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September 28, 2011

Stephen Mahoney,
Chair,
WSIB/WCB
200 Front St. West, Toronto, Ont. M5V 3J1

RE: REQUEST THAT WSIB SEVER ITS LINKS WITH DISCREDITED KPMG FIRM

Dear Mr. Mahoney:

It has been brought to our attention that the KPMG consulting multinational, with which the Board is associated, has been involved in a financial scandal in the US. In an article from the Sunday Times (September 4, 2005) the Chairman of KPMG International Mike Rake said he was "embarrassed and ashamed" over the sale of fraudulent tax shelters by the firms' US business that led to a \$456 million fine. The only reason criminal charges were not levied, according to the article, was to avoid the bankruptcy of the company and the loss of jobs that occurred when a similar firm, Anderson Consultants, was involved in a similar kind of fraudulent activity.

Mr. Mahoney, ONIWG has long criticized the relationship between the WSIB and KPMG. In the last value for money audit of LMR, they made stigmatic charges that injured workers' benefits should be cut in order to encourage them to return to work. As if injured workers were "lazy"! We remind you that the WSIB is on record opposing stigma against injured workers.

As recently as October 14, 2010 we wrote a brief to then Minister Peter Fonseca (who said he would pass it on to the Board) criticizing the hiring of KPMG to do the value for money audit of the WSIB's adjudication process. We noted that in a similar value for money audit in 1997 for Glen Wright, KPMG had proposed the privatization of adjudication and vocational rehabilitation services). They were already tainted by a biased view of adjudication. What was needed was a fair and impartial review of adjudication from a "justice lens", not from a private insurance mindset.

KPMG also has a very bad reputation for working for the Toronto Rob Ford administration in its plan to gut the services of the City of Toronto. Conservative leader Mr. Hudack is now embarrassed to be linked with Mayor Rob Ford, as the press reports, for these justifiable reasons. The WSIB should be equally embarrassed to be giving money and taking advice from a firm linked to Mayor Ford's unpopular plans.

Mr. Mahoney, the revelation that KPMG was involved in fraudulent activities gives you a new opportunity to fire this outfit. It's time to sever this link and build, rather than destroy services and practices for injured workers.

The Ontario Network of Injured Worker Groups asks that you fire KPMG. Let a better group of untainted citizens who care about injured workers look to improve the WSIB.

Sincerely,

Karl Crevar ONIWG

cc. Dalton McGuinty, Tim Hudack, Andrea Horwath
Sid Ryan President OFL