



Office of the
Conflict of Interest and
Ethics Commissioner

Commissariat aux
conflits d'intérêts et
à l'éthique

Peschisolido Report

2020

February 2020

Mario Dion

Conflict of Interest and
Ethics Commissioner



Peschisolido Report

made under the *CONFLICT OF INTEREST CODE FOR MEMBERS OF THE HOUSE OF COMMONS*

For additional copies of this document, please contact:

Office of the Conflict of Interest and Ethics Commissioner
Parliament of Canada
66 Slater Street, 22nd Floor
Ottawa, Ontario K1A 0A6

Telephone: 613-995-0721

Fax: 613-995-7308

Email: info@cie.parl.gc.ca

Ce document est également publié en français.

This document is available online at the following address: <http://ciec-ccie.parl.gc.ca/>

© Office of the Conflict of Interest and Ethics Commissioner, Parliament of Canada, 2020

022020-85E



PREFACE

Under section 27 of the *Conflict of Interest Code for Members of the House of Commons* (Code), which constitutes Appendix 1 of the *Standing Orders of the House of Commons*, a request for an inquiry may be made by a Member of the House of Commons who has reasonable grounds to believe that another Member has not complied with their obligations under the Code.

The Conflict of Interest and Ethics Commissioner is required to forward the request to the Member who is the subject of the request and to afford the Member 30 days to respond. Once the Member has completed their response, the Commissioner has 15 working days to conduct a preliminary review of the request and the response and to notify both Members in writing of the Commissioner's decision as to whether an inquiry is warranted.

Following the completion of an inquiry, which must be conducted in private, a report is to be provided to the Speaker of the House of Commons who tables it in the House of Commons when it next sits. The report is made available to the public once it is tabled or, if the House is not then sitting, upon its receipt by the Speaker.

01 Executive Summary

02 Concerns and Process

04 Facts

08 Mr. Peschisolido's Position

09 Analysis and Conclusions

EXECUTIVE SUMMARY

This report presents the findings of my inquiry under the *Conflict of Interest Code for Members of the House of Commons* into the conduct of Mr. Joe Peschisolido while he was the Member of Parliament for Steveston–Richmond East.

I sought to determine whether Mr. Peschisolido contravened subsections 20(1) and 21(3) of the Code. Subsection 20(1) requires Members to fully disclose their private interests and those of their family members to the Commissioner as part of the initial compliance process after their election and during each annual review. Subsection 21(3) requires Members to notify the Commissioner of any material change to the information contained in their disclosures within 60 days of the change.

During the initial compliance process completed in July 2016, Mr. Peschisolido disclosed that he was the sole shareholder of Peschisolido Law Corporation, as well as its director, president and secretary. During annual reviews completed in August 2017 and December 2018, Mr. Peschisolido indicated there were no changes to this information.

However, the evidence showed that Mr. Peschisolido failed to fully disclose his private interests in the corporation. He did not disclose an asset (money owed to him by the corporation under a shareholder’s loan) or a liability (his personal guarantee of the corporation’s debt).

The evidence also showed that after Peschisolido Law Corporation was dissolved in November 2018, Mr. Peschisolido failed to disclose, within the 60-day deadline or during his annual review, that he was no longer its director, president and secretary.

Mr. Peschisolido also failed to disclose a change in marital status, or to provide a full statement of his spouse’s private interests.

I concluded that Mr. Peschisolido contravened subsection 20(1) of the *Conflict of Interest Code for Members of the House of Commons* by failing to provide a full statement of his private interests with respect to his shareholder’s loan. He also contravened subsections 21(3) and 20(1) of the Code by failing to file a statement of material change within 60 days and failing to disclose, during the annual review, his personal guarantee of a debt, the dissolution of Peschisolido Law Corporation and a change in his marital status.

When a contravention of the Code is found in an inquiry and there are no mitigating circumstances, the Commissioner may recommend that the House impose appropriate sanctions. However, given that Mr. Peschisolido is no longer a Member and therefore not subject to the rules governing Members of the House of Commons, issuing such a recommendation would serve no purpose.

