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Committee business

1st Session
44th Parliament

Monday 2 November 2026

Chair: Tom Rakocevic
Clerk: Thushitha Kobikrishna

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ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON PUBLIC ACCOUNTS

COMITÉ PERMANENT DES COMPTES PUBLICS

Monday 2 November 2026

Lundi 2 novembre 2026

The committee met at 1231 in room 151.

COMMITTEE BUSINESS

The Chair (Mr. Tom Rakocevic): Good afternoon, everyone. I would like to call the meeting of the Standing Committee on Public Accounts to order.

The first item on the agenda for today is a filed notice of motion by MPP Fairclough. I will turn the floor over to MPP Fairclough to move her motion.

Ms. Lee Fairclough: I move that the Standing Committee on Public Accounts request that the Auditor General undertake a special value-for-money audit of the Ontario Student Assistance Program at private career colleges from the 2021 academic year to the 2025-26 academic year, including the oversight of the program by the Ministry of Colleges, Universities, Research Excellence and Security.

Chair, I would also at this time like to request that a recorded vote for this motion be made.

The Chair (Mr. Tom Rakocevic): Is there any debate? MPP Fairclough.

Ms. Lee Fairclough: Thank you, Chair, for the opportunity to speak to this motion. My colleague and critic for universities and colleges, the MPP for Nepean, will also be speaking to this motion today.

I felt compelled to table this motion to ensure that an independent review by the Auditor General be undertaken of the oversight of the OSAP program from 2021 to 2026, with specific emphasis on the spending at private career colleges that has occurred, including the oversight by the Ministry of Colleges, Universities, Research Excellence and Security.

Over the last several weeks more information has come to light on the OSAP program. It's deeply concerning, and we repeatedly hear the stories of thousands and thousands of students who have been impacted.

An independent audit of what has happened is needed. Something of this magnitude—just seven career colleges accounted for approximately $385 million in OSAP grants in 2024-25—deserves an independent audit and review so there's transparency around what has occurred.

An April 2024 letter suggested that the ministry call the police. That didn't happen. These are serious warning signs, and we are now near the end of 2026.

The government has said that they have hired KPMG to do a review in August. It is not clear whether this work has actually started, and the results of that review will only be made available to the government, not to the public. I don't believe that that is good enough. The public deserves to know what is happening here: the size; the scale; the level of scheming to abuse the OSAP program by a handful of private colleges not once, but four times.

In 2023, Career Colleges Ontario warned the ministry of suspicious activity at a few private colleges. What was done with that information? It appears that nothing was done. And with today's news that over 8,500 applications were sent from single IP addresses from a few campuses, it is clear this is an organized, deliberate taking-advantage of the OSAP program. The minister was warned on multiple occasions over the course of years.

We have seen this before with the Skills Development Fund and we have seen this with the greenbelt: hundreds of millions of public dollars at stake; all warranted Auditor General reviews. That is why I felt strongly it was time to bring this motion forward. This is getting out of hand. Why was nothing done? Why were repeated warnings ignored for years before this escalated to hundreds of millions of dollars in OSAP grants to a few private colleges? When did the minister know and why didn't he act? Were officials told not to act?

OSAP is an incredibly important program to our province. In this province, we believe that the education of young people is important, not just for them but for our economic prosperity. I can't tell you the countless number of young people and families I have spoken to this summer, at just about every part of this province, that feel the rug was pulled out of them with the decisions taken by this government on the OSAP program. Now, this fiasco has resulted in the freezing of funds.

OSAP's sustainability is in the public interest, and the government has driven it into the ground. So here are a few facts that I think should inform the committee's decision today.

In January 2023, Career Colleges Ontario raised concerns about indicators consistent with suspicious activity in a meeting with the government, as well as at meetings in May and November of that year.

On January 15, 2025, Career Colleges Ontario writes to the ministry noting 10 schools in particular with OSAP usage showing significant anomalies, including the two Academy of Learning locations. Names of the other eight schools have been redacted in the documents.

In May 2025, the federal government tells Ontario about concerns with several schools, including the two Academy of Learning locations.

