



# How to Spot and Avoid Fraud in Your Next Renovation Project

By **Adriana Mot**



*Adriana Mot*

The two most common methods of renovating an existing condominium building are hiring one team that does both design and construction or hiring a designer first and then tendering the contractor afterwards. It sounds easy. Yet, under this apparent simplicity lies a web so intricate and complex that boards can rarely cut through all the fine print with confidence and ensure a reliable service for their owners.

Every time there is ambiguity in what is offered, there are opportunities for mishaps. Unlike products, the sale of services occurs based on a contractual promise made before any service is provided. Inevitably, the risk of fraud is lurking in the fine print.

Fraud in refurbishment projects is easily avoided once you understand why

it happens and how unlikely companies and individuals intentionally commit fraud. Most are pushed by need. Fear of hidden and escalating costs is a top concern for condominium managers, but the fear of not making a profit is a top concern for designers and contractors. Having sufficient knowledge of how these businesses turn a profit and the costs of delivering a good service can lead to open and honest communication, hence a mutually solid and beneficial project.

## Transparency

The first step is to hire transparent companies that fully disclose the costs associated with a project. As a condominium manager, sourcing business services that operate their practice based on transparency and full disclosure establishes trust and great long-term relationships. Yes, you may be shocked when the detailed fees are presented, but ask yourself whether

this is because the costs are outrageous or because you may not know enough about how they are calculated.

Interior design fees are based on staff hours allocated to tasks. With an experienced firm that knows how long things take, you will not overpay. Staff hourly rates are calculated based on payroll cost, overhead and liability costs, and profit. When the hours allocated for a task go over that estimate, the firm makes less profit and possibly incurs a loss.

General contractor fees are based on subcontractor costs, management fees, overhead and liability costs, and profit. They share the same risks and carry, additionally, the risk of subcontractors' increasing fees for extras.

## Time is Money

Once full disclosure is secured, and the contract is signed, the next step is to ensure that the project moves as planned. When that happens, nobody thinks of

# Professional Services, Suppliers & Trades



**PLANT-BASED  
ARTIFICIAL GRASS**

**SUPER YARN™ TECHNOLOGY**

- Sanitized® Antimicrobial
- DualChill™ IR Reflective
- StatBlock™ Anti-Static

**SYN LAWN™** **TORONTO ARTIFICIAL GRASS**

(905) 272-9683 | [torontoartificialgrass.ca](http://torontoartificialgrass.ca)



*Billy Lai, MCIOSB, MRICS  
James Ho, P.Eng.*

**Engineering Services:**

- Reserve Fund Studies
- Condition Assessment
- Building Restoration
- Building Science
- Project Management

100 Dynamic Dr., #10  
Toronto, Ont. M1V 5C4  
Tel: 416-299-0872  
Fax: 416-299-0827  
Email: [info@cmsengineer.com](mailto:info@cmsengineer.com)

AGMs > BUDGETS > NEWSLETTERS

**DELIVER FAST  
GO DIGITAL**



— PLUS —

PRINT > SIGNAGE > WEBSITES  
GRAPHIC DESIGN & MORE...

[condo@catsmedia.ca](mailto:condo@catsmedia.ca) | 416.443.9900

**CM CONDO.CA™**

A DIVISION OF CATSMEDIA.CA

BRAND > PRINT > WEB > SOCIAL

**We have your  
condo AED  
needs covered.**

- Life-saving AED devices, signage and cabinets
- Replacement batteries and pads
- AED training and support
- Annual inspections & service



**1-833-HAVEAED** (428-3233) | **AED.ca**

**BEAUDRY**

The Beaudry Group  
Landscape Contractors

Residential • Commercial • Multi-Residential

Burlington: 905.639.6502 | Toll free: 1.855.639.6502  
Fax: 905.681.8925 | 4031 Fairview St. Suite 215  
Burlington, ON L7L 2A4

[www.beaudrygroup.com](http://www.beaudrygroup.com) | [mail@beaudrygroup.com](mailto:mail@beaudrygroup.com)





