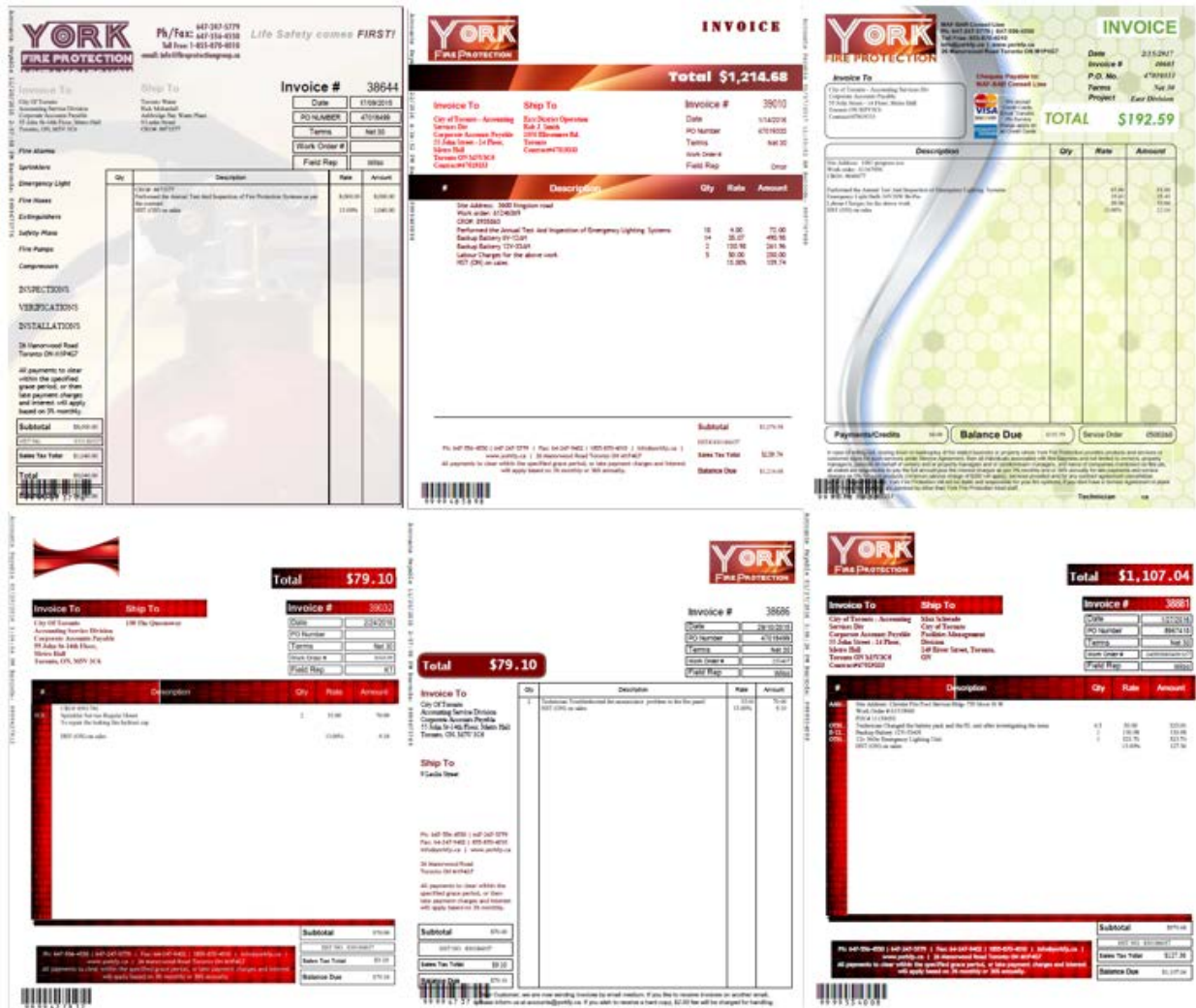
The following Figures show samples of the types of inconsistent service orders and invoices provided by York Fire to City staff; many have different logos, graphic design and paper styles. One was even a photograph of someone holding a service order.

Figure 6: Samples of Inconsistent Service Orders Submitted by York Fire



[Note: the last sample service order is what was actually submitted and accepted by the City as support for invoice payment.]

Figure 7: Samples of Inconsistent Invoices Submitted by York Fire



We inquired why company documents changed so much. Rauf Ahmad said:

"I am a designer, so I love to design. Sometimes I don't like them and then I change them. It doesn't mean that we are trying – they all have the same business number... I'm in the process of making it better... It's just ... templates..."

When asked about double billing, Ahmad said he and his technicians did not ever double bill the City. He said that even though only one technician may have been listed on a billing, he normally required two technicians to be present, further stating that:

“... because there are two people went there to do the job, so then we have to charge two times”

The Life Safety Supervisor and City staff caught some potential double billings and we noticed some ourselves. The values were not always high. The primary concern for us was whether this work was being performed.

Inspection reports can be manipulated by vendor

Potential for inspection reports to be manipulated by York Fire

In addition to deficiencies with York Fire’s invoices, management knew there was the potential that inspection reports could be manipulated by the vendor, but contracts were still renewed.

Management did not act

The following is an email exchange between two Facilities Management managers, discussing the potential for inspection reports to be manipulated:

Manager 1: *“We get York reports – by email – not as an invoice attachment.”*

Manager 2: *“No signature? No time in time out? No comments? Excel and not PDF?”*

Manager 1: *“True – but it is better than no report 😊”*

Manager 2: *“Yes, but it can be totally manipulated.”*

Manager 1: *“Yes it can”*

We asked Manager 1 what was meant by the above email exchange. Manager 1 replied that they were not getting any inspection reports from the vendor in the beginning, so they felt that getting some reports was better than none. Manager 1 and Manager 2 oversee the safety of hundreds of buildings.

In conducting our work, we noted that the technician who completed the work does not prepare the Excel spreadsheet inspection reports that were submitted for payment.

Inspection reports not signed

Ahmad agreed that there is no signed Excel inspection sheet sent to the City detailing the inspection results. The technician fills in a spreadsheet and this is processed by an office staff member and sent to the City.

We contacted a person who previously worked at York Fire that confirmed their billing information is messy. Person A from York Fire advised:

Person A: *"...[data entry] it's all by hand, it was just file folders separated by client location; it was all manual [entry of inspection report data received from technicians], [there were] thousands of properties"*

AG: *"Can anyone manipulate the files then [since they were just on the network in folders]?"*

Person A: *"Anybody could change anything."*

Building owner's responsibility to demonstrate inspections completed

As noted in the Ontario Office of the Fire Marshal Guidelines, it is the building owner's responsibility to demonstrate inspections are carried out. Receiving unsigned documents that can be manipulated is not sufficient, especially when those reports are not submitted directly by the technician.

To mitigate the risk of manipulating inspection reports and to strengthen the documentation provided to the City, at a minimum, vendors should be required to submit their reports in PDF format, have an in and out site visit time on it, and it should be signed with the full names of the technician and customer.

Proper back-up should be received with the invoice or it should not be paid

Additionally, the inspection report should be sent with and cross-referenced to the invoice, so that the approver can review all supporting documents at the time of approving an invoice for payment. Without the relevant documents being cross-referenced, the invoice should not be approved.

Financial loss difficult to quantify

The financial loss as a result of trying to manage vendors like this, the duplicate invoices, what appears to be inferior work by the vendor over many years, the need to re-inspect, the cost of premature replacement batteries, is not quantifiable at this time.

Based on the absence of documentation and the amount of work required to match up records, it would take a great effort in addition to the efforts already invested by the Auditor General, the forensic firm and the City, to find the supporting documentation to assess the true financial loss.

The ability to address this situation with the vendor is further complicated by management's actions.

B.2. Deficiencies Were Previously and Consistently Raised by a Supervisor

Issues were raised by the Life Safety Supervisor

Deficiencies with York Fire's invoicing and supporting documents

The deficiencies identified by the Auditor General were previously known by Facilities Management, they were just not being addressed appropriately.

As soon as York Fire won a new contract in July 2015, for example, the supervisor raised issues at the very first billing.

On September 23, 2015, the supervisor sent an email to York Fire questioning the inspection reports and invoices:

"These are a mess to say the least."

[emphasis added]

The invoices were a mess from day one

In his email, he described the information that was missing or incorrect. He wrote:

"This is unacceptable. I have no time for sub-par work."

[emphasis added]

Subsequent to this, the supervisor canvassed his colleagues in other districts to gauge York Fire's performance noting there was a need for 'hand-holding' the vendor:

"Here in the East they are doing a terrible job.

I am not getting accurate reports no matter how much I try to hold their hand."

[emphasis added]

The supervisor continued to note issues with York Fire's documentation, and concluded:

"We will be meeting in the New Year and doing a contractor performance report. Yours is not good at this time."

Other municipalities were having issues with York Fire

Unbeknownst to the Life Safety Supervisor, other municipalities were having performance issues with York Fire and associated companies.

We reached out to another municipality that stopped using York Fire. Their Director said:

Another municipality stopped using the contractor because of a developing pattern of issues, performance problems and failure to meet contract terms

"There was a developing pattern of issues with business practices that staff had noticed and documented. There were also performance problems and failure to meet the terms outlined in the contract. Despite continued attempts to resolve the situation, it reached a point where action was required and all services with this company were stopped."

The contract was put on hold at that municipality. In addition, Ahmad confirmed to us that two more municipalities stopped working with his companies because of performance issues.

The City of Toronto continued to work with York Fire. The supervisor consistently raised to his manager concerns about deficiencies.

Management did not take the issues seriously

Issues raised were taken with ‘a grain of salt’

When we asked the manager why the concerns of the Life Safety Supervisor were not followed-up on, the manager said they took his concerns with “*a grain of salt*”, adding that the Life Safety Supervisor “*could be persnickety... because he knew more about this than anybody else because this was his area of expertise*”.

While trying to understand what management was doing about the concerns raised by the supervisor the following discussion took place:

Performance issues were evident

AG: “*So [the supervisor] is saying there are issues. You’re relying on [the supervisor’s] audit to make sure that you’re in compliance with the Fire Code.*”

Manager: “*Yeah.*”

AG: “*So [the supervisor] is saying ... he spent the time [to review the service provider’s work]... he says, “I have issues”. Then what do you do?”*

Manager: “*...we’ve known all along that there were issues [with York Fire]. We escalated it. There was a meeting with PMMD.*”

[emphasis added]

No evidence of checking with PMMD – instead the contract was renewed despite issues raised

However, when we asked this manager, other managers, and PMMD for any information or documentation supporting that the matter was raised to PMMD to terminate the contract, no evidence could be provided. No one remembered the meeting.

Facilities Management proceeded to renew the contract despite bad performance. In addition, the managers highlighted no performance issues for the additional awarding of a contract with Company X as discussed in section E.4. and the awarding of the bid to Advanced Detection Technologies discussed in section B.3.

Indifference in following-up reported performance issues to ensure compliance with the Fire Code

When we were informed that management was aware of the concerns about the vendor's performance and put invoices in dispute because of this, for safety reasons, we wanted to know if management went back to verify whether the work was performed. Here is part of the conversation:

Management did not verify if the work was done even though there were concerns

AG: "... You paid (the invoices)? But these were in dispute at the time, were they not?"

Manager: "That's correct."

AG: "Did (you) go back and make sure that the work was done?"

Manager: "No."

AG: "... it's in dispute because...the work might not be done?"

Manager: "Or the reports were inaccurate. Sometimes the reports had showed more emergency lighting that there was, sometimes it showed less...they just weren't accurate."

AG: "...So there is a possibility that the work wasn't done?"

Manager: "Yeah."

AG: "And (you) didn't go back to check that?"

Manager: "No."

[emphasis added]

Lack of understanding of compliance with Fire Code and importance of record keeping

Guidelines from the Ontario Office of the Fire Marshal note that it is important to evaluate a service company's performance record "for evidence of satisfactory work, quick response to service calls and **absence of repetitive problems**" because it is management's responsibility to ensure proper documents are retained.

In addition to not taking the Life Safety Supervisor's concerns seriously, this manager did not take necessary actions to mitigate any potential risks. For example, the manager did not follow-up on discrepancies, even though the manager knew there were inaccuracies in reports from the vendor. The manager also did not perform spot audits to verify that work was done. Instead, the manager insisted that they needed to rely on the vendor to perform the work correctly.

Other examples of Facilities Management not following-up on Health and Safety issues when informed of such

We also noted that in May 21, 2017, senior management of Facilities Management became aware of the complaint about York Fire, Advance Fire and Advanced Detection Technologies Corp. In particular, that:

- the companies were overcharging or charging for work not done
- the Facilities Management Life Safety Supervisor "*had been aware of all of these challenges with the vendor and [the complainant] is unsure if anything was done to rectify the issue.*"
- "*other municipalities have cancelled contracts with this firm for fraudulent activity*".

[emphasis added]

No action taken to ensure there were no health and safety issues following the first complaint

We were concerned that when this complaint came in, there was no follow-up with the Life Safety Supervisor (by then retired) or the specific municipality that was mentioned to confirm whether issues existed. No further action was taken until the Auditor General reached out to request that an investigation commence.

No action taken by Facilities Management to confirm there were no health and safety issues after the second complaint was received

On June 2, 2017, the complainant provided additional information to PMMD. PMMD wrote to senior management staff of Facilities Management:

“... the information [the complainant] is providing is and could be a health and safety risk to the City.

He advised me this morning that when annual inspections are to be completed any documentation confirming the inspections of the sprinklers, hydrostatic test, and flow???, are not in fact completed

The owner actually signs off as completed, and they are not, and he forges the technicians names that are no longer employed by their firm, and forges signatures of technicians that are still working but they are unaware...”

[emphasis added]

Management informed us there was no follow-up on the health and safety concerns. The Auditor General's Office was not contacted until PMMD brought the matter to her office, directly.

The lack of action regarding safety matters is concerning.

Recommendations:

- 2. City Council request the General Manager, Facilities Management, to:**
 - a. bring all buildings in compliance with the Ontario Fire Code**
 - b. establish a process to monitor the completeness of fire inspections and monitor the rectification of all fire safety deficiencies for all City Divisions, Agencies and Corporations**
 - c. report back to City Council annually on the level of compliance.**

- 3. City Council request the General Manager, Facilities Management, to:**
 - a. develop a training curriculum that encompasses all requirements of the Ontario Fire Code and be delivered to those delegated and/or designated responsibility by the City of Toronto to ensure compliance with the requirements of the Ontario Fire Code**
 - b. that records be kept of this training consistent with the provisions of Division B, Clause 1.1.2.2 (a) of the Ontario Fire Code.**
- 4. City Council request the General Manager, Facilities Management, to ensure all Fire Code-mandated reports submitted, including inspection reports and deficiency clearance reports, be in a format that is cross-referenced to invoices and facilitates the verification that work has been completed in accordance with the Ontario Fire Code.**

B.3. Contracts Continued to be Renewed

Figure 8 below tracks when issues began occurring with the vendor, and when contracts were renewed or values increased.