CONCERNS AND PROCESS

[1] On June 11, 2019, I received an email from the Honourable Peter Kent, Member of Parliament for Thornhill, requesting that I commence an inquiry under the *Conflict of Interest Code for Members of the House of Commons* (Code) into the conduct of Mr. Joe Peschisolido, then Member of Parliament for Steveston–Richmond East. On June 19, 2019, Mr. Kent resubmitted a signed copy of his request as required by subsection 27(2) of the Code.

[2] In his request, Mr. Kent alleged that, based on information contained in a media report, Mr. Peschisolido may have failed to meet his obligation under subsection 21(3) of the Code to file a statement reporting a material change to the information contained in his Disclosure Statement within 60 days after the change. According to the media report, Mr. Peschisolido was no longer a member of the Law Society of British Columbia (Law Society), which had applied for and obtained a court order to take over and wind up his law firm. This information appeared to contradict the Member's public Disclosure Summary dated December 11, 2018, which appeared in the Office's public registry and in which he stated that he was the sole owner as well as the director, president and secretary of Peschisolido Law Corporation.

[3] Section 20 of the Code requires Members to file a disclosure statement with the Commissioner consisting of a full statement of the private interests listed under subsection 21(1) for themselves and for members of their family, within 60 days after the notice of their election to the House of Commons is published in the *Canada Gazette* and within 60 days after the date established by the Commissioner for the annual review.

[4] The private interests listed under subsection 21(1) of the Code include each asset or liability of the Member and their family members with a value exceeding \$10,000, the amount and source of any income greater than \$1,000 they received in the preceding 12 months or are entitled to receive during the next 12 months, and any directorships or offices in a corporation.

[5] I determined that Mr. Kent's request as submitted on June 19, 2019, met the requirements of subsections 27(1) and (2) of the Code. I was therefore required by subsection 27(3.2) to conduct a preliminary review of the request.

[6] On June 20, 2019, I forwarded Mr. Kent's request to Mr. Peschisolido, informing him that the Code afforded him 30 days to provide me with a response to the request, after which I would have 15 working days to determine whether an inquiry was warranted. In this letter, I also informed Mr. Peschisolido that based on information in the public domain, I had the additional concern that he may have failed to comply with the requirement under paragraph 20(1)(ii) of the Code to provide a full statement of his private interests when he completed his annual review on December 11, 2018.

[7] On July 19, 2019, I received a letter from Mr. Peschisolido responding to the concerns raised.

[8] On August 6, 2019, I wrote to Mr. Peschisolido to inform him that, having carefully considered the information before me, including his written representations, I had decided that an inquiry was warranted. This letter summarized the information gathered to date and set out the purpose of the inquiry, namely to determine whether he had failed to file information concerning his private interests, including his activities, in relation to Peschisolido Law Corporation. The letter also requested that he provide all relevant information and considerations with respect to the matter, as well as certain specified documents.

[9] I received documents and further written representations from Mr. Peschisolido on August 27, 2019. Having reviewed these submissions, I wrote to him on October 9, 2019, to inform him that in light of this information, my inquiry into his conduct would now also seek to determine whether he had failed to report an asset and a liability each exceeding \$10,000, namely a shareholder's loan made to his corporation and a debt of the corporation for which he appeared to be the guarantor, as well as a change in his marital status.

[10] Mr. Peschisolido was interviewed on November 7, 2019, and I received additional documents from him on December 5, 2019.

[11] Mr. Peschisolido was provided with the opportunity to review the transcript of his interview and relevant documents gathered by the Office. He was also given an opportunity to review and comment on a draft of the factual portions of this report (Concerns and Process, Facts, and Mr. Peschisolido's Position) before it was finalized.

FACTS

Mr. Peschisolido's disclosures to the Office

[12] In early November 2015, shortly after his election as a Member of Parliament, Mr. Peschisolido received a letter from my predecessor outlining the process to ensure his initial compliance with the Code and several enclosed documents including a Disclosure Statement form, which he was required to fill out and submit by January 4, 2016.

[13] In the form that Mr. Peschisolido first submitted, dated December 29, 2015, he disclosed that he was the sole shareholder of Peschisolido Law Corporation as well as its director, president and secretary, and entered information regarding his income, assets and liabilities.

