

City inspectors took payoffs, builders charge

By HARVEY SHEPHERD

Two former small-time builders in the Parkdale area of Toronto said yesterday they paid thousands of dollars to a financial backer whom they believe used the money to pay off City of Toronto inspectors.

Meanwhile, Mayor Fred Beavis said Metro police already were closing in on people involved in some of the allegations by Alexander Koledin and Joe Vukas. Both the Mayor and Michael Nixon, recently appointed commissioner of buildings and inspections, said that any city staff publicly identified as taking bribes will be suspended from their duties until the accusations are proved or disproved.

Mr. Koledin and Mr. Vukas told

PAYOFFS — Page 2

Payoffs charged

● From Page One

a reporter that they had paid a few hundred dollars directly to city inspectors but that most of the money, totalling more than \$20,000, was paid through another man. They said the man was backing projects in which they acquired buildings and converted them to accommodate the tiny apartments known as bachelorettes. The man they named did not return a reporter's telephone call to his office.

Mr. Koledin said his own projects were only a few of many in the Parkdale area in which the same financial backers and lawyers were involved behind the scenes.

Mr. Koledin said he was convinced that his backer was paying off people at City Hall because city inspectors left several projects alone for a few years. Inspectors later began visiting the projects and taking action against many bylaw violations, he said.

The builder said that when he last undertook such a project about 1½ years ago, at numbers 1, 1A and 3 Elmgrove Ave., he at first refused his backer's suggestion that he provide \$7,000 to pay off city staff. Sure enough, he said, city inspectors made many harassing visits to the property, until he asked the backer to call them off.

As with other properties, Mr. Koledin said, he later lost the property through foreclosure.

He said that in 1973 he paid his backer \$6,000 to avoid trouble from city inspection staff at a house he had bought at 6 Elmgrove. He was converting the house into six apartments, although this was not covered in the building permit obtained from the city.

He paid a further \$7,000 to the same man to avoid trouble at another project at 133 Dunn Ave., a property on which he had obtained a mortgage through his backer in late 1974, the builder said.

In 1975, Mr. Koledin said, he bought a building at 1302 King St. W. and shortly afterward his backer asked him for \$8,000 to pay off city staff. The builder said he was not troubled by inspectors at any of the properties for some time.

However, an inspector did lay a charge in 1976 for a bylaw violation at the King Street property. Mr. Koledin said he pressed \$200 on the inspector subsequently and the charge was ultimately dismissed in court.

Mr. Vukas said he was converting a building at 157 Dunn Ave. in late 1972 when

his backer took him to a department store and had him buy two \$500 gift certificates. He said the two men then took the certificates in envelopes to the buildings department at City Hall and gave them to two plan examiners.

Mr. Vukas said he cannot prove his allegations, especially since gift certificates bear no names.

Mr. Beavis said he was in touch with Police Chief Harold Adamson yesterday and "Mr. Adamson assured me that he has been working on it." The Mayor said some of the names involved in the builders' allegations already are familiar to police.

Mr. Adamson "has a net around it and it's closing very rapidly," the Mayor said.

The Mayor said he and city buildings officials have made it clear they want any allegations of illegal activity by city staff passed along promptly to the police.

"I want immediate action from the police and the buildings department," Mr. Beavis said.

Mr. Nixon said the allegations refer to events supposed to have taken place some time ago. Civic procedures have been changed since then to prevent such incidents and some of the people involved may have left the city's staff, he said.

The allegations were largely of "third-party situations," in which the accuser was not directly involved in the alleged payoff, the department chief said.

Mr. Nixon said he is attempting to look into the allegations, although in most cases police already have the original buildings department files on the properties involved. The commissioner said the police might be able to provide him with the names of civic employees allegedly involved, although they had not done so yet.

(Two city employees were suspended with pay early last month after a witness in a lawsuit said that two civic employees had accepted money in exchange for a building permit and for having construction work approved at 415 Bloor St. W.)

Two detective sergeants from the Metro police fraud squad, Stephen Schwets and Paul Krebs, have for months been looking into allegations about building conversions, especially in the west end of the city. The allegations have involved fraudulent transactions involving unrealistically high mortgages, zoning violations and payoffs to city inspectors and trust company officials.