Years have passed at this point, but then on July 8, 2025, the ministry starts an in-person inspection at the Academy of Learning.

In the meantime, on August 8, 2025, both Academy of Learning locations that the ministry has received warnings about are approved for OSAP for the 2025-26 year.

On September 17, 2025, the ministry shares its Academy of Learning Bay Street inspection report with the school, and among other concerns, it alleges that inspectors found evidence suggesting third parties were completing the coursework—sometimes entire courses in a day—and a few students who wouldn't name their school or program.

After that, it takes until December 2025 for the ministry to task its forensic investigative team to provide advice to further strengthen oversight of career colleges and OSAP. This all began in 2023; we are now in 2025. So much time was allowed to pass.

A few other important facts for the committee as they're considering this: The Ontario government received more than 220 tips and complaints over two and a half years about three private career colleges, some of which alleged that recruiters were filling out financial aid applications and completing online coursework on students' behalf and using the province's student aid program as a marketing tool. This was according to documents that were filed in courts and reported by the Globe and Mail.

In April 2024, Career Colleges Ontario escalated their pleas and advised the government to call the police. Do you know when the government called the police? When the media exposed the scandal about a month ago, over two years after Career Colleges Ontario told the ministry to call the police. But by then, hundreds of millions of dollars in grants were taken up by just a handful of private colleges.

Now, Chair, I have been a leader of a large, multi-million-dollar, complex organization before getting into politics. And if you see something as a leader that sounds like potential fraud—I certainly was always trained to take it seriously—you act on it. In this situation, this minister was notified many times, there were many tips, there was advice to call the police, and I can't understand why action wasn't taken.

This is why the Auditor General needs to initiate a review of this program now. We are talking about $385 million of public money and the public deserves to know what happened here.

The public accounts committee has a mandate to review government programs, informed by reports from the Auditor General, so it is an objective perspective. The purpose, as we all know, is for making recommendations on changes to the program that will improve the use of taxpayer funds and the performance of government programs. In this case, given the magnitude of funds that appear to have been misused, the signal of potential fraud and the repeated warnings to the government and minister since 2023 by Career Colleges Ontario that this was happening, I would anticipate that every member of this committee can see why it is so completely justified to prioritize this program for an Auditor General review.

1240

I am sure all members of the committee would want to understand what has happened here and hope that all members of this committee will support this motion.

The Chair (Mr. Tom Rakocevic): Further debate? MPP Dixon.

Ms. Jess Dixon: Chair, the government takes the concerns behind this motion very seriously. As the minister has said repeatedly, allegations of misuse of OSAP are completely unacceptable. As is known, the ministry has already engaged an external auditor, notified the Auditor General and referred matters to the OPP for potential further investigation. Inspections and those processes are ongoing, and as the minister has indicated, legislation is coming in order to tighten eligibility into the future.

My understanding is that the Auditor General has indicated that she will consider this file in her future audit planning. Directing a special audit now while there is a police referral and another audit in place, I think, risks duplicating work and complicating those processes. For those reasons, the government members will not be supporting the motion at this time.

The Chair (Mr. Tom Rakocevic): Further debate? MPP Watt.

MPP Tyler Watt: I knew that was exactly what they were going to say. Several weeks ago, I wrote to the Auditor General requesting a full forensic audit of OSAP spending at private career colleges. This government was warned repeatedly for years and did nothing about it until the Canadian Press blew the lid off of the story. Now, suddenly, they are providing a chaotic, flailing response. The minister's story keeps changing. Now he's sticking to his talking points, but for a while it kept changing.

The reason that we are asking for the Auditor General to do this investigation is because, frankly, I wouldn't trust this government to run a bath at this point. Yes, they have KPMG doing an audit. We all know we're never going to see those results; they're going to cherry-pick what they release. The Auditor General will release those findings to the public.

This government and the Premier talk a big game about being accountable to the taxpayer, so let's put your money where your mouth is, and let's get the Auditor General to do this investigation so we know that we will actually get that evidence and we know we'll get that information.