[14] Upon reviewing the Member's submission, the Office noted that several sections of the form were not filled out and that no supporting documents had been provided. On April 25, 2016, the Office contacted Mr. Peschisolido to remedy the situation and he re-submitted his Disclosure Statement form on May 13, 2016.

[15] Mr. Peschisolido met with his compliance advisor in the Office on June 14, 2016, to review the contents of his disclosure and discuss his ongoing obligations under the Code. During this meeting, he confirmed the accuracy of the information he had submitted regarding his private interests, including his activities, in relation to Peschisolido Law Corporation as well as the fact that he did not receive any income from the corporation. Mr. Peschisolido also stated at that time that he was not the guarantor of any debts of the corporation.

[16] Mr. Peschisolido's initial compliance process was completed in July 2016, when the Summary Statement of his disclosure was published on the Office's public registry. Mr. Peschisolido completed an annual review process on August 25, 2017, as well as on December 11, 2018, and on both occasions, he indicated there were no changes to the information he had originally disclosed to the Office.

[17] During his interview, Mr. Peschisolido indicated that in fulfilling his disclosure obligations under the Code, he simply provided the Office with information according to his best guess or as he recalled it at the time and that he did not take any deliberate steps to check the accuracy of that information.

Peschisolido Law Corporation

[18] Mr. Peschisolido's law firm, which he incorporated in British Columbia as a law corporation on January 26, 2006, conducted business as Peschisolido & Company. According to statements Mr. Peschisolido made publicly and in the context of this inquiry, the firm operated as an amalgam of independent lawyers, each working on their own client files. During the interview I conducted with him, Mr. Peschisolido explained that the corporation would receive a portion of

the fees that these lawyers earned by working on Peschisolido & Company client files. In return, the lawyers benefitted from support staff and office space that was paid for by the corporation.

[19] Mr. Peschisolido stated in his written submissions and in his testimony that in May 2015, when he started campaigning ahead of that year's federal election, he stopped practising law but maintained his membership with the Law Society of British Columbia and the status of his law corporation. Once he was elected, he transferred the active client files he still had to the other lawyers working under Peschisolido & Company.

[20] The documents obtained in the context of this inquiry included statements for the two bank accounts used by Peschisolido Law Corporation—a general operating account and a trust account—for the period of January 2015 to July 2019. In addition to the list of transactions, the statements included an image of every cheque written from each of these accounts.

[21] According to these statements and other financial documents obtained, Peschisolido Law Corporation carried a negative balance on its general bank account and was operating at a loss in 2015 as well as in previous years. In his interview, Mr. Peschisolido explained that, in order to allow his firm to continue operating, he, as the firm's sole shareholder, had covered part of the losses by making successive loans to the corporation in the form of deposits into its general bank account. The documents showed that the amount of both the bank overdraft and the shareholder's loan exceeded \$10,000 during the entire time Mr. Peschisolido was a Member.

[22] Between January and April 2015, Mr. Peschisolido wrote six cheques amounting to several thousand dollars from his corporation's general account to himself. The "memo" field for these cheques identified each one as a "Partial repayment of shareholder's loan." Mr. Peschisolido wrote one more such cheque to himself on February 11, 2016. During his interview, Mr. Peschisolido explained that since he had put money into his firm to keep it going, from time to time, he would decide to receive monies back from the corporation in repayment of the loan.

Mr. Peschisolido's actions in relation to his law corporation while he was a Member

[23] The documents provided by Mr. Peschisolido showed that on March 31, 2016, he filed his annual practice declaration and trust report for the previous calendar year with the Law Society. On the same day, he also filed the corporation's annual report with the British Columbia Corporate Registry (Corporate Registry), which is required every year within two months of the corporation's anniversary date.

[24] According to Mr. Peschisolido's written submissions and testimony, one of the lawyers who still had active client files under the corporation moved to a new address in March 2016. Since he was now subletting Peschisolido & Company's offices to new tenants, Mr. Peschisolido filed an address change for the corporation with both the Law Society and the Corporate Registry on June 1, 2016.

[25] In November 2016, Mr. Peschisolido informed the bank that his firm was no longer in operation, other than some residual business. He and the bank agreed that the balance owing on the general account should be repaid in full and that this would be done over a period of approximately four years by gradually reducing the credit limit. During his interview, Mr. Peschisolido confirmed that he became the guarantor for this account at the time he signed the agreement on November 22, 2016, and that he had been personally repaying his corporation's liability on an ongoing basis since December 2016.

