



News Release

For Immediate Release

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OLG SHOULD SPEND MORE PRUDENTLY, AUDITOR GENERAL SAYS IN SPECIAL REPORT

(TORONTO) The Ontario Lottery and Gaming Corporation (OLG) needs to spend more prudently on employee meetings and events attended by senior staff, Auditor General Jim McCarter says in an 18-page Special Report, *OLG's Employee Expense Practices*, released today. McCarter's report noted instances of meals at expensive venues, an annual conference for senior gaming employees that cost more than \$500,000 and team-building events held at resorts and spas.

The Auditor noted that the need for more prudence in these and other areas such as employee recognition and reward programs largely related to areas where no specific expense policies were in place at OLG. However, McCarter did observe that "where policies were in place for employee expenses, the policies were reasonable and, for the most part, OLG staff generally complied with such policies."

His report also noted that OLG leases a fleet of vehicles for 26 senior executives with the allowable cost for executive vehicles ranging from \$41,519 to \$57,512—significantly higher than the maximum of \$30,000 set by the province for vehicles provided to Ontario government deputy ministers. Another 16 executives opted instead for car allowances of up to \$24,000 a year. At Ontario ministries, by comparison, only deputy ministers are entitled to provincially supplied vehicles.

"Because OLG receives its revenues from commercial activities, the province has allowed it considerable flexibility in making financial, human resource, and administrative decisions," McCarter said in his report, conducted at the request of the Minister of Finance.

"However," he added, "OLG is a public agency, and it is therefore reasonable to expect it to manage public resources prudently in meeting its business objectives."

McCarter recommended that OLG's new board review its employee meeting and conference arrangements, employee reward and recognition programs, and its executive fleet arrangements.

With 7,700 employees, OLG markets a variety of lotteries and sports-game tickets, and is directly responsible for five casinos and 17 slot facilities at horse racing tracks. It also has operating agreements with private companies to manage four resort casinos in the province.

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For more information, please contact:

Jim McCarter
Auditor General
(416) 327-1326

Andréa Vanasse/Joel Ruimy
Communications
(416) 327-2336