



**For Action
with Confidential Attachment**

Update on TTC Benefit Fraud Cases

Date: June 23, 2022
To: TTC Board
From: General Counsel

Reason for Confidential Information

This report is about litigation or potential litigation, including matters before administrative tribunals.

This report contains advice or communications that are subject to solicitor-client privilege, including communications necessary for that purpose.

Summary

The purpose of this report is to obtain instructions from the Board regarding a possible resolution of certain legal matters as detailed in the confidential attachment.

Recommendations

It is recommended that the TTC Board:

1. Approve the confidential recommendations as set out in Confidential Attachment 1.
2. Direct that confidential recommendations and information contained in Confidential Attachment 1 remain confidential in its entirety, as it contains information subject to solicitor-client privilege.

Financial Summary

The financial impact is set out in Confidential Attachment 1.

Equity/Accessibility Matters

None identified.

Decision History

The TTC provided an update to the TTC Board about the ongoing benefits fraud investigation and related litigation at the July 10, 2018, April 11, 2019, October 24, 2019 and November 16, 2020 TTC Board meetings. The public reports can be found at the following links:

[July 10, 2018: Ongoing TTC Benefits Fraud Investigation](#)

[April 11, 2019: Update on Benefits Fraud Labour Arbitration Cases](#)

[October 24, 2019: Update on TTC Benefit Fraud Cases](#)

[November 16, 2020: Labour Arbitration Update](#)

Issue Background

In April 2014 the TTC received information through its confidential Integrity line that TTC employees were working with a company named Healthy Fit Inc. (Healthy Fit) to defraud the TTC benefit plan. The allegations were that employees, in conjunction with a service provider, were filing false or inflated claims for health products such as orthotics, orthopaedic shoes, compression hoses, braces and other products covered by the plan.

The TTC, working with its then-benefits provider launched an investigation. Working with undercover investigation staff, the TTC and its then-benefit provider discovered that a health services clinic was offering to provide TTC employees fake or inflated receipts if they agreed to split the money they would eventually be reimbursed by the benefit provider. The matter was ultimately referred to Toronto Police Service for investigation.

Comments

As part of the TTC efforts to recover its losses associated with the benefits fraud, TTC has initiated a number of legal actions, including claims against the service provider.

TTC has also submitted a separate insurance claim and a proof of loss to its insurer, Chubb Insurance Company of Canada

Contact

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Signature

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Attachments

Confidential Attachment 1 – Update on TTC Benefit Fraud Cases