[26] From that point on, no activity was conducted on Peschisolido & Company client files during the next 18 months. Mr. Peschisolido filed for the last time in the spring of 2017 a practice declaration and trust report for the previous calendar year with the Law Society, as well as an annual report with the Corporate Registry. He did not file these reports in subsequent years. Then, on July 17, 2017, Mr. Peschisolido changed the corporation's address again, but only with the Law Society and not with the Corporate Registry. During his interview, Mr. Peschisolido explained that this was not done purposefully, but rather through an omission on his part.

[27] At the end of 2017, Mr. Peschisolido missed the deadline to pay his membership dues to the Law Society. On January 17, 2018, he was informed that his membership had been terminated and he was required to either wind up his law corporation, change the name of the corporation or re-activate his practising status. Mr. Peschisolido first filled out and submitted an application for re-instatement, but then withdrew his application on April 5, 2018. The following month, the Law Society contacted Mr. Peschisolido in order to inform him of the steps required to close his practice.

[28] Since he could not handle the closure of the remaining client files himself, Mr. Peschisolido chose to hire a lawyer to wind up his practice on his behalf. He entered into an agreement with a first lawyer on May 15, 2018, then a new one on December 17, 2018. Since the practice's wind-up had still not been completed in March 2019, the Law Society applied for a court order to be appointed custodian of Mr. Peschisolido's practice. The British Columbia Supreme Court issued the order on April 1, 2019.

[29] In early 2019, Mr. Peschisolido cancelled the PST and GST accounts for Peschisolido Law Corporation with the British Columbia Ministry of Finance and the Canada Revenue Agency, who confirmed the closures on April 11 and April 26, 2019, respectively.

Administrative dissolution of Peschisolido Law Corporation

[30] On May 11, 2018, the Corporate Registry sent a letter to Mr. Peschisolido advising him that since his law corporation permit had been revoked by the Law Society, he was ordered to change the name of the corporation to one that did not include the word "law" before July 11, 2018. Since no name change was subsequently filed, the Corporate Registry wrote again on August 23, 2018, to provide one month's notice of the publication of a notice of intent to dissolve the company.

[31] The Corporate Registry published a notice of intent to dissolve the corporation on October 4, 2018. The Corporate Registry then dissolved Peschisolido Law Corporation on November 26, 2018, and published a notice to that effect on November 29, 2018.

[32] The Corporate Registry's letters of May and August 2018 were sent to the address that the Corporate Registry had on file for the corporation. Mr. Peschisolido stated in his written submissions and testimony that since he was no longer getting mail sent to that address at that time, he had never received these letters and he only obtained copies when he contacted the Corporate Registry in August 2019 in order to gather the documents I had requested from him in the context of this inquiry.

Change in marital status

[33] In the written representations he submitted in August 2019, Mr. Peschisolido provided a completed Disclosure Statement with respect to his spouse and informed me that he had gotten married one year earlier, in July 2018. Mr. Peschisolido specified the exact date, July 7, 2018, during his interview.

MR. PESCHISOLIDO'S POSITION

[34] Mr. Peschisolido acknowledges that, at the time of the annual review he completed on December 11, 2018, he failed to provide an accurate statement with regard to the private interests he no longer had in Peschisolido Law Corporation after its administrative dissolution occurred on November 26, 2018, and to file a statement reporting a material change within 60 days after the change.

[35] According to Mr. Peschisolido, this was an inadvertent oversight and a mistake due to the fact that he had not kept the British Columbia Corporate Registry up to date with his corporation's address, and consequently, he had not received the letters of May 11 and August 23, 2018, regarding the status of his corporation and the required name change. As a result, he was not aware of the dissolution when it happened and only learned about it when I notified him of Mr. Kent's request under the Code on June 20, 2019.

[36] Mr. Peschisolido also explained during his interview that he did not view the shareholder's loan he had made to his corporation as an asset because any money that he would get back from the corporation as a partial repayment of that loan would be money that he had originally put into it. He also mentioned that while that was his view at the time, he now acknowledged that this interpretation may have been incorrect and that the loan was actually valuable to him.