**greenleaflimited.ca**

*Professional Condominium  
Landscaping*

(416) 717-2115



**DAVROC**  
CONSULTING ENGINEERS

**David Cousins, P.Eng**  
President

*Building Science •  
and Materials  
Engineers*

*Materials Testing ■  
and Inspection*

2051 Williams Parkway  
Units 19, 20 & 21  
Brampton, Ontario  
Canada L6S 5T3  
Tel: (905) 792-7792  
Fax: (905) 792-7829  
Cell: (416) 454-7400  
Email: dcousins@davroc.com  
Web: www.davroc.com



**Anthony Fasullo**  
anthony@melrosepaving.com

3540 Hawkestone Road  
Mississauga, ON L5C 2V2

Office: 416 255 8383  
Cell: 647 625 0614  
Fax: 905 270 6321

INDUSTRIAL | COMMERCIAL | RESIDENTIAL | MUNICIPAL



The **COMPLETE**  
Group of Companies

HVAC Services  
Chiller Services  
Plumbing Services  
Energy Management Services  
Building Automation Systems  
Emergency Generator Services

**Emmanuel Efraimidis**  
Chief Executive Officer

(647) 784-6266

(905) 629-6713 ext 223

Emmanuel@completegroup.ca  
www.thecompletegroup.ca

4444 Eastgate Parkway, Unit 8 | Mississauga, ON | L4W 4T6  
Your **COMPLETE Energy** Management Experts!



**HARBOUR**  
concepts

TAILORED  
PROPERTY  
MANAGEMENT  
SOLUTIONS

519 242 5129 | [harbourconcepts.com](http://harbourconcepts.com)

[info@harbourconcepts.com](mailto:info@harbourconcepts.com)

4-180 Northfield Drive West, Waterloo, ON N2L 0C7



**IDENTIGATE SECURITY SERVICES**  
**LUXURY CONCIERGE**

#### SERVICES

- Luxury Concierge
- Retail Stores Security
- Mobile Patrols
- Parking Enforcement
- Construction Projects Guards
- Industrial Security
- Emergency Response 24/7
- System and Technology

We provide best-in-class concierge and security guard services to prime high-rise commercial office, residential buildings, retail stores and construction projects through our highly-trained staff of dedicated professionals.



#### CONTACT US

55 Town Center Court, Suite 700,  
Toronto, ON, M1P 4X4  
T: 905-686-4280, F: 416-981-3145  
Email: [info@identigatesecurity.com](mailto:info@identigatesecurity.com)  
[www.identigatesecurity.com](http://www.identigatesecurity.com)



Year Round Service, Snow Removal and De-icing  
Urns and Annual Planting  
Full Commercial Landscape Construction  
Storm Water Management  
Ravine work  
Green Roof Designations

416-410-0320  
INFO@LANDCARE.CA  
LANDCARE.CA

DESIGN BUILD MAINTAIN



**While you pressed *pause*,  
your condo saw a lot of action.**



Restart *safely* with Rikos.

Retrofit vertical fan coil units  
Kitec plumbing replacement  
Plumbing riser replacement

Local solution >  
global problems.  
Since 1999.



**416.410.3815**  
**rikos.com**



**Will Reppen**  
Account Executive

**DAIKIN APPLIED CANADA INC.**

641 Chrislea Road, Unit 8  
Toronto, ON L4L 8A3  
Office: 905.850.7141  
Cell: 416.272.0544  
E-mail: [william.reppen@daikinapplied.com](mailto:william.reppen@daikinapplied.com)  
[www.daikinapplied.com](http://www.daikinapplied.com)

- Chiller Maintenance
- Chiller Overhauls
- Cooling Towers
- Boilers
- Full-Building PM
- Equipment Replacement



**OME INTERIORS CO.**

**INTERIOR/EXTERIOR RENOVATIONS**  
STUCCO, PAINT, KITCHEN AND BATHROOM, CONCRETE REPAIRS

**GLEN GREGORY, OWNER**  
**CELL: 905 518 1750**

[omeinteriors@gmail.com](mailto:omeinteriors@gmail.com)  
95 Melrose Ave. S., Hamilton, ON. L8M 2Y7



**Tator, Rose & Leong**  
Chartered Accountants

**Edmund Leong, B. Comm., CPA, C.A.**  
[edmundl@tarole.ca](mailto:edmundl@tarole.ca)

160 EGLINTON AVE., EAST  
SUITE 603  
TORONTO, ONTARIO M4P 3B5

TEL. (416) 924-1404 ext.225  
FAX (416) 964-3383



Restoration Consulting & Capital Planning  
Building Science

Since 2007, R&C's services have included  
expenditure forecasting, diagnosis, design &  
review of challenging building repairs.

