

Scandal topples two more Ontario lottery executives

Toronto – One senior executive was fired and another removed of his title Tuesday as the fallout from a scandal involving allegations of fraud and suspicious insider wins at Ontario's lottery corporation widened.

Michelle DiEmanuele, Ontario Lottery and Gaming Corporation's interim chief executive, announced the changes Tuesday afternoon in a memo to staff.

Ingrid Peters, the OLG's vice president, general counsel, legal and compliance, was fired after eight years with the company. She earned more than CAD 267,000 in 2006, according to sunshine documents containing the province's top public sector earners.

„On behalf of the Corporation, I would like to thank Ingrid for her years of service with OLG,“ DiEmanuele writes in the terse, four-paragraph note.

In another move, Walter Fioravanti was removed from his position as vice president of human resources but will remain with the company. He earned approximately CAD 251,000 in 2006, according to public documents.

„We are discussing alternative ways he can continue contributing to OLG and will report directly to me in the interim,“ DiEmanuele told staff in the memo. „We will begin the recruitment process for the both vacant positions immediately.“

Insiders say the shuffle – which brings to four the number of executive casualties stemming from the scandal – was in the works for weeks.

Peters and Fioravanti join Duncan Brown, the company's former chief executive officer, and Alan Berdowski, the company's former Chief Marketing Officer, as casualties of a scandal exposing rampant incompetence at the provincial lottery corporation.

In March, provincial ombudsman Andre Marin released a report accusing Ontario Lottery and Gaming officials of turning a blind eye to widespread fraud among lottery „insiders“ – lottery retailers, their employees and their families as well as OLG employees – for years. Marin accused lottery ticket retailers of lying and stealing millions of dollars in dishonestly claimed winnings, often with the help of inept investigators.

Since 1999, insiders have notched an astounding number of major lottery wins – 247 claims ranging between CAD 50,000 and CAD 12.5-million, according to the ombudsman's report.

Those include any number of suspicious wins – Marin said he found five in 90 days – totaling tens of millions of dollars.

The revelations prompted a prolonged opposition siege against Public Infrastructure Minister David Caplan, who is responsible for the OLG. The Toronto-area minister withstood the calls, however.

DiEmanuele, deputy minister of government services and associate secretary of cabinet, was appointed about 10 days later.

The ombudsman's investigation was prompted by the plight of Bob Edmonds, who was cheated out of a winning CAD 250,000 ticket by a convenience-store clerk in Coboconk, Ont.

Edmonds, who lost a long battle with cancer days after the report, finally got his money, but only after CBC's the fifth estate made his story front-page news across Canada.

The fallout from the investigation reached as far afield as British Columbia, where the head of that province's gaming commission was fired for not doing enough to prevent fraud.

Former British Columbia Lottery Corp. head Vic Poleschuk blamed an echo effect for his dismissal this spring, according to reports.

An OLG spokeswoman did not respond to requests for comment when contacted Tuesday evening.