

Pay up, Toronto tells Mammoliti; City hires lawyer to collect \$74,000 given to councillor improperly

Sat Oct 15 2011

Page: GT2

Section: News

Byline: Paul Moloney Toronto Star

Illustrations: Councillor Giorgio Mammoliti accepted \$74,000 that council gave him (against its own legal advice) to cover legal bills he incurred fighting a challenge to his 2006 election expenses. Now the city wants its money back. CARLOS OSORIO/TORONTO STAR file photo

The City of Toronto has retained an outside lawyer to assist in its efforts to collect \$74,000 from Councillor Giorgio Mammoliti, a key ally of Mayor Rob Ford.

Under former mayor David Miller, city council paid Mammoliti the money to cover his cost of defending himself against a challenge to his campaign expenses in the 2006 election.

Mammoliti had submitted legal fees of \$36,598 and \$15,487 for an analysis of his campaign office rent. Council paid those amounts, plus \$22,320 to cover the income tax hit he took as a result of accepting it.

The city issued a letter demanding payment and retained lawyer **Greg Richards at Weir Foulds** to assist, said city solicitor Anna Kinastowski.

City staff went outside rather than give the file to a city lawyer because Mammoliti is, in effect, their boss as a member of city council, Kinastowski said.

The legal department had warned council that it didn't have the legal authority to make the payment to Mammoliti, but council voted to do so anyway.

Mammoliti refused comment Friday, referring the Star to his lawyer, Michael Binetti, who said he couldn't answer at this point whether his client intends to pay.

"My client hasn't decided either way, because we'd have to work out what the number would be, and timetable and whatnot," Binetti said. "He hasn't said yes and he hasn't said no."

Council had also voted to pay \$64,757 to former councillor Adrian Heaps to defend a challenge to his 2006 campaign expenses. The city is seeking repayment but hasn't retained a lawyer in Heaps' case.

At the time the payments were approved by council, vehement objections were raised by Councillor Doug Holyday, who ran up \$125,000 in legal fees taking the matter to court.

As the city had warned could happen, the Divisional Court rules the payments invalid in July 2010.

Holyday said he paid \$42,500 of the \$125,000 bill from his own pocket, the city was ordered to chip in \$16,000, and the balance was absorbed by lawyer **George Rust D'Eye and his firm, Weir Foulds.**

Kinastowski said the city spent \$46,811 for lawyer Alan Lenczner to represent the city in the court proceedings.

Holyday, who isn't asking city council to reimburse him, said the city was acting appropriately in seeking to recover the money that was improperly paid to Mammoliti and Heaps.

"The city has an obligation to recoup the money that city council has given out improperly," he said. "The onus is back on the city to collect this money on behalf of the taxpayers."

© 2011 Torstar Corporation