The City had experienced a long history of issues related to companies affiliated with Rauf Ahmad, who is associated with Advance Fire Control, York Fire, and Advanced Detection Technologies Corp., as shown in Figure 13 and Table 2.²²

²² Throughout this report, the term 'affiliate' is not used in the legal sense, but is used to refer to Rauf Ahmad's relationship with various companies, as outlined in Table 2 and Figure 13.

Issues with Advance Fire Control

The issues occurred early on in the contract with Advance Fire Control and continued throughout, culminating in the City withholding payment of invoices in 2013 because the City believed Advance Fire Control was submitting:

- duplicate invoices;
- invoices without the necessary service reports or other proof to show that the work was done;
- invoices for work that was not requested and/or authorized to be performed under the contract; and
- inaccurate service reports.

In 2013, Rauf Ahmad sued the City for non-payment on its contract with Advance Fire Control. Six months later, York Fire Protection was formed. Ahmad was again involved with this company. The legal dispute with Advance Fire Control was settled in 2014.

Timeline of events

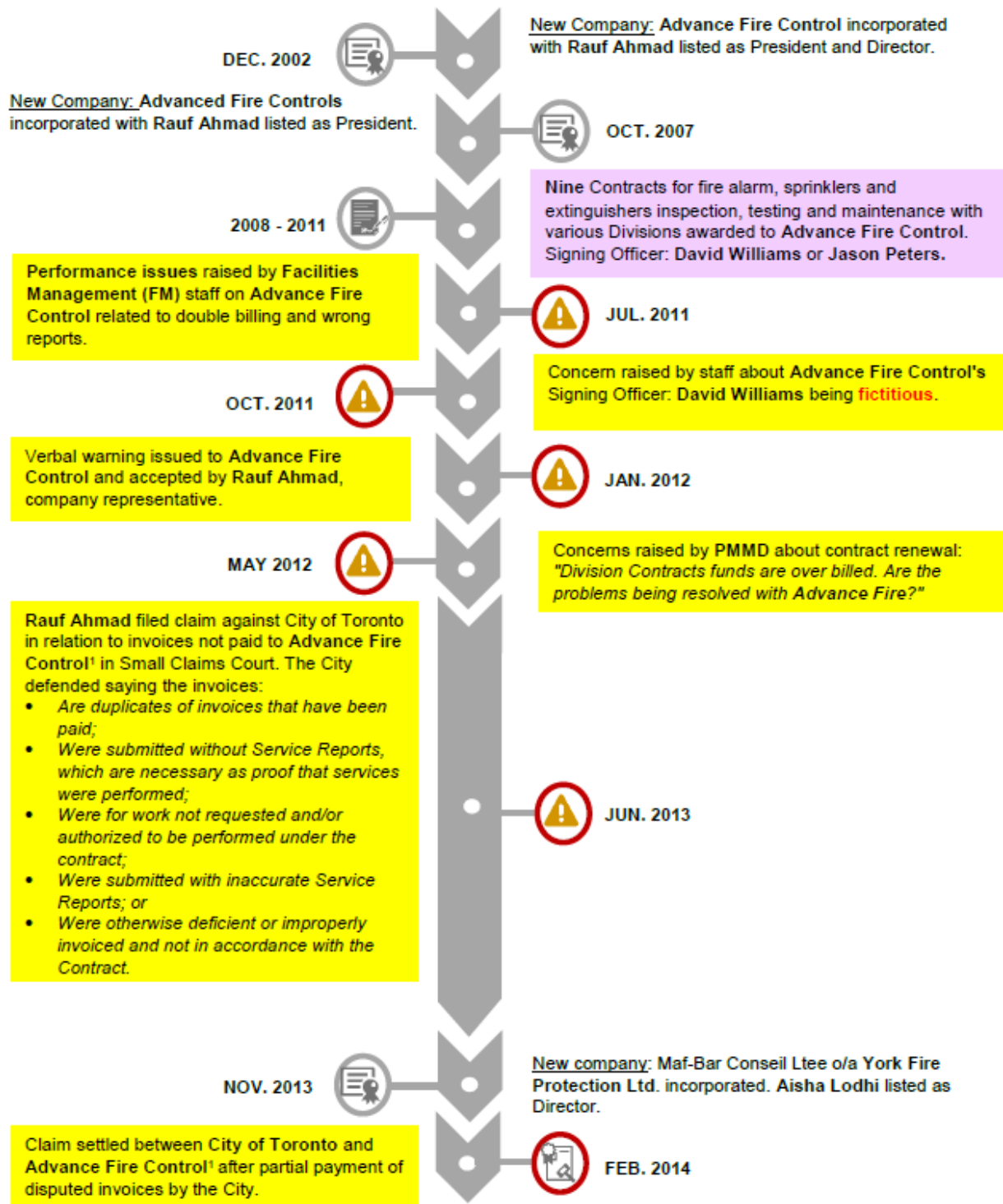
Contracts continued to be renewed until July 2017

The City continued to award and renew contracts with York Fire up until July 2017.

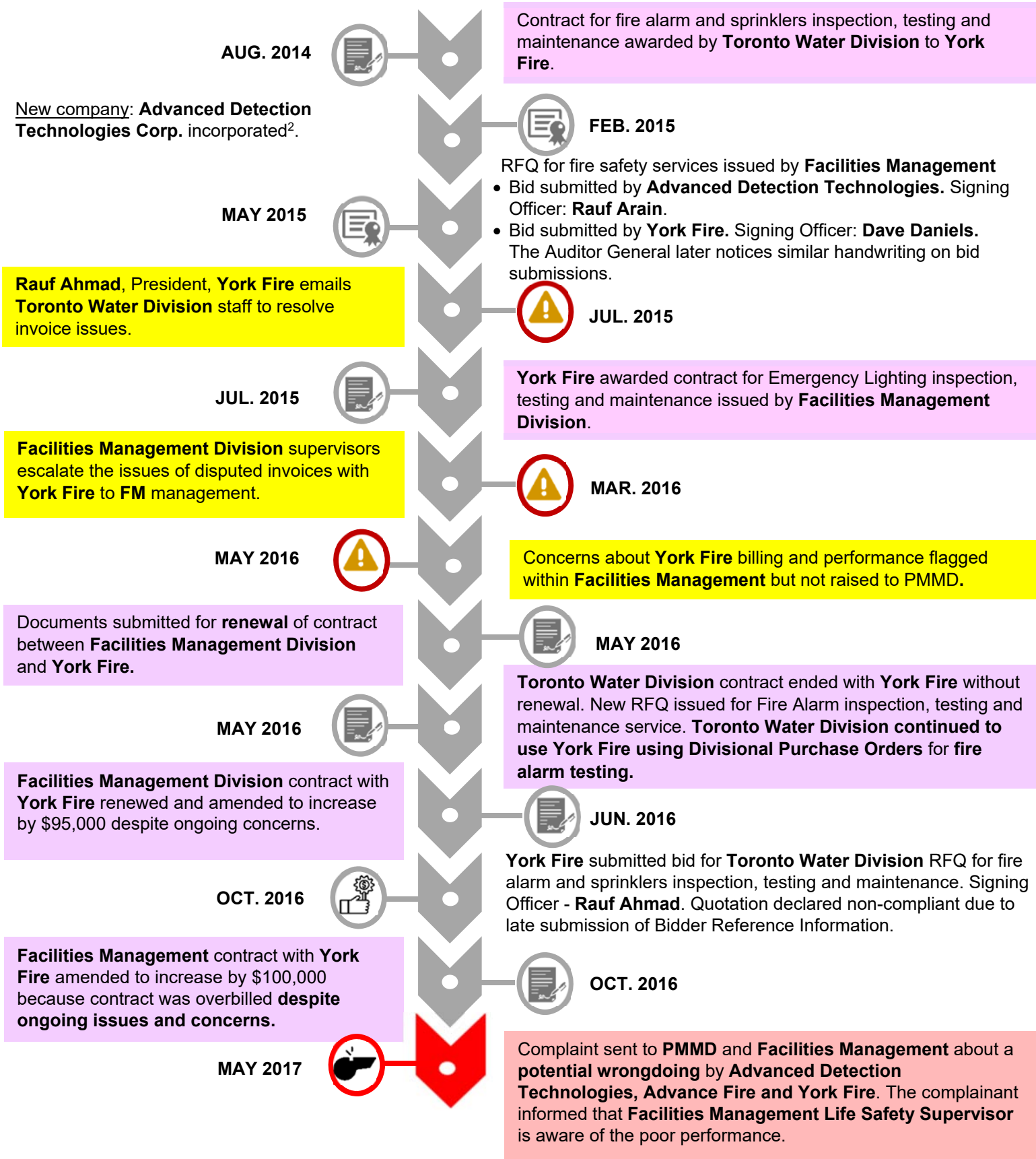
The timeline illustrated in Figure 8 below highlights, to the best of our knowledge, the following information:

- ▶ **Yellow** represents concerns and issues faced during the contracts with York Fire Protection and Advance Fire Control.
- ▶ **Purple** represents award or renewal of York Fire Protection and Advance Fire Control contracts by City of Toronto.
- ▶ **Red** represents complaint received against York Fire Protection, Advanced Detection Technologies and Advance Fire Control.
- ▶ **Blue** represents Facilities Management communication with the Auditor General.

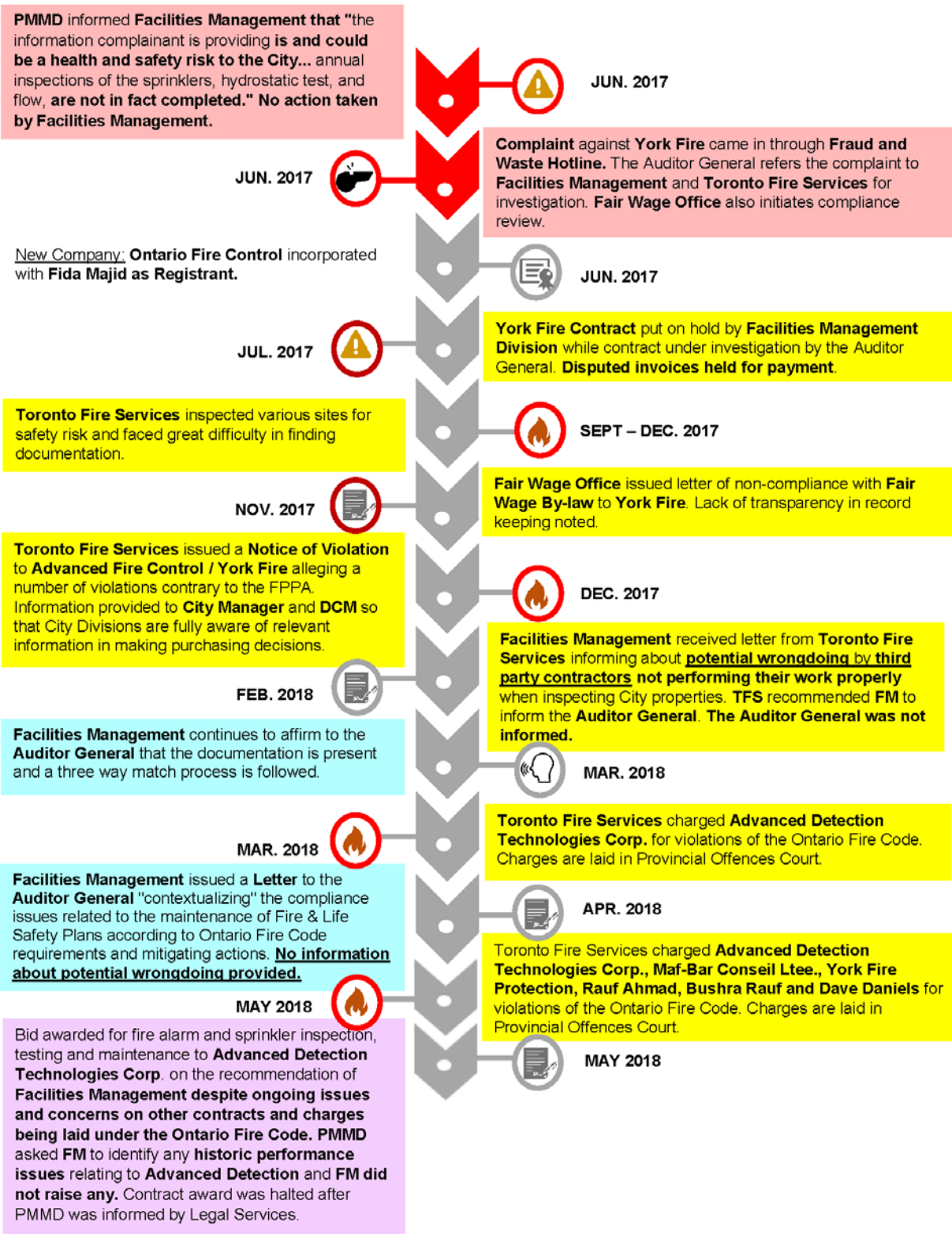
Figure 8: Timeline of Events



¹ Rauf Ahmad interchangeably used Advance Fire Control and Advanced Fire Controls during contracts with City of Toronto. Advanced Fire Control changed its name to AF Controls Canada. Rauf Ahmad on behalf of AF Controls Canada filed the claim against the City of Toronto.



² Revised August 14, 2018, due to an inaccurate date involving identifiable persons.



As this brief history shows, the City continued to work with York Fire despite many problems with the vendor.

Another contract almost issued to Advanced Detection Technologies

Work by the vendor, York Fire, was stopped when the Auditor General launched her investigation in July 2017.

Deputy Fire Chief advises City of issues with Advanced Fire Control and York Fire

In December 2017, the Deputy Fire Chief wrote to the City Manager and to all Deputy City Managers explaining that Advanced Fire Control²³ / York Fire Protection had been issued a Notice of Violation for apparent contraventions of the Ontario Fire Code.

He wrote:

Deputy Fire Chief advises City be aware of the companies

"I am bringing this to your attention so that City Divisions are fully aware of relevant information in making purchasing decisions and for managing contracts with suppliers."

He suggested sharing the information with any City staff in charge of making arrangements with service providers for the inspection and maintenance of fire protection systems.

The Deputy Fire Chief reported to Facilities Management on February 9, 2018:

Deputy Fire Chief raises concerns to Facilities Management

"...the potential that the third parties obligated under contract to provide certain inspection, testing and maintenance services for fire protection systems within City buildings, have not been providing these services as required by the terms of their agreements with the City."

[emphasis added]

Advanced Detection Technologies charged by Toronto Fire Services in March 2018

In March 2018, Advanced Detection Technologies was charged with violations under the Fire Protection and Prevention Act, based on the work of Toronto Fire Services.