Our transparency, integrity & experience has  
contributed to the success of our clients.

Alan Cohen P.Eng, BSSO, BDS  
416-658-6222 ext. 321  
Toll Free: 1-877-260-6380  
[acohen@rceng.ca](mailto:acohen@rceng.ca)

R and C Engineering Inc.  
364 Supertest Road, #209  
Toronto ON, M3J 2M2  
[www.rceng.ca](http://www.rceng.ca)

**Need Moving  
Pads?**



**VDF Vertical.**

**CUSTOM MADE FOR YOUR CAB!**

**WE  
HAVE  
YOU  
COVERED!**  
**vdfvertical.com**  
**416.293.9945**



**SUNRISE ROOFING  
CONTRACTORS**  
SERVICE & QUALITY SINCE 1987

COMMERCIAL | INDUSTRIAL | RESIDENTIAL

**Brian Silveira**

[brian.silveira@sunriseroofingltd.ca](mailto:brian.silveira@sunriseroofingltd.ca)  
[www.sunriseroofingcontractors.ca](http://www.sunriseroofingcontractors.ca)

Sunrise Roofing  
Contractors Inc  
891 Kipling Ave  
Toronto, ON  
M8Z 5H2  
c: 416-989-6069  
b: 416-255-1477



# King North

## BUILDING SCIENCES

PRACTICAL ENGINEERING IS OUR COMMITMENT

ED LITOW, B.TECH.(ARCH.SC.)

380 Kettleby Road,  
Kettleby, Ontario L7B 0C9  
www.kingnorth.com

Tel: 905-751-0823  
Cell: 416-567-3741  
elitow@kingnorth.com

## SUNCORP VALUATIONS

### 3 YEAR CONDO INSURANCE APPRAISAL PROGRAM

- Includes 2 Free Appraisal Updates
- Accredited Appraisers (ASA or AACI)
- Accurate Reports
- Established in 1960
- \$5 Million E&O Insurance
- Canada's Largest Appraisal Firm
- Specialists in Luxury Condo, Shared Facilities and Common Elements Appraisals

*"Servicing ALL Condos across Ontario"*

525 - 5775 Yonge Street Toronto Ontario M2M 4J1  
Phone: 416-283-3386 Email: vic.persaud@suncorvaluations.com



www.suncorvaluations.com



# TRINITY

ENGINEERING & CONSULTING

### TRUSTED ENGINEERS AND ADVISORS

- Heating and Cooling Plants
- Fan Coil Unit Retrofit Design
- Emergency Generator Design
- Building Envelope / Garage
- Plumbing / Drainage / DHW
- Full Electrical Design / EVs
- Fuel Safety / TSSA / Fire Code
- Net Zero / Energy Auditing