[37] When I asked Mr. Peschisolido during his interview why he had not disclosed to the Office that he had acquired a liability when he had agreed to repay the balance owing on Peschisolido Law Corporation's general account, he explained that he had assumed that he was not required to do so because he did not view the company's liability as his own. Mr. Peschisolido added that this interpretation was mistaken.

[38] With regard to the change in his marital status in July 2018, Mr. Peschisolido stated that he never thought to inform the Office of it, either when it occurred or when he communicated with the Office in the course of his annual review process in December 2018.

[39] During his interview, Mr. Peschisolido acknowledged that he did not focus on his disclosure obligations as he should have, and that he only turned his mind to these matters once he learned he would be the subject of an inquiry under the Code. He also apologized and expressed regret for not having taken his obligations under the Code seriously enough.

ANALYSIS AND CONCLUSIONS

[40] In this inquiry, I must determine whether Mr. Peschisolido, while he was the Member of Parliament for Steveston–Richmond East, contravened subsections 20(1) and 21(3) of the Code by failing to file full statements disclosing his private interests and to report material changes to the information contained in his Disclosure Statement within 60 days after the changes.

The Code’s disclosure regime

[41] The Code relies mainly on two approaches in order to prevent Members from finding themselves in a conflict of interest. The first lies in a set of rules of conduct relating to matters such as the performance of parliamentary duties, the use of influence and the acceptance of gifts. The second is a stringent regime of disclosure of private interests. Members’ disclosure is essential in allowing the Commissioner to advise Members appropriately on what measures they need to take to avoid conflict of interest situations. It also directly supports some of the key purposes that the Code sets out for itself: to maintain and enhance public confidence and trust in the integrity of Members, to demonstrate to the public that Members are held to standards that place the public interest ahead of their private interests, and to provide a transparent system by which the public may judge this to be the case.

[42] Under subsection 20(1) of the Code, Members must make a full, confidential disclosure of their private interests to the Commissioner within 60 days after becoming a Member. Members must also provide this information to the Office for the members of their family, which include, as per subsection 3(4), their spouse. Additionally, the Members’ disclosure is subject to an annual review. Subsection 20(1) reads as follows:

20. (1) A Member shall file with the Commissioner a full statement disclosing the Member’s private interests and the private interests of the members of the Member’s family within:

(i) 60 days after the notice of his or her election to the House of Commons is published in the Canada Gazette; and

(ii) 60 days after the date established by the Commissioner for the annual review.

[43] The private interests that must be disclosed to the Commissioner are listed under subsection 21(1) and include, among others, assets and liabilities with a value exceeding \$10,000 and any directorships or offices in a corporation. Subsection 21(1) reads in part as follows:

21. (1) The statement shall

(a) identify and state the value of each asset or liability of the Member and the members of the Member’s family that;

(i) in the case of a credit card balance, exceeds \$10,000 and has been outstanding for more than six months;

(ii) in all other cases, exceeds \$10,000;

[...]

(e) list the directorships or offices in a corporation, trade or professional association or trade union held by the Member or a member of the Member's family and list all partnerships in which he or she or a member of his or her family is a partner;

[...]

[44] Having received the Member's full disclosure, the Office then reviews the information disclosed and prepares a summary containing certain parts of that information as specified by the Code. Once Members have signed this summary, it is published in the Office's online registry for public inspection.

[45] To ensure that the Commissioner always has up-to-date information regarding each Member's private interests, subsection 21(3) of the Code requires that the Office be notified of any material change to the information contained in Members' disclosures within 60 days after any such change occurring. Subsection 21(3) reads as follows:

21. (3) The Member shall file a statement reporting any material change to the information required under subsection (1) to the Commissioner within 60 days after the change.

[46] A change that affects the information required to appear on a Member's public Disclosure Summary is always considered "material." For instance, a new income greater than \$10,000, the acquisition of an asset or liability that exceeds \$10,000, or a reduction in the value of an asset or a liability that brings it below the \$10,000 threshold are all material changes for which a statement must be filed. Given that when such a change occurs, the Member's Disclosure Summary is no longer accurate, the Code also requires the Commissioner to include the statement in the Member's summary, in order to restore the accuracy of the information that is available to the public.