The extent of this scandal—it keeps getting worse. Every single day, there is something else that is coming out. And again, I can't reiterate enough: This minister knew about this since 2023. Repeated warnings—I actually have the emails here from Career Colleges Ontario warning the government—and the minister did nothing. So why should we trust this minister to handle the findings of KPMG?

And at the same time, you've ripped away schools, you've ripped away the loans, you've ripped away the

futures of thousands of students across Ontario. These are our future early childhood educators. These are our future PSWs, dental hygienists, paralegals. It is now November 2. Many have already dropped out, many are facing homelessness. They can't put food on the table because the loan that was promised to them by this government is gone—because that is their response to years and years and years of warnings of fraud.

We've known since January 2023, when Career Colleges Ontario first raised indicators of suspicious activity with the ministry. Additional meetings took place in May and November 2023. KPMG wasn't called then, by the way.

April 2024: Career Colleges Ontario requested that concerns be referred to the police. This was 2024. October 2026 is when this minister finally referred this to the OPP.

January and May 2025: Career Colleges Ontario identified 10 institutions with significant anomalies in OSAP usage.

July to September 2025: On July 8, an in-person inspection began at Academy of Learning's Bay Street campus.

August 8: Two Academy of Learning campuses were approved for OSAP for another academic year. Hundreds of millions of dollars flowed through there.

August 12: The ministry began the Brampton East inspection process, apologizing for the delays related to staffing transitions and new inspection procedures.

I could go on and on and on about just how insane this timeline is, but at the end of the day, there are serious questions that need to be answered. Again, I do not trust this government to provide those answers. What we need is this audit from the Auditor General. We need this investigation to happen. And if you all truly believe that you are transparent and accountable to Ontario taxpayers, you will vote in favour of this motion.

I heard the arguments from MPP Dixon. I don't buy it. You all can vote in favour of this motion.

I want to go on a little bit more about why KPMG is not enough, because, like I said, they do not answer to us, to Ontarians and the taxpayers. They answer to the government. They will provide their analysis and their findings to the government. And why should we trust the government that has allowed all this money to flow to these career colleges that have now been referred to the OPP?

For years and years, this government has completely messed up OSAP. And let's not forget that initially, the Premier and the minister scapegoated students at public colleges and universities, claiming that they are wasting their OSAP grants on fancy watches and cologne and taking basket-weaving courses, so that's why they had to cut the OSAP grants. Well, we know for a fact now that the program was unsustainable because this government allowed it to be unsustainable. They are the ones who left the loophole open for online-only, asynchronous courses. Every other province closed that policy when COVID ended. Ontario is the only province, I believe, that is still allowing this. They allowed this potential fraud to happen.

So I'm done; I don't trust this government. We need the Auditor General, this independent arm, to do this investigation, to report back so we can actually start to find out what happened. There are far too many questions. Why did the ministry not act more decisively from those repeated warnings? That's what I can't wrap my head around: years of repeated warnings, and it wasn't until you got exposed that you finally did something, and that response was to just rip it away from everyone.

I would like to remind everyone too that I was in estimates with the minister on Thursday, a few days before they made this change, and I asked him, "Why is there so much spending on OSAP grants to private career colleges?" This was before we actually knew the story. And he said to me, "Well, we've changed it to loans." I was like, "Okay."

Monday, I hold the press conference trying to put a light on this story. Tuesday, they refer it to the OPP, and they cut everyone from OSAP. So what changed from Thursday to Tuesday? I think it was the story, I think it was the press conference, and that's why we need accountability.

Why were OSAP approvals renewed while inspections and serious concerns were outstanding? What were the failures in this ministerial oversight? Which public funds are adequately protected and where were previous Auditor General recommendations implemented? The Auditor General reports to the Legislature and can independently assess government spending, program performance and oversight.

So again, I am pleading with the government. You have the control in this committee. I know you said you won't be supporting it, but please, students' lives are seriously at stake here. This is hundreds of millions, if not billions, of dollars that have been potentially defrauded—taxpayer dollars that you claim to respect. Now is your time to respect that. It's your time to be accountable and vote in favour of this motion.

Thank you, Chair.

The Chair (Mr. Tom Rakocevic): Further debate? MPP Bell.