Adrian Abramovic, P.Eng., LEED AP

office: 905-587-0106

adrian@trinityeng.ca

www.trinityeng.ca

Head Office  
247 North Service Rd. W.  
Suite 301  
Oakville, ON L6M 3E7

Ottawa Office  
116 Albert St.  
Suite 300  
Ottawa, ON K1P 5G3



Professional Engineers  
Ontario



Associate Member



PROFESSIONAL | HONEST | QUALITY

### SERVICES:

PROPERTY MAINTENANCE  
GENERAL CONSTRUCTION  
**SNOW REMOVAL**  
24 HOUR EMERGENCY  
COMMERCIAL  
RESIDENTIAL

**PINNACLE PROPERTY SERVICES**  
W: PPSERVICES.CA | PH: 416. 550. 9345



**GENERATIONS  
CLEANING**

### SERVICES:

- Janitorial
- Superintendent
- Disinfecting

Contact **RYAN BOWDEN**

416-558-9532 Ryan@gcbgroup.com

www.generationscleaning.ca



**PIPE-ALL**  
Plumbing & Heating Ltd.

**PAUL FELDMAN**

Service Manager

Tel: 905-851-1927

Fax: 905-851-2002

Email: paulf@pipeall.ca

**PLUMBING-HEATING-FIRE PROTECTION**

141 STRADA DRIVE, WOODBRIDGE, ONT. L4L 5V9



**DES  
SERVICES INC**

Condominium Management Providers

**JOSEE DESLONGCHAMPS, PCM RCM ACCI**

PRESIDENT / PRINCIPAL CONDOMINIUM MANAGER

2339 Ogilvie Road, Box 46104  
Ottawa, ON K1J 8M6

EMAIL: desservices@rogers.com

WEB: desservicesinc.com

PHONE: 613-301-8570

FAX: 613-834-9338

breaking the rules. Think of construction as a timed, yet elegant, soccer game. Every person needs to pass the ball and not stall the momentum. Construction stalling generates un-proportionate costs because trades schedule their time back to back. If one job is delayed, it overlaps with the following one. If this happens, the first job fits in the “in-between” time, and the second gets prime time. The good news is that timing can be controlled from the get-go, and communication, especially the decision-making process, is crucial in keeping things on track.

### Beware of “Free” Services or Products

Every service or physical product has a cost in business, and the reality is that nothing is free – all charges are built into fees. The second you are

offered something for free or for below cost, you have to ask yourself if you’re happy with not knowing the actual price. For instance, some design-build companies offer either free design services or design included in the overall fees. This has both advantages and disadvantages as a contract method, but I would always suggest assuming that you’re not getting anything for free and opt for transparency.

### Clients are Ultimately Responsible for the Final Design

The time it takes to get client decisions and move forward is the most feared fee variable for a professional because they have little or no control over it yet are commonly asked to price it. To err on the side of caution, substantial allowances are

allocated to review and re-discuss materials, logistics, costs, options over and over again. For example, if a two-hour meeting allocated for decisions needs to be repeated three times, the allowance is 300% of its cost.

Interior design is a team product. As much as a designer’s or contractor’s role is to suggest practical and aesthetically suitable solutions, the decision-makers, the Board, Owners, or Design committee have the power to veto it or even redirect it entirely. They are, essentially, the ones that determine the design outcome.

It is crucial to hire a team able to clearly and logically communicate solutions and coach the owners on how to make informed decisions that they are permanently comfortable with. This will ensure that the process is on track



**CONSULTING ENGINEERS** ■



Building Science  
and Materials  
Engineers

**Rocco Liscio**, M.Eng., P.Eng.  
Vice-President

2051 Williams Parkway  
Unit 21  
Brampton, Ontario L6S 5T4  
Tel: (905) 792-7792  
Fax: (905) 792-7829  
Cell: (416) 560-7700  
Email: rocco@davroc.com  
www.davroc.com

**Delivering first-class customer service with boutique charm.**



**Berkley**  
Property Management Inc.

**Condominium (ACMO 2000 CERTIFIED)**  
**Commercial**  
**Rental**  
**Industrial**



**Paul A. Chisholm, MBA, CA**  
3100 Steeles Ave W, Suite 100 **Toronto**  
(Jane St & Hwy 407) 905.763.8203  
140 Franklin Street North **Kitchener**  
(Weber St & Hwy 7) 519.893.1925 2760  
Carousel Crescent **Ottawa**  
(Bank St & Hunt Club) 613.521.1214  
**berkleypm.ca**




**Garden City** Groundskeeping  
SNOW + ICE MANAGEMENT

**COVID-19 LOOKS SET TO CONTINUE TO STRETCH RESOURCES AND SNOW OPERATORS!**

Our 40+ years means we know Brampton/Mississauga, Oakville and Etobicoke winters and conditions very well!