²³ Ahmad said that this is an operating company of his.

New RFQ issued in March 2018

A new RFQ was issued in March 2018 to provide "...the inspection, testing, maintenance and repairs to the Fire Alarm Sprinkler and Standpipe Systems including Fire Pumps and Special Extinguishing Systems for Various Divisions, for a two (2)-year period..." One of the Divisions was Shelter, Support & Housing Administration Division for services to be provided for various locations including:

- Women's Residence
- Family Residence
- Seaton House
- Streets to Home
- Greenfield Family Centre

Advanced Detection Technologies successful bidder despite being charged with Fire Code violations

In May 2018, Advanced Detection Technologies was one of the successful bidders for the Shelter, Support & Housing Administration Division component of the RFQ and Facilities Management managers from different districts were copied on an email from a Facilities staff member informing PMMD that there were no performance issues with this vendor.

"To our best of knowledge, all operation supervisors, manager has no issue recorded towards any of these vendors."

[emphasis added]

Contract was ultimately not sent to the vendor

Toronto Fire Services announced in May 2018 about Advanced Detection Technologies being charged, the contract was not sent to the vendor.

Recommendation:

5. **City Council request that, for contracts involving life safety inspections, the General Manager, Facilities Management, work with Legal Services Division, Purchasing and Materials Management Division and Toronto Fire Services to:**
 - a. **update contracts to prohibit the submission of official legal documents, such as inspection reports, in a format that can be manipulated**
 - b. **update contracts to ensure the Ontario Fire Code requirements are included**
 - c. **update contracts with the appropriate terms and conditions, if not already in place, that allows for immediate suspension of a contract if there are significant performance issues with a life safety inspection contractor or if a contractor or person working for the contractor is charged and/or convicted for violations of the Fire Protection and Prevention Act and accompanying Regulations**
 - d. **develop and implement a life safety vendor training orientation and training package, to be completed prior to the commencement of service.**

C. CONCERNS ABOUT AUTHENTICITY OF YORK FIRE PROTECTION

C.1. Background About the Vendors

Multiple companies and morphing names complicated the investigation

This investigation was complicated by the fact that the vendor, York Fire, is affiliated with Rauf Ahmad, also known as Rauf Arain and Ahmad has multiple companies associated with him. These companies have been in existence for and doing business with the City in the life safety inspection area for many years. There seems to be a handful of owners and technicians that are attached to these various companies.

Advance Fire Control

In 2011, Advance Fire Control was contracted with the City for the "*inspection, recharging, maintenance & replacement of fire extinguishers*".

Website description of Advance Fire Control

The company described itself as:

"a long time leader in life safety and property protection since 1993. Today we serve over 500 thousand customers in Canada, providing a one-stop & comprehensive solution of fire alarm, fire sprinkler, fire suppression, Fire extinguishers, Fire Hoses, Emergency lighting, integrated security, voice communications, fire safety plans, building audits, and 24/7 ULC Fire Monitoring. We deliver our industry-leading solutions in buildings and environments where life-safety protection is absolutely vital – from schools, universities and hospitals to commercial properties, industrial buildings and government facilities."

[emphasis added]

The website says:

"Throughout many municipalities in Canada from City of Peterborough to Niagara falls and all the way till City of Windsor, Advance Fire Control has serviced in various facilities like as follows City Halls, Metro Halls, Exhibition Place, Union Station, Civic Centers, EMS Stations, Fire Stations, Police Stations, including Headquarters, Senior Living Homes, Child Day Cares and many more."

[emphasis added]

Advance Fire Control customers include other municipalities

As shown in Figure 9 below, Advance Fire Control identified its customers as:

- City of Toronto
- City of London
- Toronto Public Library
- Metrolinx
- Town of Milton
- Del Property Management Inc.
- Halton Catholic District School Board
- Town of Ajax by the Lake
- Brookfield Residential
- Dufferin-Peel Catholic District School Board
- City of Brantford
- Percel Professional Property Management

Figure 9: Advance Fire Control Customers



Advance Fire Control's signing officer was a fake person

Advance Fire Control's signing officer was a David Williams, but the person the City generally dealt with was Rauf Ahmad. No City employee ever met David Williams²⁴.

City staff were suspicious that the signing officer might be fictitious

When the Life Safety Supervisor raised concerns about the Advance Fire Control billings, he couldn't get in touch with David Williams for weeks. He then wrote to a City staff member:

"I think when we call them in to discuss the contract we should insist that David Williams attends, he is the one that signed the contract, I think he is fictitious...

Have you ever spoke to him, I have left voice mail for him and sent e-mail to his attention, but have not heard back or receive a reply."

[emphasis added]

No one ever met the signing officer

Two months later, the City forwarded a registered letter to meet Rauf Ahmad and David Williams from Advance Fire Control to review the terms and conditions of the contract and current invoices and reports. Only Rauf Ahmad showed up. No one met David Williams.

York Fire Protection

After suing the City for non-payment of invoices, a new company called York Fire Protection was formed.

Website description of York Fire

York Fire's website²⁵ says:

"YORK Fire Protection started servicing Fire Protection and Life Safety Systems in GTA Toronto, Hamilton, Niagara Falls, Cambridge, Kitchener-Waterloo, London, Barrie, Oshawa areas in 1989.

You can trust that your buildings' life safety systems are being maintained by real professionals in the industry with care."

²⁴ The Auditor General later confirmed that David Williams is not a real person.

²⁵ as of June 6, 2018

York Fire Protection's signing officer is a fake person

City staff attempted to meet Dave Daniels

When York Fire Protection won the contract in 2015, the Life Safety Supervisor tried to have a kick-off meeting with Dave Daniels. Daniels was the person who signed for the 2015 contract. Dave Daniels, like David Williams, was similarly unavailable. An email from the vendor said Dave Daniels was not available for the next few months as he was on vacation. A colleague jokingly wrote:

No one ever met the signing officer

*"So you finally met Dave Daniels... !!??
Or is he on his yacht sailing away into the sunset never to be seen again?"*

No one ever met him.

Position titles were used for convenience

Position titles were titles for convenience

We identified that the name Dave/David Daniels has been used at York Fire Protection for various positions at different times. The names Rauf Ahmad and Rauf Arain overlap the position titles of Daniels. They even held the title of President on the same day for York Fire. These appear to be titles of convenience rather than real positions.

To clarify the matter, the Auditor General issued a summons to David Daniels to be interviewed at her office. Rauf Ahmad told the process server that David Daniels²⁶ "does not reside at the said address".

Table 2 outlines the various titles held by Daniels and Ahmad / Arain at different points in time.

²⁶ The Auditor General later confirmed that David Daniels was not a real person.

Table 2: Position Titles Held by Dave Daniels, Rauf Ahmad and Rauf Arain

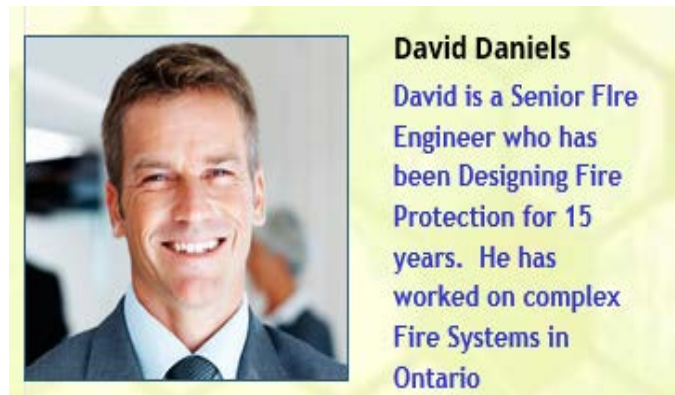
Date	Name	Role	Company	Source
17-Feb-11	David Williams	Signing Officer and Operations Manager	Advance Fire Control	RFQ bid
06-Jun-13	Rauf Ahmad	Representative in Legal proceeding	Advance Fire Control / AF Controls Canada	Lawsuit
29-May-15	Rauf Arain	Signing Officer	Advanced Detection Technologies Corp.	RFQ bid
01-Jun-15	Dave Daniels	Signing Officer and Director	York Fire Protection	RFQ bid
11-Jun-15	Dave Daniels	Project Manager	York Fire Protection	Fair Wage Declaration
11-Jun-15	Rauf Arain	Signing Officer and Director	Advanced Detection Technologies Corp.	Fair Wage Declaration
31-Jul-15	Rauf Ahmad	President	York Fire Protection	Email to Toronto Water Division
21-Oct-15	Dave Daniels	Director Sales	York Fire Protection	Email to Facilities
18-Oct-16	Rauf Ahmad	Signing Officer	York Fire Protection	RFQ bid
15-Dec-16	Dave Daniels	President	York Fire Protection	Email to Facilities
22-Jun-17	Rauf	Technician	York Fire Protection	Packing Slip
05-Jul-17	Rauf Arain	Service Manager	York Fire Protection	Email to City Fair Wage Office
11-Jul-17	Rauf Arain	President	York Fire Protection	Email to City Fair Wage Office
11-Jul-17	Dave Daniels	President	York Fire Protection	Email to Facilities
14-Aug-17	David Daniels	Senior Fire Engineer	York Fire Protection	Website screenshot

Fake and misleading profiles were used on websites

As shown in Table 2 above, we found Dave Daniels listed on York Fire Protection's website in August 2017.

We traced Dave Daniels' photo to a stock photo from a major photo vendor, Figure 10, below.

Figure 10: Stock Photo of David Daniels and Biography on the York Fire Protection Website as at August 14, 2017



Professional qualifications for Dave Daniels falsified

David Daniels is listed as a Senior Fire Engineer. We checked the Professional Engineers Ontario directory, and noted that there is no Dave/David Daniels registered as a licensed engineer.

No Dave/David Daniels has ever been registered with the Canadian Fire Alarm Association as a technician, but York Fire is registered with the Canadian Fire Alarm Association under the contact name of Dave Daniels.

Vendor admits that Dave Daniels is not a real person

After being shown all our evidence, including forensic analysis of his signatures, website analysis, invoices, positions overlapping with Daniel's, and after intense questioning, under oath, Ahmad admitted Daniels "is an AKA" (also known as) and not a real person.

He also confirmed to us at least five other identities associated with York Fire Protection or Advance Fire Protection that were "AKAs", including: David Williams, Lacette Daniels, Serena Crawford, Jason Peters, and Steve Sailings.

Website profiles were false and misleading

Ahmad said he just used the template of a website to create his own. We were concerned that the profiles on the website were misleading and could cause someone in the public to have a false sense of security.

The following is an excerpt of the interview between the Auditor General (AG) and Ahmad (RA).

AG: *“So [your website] says 'David is a senior fire engineer designing protection for 15 years. He has worked on complex fire systems in Ontario.' That's not a template.”*

RA: *“We changed the wording, but the picture stays.”*

AG: *“Is he an engineer?”*

RA: *“...that doesn't say professional engineer, just engineer right? So this website is long time ago gone...”²⁷*

AG: *“So he's not an engineer?”*

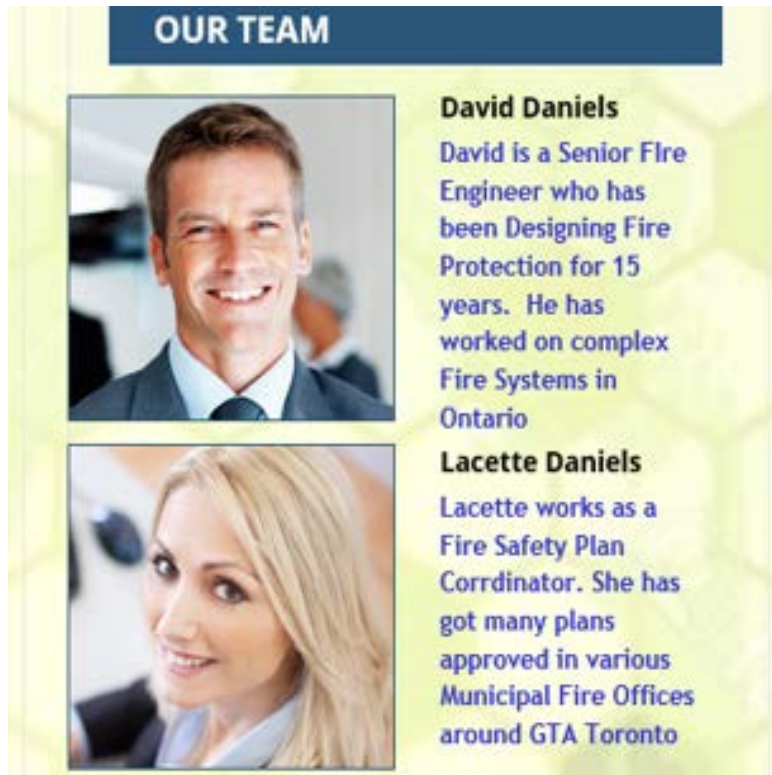
RA: *“No.”*

Other York Fire executives have fake profiles on York Fire Protection's website

The names and photos of other York Fire executives, including Lacette Daniels, have been traced to stock photos. This is concerning given their functions described on the website, including being a "Fire Safety Plan Corrdinator [*sic*]" who has "got many plans approved in various Municipal Fire Offices around GTA Toronto." Again, this is not template information.

²⁷ This is incorrect. We estimate it changed in November 2017 during this and the City's Fair Wage Office investigation.

















Figure 11: Photo and Biography of David Daniels and Lacette Daniels on the York Fire Protection Website as at August 14, 2017



The same fake names and photos appear on the websites of other companies

It is equally concerning that executive photos and names appear on other websites as providing other services under other names, as shown in Figure 12.

