



Nashville pulls IQT Solutions' \$1.6M grant following Canadian layoffs

July 19 2011

After 1,200 Canadian call centre workers were blindsided with layoffs last week, the City of Nashville has chosen to withdraw its \$1.6 million promise to fund IQT Solutions' new operation in Tennessee.

The Nashville call centre would have created 900 jobs locally.

"We spoke with the company last night, and it appears unlikely IQT will move forward with its proposed operations in Nashville." Matt Wiltshire, the city's economic and community development director, said Tuesday.

Nashville Mayor Karl Dean said Monday he was "surprised and concerned" to hear about the Canadian layoffs.

"I was dismayed by the way the company treated its employees there," he said. "The incentives offered to IQT are based on the company's ability to bring jobs to Nashville. If they don't create jobs here, they don't get incentives."

Dean's office would not confirm whether the decision to pull the grant offer was a direct result of last Friday's layoffs, which left workers searching for weeks worth of wages, severance pay and records of employment, a document required for employment insurance.

However, a letter written by Wiltshire to Alex Mortman, IQT Solutions' co-CEO, suggests otherwise.

"We prefer to be notified about this sort of substantive development prior to reading about it in the press," he wrote in a letter sent out Monday.

The \$1.6 million job creation grant promised to IQT Solutions last June was not a guarantee, Wiltshire said.

To go forward, Mortman had to provide “complete accounting of the developments that precipitated the closing of your facilities in Canada.”

Wiltshire ended the letter by saying the city was still open to attracting jobs to Tennessee, but that it needed “a clearer understanding” first.

Later Monday evening, IQT Solutions sent an answer, but the Nashville mayor’s office has declined to provide details.

“That’s definitely one victory in everything we’re going for,” said Jen McGowan, a 34-year-old Oshawa single mother who is owed five weeks’ worth of wages. “The fact that they will not get that money to expand, where I assume they were taking our jobs, that’s great.

Efforts to reach Mortman for comment on Tuesday were unsuccessful.

Last Friday, IQT laid off nearly 1,200 workers in Oshawa, Laval, Que., and Trois-Rivières, Que., without any notice or pay.

The decision stunned employees, local politicians and Bell Canada, which contracted its customer support services to the U.S. company.

“We’re talking about millions of dollars that have been lost to the business community,” said Oshawa Mayor John Henry.

Henry said he was surprised about the layoffs since things seemed fine when he attended IQT’s staff appreciation day event on June 14.

A sign posted at the company’s Oshawa offices said IQT was closed “due to bankruptcy.”

As of Tuesday afternoon, records show that IQT Solutions Canada has not yet filed for bankruptcy.

Ontario’s labour ministry continues to investigate.