Disclosure of an asset: Mr. Peschisolido's shareholder's loan

[47] According to the evidence, the expenses incurred by Peschisolido Law Corporation exceeded its revenues and the company had been operating at a loss for a number of years at the time Mr. Peschisolido became a Member. Mr. Peschisolido had compensated for part of those losses by making successive injections of capital, which amounted to a considerable shareholder's loan.

[48] While this loan constituted a liability for the corporation, it was an asset for Mr. Peschisolido. From time to time, when the corporation's revenues allowed it, he could draw from Peschisolido Law Corporation's general account in order to obtain partial repayments of his loan. The evidence showed that, at the time Mr. Peschisolido filled out his initial disclosure statement to the Office, the amount of money owed to him under this shareholder's loan was greater than \$10,000. Therefore, this constituted an asset that the Code required him to disclose.

Conclusion

[49] For the above reasons, I have determined that Mr. Peschisolido contravened subsection 20(1) of the Code by failing to provide a full statement of his private interests with respect to an asset exceeding \$10,000, namely a shareholder's loan, at the time of his initial disclosure, which was finalized in July 2016, and at the time of subsequent annual reviews, which he completed on August 25, 2017, and on December 11, 2018.

Disclosure of a liability: Mr. Peschisolido's personal guarantee of a debt

[50] By the end of 2016, Mr. Peschisolido had decided that he would wind up his law corporation and had taken initial steps in that direction. Active files had been taken over by other lawyers earlier in the year and he had agreed with the bank, on November 22, 2016, that since the corporation was no longer in operation, the balance owing on its general account would have to be repaid.

[51] From the day he signed on as the guarantor for his corporation's debt, Mr. Peschisolido became personally liable for paying back the money owed to the bank. He therefore took on a liability he did not previously have. The evidence provided by Mr. Peschisolido showed that the amount of this liability was greater than \$10,000.

[52] Mr. Peschisolido had 60 days from November 22, 2016, to file a statement of material change, which he failed to do. He also had the opportunity to disclose the liability during two subsequent annual reviews, at which times he simply declared there were no changes to his previous disclosure.

Conclusion

[53] I have determined that Mr. Peschisolido contravened subsections 21(3) and 20(1) of the Code with respect to a new liability exceeding \$10,000 by failing to file a statement of material change within 60 days after the change's occurrence on November 22, 2016, and by failing to disclose the liability at the time of subsequent annual reviews, which he completed on August 25, 2017, and December 11, 2018.

Disclosure of a change in marital status: Mr. Peschisolido's marriage

[54] At the time they prepare their disclosure to the Office, Members must make reasonable efforts to provide the same information regarding the private interests of the members of their family as is required for themselves. Consequently, a change in a Member's marital status

necessarily results in changes to the information contained in the Member's Disclosure Statement filed under subsection 20(1) of the Code, namely the addition or the removal of information. A change in marital status therefore constitutes a material change as referred to in subsection 21(3), for which a statement must be filed with the Office within 60 days.

[55] Mr. Peschisolido failed to notify the Office of his change in marital status within 60 days after its occurrence on July 7, 2018, and again during his subsequent annual review, which he completed on December 11, 2018. Instead, he volunteered the information and provided a Disclosure Statement form with respect to his spouse on August 27, 2019, as part of his submissions for the purpose of this inquiry.

Conclusion

[56] I have determined that Mr. Peschisolido contravened subsections 21(3) and 20(1) of the Code with respect to the change in his marital status that occurred on July 7, 2018, by failing to file a statement of material change within 60 days after the change and by failing to file a full statement of the private interests of the members of his family, including his spouse, at the time of the annual review he completed on December 11, 2018.

Disclosure of changes to other private interests: the status of Peschisolido Law Corporation

[57] In his request for an inquiry under the Code, Mr. Kent alleged that Mr. Peschisolido may have failed to file a statement reporting a material change with respect to his law firm. This allegation was based on contradictory information appearing on the public record: on the one hand, it was reported in the media that the Law Society of British Columbia had taken over Mr. Peschisolido's practice and that he was no longer a member of the Law Society, while, on the other hand, the Member's Disclosure Summary on the Office's public registry continued to indicate that he was the sole shareholder, director, president and secretary of the corporation.