Figure 12: Vendor's Staff Images Found on York Fire Website and on Other Websites (not associated with York Fire) as at August 14, 2017

York Fire website as at August 14, 2017:	Other websites with the same images and similar names as at August 14, 2017:
<p>OUR TEAM</p> <div data-bbox="207 426 375 583">  <p>David Daniels David is a Senior Fire Engineer who has been Designing Fire Protection for 15 years. He has worked on complex Fire Systems in Ontario</p> </div> <div data-bbox="207 594 375 751">  <p>Lacette Daniels Lacette works as a Fire Safety Plan Coordinator. She has got many plans approved in various Municipal Fire Offices around GTA Toronto</p> </div> <div data-bbox="207 762 375 940">  <p>Steve Sailings Steve is an outstanding Marketing Manager for our new clients.</p> </div> <div data-bbox="207 951 375 1077">  <p>Serena Crawford Serena is assisting Omar in marketing Department, making clients meetings, and schedules. She also</p> </div>	<p>ATTORNEYS</p> <div data-bbox="578 436 711 573">  <p>David Williams David is a bankruptcy attorney who has been practicing for 15 year He has served as Judge Pro Tem in Federal and Superior courts in Arizona.</p> </div> <div data-bbox="578 594 711 730">  <p>Lacette McDaniel Lacette practices Family and Probate Law. Lacette is highly skilled at resolving domestic issues quick and fairly.</p> </div> <div data-bbox="578 762 711 898">  <p>James Dumont James served 10 years as an organized crime prosecutor. In private practice he has broadened his work to all areas of criminal law.</p> </div> <div data-bbox="578 930 711 1066">  <p>Serena Crawford Serena primarily focuses on civil matters, with an emphasis in corporate disputes. She is very effective at reaching settlements, but also has an excellent trial record.</p> </div> <p>OUR CONSULTANTS</p> <div data-bbox="862 436 995 573">  <p>David Williams David is an Operations consultant who has been practicing for 15 years. He has served as advertising consultant for leading agencies in Asia.</p> </div> <div data-bbox="862 594 995 730">  <p>Lacette McDaniel Lacette is a Sales specialists with over 20 years in Banking industry. Christina is highly skilled at identifying domestic & international sales opportunities quickly and fairly.</p> </div> <div data-bbox="862 762 995 898">  <p>James Dumont James served 10 years as an organized Lean Management consultant. His area of expertise is in maximizing areas of opportunities.</p> </div> <div data-bbox="862 930 995 1066">  <p>Serena Crawford Serena primarily focuses on business start up. Understanding business areas it competitors. He specialism is in Political , Economical , Sociological , Technological factors for international businesses.</p> </div> <div data-bbox="1182 426 1339 583">  <p>Louis A Betchem Louis is a strategy thinker with experience leading business and business strategy in Europe and north America.</p> </div> <div data-bbox="1182 594 1339 751">  <p>Lacette McDaniel Lacette practices Family and Probate Law. Lacette is highly skilled at resolving domestic issues quickly and fairly.</p> </div> <div data-bbox="1182 762 1339 919">  <p>James Dumont James served 10 years as a senior financial adviser. In private practice he has broadened his work to all areas of finance.</p> </div> <div data-bbox="1182 930 1339 1087">  <p>Serena Crawford Serena primarily focuses on civil matters, with an emphasis in corporate disputes</p> </div>

City staff unable to meet any of the individuals listed on the vendor's website

To the best of our knowledge, no one from the City has ever been able to meet face-to-face with **any** of the individuals in the Red Box for the entire time they have had the contract. Keep in mind, David Daniels and David Williams, are signing contracts with the City and in Daniels' case, is the company contact for the Canadian Fire Alarm Association.

Fair Wage Office investigation – York Fire Protection – non-compliant

Following our referral of this matter to the Division, Facilities Management requested the Fair Wage Office²⁸ to initiate an investigation into York Fire. The Office made an unannounced visit to the registered office of York Fire to meet Dave Daniels, the signing officer on the Fair Wage Declaration form submitted by York Fire at the time of bidding.

City staff told that Dave Daniels was on vacation

The Fair Wage Officers were met by Rauf Ahmad and they informed us that Ahmad told them that Dave Daniels was on vacation. This was a common excuse used by York Fire whenever an attempt was made to meet or speak with Dave Daniels.

City staff gave York Fire five business days to produce paperwork with payroll records of their employees who work with the City of Toronto. Some records were produced, but it took longer than five days.

Fair Wage Office concludes York Fire was in violation of by-law

The Fair Wage Office review concluded that York Fire was non-compliant with contractual obligations for documentation and a non-compliance letter was issued to Rauf Arain (Ahmad's other name).²⁹

The letter stated:

"the lack of transparent accounting, particularly for individuals identified on invoices, work orders and not on payroll, leave FWO with little option but to exercise enforcement provision of the Fair Wage Bylaw".

[emphasis added]

\$15,000 withheld from York Fire's contract

An amount of \$15,000 was withheld from York Fire's outstanding invoice payments.

²⁸ The Fair Wage Office administers the Fair Wage Policy that prohibits the City from doing business with vendors who discriminate against their workers. The Office investigates complaints and takes enforcement action when it determines that a contractor is not paying its workers the prescribed hourly wage rates, and any vendor that does business with the City must sign a Fair Wage Declaration.

²⁹ The Department of Defense Office of the Inspector General in the United States "Fraud Red Flags and Indicators" <http://www.dodig.mil/Resources/Fraud-Detection-Resources/Fraud-Red-Flags/> (Contractor's payroll that does not comply with contract specifications can also be a warning sign of fraud)

We heard from technicians that they worked for multiple companies at the same time, even changing t-shirts to work for different companies in the same day. City staff wrote:

"... that they have shown up on site under different company names occasionally, but all invoicing is from York. The assumption is they are subs of York.

...staff could not confirm some of the various names that York would show up on site."

[emphasis added]

It is not illegal to use subcontractors, however, for fair wage purposes, subcontractors need to be tracked and for security purposes the City should be aware of who is inspecting life safety equipment. This is discussed more in Section E.3.

C.2. Morphing Companies and Company Names Linked to Same Individuals

Shifting names and titles

In addition to the shifting names and titles of senior company executives with the vendor as described in the previous section, there are also many affiliated companies.

This investigation found many of the companies had the same addresses and/or the same names listed as the owners, or an unusual address as a registered office.

The complainant alleged that one person owned all of these affiliated companies.

As a first step, the Auditor General's Office obtained Corporate Profiles for York Fire and its affiliated companies.

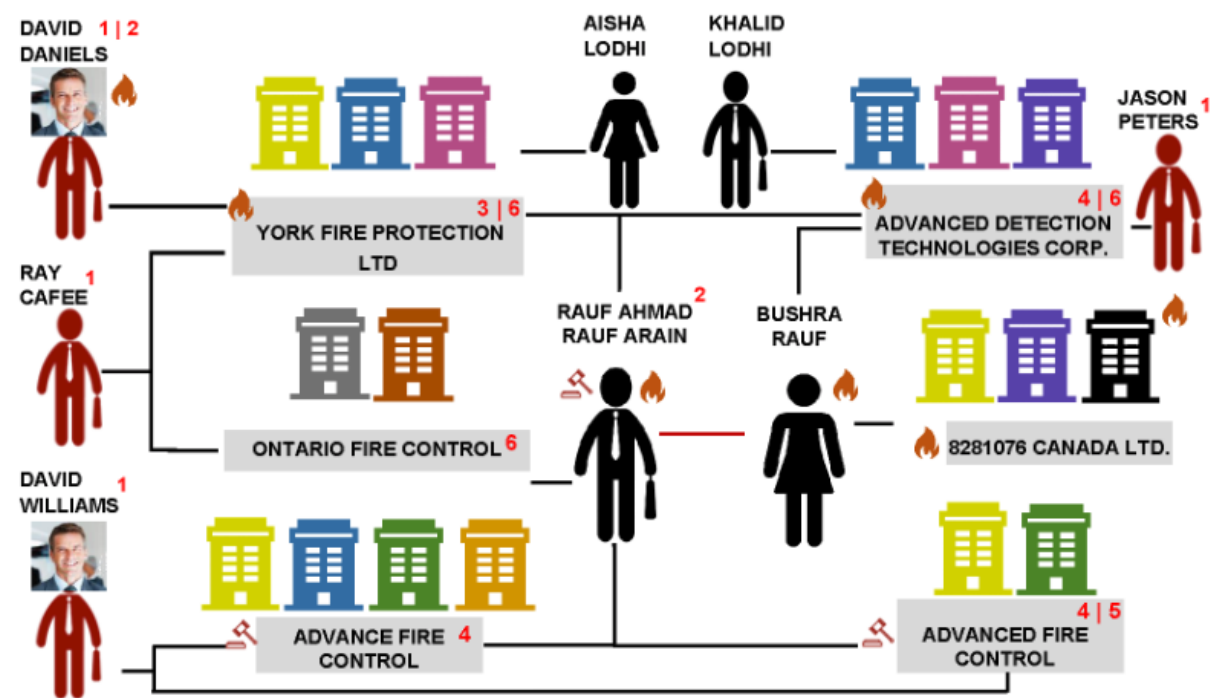
Relationship map shows common addresses for various companies

Based on the information from corporate profiles, online research, and bid documents, we mapped, to the best of our abilities based on best available information, the addresses and found common connections between individuals and companies³⁰. This is illustrated in Figure 13.

³⁰ It should be noted that the companies used different variations of names at different times. Not all are exact.

For every company noted in the grey boxes, the colour coded buildings represent a unique address. Some building colours show that the same address is used by different companies shown in the grey box. For example, the address of 43-2721 Markham Rd. is shown in blue and appears on documents associated with York Fire Protection, Advance Fire Control and Advanced Detection Technologies Corp.

Figure 13: Address Relationship Map



LISTED ADDRESSES BY COLOUR, LEGENDS AND FOOTNOTES

- 26 MANORWOOD RD., TORONTO, ON (Residential property)
 - 43-2721 MARKHAM RD., SCARBOROUGH, ON (Commercial property)
 - 102A-1510 BIRCHMOUNT RD., TORONTO, ON (Commercial property)
 - 39 CITADEL DR., SCARBOROUGH, ON (Residential property)
 - 2575 DANFORTH AVE., TORONTO, ON (Mixed use property)
 - 1303 AVE-Y NORTH, SASKATOON, SK (Residential property)
 - 6 – 1193A BRIMLEY RD., SCARBOROUGH, ON (Commercial property)
 - 2560 LAWRENCE AVE. EAST, TORONTO, ON (Mixed use property)
 - 1100 BIRCHMOUNT RD., SCARBOROUGH, ON (Jamia Talimul Islam listed as registered office)
- Filed lawsuit against City of Toronto in 2013. | Confirmed as ex-spouse. | Charged with Ontario Fire Code Violations in 2018.

- 1** Person is Signing Officer on City contracts and are confirmed to be **fictitious**. Ahmad confirmed that these are AKA names. Details of roles and positions in Table 2. Ray Cafee is believed to be **fictitious**.
- 2** The affiliation and roles of these individuals to York Fire Protection are outlined in Table 2.
- 3** Maf-Bar Conseil Ltee. is the incorporated company that operates as York Fire Protection.
- 4** Rauf Ahmad interchangeably used Advance Fire Control and Advanced Fire Controls during contracts with City of Toronto. Ahmad confirmed that these are operating trade names for Advanced Detection Technologies.
- 5** Advanced Fire Control later changed its official name to AF Controls Canada. The claim filed by Rauf Ahmad against City of Toronto was on behalf of AF Controls Canada.
- 6** Ahmad confirmed that York Fire Protection and Advanced Detection Technologies are merging into Ontario Fire Control.

The map shows the complexity of how some vendors operate. Multiple companies that have the same address/telephone numbers can be an indicator of potential fraud.³¹

Use of different "trade names" or "operating names"

Use of "trade names" and "operating names"

We inquired why so many companies were being used. Under oath, Ahmad said he used different company names as "trade names" or "operating names" and most are associated with Advanced Detection Technologies.

Based on the history of events, it appeared to us that when a company associated with Ahmad came under scrutiny or had issues, a new company was formed. For example, when Advance Fire Control had issues with the City, York Fire Protection was formed.

New company formed when existing companies are under scrutiny

York Fire Protection and Advanced Detection Technologies Corp. are under scrutiny. Ahmad told us that he is in the process of merging York Fire and Advanced Detection Technologies into a new company called "Ontario Fire Control". The Auditor General has noted that Ontario Fire Control has various job postings on the CFAA website to hire new staff members.

We have spoken to people who have or were working at York Fire or Advance Fire. In addition to Ontario Fire Control, we were informed that there are other companies that are being created. We have no further information at this time.

Handwriting analysis shows risk

Auditor General noticed similar handwriting on different bid documents

During the investigation, the Auditor General noticed what appeared to be the exact same handwriting for different bids.

³¹ The Department of Defense Office of the Inspector General in the United States provide a list of some "Fraud Red Flags and Indicators." <http://www.dodig.mil/Resources/Fraud-Detection-Resources/Fraud-Red-Flags/>

Engaged a forensic handwriting examiner

We engaged a forensic examiner specializing in handwriting analysis to review the signatures and handwriting on bids submitted by York Fire and Advanced Detection Technologies Corp. The purpose of the analysis was to determine whether the three signatures and other writing on various RFQ and other documents were possibly written by the same person.

We provided sample signatures for Rauf Arain/Ahmad (signing officer for Advanced Detection Technologies 2015 bid), Dave Daniels (signing officer for York Fire 2015 bid) and Person X (signing officer for Advanced Detection Technologies for a 2018 bid) as illustrated in Figure 14 below:

Figure 14: Signature Comparison



Signature 1 (Q1) – Rauf Ahmad/Arain, Advanced Detection Technologies Corp.



Signature 2 (Q2) – Dave Daniels, York Fire Protection



Signature 3 (Q3) – Person X, Advanced Detection Technologies Corp.

After reviewing the signatures, the expert provided the following opinion:

Handwriting expert concludes that all 3 signatures were written by one hand

"Based on the documents submitted and upon thorough analysis of these documents, and from an application of accepted forensic document examination tools, principles, techniques and standards, the evidence supports my opinion to a reasonable degree of scientific certainty that the signatures and handwriting on the three Requests for Quotation from the City of Toronto labeled 'Q1' through 'Q3' were written by one hand/same hand... There was a switch from writing in all capital letters to capital and lower case letters in order to disguise. There was an attempt to vary the formation of numbers in order to disguise. As in nearly all disguise attempts, the person cannot stop their brain from switching back to its usual writing habit at some point in the writing. This is what happened in the 'Q1', 'Q2' and 'Q3'."

[emphasis added]

The analysis continued:

"The writing on all three (3) Requests exhibited the same skill level, rhythm and slant and if not for the different writing instruments, it appears pressure would be very similar. The fact that the 'Q1' and 'Q2' shared the exact physical address and email address and that part of the name of the company was the same added to the weight of the opinion being that one hand authored/filled out the documents."

The expert indicated that they would be willing to testify in a court of law, and bring supporting documentation, to show her opinion is correct.

Vendor's answer regarding Person X's signature

Vendor admits to signing multiple documents with other names

When summonsed to the Auditor General's Office, the findings were presented to Ahmad. Ahmad admitted under oath that Dave Daniels (signature Q2) was not a real person and that he himself, Ahmad, signed the bid documents in the name of Dave Daniels. For Person X's signature (Q3, above) Ahmad initially insisted that Person X signed the bid. However, upon further questioning, he admitted that he, Ahmad, signed the document for Person X, but that Person X was beside him when he did it.

Ahmad was evasive when asked whether we would be able to contact Person X. He said Person X had already left work for the day, and that he could not call them because his cell phone was off. We followed up with Ahmad to put us in contact with any current or former employee that worked on City inspection work, ever, so that we could make inquiries. He declined to do so, saying he needed at least six weeks to prepare this information for us.

