

Is Ford family firm playing fair?; Critics allege conflict of interest over lucrative contracts mayor's label company lands with city

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Page: GT1
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In 2010, the City of Toronto paid the company owned by the mayor's family more than \$56,000 to print stickers, tags and decals.

The city was doing business with Deco Labels and Tags before Rob Ford was elected to council 10 years ago, but now that he is mayor and his brother Doug is a councillor, critics say the relationship raises conflict of interest concerns.

What safeguards are in place, they ask, to prevent Toronto's chief executive officer from getting preferential treatment for city contracts?

It turns out there are very few.

City procurement policy requires that staff seek at least three bids on any contract. From there, the lowest bid that meets the demands is chosen. Spokesperson Jackie DeSouza said the Fords' company is treated like any other business.

"The people in purchasing who deal with these firms are not dealing with Councillor Ford or the mayor. They're dealing with a salesperson at Deco Labels. They feel absolutely no pressure," she said.

Since February 2000, the earliest transaction on record, the city has paid Deco Labels more than \$130,000 on 98 contracts.

It does not appear Ford has ever declared a conflict of interest.

George Rust-D'Eye, a leading municipal lawyer, said Ford probably hasn't broken any rules.

"It's a matter of argument. Someone could bring forward an application (of misconduct) ... but let's face it, a budget affects everything. The fact that someone may have some interest, no matter how small or indirect, I think that would probably be considered insignificant."

The Fords may be instrumental in drafting overall department budgets, but that is significantly removed from sticker purchases made by junior staff in those divisions, Rust-D'Eye said.

Councillor Adam Vaughan, one of the mayor's staunchest critics, thinks Ford still should have come forward with a conflict.

"You're not supposed to vote on issues where you're going to directly financially benefit," he said. "If the Ford family business is doing business with city hall, when those contracts come in front of council - or

those interests - they should be declared."

Requests for interviews sent to the mayor's office, Doug Ford and Deco Labels were refused.

When a council member is accused of misconduct, the city's integrity commissioner, Janet Leiper, investigates. But conflict of interest falls under provincial legislation, outside Leiper's jurisdiction.

"If someone has a complaint ... they'd have to get their own lawyer and take the matter up in court," said Leiper, adding that the legal costs are the responsibility of the person who raises the complaint.

"Former integrity commissioners have pointed this out, that it's a cumbersome way to deal with conflicts and it should be reviewed."

Deco Labels and Tags, founded in 1962 by Ford's father, the late MPP Doug Ford, is one of North America's premier label-making companies, with estimated annual sales topping \$100 million.

Councillor Doug Ford remains the company's president. Exactly what role the mayor plays is unclear. For years he served as chief financial officer. Today, his name does not appear on Deco's federal business profile, although copies of Ford's itinerary obtained by the Star through a freedom of information request show the mayor is still involved with the company.

On Jan. 20, Ford was to attend a "family business" meeting from 9 a.m. to 11:30 a.m. A few days later, his itinerary said, "Deco all day" from 8 a.m. to 5 p.m., although budget committee and property standards meetings were also scheduled.

Deco also has a long-standing business relationship with the Toronto Transit Commission, doing \$18,000 worth of business with Deco in the past 10 years.

"We always, always look for multiple bids or tenders or quotes when we can. There are some products, however, where only one vendor can provide that product," said spokesperson Brad Ross.

That mainly concerns Wheel-Trans magnet decals. Deco is the only company that meets the durability requirements, Ross said.

Councillor Janet Davis is doubtful.

"Both Doug and Rob Ford have been adamant that sole-sourced contracts simply shouldn't exist," she said. "It's hard to believe that Deco labels is the only

company that produces certain kinds of magnets."

With files from Daniel Dale

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