sales@gardencitygrounds.ca  
T: 905.274.2029




**PROUD TO SUPPORT AND SERVICE ACMO PROPERTIES + PEOPLE!**

**WEI CPA PROFESSIONAL CORP.**

CHARTERED PROFESSIONAL ACCOUNTANT  
LICENSED PUBLIC ACCOUNTANT

AUTHORIZED TO PRACTICE PUBLIC ACCOUNTING  
SPECIALIZED IN CONDOMINIUM  
FINANCIAL STATEMENTS REVIEW & AUDIT



1901-5000 Yonge Street, Toronto ON, M2N 7E9  
Tel: (416) 628-9423  
Fax: (416) 352-5713  
Email: services@tax-depot.ca  
website: tax-depot.ca



and eliminates the corporation's need to cover unexpected costs somewhere else.

## Checkpoints and Project Management Tools

Scams often happen in small, undetectable increments. A well-known concept is salami slicing or penny shaving, a fraudulent practice of incrementally rounding up small costs that add up to a bigger scam. Setting up checkpoints and detection tools allows you to avoid this. Here are some of the most useful:

- A detailed and comprehensive scope of work must have a contractually matching detailed and comprehensive process and fees outlined
- Client approvals should have a written sign-off process that protects both the interest of the building owners and

that of the contractors and consultants

- A quality control plan is a must be in place, and the level of acceptable imperfections should be established upfront
  - Even at an apparent extra cost, allow for sufficient mockups, testings, and sampling that give you the opportunity to adjust everything before construction
  - Outline how money is deployed in parallel progression with the service being received. Other than initial deposits or retainers, work should not progress too far ahead of the money, or vice-versa
  - And lastly, ensure that the decision-makers are democratically appointed and accept the fact that those who are not direct decision-makers may have a different opinion and not agree with the decisions that their representatives will make
- The process of design and construction has many parts moved by many people.

From aesthetic choices debated by many to deliveries that always get delayed, the broken telephone type of communication poses a perpetual threat to a successful project. To avoid that, managers and boards should get themselves familiar with the best design and construction practices and deliberately set up processes to prevent fraud, one step at a time. ■

**Adriana Mot** is a multiple award-winning designer and founder of Dochia Interior Design, Toronto, specializing in multi-unit condominium developments, refurbishing common areas of existing buildings, as well as hospitality projects and single-family homes. She has served on the board at ARIDO and recently launched a YouTube design & lifestyle channel.  
dochia.com




**Your Trusted Advisor**  
for Condominium  
Security Solutions

- Visitor Identity Management
- Crisis Intervention
- Video Monitoring Technology
- On-site Guard Training
- Health & Safety Audits
- Valet Services

**Patricia Luciani** Tel: (416) 620-0762 x2615  
General Manager; Cell: (416) 554-3018  
GTA Residential Patricia.Luciani@ca.g4s.com  
www.G4S.ca





## GOLDVIEW



PROPERTY MANAGEMENT LTD.

PEOPLE PROPERTY PERFORMANCE

Goldview Property Management Ltd. guarantees the highest standard of property management services. Our meticulous attention to detail, innovative and cost-effective solutions, advanced communication networks, and green technology have established Goldview Property Management as a leader in the industry for over 30 years.

Contact Goldview Property Management and your Corporation can also realize significant financial and operational benefits.

[www.goldview.ca](http://www.goldview.ca) • 416.630.1234

51 Toro Road, Suite #200  
Toronto, Ontario, M3J 2A4  
Fax: 416.630.2132

## Optimal Performance: Specialists in Accessibility Audits for Condominiums Since 1990

- Lower risk for human rights & accessibility complaints with the OPC Audit & Priority Report
- Guide your Board & Condo Management to develop Capital & Operating Budgets to prioritize accessibility upgrades
- Add value with accessible design, policies & strategy so your condo becomes the "go to" building to own or lease



Contact Us to Book Your  
Assessment Today  
416 860-0002  
[AODA@OptimalPerformance.ca](mailto:AODA@OptimalPerformance.ca)

Follow **ACMO** on