Ms. Jessica Bell: Thank you for this motion. I think that introducing a motion asking the Auditor General to investigate the scandal that is happening with private career colleges is appropriate.

It's very expensive to go to university and college today. It's very hard to get access to funding through OSAP to attend colleges. And I am understandably just as concerned as many people here are that the Conservatives—who have close ties to these private career colleges—have looked the other way for years, when these private career colleges, it looks like, have been robbing the government till.

I think this is important for the Auditor General to investigate, because this is an issue that doesn't just affect the students who are attending these private career colleges; now it affects students who are attending any private career college, because the government has turned around and taken the opportunity for them to have access to OSAP from everyone. I'm sure, like many of you—we're getting calls from students who are saying, "I don't know what I'm going to do. I made a decision to choose

this career. Now I cannot afford to go any more. I have rent to pay, bills to pay. I don't know what to do." That's pretty alarming.

1250

I would like the Auditor General to investigate because I would like to know how much the government did know, and when, about this issue of private career colleges taking advantage of the system. I also would like the Auditor General to investigate what kind of oversight there is over these private career colleges, so that we can start to close this loophole and stop these scandals from happening again and again and again.

I think the Auditor General is the right person for the job. I will be supporting this motion.

The Chair (Mr. Tom Rakocevic): Further debate? MPP Armstrong.

Ms. Teresa J. Armstrong: I agree with this motion, and I say that because there are so many unanswered questions, and questions sometimes aren't answered by one specific source. For an example, the OPP: Are they going to look at the financial systemic errors of what happened? No, they're going to look at the perpetrators of the fraud and charge them with fraud.

We need the answers to how this happened on the government's process implementation side. We can't ignore that, because really, when you want a full answer, you're not going to go to one source. The Auditor General's report is going to give us another insight into how this happened so that we can, in the future, prevent these things from happening. If we don't do our due diligence and look at all the areas that contribute to the problem, the problem will fester into the future.

These are public funds, and I am sure everyone here at this table is very passionate about how to ensure that public money gets spent on public services and spent wisely. The public deserves that accountability. We are fiduciary agents of that public purse and we have a duty to be responsible to the people who give us their money—sometimes willingly, sometimes not. They are required to; it's mandatory. And it should be mandatory on public officials to use that money honestly and, if it isn't, to give answers to those people who are contributing to the public pot.

The fact that government representatives did not heed warnings seriously gives me pause to question the character of the people receiving those warnings. I hope the OPP reveals the investigation on how the government did not take heed on that. It's almost obstructing justice and being complicit to the crime of fraud. So yes, I want to see, hopefully, the government's involvement as to how they did not participate in making sure this was sent to the police a lot earlier.

These things have to be exposed, and when we have these things exposed, we have to take ownership of those things and correct them so that we don't keep repeating mistakes. It's a waste of government resources if we keep tripping over ourselves and making the same mistake and we don't learn from those things.

There are some career colleges that have reached out to me—operators, managers—and they are trying to show evidence they screened eligibility when it comes to these OSAP loans. They're emailing us and saying, "Help me. I do all these things evidentially so that I can make sure the public money is used properly," and they are all getting painted by the same brush. That's one part of it.

Then, the people who count on that funding is another story. Again, every student is getting painted with the same brush. If this government did the job in the first place and paid attention to the warnings—and even did their own internal investigation, for heaven's sake—but they ignored it. So I am going to support this motion. It's really common sense, and it's the right thing to do when you're an elected representative, to be responsible to the people that elected you and put you in this chair. Thank you.

The Chair (Mr. Tom Rakocevic): Further debate? Further debate?

Seeing none, are members ready to vote? This is a recorded vote, as requested.

Ayes

Bell, Fairclough.

Nays

Dixon, Grewal, Kanapathi, Racinsky, Rosenberg, David Smith.

The Chair (Mr. Tom Rakocevic): I declare the motion lost.

We will now recess for five minutes, to allow the committee to move into closed session for report-writing.

The committee recessed at 1255 and later continued in closed session.

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Also taking part / Autres participants et participantes
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