Risk of fraud, but difficult to prove

Some signing officers were false, but proving fraud was committed using the false name is difficult because of the state of the records

In this case, fraud is unproven because of the difficulties amassing the records and a lack of consistency in management's statements regarding the procedures they followed when paying invoices. However, based on the totality of the evidence, it is our view that there is a high-risk situation for fraud.

For example, we were informed that the company officers that signed City contracts valued at about \$900,000 have fake identities by the person who created those identities. Other indications of a high-risk for fraud include:

Numerous indications of potential fraud

1. Other executives on the company's website are shown as stock photos with fake descriptions of their qualifications and work experience

2. Forensic signature/handwriting analysis supports that both Rauf Ahmad and Dave Daniels are the same person and that Ahmad signed the name of one of his employees.
3. Changing company titles appear to be designed to address a certain situation rather than a role
4. Changing company names, multiple addresses
5. Deficiencies and inconsistencies with invoicing for both companies, including changing invoice and service order styles.

This is very concerning given that the City has repeatedly hired York Fire and related companies to conduct life safety inspections for the last 10 years.

Vendor's answers regarding use of various identities

Vendor used pseudonyms

We asked Ahmad why the different names were used, including Rauf Arain, David Williams, Jason Peters, and Dave Daniels.

He said Rauf Ahmad is his name, and the others are all what he referred to as "AKAs", meaning pseudonyms. He said he used those names because he did not want to be discriminated against because of his name.

He said:

"... when I came to Canada a long time ago I had somebody, right? Came to me, approached me and he said that 'what are you doing here? Go back to your country. Get out from here', right? It was a big argument so I went back home and I started crying with my wife. So I consulted somebody and they said that lots of people, what they do ... everybody has so many AKAs right? So that's what happened. So otherwise it was not meant to dodge City of Toronto or something like that. It was just to avoid the discrimination."

There was no evidence that City of Toronto ever discriminated against this vendor

Ahmad provided no evidence to suggest that he ever faced any discrimination at the City of Toronto. He was often the contact person for the company. Many City staff members and vendors are from diverse backgrounds, and over the past ten years it was our view after reviewing an extensive amount of emails from his companies, that the City gave Ahmad the benefit of the doubt when dealing with him or his staff.

On the contrary the City appeared to give the 'benefit of the doubt' this this vendor

In addition, Ahmad went further than a different name. He created fake company histories, false professional qualifications for fake people, and he bid on the same RFQ using his own name on one bid and a fake identity on another bid.

It is our view that the extensive fabrication was used to allow new companies and fake people ("the AKAs") to bid on work when performance issues were arising in different municipalities and at the City.

We contacted a former employee of York Fire who told us:

"...[Rauf Ahmad] used Dave [Daniels] to open up his company [York Fire]; under Advance Fire, people [clients] didn't like him, so he created Dave Daniels; he wouldn't meet clients face to face..."

More than one former employee has indicated that when Ahmad experienced difficulties with customers or performance issues, he would start a new company.

Recommendations:

- 6. City Council request that, for contracts involving life safety inspections, the General Manager, Facilities Management, work with Legal Services Division and Purchasing and Materials Management Division to:
 - a. develop a protocol including establishing the appropriate qualifications, criteria, and / or background/security checks needed to be included in the contract to ensure that qualified and reputable persons are carrying-out the life safety inspections**
 - b. develop a protocol to identify the due diligence steps that will be undertaken by staff when the contractor arrives at the site to conduct inspections**
 - c. develop a watch list to track life safety service providers that have significant performance issues, charges and/or convictions for violations of the Fire Protection and Prevention Act and accompanying Regulations.****

- 7. City Council request the Toronto Fire Chief to work with the Ontario Fire Marshal to determine if such a watch list of those companies and persons charged or convicted of violations of the Fire Protection and Prevention Act and accompanying Regulations is needed province-wide because the life safety service providers may work with other municipalities and private buildings.**

D. FIRE CHIEF'S INVESTIGATION

D.1. Charges Laid Against York Fire and Affiliated Companies

The Auditor General divided the complaint into two parts: one involving City-owned buildings, which she led.

The portion related to private buildings was sent to the Toronto Fire Chief Matthew Pegg. Following an initial review of the complaint by the Fire Chief, he assigned Deputy Fire Chief Jim Jessop to lead the required inspection and investigation work, in accordance with normal TFS process.

58 charges for Fire Code violations

Based on the information provided by the Auditor General, and after an extensive investigation of private buildings the vendor had been contracted to inspect, Toronto Fire Services laid 58 charges under the Provincial Offences Act for various violations of the Ontario Fire Code. The charges were laid in March and in May 2018.

The companies, owners and technicians named in the charges include:

- Advanced Detection Technologies Corp.
- Rauf Ahmad (also known as Rauf Arain)
- Jamia Talimul Islam
- York Fire Protection
- Bushra Rauf
- Maf-Bar Consell Ltee.
- Dave Daniels
- 8281076 Canada Ltd.

The charges are in relation to work performed at two addresses: 1100 Birchmount Rd. in Scarborough and two affiliated high-rise condominium buildings in downtown Toronto.

Many Fire Code violations cited

These companies were charged with one or more of the following, failure to:

- test, repair, and replace or alter a fire alarm system
- maintain a fire alarm system and sprinkler system
- ensure elevators are tested
- ensure emergency power systems are inspected, tested and maintained
- ensure an annual inspection is conducted for tanks for fire protection, tank supporting structures and water supply systems
- ensure the person performing contracted work is licensed to do so.

In addition to the charges listed above, Rauf Ahmad/Arain has been charged with refusing to answer fire inspectors' questions, providing false or misleading information to inspectors, and with preventing an inspector from entering premises.

These are many of the same companies and technicians that have been contracted by the City to perform similar fire-related inspections, as described in previous sections of this report.

Deputy Fire Chief Jessop, speaking to the media about the charges, said they are "*of great concern. It really is a breach of trust. These fire protection systems are in place to protect the public and to protect the responding firefighters.*"³²

The Auditor General also requested a review of a sample of City-owned buildings to verify if the contractor/contractors were doing their job and that City buildings were safe, and then to report back to her. The results of these inspections by Toronto Fire Services is contained in section E.

Supporting the Toronto Fire Service with legislative change

The complexity of this file demonstrates the difficulty in tracking down those who don't follow industry rules.

³² <http://torontosun.com/news/local-news/breach-of-trust-companies-lied-about-safety-inspections-toronto-fire-says>

During the course of their investigations, the Toronto Fire Service, in December 2017, made a request to the Minister of Community Safety and Correctional Services for a legislative change to increase the time to conduct investigations.

Toronto Fire Service requested legislative changes from the Province to extend investigation time because of the complexity of some investigations

"TFS has experienced significant challenges in the last year in enforcing the provisions of the Fire Protection and Prevention Act (FPPA) and accompanying Regulations; specifically, the time limitation period and discoverability language related to swearing Informations under the Provincial Offences Act (POA).

The challenges in swearing Informations in accordance with the prescribed timeframe alleging violations of the FPPA has resulted in TFS closing a number of significant inspections and investigations without being able to bring the alleged offender before Provincial Offences Court.

The FPPA, unlike the Building Code Act (BCA), is silent with respect to the limitation period and discoverability language; consequently, those charged with enforcing the FPPA are required to follow Clause 76 of the POA.

As the Fire Chief responsible for the fire safety of over 2.8 million people and nearly 3,200 staff in Toronto, it is my duty and responsibility to bring this public safety issue to your attention and request legislative change.

TFS is requesting that the FPPA be amended to add the limitation period and discoverable language prescribed in Section 36(8) of the BCA. I am requesting this amendment be expedited as soon as reasonably practicable as the current language in the POA significantly restricts our ability to enforce the provisions of the FPPA and accompanying Regulations."

[emphasis added]

Recommendation:

8. **City Council support the Toronto Fire Chief in recommending to the Minister of Community Safety and Correctional Services to amend the *Fire Protection and Prevention Act* limitation period and discoverability language as required to lengthen the time to conduct complex investigations in support of fire safety.**

E. SYSTEMIC ISSUES

E.1. Systemic Life Safety Inspection Issues

York Fire is not the only company hired by the City to perform fire safety-related inspections.

Many City-owned buildings had Fire Code deficiencies

Based on our request, Toronto Fire Services inspected a sample of 12 City-owned buildings. All but one site was found to have Ontario Fire Code deficiencies. The sites with Fire Code deficiencies include:

- Union Station
- City Hall
- Old City Hall
- Metro Hall
- Exhibition Place
- Casa Loma
- The Toronto Zoo
- A City-run daycare

Toronto Fire Services had difficulties in obtaining documentation

Toronto Fire Services had significant difficulties in obtaining inspection reports from the City, even though these reports "shall be made available for examination on request" as required under the Ontario Fire Code.

In late January 2018, months after requesting records, Deputy Fire Chief Jessop wrote to Facilities Management:

"TFS is still experiencing significant challenges in obtaining information we need to close our inspection dating back to October 2017..."

The final results of Toronto Fire's inspections of a sample of City buildings showed multiple instances of non-compliance with the Fire Code.

After Deputy Fire Chief Jessop reported his concerns about the lack of documentation and the serious deficiencies at the various sites, Facilities Management hired a firm to inspect additional critical infrastructure buildings to ensure they are in compliance with the Fire Code.

Management reported to us:

"A qualified third-party vendor carried out fire safety reviews at 19 critical buildings, which identified fire compliance issues at many of the sites"

The results are concerning. Figure 15 is a snapshot of management's inspection report on these City-owned buildings. Every horizontal line represents a critical infrastructure building. The red squares show where inspections were not up to date or equipment was not operating. The image is intentionally blurred so that locations remain confidential.

Figure 15: Snapshot of a Management's Inspection Report on Critical City-owned Buildings³³

The aforementioned buildings are some of the City's most important civic spaces, and some of the buildings are considered to be critical infrastructure buildings. We were concerned about the lack of inspections and the number of uncorrected deficiencies.

Why this has occurred

We have identified several potential reasons for this state of affairs.

1. Not treating the inspection of life safety systems in a building as "a system"

Buildings are inspected by a series of companies which review different aspects of compliance with the Fire Code. City buildings can be inspected by up to six different contractors providing reports for one building: one for the fire alarm system, one for emergency lighting, one for the sprinkler system, one for the fire extinguishing systems, and so on.

³³ Updated for the Toronto Fire Services inspection results provided to the Auditor General.

As contractors change, this becomes very difficult to manage because there can be a weekly, monthly and annual inspection reports for each kind of service, along with supporting deficiency and clearance reporting requirements.

Life safety systems should be treated as 'a system'

Life safety systems are just that, "a system". They can be interdependent and together assist with minimizing the loss of life and damage should a fire occur.

A fragmented approach to inspections makes it easy for inspection issues to fall through the cracks and harder for those responsible, the building owner, to ensure all inspections are completed properly.

The "*Building A Safer Future*" report said:

"We must ... begin thinking about buildings as a system so that we can consider the different layers of protection that may be required to make that building safe on a case-by-case basis."

2. Using a decentralized and siloed model to manage life safety inspection services

Facilities Management staff note they manage hundreds of City buildings and the City manages their life safety service providers based on districts: the north, south, and east and west districts. Agencies and Corporations independently manage their own life safety service providers even though the agencies or corporations may be operating out of a City building.

Performance is not separately tracked

To complicate matters further, some Divisions appear to operate and contract external service providers separately. Another division, Toronto Water contracts with and manages the same vendor, York Fire, separate from the Facilities Management Division.

Where performance issues are found, tracking down which buildings the contractor is working in is very difficult.

Example of decentralized approach to managing contractors

For example, we have a concern about another contractor and asked which buildings the contractor was working in. We had great difficulty tracking down what we consider to be basic information.

When it was finally tracked down, we identified that the annual inspections for the fire alarm system had not been completed since 2014.

Lack of awareness of seriousness of not complying with the Code

The manager responsible indicated that they did not know why Fire Code-mandated inspections had been suspended. The manager wrote to a colleague:

"I need to show why I haven't done an annual inspection for the fire alarms since 2014."

This is a concern. For example, we note that even as far back as 1991, in a Coroner's Inquest, recommendations were made because 10 people died in a Toronto fire. The inquest recommended, among other things, that *"all alarm work including monthly and annual inspections should be entered in a log book and penalties be in place for failure to maintain"*.

This highlights the importance and impact of ensuring inspections are conducted and logged.

'Bird's eye view' needed

The City needs a 'bird's eye view' of who, what, when, where, why and how the inspections are conducted.

3. Not standardizing inspection sheets to ensure consistency

Quality of inspection reports can be improved

The quality of third-party inspection reports varies. Each company uses a different kind of inspection form that makes it difficult to follow which company has inspected what equipment, and where. The City contracts do not include appropriate direction regarding what these forms should contain.

In more than one case, Toronto Fire Services inspectors noted the contractor was using outdated Ontario Fire Code references or inspection sheets that arguably did not cover off the Ontario Fire Code requirements.

While we recognize the Ontario Fire Code references CAN/ULC S536 which has a recommended form in its Appendix, Alberta has codified this inspection form as the only acceptable one. At a minimum, the City should include the form it wants completed as part of the contract to ensure standardization and completeness.

4. Not using a centralized database

Benefits of a centralized database to track life safety inspections

The City does not maintain a centralized list of buildings or assets that need inspecting. A centralized database includes:

- The list of assets needing inspecting in each building
- Whether those inspections were completed on time and in accordance with the Code, including whether deficiencies are rectified and including a clearance letter on file
- Who has been pre-approved by the City to conduct Fire Code-related inspections, including reference to the due diligence conducted to ensure the service technician is certified
- A referenced copy of the inspection conducted for easy review by the Fire Chief as he deems necessary so that inspections and investigations can proceed in a timely manner
- Flags to indicate when inspections have not been completed so that they may be brought to the attention of management and the Fire Chief
- Any performance or invoicing issues that may indicate a concern about the service provider.

5. Not having a centralized complaints process that can capture concerns about a particular contractor

At a City level, contractors are managed on an ad-hoc basis. If there is an issue with a contractor, be it billing or inspection issues, it is important for the Fire Chief to be able to quickly identify which buildings were serviced by the contractor so that follow-ups can be made to ensure the building is safe and occupants can be notified of any potential dangers that may exist.

This vendor indicated that he has worked in hospitals, schools, retirement homes, and day cares.

We note that in addition to Toronto, other municipalities and the Canadian Fire Alarm Association had complaints or concerns about this vendor's performance.

A possible solution could be the creation of a registry that would allow Toronto Fire Services to track which City-owned buildings life safety inspection companies are working in so that if safety issues arise, they know which buildings the vendors have worked in.

We note that a recent Ontario inquest into a house fire recommended that the Province:

"Develop a provincial "red-flag" system which would trigger a re-inspection of properties with a history of non-compliance with Fire Codes"

"Watch list"

This could possibly be expanded to having a red-flag / watch list system that would track where there are multiple complaints about contractors, and evidence of inspection quality issues.