[58] In the course of the inquiry, it came to light that after Mr. Peschisolido himself had stopped practising law in 2015, Peschisolido Law Corporation continued to have open client files, though no activity appears to have been conducted on those files after November 2016. Mr. Peschisolido, having lost his ability to practise law, decided in May 2018 to hire a lawyer to close the remaining files and take the required action with respect to funds still in the law corporation's trust account.

[59] The work to wind up Mr. Peschisolido's practice was still in progress when the British Columbia Corporate Registry effected the administrative dissolution of Peschisolido Law Corporation on November 26, 2018. From that moment, Mr. Peschisolido was no longer the director, president and secretary of the corporation.

[60] Mr. Peschisolido claimed that his failure to disclose this change to the Office, either during his annual review, which he completed two weeks later, or by filing a statement of material change, even after the 60-day timeframe for doing so, was inadvertent and occurred

because he was unaware of his corporation's dissolution since he had not received two letters to that effect from the Corporate Registry.

[61] While I accept that Mr. Peschisolido may not have known exactly when his law corporation was dissolved, I note that in January 2018, it was made clear to him in communications with the Law Society that the dissolution would occur if he did not take steps to prevent it. He also did not file an annual report with the Corporate Registry that year. At the time of his annual review, Mr. Peschisolido had every reason to enquire about the status of his corporation in order to ensure he provided a full, accurate statement of his private interests in accordance with section 20 of the Code. However, as he admitted during his interview, he did not take any deliberate action to verify the accuracy of the information he provided to the Office.

[62] I also note that Mr. Peschisolido closed Peschisolido Law Corporation's PST and GST accounts in the spring of 2019. Furthermore, at that time, he did not file an annual report with the Corporate Registry for the second year in a row, which under the province's *Business Corporations Act* would also have led to the corporation's dissolution. Consequently, in the months that followed his annual review of December 2018, Mr. Peschisolido should again have been prompted to verify the current status of his corporation in order to ensure his disclosure with the Office was up to date.

Conclusion

[63] I have determined that Mr. Peschisolido contravened subsections 20(1) and 21(3) of the Code with respect to interests he no longer held in Peschisolido Law Corporation as a result of the corporation's dissolution on November 26, 2018, by failing to file an accurate statement of his private interests at the time of the annual review he completed on December 11, 2018, and by failing to file a statement of material change within 60 days after the change.

Observations

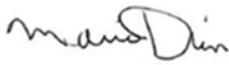
[64] In the course of his testimony, Mr. Peschisolido mentioned that focussing on his role as a Member of Parliament had led him to neglect matters relating to his corporation, which in turn had resulted in his failure to make certain disclosures. This prompts me to emphasize how meeting all obligations under the Code, including those relating to disclosure, is in fact an integral part of a Member's role.

[65] Under the Code, it is incumbent upon Members to take the necessary steps to make accurate, complete and timely disclosure filings with the Office regarding their private interests. This obligation is ongoing: it applies not only during the initial compliance process and at subsequent annual reviews, but also in the intervening periods, where material changes may occur that affect the information contained in a Member's disclosure.

[66] As this inquiry has shown, Mr. Peschisolido chronically failed to take reasonable steps to prevent his non-compliance with the Code's disclosure obligations. He continually failed to meet a range of disclosure obligations with respect to three matters he was fully aware of—his

shareholder's loan, his corporation's debt to the bank and his marital status—and a fourth matter he had ample opportunity to make himself aware of—the change in the status of his corporation. While I accept that Mr. Peschisolido's non-compliance may have been unintentional, I reject the notion that it occurred, even in part, through inadvertence or an error in judgement made in good faith.

[67] Where I conclude that a Member has contravened the Code and I find no mitigating circumstances, as was the case in this inquiry, I may recommend a sanction for the House to impose on the contravening Member. However, in the present case, given that Mr. Peschisolido is no longer a Member and therefore not subject to the rules governing Members of the House of Commons, issuing such a recommendation would serve no purpose.

A handwritten signature in black ink that reads "Mario Dion". The signature is written in a cursive, flowing style.

Mario Dion
Conflict of Interest and Ethics Commissioner
February 5, 2020