This is something for Toronto Fire Services to consider in collaboration with the Ontario Fire Marshal.

6. Not clarifying the roles and responsibilities of staff, contractors and building owners

It is our view that Facilities Management does not fully understand their accountabilities. One can delegate responsibility to complete an inspection, but not accountability.

While we recognize that it is building owners' accountability to ensure inspections are conducted appropriately, given the prevalence of the issues across the City, it is clear that more clarification, certification and training for both key City staff and service providers is needed.

The "*Building A Safer Future*" report highlighted that a "lack of clarity on roles and responsibilities" led to the tragedy.

"There is ambiguity over where responsibility lies, exacerbated by a level of fragmentation...precluding robust ownership of accountability."

In a 1995 Coroner's Inquest into the Forrest Laneway that resulted in multiple deaths, the Coroner recommended that the building owners have mandatory training to better understand their accountabilities. Specifically, the Inquest recommended to:

"Develop a mandatory, certification training course for building supervisory staff which includes the following subjects:

- the use of emergency voice communication systems (EVAC)*
- fire alarms systems*
- sprinkler systems*
- smoke control measures*
- emergency power*
- elevator operations and control*
- fire safety planning*
- maintenance of door closures*
- understanding / scheduling of maintenance as detailed in the Ontario Fire Code*

This certificate should be renewable."

Clarifying roles and responsibilities by raising competence levels, as well as improving the quality and performance of all involved is necessary for change. In addition, supporting the industry in improving industry qualifications and regulations for both service providers and building personnel in turn can assist fire departments.

Recommendations:

- 9. City Council request the General Manager, Facilities Management, to develop and be accountable for the oversight of a model that:**
 - a. treats the inspection of life safety systems in a building as a holistic system rather than using a fragmented approach**
 - b. uses a centralized model with Facilities Management Division as the overseer of life safety inspection services across all City-owned buildings**
 - c. standardizes inspection reports for life safety service providers and ensure they are comprehensive enough to comply with the Ontario Fire Code requirements**
 - d. creates a centralized database to track the life safety inspection process**
 - e. creates a centralized complaints process regarding life safety service providers**
 - f. clarifies roles and responsibilities of staff, life safety service providers and building owners.**
- 10. City Council authorize the Toronto Fire Chief to assist the Ontario Fire Marshal, in any way possible, to address any Province-wide issues arising out of this report.**

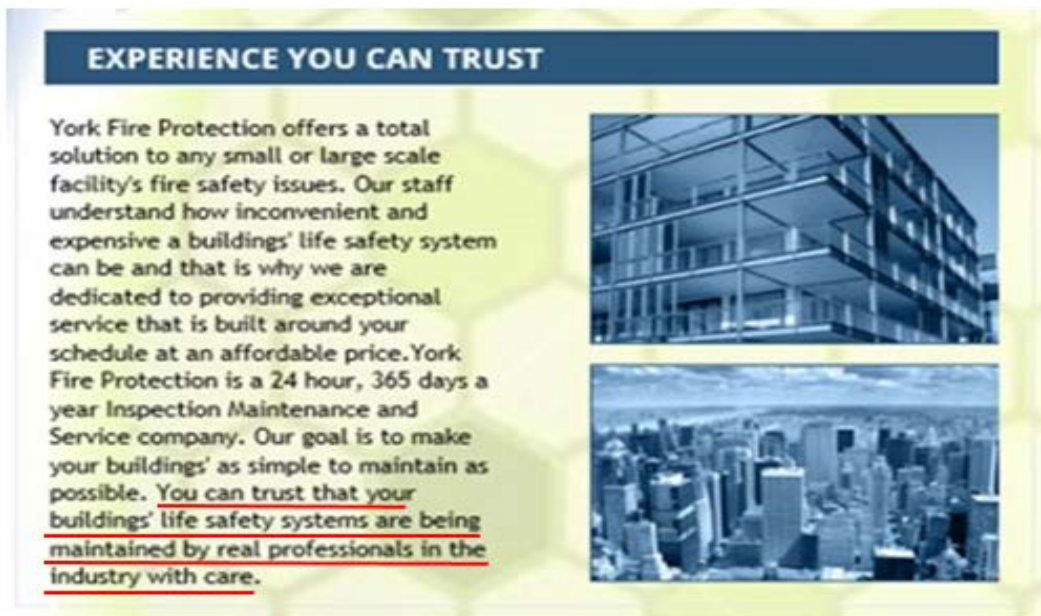
- 11. City Council request the Toronto Fire Chief to make recommendations to the appropriate Provincial authorities about the need to:
 - a. regulate the training and licensing for all life safety inspection services including emergency lighting and fire extinguishers, so that inspections of buildings is treated as a system**
 - b. where a contractor is non-compliant, providing an avenue for delicensing, if necessary.****
- 12. City Council request the General Manager of Facilities Management to design a quality control program to verify that those companies performing the inspections do so in accordance with the Ontario Fire Code.**
- 13. City Council request the Toronto Fire Chief to make recommendations to the Ontario Fire Marshal to consider training and/or certification for building owners or the staff responsible on behalf of building owners so that they understand their roles and responsibilities under the Ontario Fire Code for the inspection of life safety systems, including sprinklers, emergency lighting and other fire suppression systems including the requirement for the keeping of records consistent with the provisions of Division B, Clause 1.1.2.2 (a) of the Ontario Fire Code.**
- 14. City Council request Toronto Fire Chief to make recommendations to the Ontario Fire Marshal related to a brochure available in all mediums that outlines the building owner's responsibilities, and that the brochure be available on Toronto Fire Service's website and distributed as a quick reference to all building owners as part of the approval of their fire safety plans.**

15. **City Council request the Toronto Fire Chief to make a recommendation to the Ontario Fire Marshal that a Technical Advisory Committee be struck to review the system-wide issues raised in this report and make recommendations to the Minister of Community Safety and Correctional Services.**

E.2. Concerns About Companies Having Extensive Access to City Buildings

Figure 16 is a snapshot of York Fire Protection's website at August 2017. The website refers to life safety systems being maintained by 'real professionals' and lists the company's experience as a reason to trust them.

Figure 16: Snapshot of York Fire's Website Advertising that it is to be Trusted



During this investigation, we found that many service providers are not monitored while they do their work, and their credentials are not verified. This is particularly concerning because these contractors are given widespread access to the buildings they inspect.

Importance of conducting vendor due diligence

While we understand that it is not practical to monitor every contractor in City buildings, it highlights the importance of conducting due diligence and security checks before relying on them.

A Facilities Management staff member said:

"It is normal for us to provide access to the site for contractors and then leave to perform our monthly inspections, so I am not able to confirm the technicians time for this service report."

A third-party technician was left alone at one site for over two hours, according to one service report. Other service reports show technicians being on-site for many more hours.

During this investigation, we were informed that the technicians determine their own schedule and sometimes arrive unannounced for an inspection. Staff do not always inspect the contractors' credentials and identification before giving them access to the building(s).

We heard from technicians that they can work for up to three different companies (York Fire Protection, Advance Fire Control and Ontario Fire Control) at the same time and sometimes in the same day.

During the Fair Wage Office investigation, that office found the names of technicians on service orders who were not on the payroll of York Fire. When inquiries were made, Ahmad said they were subcontractors, but did not provide the records requested by the Fair Wage Office. See section C.1.

E.3. Service Providers' Performance Not Verified

It is our view that the City is not sufficiently tracking performance or verifying past performance.

The Ontario Fire Marshal's guidelines for hiring a fire protection service company states:

Vendor's performance record should be considered

"In employing service personnel to carry out this work, there must be some assurance that the work is done in a competent and professional manner."

The Ontario Fire Marshal notes that it is important to consider the "*performance record of the service company*" and whether there has been "*an absence of repetitive problems*".

One example is with respect to the company's past performance. York Fire's website says it has been in operation since 1989, as illustrated in Figure 17 below.

However, York Fire was formed in late 2013 after Advance Fire Control, another company associated with Ahmad, settled its lawsuit with the City. York Fire won a contract shortly after being created.

Past performance and the performance of the principals behind the companies was not verified.

Figure 17: Snapshot of York Fire's Website August 2017, Showing it has been in Business Since 1989



When issues arose immediately, the work with the company continued.

Divisions operating in silos

City Divisions seem to operate in silos when procuring life safety inspection services.

This has been discussed in prior reports, including the 2005 Auditor General's report entitled "Maintenance and Administrative Controls Review – Facilities and Real Estate".

Decision to trust vendor should not override need for due diligence

If a disreputable or unqualified company is hired to certify that life safety systems are operating as intended, it can present both a fire hazard and a safety and security risk. It can also create a legal liability.

Management said there was a need to trust the vendor

We heard time and time again from Facilities Management that they need to trust the vendor. We understand that a certain amount of trust is needed when working with any contractor, but due diligence needs to be conducted first to verify that a contractor is legitimate. The level of due diligence has to be commensurate with the risk. Ongoing diligence has to occur and when issues are raised, they need to be tracked centrally and addressed swiftly.

Due diligence needs to be completed

Depending on the buildings being accessed by contractors, it would be appropriate to:

- obtain background checks to ensure contractors are who they claim to be and they are qualified and certified
- ensure they identify themselves by producing valid and official identification at the sites before every inspection

For example, fire alarm technicians are required to undergo formal training.

Any technician that successfully completes this training receives an identification card with their name and photo on it, along with an expiry date. A technician's I.D. card status can be confirmed online. The requirement to show these kinds of qualifications before performing work should be included in the City's RFQ with these vendors.

Consideration should also be given to requiring formal criminal record checks and other Police clearance screening as recommended by the Toronto Police Service.

E.4. Performance and Billing Issues With Other Companies

Our review identified that performance and billing issues extended to other companies contracting with the City. We asked Toronto Fire Services to inspect a sample of City buildings and they confirmed many deficiencies in the contractor inspection reports.

Billing issues with other vendors

For example, during our own review, we noticed billing issues with a company contracted to inspect fire alarms, sprinklers and standpipe systems. The company billed for inspecting four sprinkler systems, but the Life Safety Supervisor noted that those buildings did not even have sprinkler systems. The supervisor raised concerns about this contractor and he wrote in an email to the manager before retiring:

"Why is...a file [being put] together about York, it is [Company X] that is a real problem, let's chat"

When we asked if the issues stopped coming to the manager's attention because the Life Safety Supervisor retired, or if the issues were resolved, the manager said *"it's a combination"*. The manager attributed the problems to *"growing pains"* because the contract was new.

We followed-up with the Life Safety Supervisor who conveyed that:

Life Safety Supervisor confirms performance issues with other vendors

*"[Company X] was a real problem as they did not get the job done of these critical life safety systems. Incomplete reports, work not fully completed. I received reports that devices were not tested as they could not reach the device and I told them they need to go back with whatever equipment they needed to test the device... [in relation to] **flow test results of the standpipe system**³⁴ ... [the company] **did not perform these as required [under the Code] and I did not get the reports.** There were times that I would receive reports that they tested a sprinkler system in a building that did not have a sprinkler system."*

³⁴ Standpipe systems are a series of pipe which connects a water supply to hose connections that are intended for fire department or trained occupant use. [<https://www.firehouse.com/prevention-investigation/article/10503421/back-to-basics-standpipe-systems>]

We asked Toronto Fire Services to inspect if there were deficiencies in the reports provided by Company X. Consistent with the information provided by the Life Safety Supervisor, full flow tests were not being completed by Company X and system testing was not complete.

When it came time to renew a multi-year contract with Company X, PMMD reached out to the Facilities Management managers to confirm whether there were any performance issues. No issues were identified even though the manager was aware of the issues regarding Company X. The multi-million dollar contract was awarded.

Figure 18: Example of a Standpipe System



Our work continues in this area. If there are any findings that need to be communicated, we will issue a separate report.

E.5. Lack of Understanding of Importance of Contracts

RFQs do not capture Fire Code requirements

During Toronto Fire Services' independent review, they noted several instances where an apparent lack of understanding of Ontario Fire Code requirements led to poorly worded RFQ requirements.

Lack of understanding of contract requirements noted by Toronto Fire Inspector

For example, at one City location, the Toronto Fire Inspector wrote in their report:

"...it is my opinion that the Facilities Management staff lack an overall understanding of the daily, weekly, monthly and annual ITM (inspection, test and maintenance) criteria required by the Ontario Fire Code (OFC) and associated applicable standards.

This lack of understanding with regards to the OFC ITM requirements is also evident when reviewing the City of Toronto Request for Quotation (RFQ) documents. In some instances, the RFQ documents made available for review do not provide a clear scope of work and/or properly reference applicable codes and standards. It is important to note that most RFQ documents capture many City of Toronto properties under one contract, therefore this issue is not exclusive to [one location]."

[emphasis added]

In another report for a different City location, the Fire Inspector noted:

"Aspects of the RFQ documents for the fire extinguisher inspection, recharging and maintenance is both conflicting and confusing. The scope of work identified throughout the document is not consistent and as a result provides an opportunity for bidders to misinterpret and/or not include for certain services. It is also important to ensure that the codes and standards being referenced to in the RFQ documents are accurate including the applicable editions as referenced in the OFC."

[emphasis added]

As demonstrated in the above Toronto Fire Services' observations, this lack of understanding extends to the criteria included in the RFQ documents issued by Facilities Management for this kind of work.

In order to ensure the inspections are completed in accordance with the Ontario Fire Code, it is essential to have the proper specifications and requirements outlined in the RFQ documents.

Awarding contracts based on lowest cost

The complainant told our office that *"they would change names once fired by the City and then bid all over again, because (Rauf Ahmad's) pricing is cheaper compared to others (and) he gets the contract."*

According to the RFQ for Facilities Management and Toronto Water, award of the contract will be based on the *"Bidder meeting the specifications and providing the lowest grand total cost..."*

We further note that the RFQ for Facilities Management and Toronto Water had an additional section entitled "Acceptance of Quotations" that said:

"The lowest quoted price may not necessarily be accepted by the City.

In determining which Quotation provides the best value to the City, consideration may be given to the past performance of any Bidder."

The timeline in B.3. identifies in yellow, the times when performance issues arose for companies associated with Rauf Ahmad.

Although cost is an important criteria, it should not be the primary criteria in awarding contracts for life safety inspection services. Past performance of vendors should be considered when awarding contracts. In the case of this vendor, the vendor's past performance was not properly considered.

Contract wording allows for excel spreadsheets

In our review of the 2015 Facilities Management RFQ, we noted that the Scope of Work allowed inspection reports to be submitted in "excel or word format". There is a potential for inspection reports to be manipulated by vendors if they are allowed to submit inspection reports in Excel or Word format. This kind of wording in a contract shows a lack of understanding about the purpose and importance of inspection reports.

Contract not renewed in a timely manner

We noted several cases where contracts were not renewed in a timely manner and the work was completed at a much higher cost than it would have been under the expired contract.

Also, if there is no contract in place, some organizations will not proceed with inspection. We noted one portfolio of critical City-owned buildings that said they did not conduct inspections because the contract expired.

E.6. Fires Can Happen

Over the past few years, the City has had some fires in its buildings. It is important to be up to date with Fire Code requirements and to be vigilant.

On February 28, 2018, a fire started in a Justice of the Peace's office at Old City Hall. Court officers and security were in the building at the time. The fire was deemed accidental, and the result of files and other paper being piled up near a steam radiator. The sustained exposure to heat caused the paper to ignite.

Toronto Fire Services' Fire Investigators found that there was a delay in the fire alarm being activated because a ceiling tile had been moved or misplaced. This prevented smoke from the fire from reaching the detector when it would normally have, had the ceiling tile not been moved.

Although the Toronto Fire Services investigation into this fire is ongoing, in an email about the fire, the Deputy Fire Chief noted:

"Thankfully detection systems operated as designed and the fire was relatively small when suppression was undertaken."



Smoke detector

The situation could have been much worse. The Building was not up-to-date on its Ontario Fire Code requirements. Prior to the fire, on February 9, 2018, Toronto Fire Services provided Facilities Management with the inspection results of City buildings that was undertaken at our request, as part of this review. Facilities Management was informed that several inspection and test criteria required by the Ontario Fire Code were not completed and/or indicated on the report including, but not limited to, the following:

- Central station signal verification.
- Battery test readings
- **Smoke detector sensitivity tests**
- Waterflow detection device tests
- Shut-off valve supervisory switch tests
- A certificate/clearance letter confirming that deficiencies noted were corrected/repaired was not provided.

At the time of writing, we are unsure if or when these items were fixed.

F. POTENTIAL WRONGDOING

F.1. Clarifying that City Staff Are to Report Potential Wrongdoing

The Toronto Public Service By-law requires a Division Head, Deputy City Manager or City Manager to **immediately report** allegations of wrongdoing to the Auditor General for investigation.

Facilities Management did not Report Potential Wrongdoing

Facilities Management informed of complaint allegations, but no action taken until the Auditor General's involvement

We were concerned that Facilities Management did not report the allegations of potential wrongdoing involving the vendor or management.

We noted that in May 21, 2017, senior management of Facilities Management became aware of the complaint about York Fire, Advance Fire and Advanced Detection Technologies Corp. In particular, that:

- the companies were overcharging or charging for work not done
- the Facilities Management Life Safety Supervisor *"had been aware of all of these challenges with the vendor and [the complainant] is unsure if anything was done to rectify the issue."*
- *"other municipalities have cancelled contracts with this firm for fraudulent activity"*.

Auditor General not contacted about the possible fraud being perpetrated by the vendor

The Auditor General was not contacted by Facilities Management to investigate the potential fraudulent activity.

On June 2, 2017, the complainant provided additional information to PMMD. PMMD wrote to senior management staff of Facilities Management:

“... the information [the complainant] is providing is and could be a health and safety risk to the City.

He advised me this morning that when annual inspections are to be completed any documentation confirming the inspections of the sprinklers, hydrostatic test, and flow???, are not in fact completed

The owner actually signs off as completed, and they are not, and he forges the technicians names that are no longer employed by their firm, and forges signatures of technicians that are still working but they are unaware...”

[emphasis added]

Auditor General not contacted by FM about the possible fraud

These are allegations of wrongdoing in our view that Facilities Management had a responsibility to bring forward to the Auditor General. It involves paying for work that management was not ensuring was completed. The allegations were not brought forth and the health and safety concerns were not followed-up on. We learned about the complaint from PMMD.

Deputy Fire Chief advises of potential wrongdoing by third-parties providing services to the City

On February 6, 2018, the Deputy Fire Chief met with senior management staff of Facilities Management to share the findings of the inspection of sites requested by the Auditor General, saying:

“It does not appear to the TFS staff that the third parties retained under the various Fire Testing Agreements provided the City with Inspection, testing and maintenance services of the fire protection systems, as required”

[emphasis added]

Then on February 9, 2018, the Deputy Fire Chief brought a potential wrongdoing allegation to the attention of the Deputy City Manager and the Deputy City Manager, Internal Corporate Services.

In his note, the Deputy Fire Chief wrote:

"...the potential that the third parties obligated under contract to provide certain inspection, testing and maintenance services for fire protection systems within City buildings, have not been providing these services as required by the terms of their agreements with the City."

The Deputy Fire Chief recommended that the Auditor General be contacted.

*"It is my recommendation that you **notify the AGO of this potential wrongdoing** and the associated steps taken under your contract management of the Fire Testing Agreements. Please advise if you would prefer that I notify the AGO."*

[emphasis added]

Auditor General not contacted by FM about potential wrongdoing raised by the Deputy Fire Chief

The allegations of potential wrongdoing by third-party vendors raised by the Deputy Fire Chief has never been provided to the Auditor General by Facilities Management. We only found out about the concerns when following up with them in May 2018, as part of finishing this investigation.

With regard to the requirement to report, the City Solicitor advised that:

"the obligation to report wrongdoing in the public service by-law applies to wrongdoing by city employees."

The City Manager points to the objective of the By-law:

"To establish procedures for the disclosure and investigation of wrongdoing in the public service and protect public servants who disclose wrongdoing from reprisals".

Wrongdoing is very broad and includes mismanagement

The definition of wrongdoing is broad. According to the By-law, wrongdoing involves:

"Serious actions that are contrary to the public interest including but not limited to:

- (1) Fraud;
- (2) Theft of City assets;
- (3) Waste: mismanagement of City resources or assets in a willful, intentional or negligent manner that contravenes a City policy or direction by Council;
- (4) Violations of the City's Conflict of Interest rules set out in Article IV; and
- (5) Breach of public trust."

[emphasis added]

It is difficult to tell who is responsible for the wrongdoing until an investigation is conducted therefore reporting it to the AG for investigation in all cases is important

When wrongdoing against the public's interest is suspected, an employee may not know exactly who is responsible for the wrongdoing because the investigation has yet to occur. For example, if a City vendor is consistently not providing the services in accordance with agreements, as was alleged with this vendor, it may be the fault of the vendor, or as we have highlighted in this case, a result of what we believe to be mismanagement by the City, or both. That is why it is important to report all allegations of wrongdoing to the Auditor General.

The public's interest in having wrongdoing disclosed is paramount

Regardless of whether the fraud against the City originates from a City vendor or from City staff, it involves public money. It is in the public's interest to ensure waste and mismanagement of public money stops.

In our view, Facilities Management should have reported this matter because of suspected wrongdoing. Even if one is of the view that technically under the By-law the allegations did not need to be reported because it involves a City vendor, the Deputy Fire Chief requested that the Auditor General be advised of the potential wrongdoing.

There needs to be a clear obligation for City staff to report suspected wrongdoing by third-party vendors.

Recommendations:

- 16. City Council direct the City Manager to advise all staff to report any allegations of potential wrongdoing involving City resources, including potential wrongdoing against the City by third-party vendors, to the Auditor General for further investigation.**
- 17. City Council direct the City Manager to report to Council with advice about an obligation, in addition to those under the City of Toronto Act and the Toronto Public Service By-law, requiring City employees to report to the Auditor General allegations of wrongdoing by third parties.**

CONCLUSION

17 recommendations

This report presents the results of the Auditor General's investigation of a complaint received by the Fraud and Waste Hotline regarding the ability of a life safety inspection service vendor. This vendor was contracted to carry out life safety inspections to ensure City-owned buildings are in compliance with the Ontario Fire Code.

This report makes 17 recommendations.

Serious lack of documentation retained

The purpose of keeping the inspection reports to prove that life safety inspections have occurred and any deficiencies have been fixed is not only to be in compliance with the Ontario Fire Code, but to ensure the safety of the people who use those buildings.

This investigation found a serious lack of retention of Fire Code-mandated documentation to demonstrate that the inspections were completed. City staff need a better understanding of their legal responsibilities under the Ontario Fire Code to retain this documentation and address deficiencies.

Vendor seems to have deliberately misled City staff for many years

Some principals from York Fire, Advance Fire Control, and Advanced Detection Technologies Corp., have at one time or another appears to have misled City staff or the public by forging signatures, using false identities, and by using fake qualifications and profiles on their website. There are many issues with the quality of their inspection reports and in many cases, we are unsure if the work was even performed.

Red flags should have been raised

While City staff may not have been fully aware of the extent of the vendor's duplicitousness, the sheer number of irregularities and inconsistent answers from this vendor raised many red flags for some City staff but those red flags were not fully acted upon.

Allegations and evidence are alarming

The evidence this investigation gathered about the vendor is alarming. As a result of the complaint from the Auditor General, the Toronto Fire Services, following its independent investigation, charged some of these vendors, the owner, technicians and others with many violations.

Problematic vendor merely a symptom of larger problems

But the problems with York Fire may be a symptom of what appears to be an opportunity to address some issues within the life safety inspection industry.

The unsuspecting public often unknowingly rely on these companies for safety. Broadening the licencing of life safety inspection vendors and possibly improving regulations in the industry along with introducing a complaint process to "red flag" risky third-party inspection vendors will help to create an environment where less than honourable companies don't thrive.

Indifference shows urgent need for City staff to understand their accountabilities

This investigation also highlights a systemic problem in how the City awards life safety inspection contracts and manages these vendors.

The indifference this investigation encountered shows there is an urgent need to remind Facilities Management staff what they are accountable for.

City staff must be diligent

City staff must be diligent in:

- Performing due diligence on vendors who perform work, especially when that work is vital to public safety
- Having strong, consistent documentation and reporting requirements in RFQs
- Checking for proof that work was done (such as invoices, inspection reports and service orders) before paying a vendor
- Watching for common signs of potential fraud, and reporting it quickly through the legally mandated City channels.

Culture change is required

A culture shift to accountability, safety first, and compliance with the Fire Code is needed.

Once implemented, the recommendations in this report will help to address these systemic issues with the goal of enabling change in the interest of public safety.

OBJECTIVES, SCOPE AND METHODOLOGY

Objective and scope of the review

This was an investigative review wherein we undertook sufficient work to confirm whether the complaint allegations were substantiated. This was not an audit assurance engagement.

Our review focused on the allegations that involved City resources and property, and included expert evidence from handwriting experts, Toronto Fire Services, regarding the City's compliance with the Ontario Fire Code in relation to City buildings (not including Toronto Community Housing Corporation buildings).

The Auditor General does not conduct investigations of private companies that perform services for private businesses. The allegations that inspections were not being properly conducted in private buildings, such as condominiums, was referred to Toronto Fire Services for investigation. These were acted on without delay by Toronto Fire Services and appropriate action was taken by them with respect to the enforcement of the Ontario Fire Code.

Approach

Our investigative approach included:

- the review and analysis of emails, invoices, supporting documentation, bid files and contracts, policies and legislation, websites and corporate searches;
- interviews with complainant, staff and the subject of the investigation;
- results and analysis of Toronto Fire Service inspections and investigations, requested by the Auditor General and Facilities Management investigations;
- handwriting analysis of documents; and
- other investigative and analytical procedures, as required.

Scope Limitation

The scope of this investigation and the results may be affected by the limited documentation and support for invoices able to be located by management, our concerns about management's actions in the investigation and our inability to interview some witnesses.

APPENDIX 1: Management’s Response to the Auditor General’s Report Entitled: “Raising the Alarm: Fraud Investigation of a Vendor Providing Life Safety Inspection Services to the City of Toronto”

Recommendation 1: City Council request the Deputy City Manager, Internal Corporate Services to create a governance process for any City-owned buildings, inclusive of standards, protocols and monitoring practices, that enables all Divisions, Agencies and Corporations:

- a. to ensure compliance with all Ontario Fire Code regulations
- b. to retain on file for a period of not less than two years all documentation supporting the City's compliance with the Ontario Fire Code.

Management Response: Agree Disagree

Comments/Action Plan/Time Frame:

- The Deputy City Manager, Internal Corporate Services will oversee the development of the governance process outlined in this recommendation. Under the proposed future governance process, FM would be accountable for implementing compliance standards and the program for fire safety where appropriate. City entities (Divisions, Agencies, and Corporations) would be responsible for adopting and implementing specific fire safety activities mandated by the Fire Code in buildings that they retain under their management.
- This governance process and standards will be developed by the end of 2018.

Recommendation 2: City Council request the General Manager, Facilities Management to:

- a. bring all buildings in compliance with the Ontario Fire Code
- b. establish a process to monitor the completeness of fire inspections and monitor the rectification of all fire safety deficiencies for all City Divisions, Agencies and Corporations
- c. report back to City Council annually on the level of compliance.

Management Response: Agree Disagree

Comments/Action Plan/Time Frame:

- FM will work with other City entities to review fire safety compliance in City buildings and provide an initial report on Fire Code compliance levels for City buildings by July 1, 2019. FM will work with other City entities and develop a work plan to address issues identified through this review and bring all City buildings into compliance with the Fire Code. FM will work collaboratively with Toronto Fire Services to validate compliance at these sites on an ongoing basis. FM will work with other City entities to develop a process to monitor compliance and monitor rectification of fire safety deficiencies and will report to City Council annually.
- **Work to date:** A qualified third-party vendor completed fire safety reviews at 19 critical buildings, which identified fire code compliance issues at many of the 19 sites. FM is working diligently to address the specific concerns identified through this review. FM will work collaboratively with Toronto Fire Services and a qualified third-party to validate compliance at these sites on an ongoing basis.

Recommendation 3: City Council request the General Manager, Facilities Management to:

- a. develop a training curriculum that encompasses all requirements of the Ontario Fire Code and be delivered to those delegated and/or designated responsibility by the City of Toronto to ensure compliance with the requirements of the Ontario Fire Code
- b. that records be kept of this training consistent with the provisions of Division B, Clause 1.1.2.2 (a) of the Ontario Fire Code.

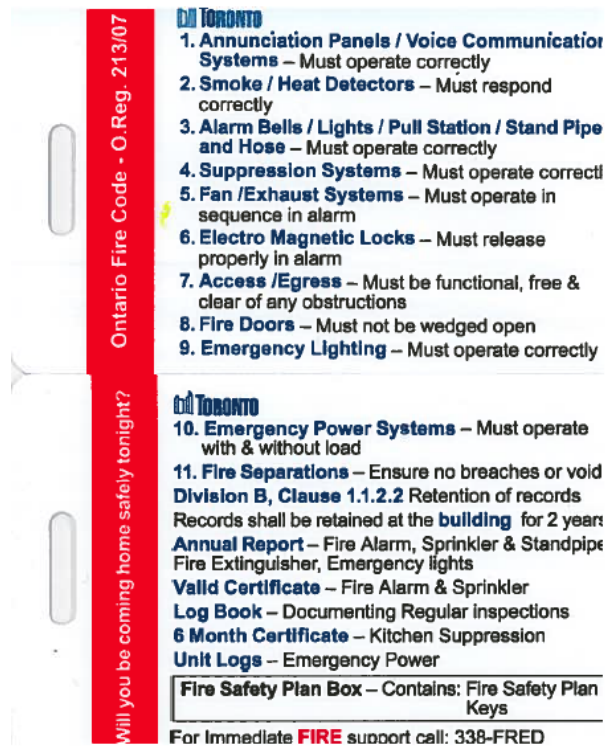
Management Response: Agree Disagree

Comments/Action Plan/Time Frame:

Action plan and timeline:

- FM and Toronto Fire Services have already developed a training program to reinforce the responsibilities of staff within FM. Eighty percent (80%) of FM staff who are responsible for fire code compliance have been trained; the remainder of these staff will be trained by October 1, 2018. FM will work with other City entities to deliver this training, as appropriate, to their staff beginning in the Q4 2018 and on an ongoing basis.
- Additionally, FM has developed and distributed quick fire code reference cards for FM staff to have on them at all times. Figure 1 shows both sides of the reference card. FM will engage other City entities and promote the distribution of these cards to all City staff responsible for maintaining fire safety systems.
- On an annual basis, FM will provide training on fire safety, with participation documented through ELI or a similar trackable system, to all Division Heads and all heads of City Agencies and Corporations with delegated and/or designated responsibility by the City of Toronto to ensure compliance with the requirements of the Ontario Fire Code. FM will establish this system by July 1, 2019.

Figure 1: Fire Code Reference Card



Recommendation 4: City Council request the General Manager, Facilities Management to ensure all Fire Code-mandated reports submitted, including inspection reports and deficiency clearance reports, be in a format that is cross-referenced to invoices and facilitates the verification that work has been completed in accordance with the Ontario Fire Code.

Management Response: Agree Disagree

Comments/Action Plan/Time Frame:

Action plan and timeline:

- FM will develop a standardized service report template to accompany invoices, to include:
 - a. date and location of inspection
 - b. the signature of technician to validate work is completed and the full printed name of technician completing the service
 - c. the sign in and sign out time of the site visit
 - d. details of specific work performed by the technician and any technician comments
 - e. inventory of units serviced along with unit details and serial numbers
 - f. for designated equipment, ensure industry-level measurements or test results are included as instructed by FM
 - g. signature and printed name of City staff who provided the technician with access to the site or the person responsible for the site
 - h. other items to be added as needed and in accordance with fire code requirements.

FM will implement use of the new service report within the Division by December 2018. FM will work with other City entities to extend use of the service report for contracted fire safety work across the City, to be deployed in 2019.

Work to date: FM initiated a pilot project to standardize the reporting documentation from vendors. The pilot project was started on March 1, 2018. The results of the pilot project will be leveraged for future use.

Recommendation 5: City Council request that, for contracts involving life safety inspections, the General Manager, Facilities Management, work with Legal Services Division, Purchasing and Materials Management Division and Toronto Fire Services to:

- a. update contracts to prohibit the submission of official legal documents, such as inspection reports, in a format that can be manipulated
- b. update contracts to ensure the Ontario Fire Code requirements are included
- c. update contracts with the appropriate terms and conditions, if not already in place, that allows for immediate suspension of a contract, if there are significant performance issues with a life safety inspection contractor or if a contractor or person working for the contractor is charged and/or convicted for violations of the Fire Protection and Prevention Act and accompanying Regulations
- d. develop and implement a life safety vendor training orientation and training package, to be completed prior to the commencement of service.

Management Response: Agree Disagree

Comments/Action Plan/Time Frame:

Action plan and timeline:

- FM will work with PMMD, Legal Services, Toronto Fire Services, and qualified external provider(s) to develop the appropriate procurement approach that will incorporate the new contract terms and conditions during the procurement process and security checks following contract award and prior to the provision of services. FM will work with other City entities to ensure consistency in the RFQ/RFP documents used to procure fire safety services across the City of Toronto. This work is targeted for completion by the end of 2018.
- In addition, FM, working with Legal Services and PMMD, will develop the appropriate contractor performance evaluation and appropriate procedures and training for City staff and the vendor to ensure consistent and reliable contract management. This work is targeted for completion by the end of 2018.
- FM will initiate a review of all current fire safety contracts to ensure that language is aligned with all legislative regulations and laws. FM will finalize this new language by the end of 2018.
- **Work to date:** In an effort to ensure that documents submitted by the vendor cannot be manipulated, FM initiated a pilot project in March 2018 that requires the vendor to submit a pre-formatted service report with their invoices prior to any approval of payment

Recommendation 6: City Council request that, for contracts involving life safety inspections, the General Manager, Facilities Management, work with Legal Services Division and Purchasing and Materials Management Division to:

- a. develop a protocol including establishing the appropriate qualifications, criteria, and/or background/security checks needed to be included in the contract to ensure that qualified and reputable persons are carrying-out the life safety inspections
- b. develop a protocol that identifies the due diligence steps that will be undertaken by staff when the contractor arrives at the site to conduct inspections
- c. develop a watch list to track life safety service providers that have significant performance issues, charges and/or convictions for violations of the Fire Protection and Prevention Act and accompanying Regulations.

Management Response: Agree Disagree

Comments/Action Plan/Time Frame:

Action plan and timeline:

- FM will work with PMMD, Legal Services, Toronto Fire Services, and qualified external provider(s) to develop the appropriate procurement approach that will incorporate the new contract terms and conditions during the procurement process and security checks following contract award and prior to the provision of services. FM will work with other City entities to ensure consistency in the RFQ/RFP documents used to procure fire safety services across the City of Toronto. This work is targeted for completion by the end of 2018.
- FM will work with other City entities to establish standards and protocols that will:
 - 1) ensure consistent background or security checks for designated contractors that access City facilities and
 - 2) identify and standardize due diligence performed by staff when a contractor arrives on site. FM will review and look at opportunities to take advantage of the tools that are being developed as part of FM's preventive maintenance program, which is currently being implemented as part of the FM Transformation.

This work is targeted for completion by the end of 2018.

- FM will develop the watch list under the new vendor and contract management team within the new Facilities Management Office (FMO). FM will implement this watch list by the end of 2018.
- **Work to date:** In establishing the Facilities Management Office, FM is directing significant resources to contract and vendor management, quality assurance, and health and safety functions. This includes the hiring of a new Manager, Strategic Sourcing, a Health & Safety Officer, additional coordinators and Quality Assurance & Risk Management Assessors. All positions are projected to be in place by January 1, 2019.

Recommendation 7: City Council request the Toronto Fire Chief to work with the Ontario Fire Marshal to determine if such a watch list of those companies and persons charged or convicted of violations of the Fire Protection and Prevention Act and accompanying Regulations is needed province-wide because the life safety service providers may work with other municipalities and private buildings.

Management Response: Agree Disagree

Comments/Action Plan/Time Frame:

Toronto Fire Services will engage with the Ontario Fire Marshal by Q3 2018 with respect to this recommendation and will provide any and all assistance and expertise that can be provided by Toronto Fire Services. It is anticipated that this work will involve and require additional Ministries and agencies.

Recommendation 8: City Council support the Toronto Fire Chief in recommending to the Minister of Community Safety and Correctional Services to amend the *Fire Protection and Prevention Act* limitation period and discoverability language as required to lengthen the time to conduct complex investigations in support of fire safety.

Management Response: Agree Disagree

Comments/Action Plan/Time Frame:

Toronto Fire Services will engage with the Minister of Community Safety and Correctional Services by Q3 2018 with respect to this recommendation and will provide any and all assistance and expertise that can be provided by Toronto Fire Services. It is anticipated that this work will involve and require additional Ministries and agencies.

Recommendation 9: City Council request the General Manager, Facilities Management to develop and be accountable for the oversight of a model that:

- a. treats the inspection of life safety systems in a building as a holistic system rather than using a fragmented approach
- b. uses a centralized model to manage life safety inspection services across all City-owned buildings
- c. standardizes inspection reports for life safety service providers and ensure they are comprehensive enough to comply with the Ontario Fire Code requirements
- d. creates a centralized database to track the life safety inspection process
- e. creates a centralized complaints process regarding life safety service providers
- f. clarifies roles and responsibilities of staff, life safety service providers and building owners.

Management Response: Agree Disagree

Comments/Action Plan/Time Frame:

Action plan and timeline:

- The Division has recently established a new centralized unit (the Facilities Management Office) that will centralize administrative and strategic functions. In establishing the FMO, FM is directing significant resources to contract and vendor management, quality assurance, and health and safety functions. This includes the hiring of a new Manager, Strategic Sourcing, a Health & Safety Officer, additional coordinators and Quality Assurance & Risk Management Assessors. All positions are projected to be in place by January 1, 2019.
- FM will create a centralized contract management function, inclusive of life safety, within the Facilities Management Office. This will include the centralized processes and database referenced in this recommendation. FM will engage other City entities in the development of

these items and ensure their use across the City. FM will implement these processes and databases by July 1, 2019.

Recommendation 10: City Council authorize the Toronto Fire Chief to assist the Ontario Fire Marshal, in any way possible, to address any Province-wide issues arising out of this report.

Management Response: Agree Disagree

Comments/Action Plan/Time Frame:

Toronto Fire Services will engage with the Ontario Fire Marshal by Q3 of 2018 with respect to this recommendation and will provide any and all assistance and expertise that can be provided by Toronto Fire Services. It is anticipated that this work will involve and require additional Ministries and agencies.

Recommendation 11: City Council request the Toronto Fire Chief to make recommendations to the appropriate Provincial authorities about the need to:

- a. regulate the training and licensing for all life safety inspection services including emergency lighting and fire extinguishers, so that inspections of buildings is treated as a system
- b. where a contractor is non-compliant, providing an avenue for delicensing, if necessary.

Management Response: Agree Disagree

Comments/Action Plan/Time Frame:

Toronto Fire Services will engage with the Ontario Fire Marshal by Q3 2018 with respect to this recommendation and will provide any and all assistance and expertise that can be provided by Toronto Fire Services. It is anticipated that this work will involve and require additional Ministries and agencies.

Recommendation 12: City Council request the General Manager of Facilities Management to design a quality control program to verify that those companies performing the inspections do so in accordance with the Ontario Fire Code.

Management Response: Agree Disagree

Comments/Action Plan/Time Frame:

Action plan and timeline:

- FM will work with other City entities to develop and formalize a quality control program for life safety contractors that perform life safety inspections in City buildings. This work will be targeted for implementation by July 1, 2019.
 - **Work to date:** FM has already carried out a review of 19 critical buildings utilizing a qualified third-party vendor to independently review and report on the Fire Code compliance in these facilities. FM is working diligently to address the specific concerns identified through this review. FM will work collaboratively with Toronto Fire Services and a qualified third-party to validate compliance at these sites on an ongoing basis.
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Recommendation 13: City Council request the Toronto Fire Chief to make recommendations to the Ontario Fire Marshal to consider training and/or certification for building owners or the staff responsible on behalf of building owners so that they understand their roles and responsibilities under the Ontario Fire Code for the inspection of life safety systems, including sprinklers, emergency lighting and other fire suppression systems including the requirement for the keeping of records consistent with the provisions of Division B, Clause 1.1.2.2 (a) of the Ontario Fire Code.

Management Response: Agree Disagree

Comments/Action Plan/Time Frame:

Toronto Fire Services will engage with the Ontario Fire Marshal by Q3 2018 with respect to this recommendation and will provide any and all assistance and expertise that can be provided by Toronto Fire Services. It is anticipated that this work will involve and require additional Ministries and agencies.

Recommendation 14: City Council request the Toronto Fire Chief to make recommendations to the Ontario Fire Marshal related to a brochure available in all mediums that outlines the building owner's responsibilities, and that the brochure be available on Toronto Fire Service's website and distributed as a quick reference to all building owners as part of the approval of their fire safety plans.

Management Response: Agree Disagree

Comments/Action Plan/Time Frame:

Toronto Fire Services will engage with the Ontario Fire Marshal by Q3 2018 with respect to this recommendation and will provide any and all assistance and expertise that can be provided by Toronto Fire Services. It is anticipated that this work will involve and require additional Ministries and agencies.

Recommendation 15: City Council request the Toronto Fire Chief to make a recommendation to the Ontario Fire Marshal that a Technical Advisory Committee be struck to review the system-wide issues raised in this report and make recommendations to the Minister of Community Safety and Correctional Services.

Management Response: Agree Disagree

Comments/Action Plan/Time Frame:

Toronto Fire Services will engage with the Ontario Fire Marshal by Q3 2018 with respect to this recommendation and will provide any and all assistance and expertise that can be provided by Toronto Fire Services. It is anticipated that this work will involve and require additional Ministries and agencies.

Recommendation 16: City Council direct the City Manager to advise all staff to report any allegations of potential wrongdoing involving City resources, including potential wrongdoing against the City by third-party vendors, to the Auditor General for further investigation.

Management Response: Agree Disagree

Comments/Action Plan/Time Frame:

The City Manager will communicate to city staff, the need to report any allegations of potential wrongdoing involving City resources, including potential wrongdoing against the City by third-party

vendors, to the Auditor General. The City Manager will rely on the definition that is contained in the Toronto Public Service By-law, Wrongdoing is defined as:

"Serious actions that are contrary to the public interest including but not limited to:

- (1) Fraud;
- (2) Theft of City assets;
- (3) Waste: mismanagement of City resources or assets in a willful, intentional or negligent manner that contravenes a City policy or direction by Council;
- (4) Violations of the City's Conflict of Interest rules set out in Article IV; and
- (5) Breach of public trust."

Timeframe: Q3, 2018

Recommendation 17: City Council direct the City Manager to report to Council with advice about an obligation, in addition to those under the City of Toronto Act and the Toronto Public Service By-law, requiring City employees to report to the Auditor General allegations of wrongdoing by third parties.

Management Response: Agree Disagree

Comments/Action Plan/Time Frame:

The Toronto Public Service By-law applies to the public service and outlines City employee responsibilities which include:

- all City employees who are aware that wrongdoing has occurred will immediately notify their manager, their Division Head, or the Auditor General's Office
- when an allegation of wrongdoing, as defined in the Toronto Public Service By-law, is received by City management, it must be immediately reported to the manager's Division Head or Deputy City Manager or City Manager (if the Division Head is implicated in the allegation)
- Allegations of wrongdoing, as defined in the By-law, received by Division Heads, Deputy City Managers or the City Manager will be immediately reported to the Auditor General.

It is appropriate that similar responsibilities should be in place for allegations of wrongdoing by third parties.

The City Manager will report to City Council with advice about an obligation, in addition to those under the City of Toronto Act and the Toronto Public Service By-law, requiring City employees to report to the Auditor General allegations of wrongdoing by third parties.

Timeframe: Q1, 2019
