



Office of the Conflict  
of Interest and Ethics  
Commissioner

Commissariat aux  
conflits d'intérêts et à  
l'éthique

## THE RAITT REPORT

made under the  
*Conflict of Interest Code for Members  
of the House of Commons*



May 13, 2010

Mary Dawson  
Conflict of Interest and  
Ethics Commissioner

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*Conflict of Interest Code for Members of the House of Commons*

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## 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 his or her 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 his or her 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. Inquiries must be conducted in private.

Following the completion of an inquiry, 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.

Within 10 sitting days after the tabling of the report, the Member who is the subject of the report has the right to make a statement in the House of Commons. The report may be subject to either a motion to concur or a motion to be considered by the House.



# TABLE OF CONTENTS

<b>INTRODUCTION</b> .....	1
<b>THE REQUESTS</b> .....	3
<b>From Ms. Olivia Chow, Member of Parliament for Trinity-Spadina</b> .....	3
<b>From Mr. Paul Szabo, Member of Parliament for Mississauga South</b> .....	3
<b>From Democracy Watch</b> .....	4
<b>THE PROCESS</b> .....	5
<b>FINDINGS OF FACT</b> .....	7
<b>Introduction</b> .....	7
<b>The Halton Conservative Association</b> .....	7
<b>The September 24, 2009 fundraising event and subsequent events</b> .....	8
<i>The event</i> .....	8
<i>The role of Mr. Colin McSweeney</i> .....	9
<i>The role of Ms. Janet MacDonald and the Toronto Port Authority</i> .....	10
<i>The involvement of lobbyists</i> .....	11
<i>Mr. Will Stewart</i> .....	11
<i>Mr. Gary Clement</i> .....	12
<i>Mr. Michael McSweeney and the Cement Association of Canada</i> .....	12
<i>Actions taken after the event</i> .....	15
<i>By the Conservative Party of Canada and the Halton Conservative Association</i> .....	15
<i>By Ms. Raitt</i> .....	16
<b>MS. RAITT’S POSITION</b> .....	17
<b>THE RELEVANT PROVISIONS OF THE CODE</b> .....	18
<b>ANALYSIS UNDER THE CODE</b> .....	19
<b>Allegation of bad faith</b> .....	19
<b>Alleged contraventions</b> .....	20
<i>Prohibition against accepting a gift or other benefit: Section 14</i> .....	20
<i>Anti-avoidance: Section 25</i> .....	23
<b>Conclusions</b> .....	24

<b>GENERAL OBSERVATIONS .....</b>	<b>25</b>
<b>Issues relating to preferential treatment.....</b>	<b>25</b>
<b>The need for fundraising guidelines.....</b>	<b>26</b>
<b>The Prime Minister’s recent guidance document .....</b>	<b>27</b>
<b>Final comments .....</b>	<b>29</b>
<b>SCHEDULE A: ANALYSIS UNDER THE ACT .....</b>	<b>31</b>
<b>SCHEDULE B: AGREED COMPLIANCE MEASURE .....</b>	<b>38</b>
<b>SCHEDULE C: LIST OF WITNESSES: INTERVIEWS AND WRITTEN SUBMISSIONS .....</b>	<b>39</b>

## INTRODUCTION

This is one of two reports that present the findings of my investigation into the activities of the Honourable Lisa Raitt, Member of Parliament for Halton, when she was Minister of Natural Resources, in connection with a political fundraising event organized by the Halton Conservative Association and held in Toronto on September 24, 2009.

The investigation was conducted under both the *Conflict of Interest Act* (Act), which applies to Ministers and other public office holders, and the *Conflict of Interest Code for Members of the House of Commons* (Code). Because the investigations under these two regimes involve the same facts, the reports are virtually identical with the exception of the analysis sections, but, because the procedure for releasing the reports differs under the Act and the Code, it is necessary to issue two separate reports.

The analyses under the Act and the Code are of necessity different because the relevant provisions differ. To provide a complete picture of the situation, however, the analysis under the Code is included as Schedule A.

There was considerable media coverage following the fundraising event. Media reports focussed on the involvement of Mr. Michael McSweeney and Ms. Janet MacDonald in organizing the fundraiser. Mr. McSweeney is a lobbyist who lobbied Ms. Raitt as Minister of Natural Resources and Ms. MacDonald is an employee of the Toronto Port Authority where Ms. Raitt had formerly been employed as President and Chief Operating Officer. The media reports also led to a number of statements and questions in the House of Commons about whether Ms. Raitt had breached rules of conduct. The Minister of Transport, the Honourable John Baird, stated in the House of Commons that it was inappropriate to use Toronto Port Authority resources for political fundraising.

Two Members of Parliament requested that I investigate Ms. Raitt's conduct, in one case under the Act and in the other under both the Act and the Code.

With respect to the Act, it was alleged that Ms. Raitt had breached section 11 of the Act by accepting the assistance provided by the lobbyist. That section prohibits public office holders from accepting gifts or other advantages that might reasonably be seen to have been given to influence them in the exercise of an official power, duty or function. It was further alleged that Ms. Raitt had contravened section 16 of the Act, which prohibits public office holders from personally soliciting funds from any person or organization if doing so would place them in a conflict of interest, and section 18, which prohibits public office holders from acting in such a way as to circumvent their obligations under the Act. Ministers, Ministers of State and Parliamentary Secretaries are all public office holders under the Act.

With respect to the Code, it was alleged that the assistance provided by the lobbyist constituted a "gift or other benefit" under section 14 of the Code, which prohibits Members from accepting gifts or other benefits that might reasonably be seen to have been given to influence them in the exercise of a duty or function of his or her office. A second allegation relating to the Code was that Ms. Raitt had contravened section 25, which prohibits Members from acting in such a way as to circumvent their obligations under the Code.



My conclusions relating to the specific allegations raised under the Act and the Code are found in the analysis sections of the respective reports. More general observations arising out of the matters raised are set out in the section that follows the analysis in both reports. In that section I address concerns arising from the participation of lobbyists or other stakeholders in fundraising activities of the riding associations of Ministers, Ministers of State or Parliamentary Secretaries and other Members.





## THE REQUESTS

### **From Ms. Olivia Chow, Member of Parliament for Trinity-Spadina**

On October 1, 2009, Ms. Olivia Chow, Member of Parliament for Trinity-Spadina, sent me an email copy of a letter requesting that I investigate allegations of a potential conflict of interest involving the Honourable Lisa Raitt, Minister of Natural Resources and Member of Parliament for Halton, in connection with a political fundraising event held in Toronto on September 24, 2009. I received Ms. Chow's original letter on October 5, 2009.

Ms. Chow's request made reference to a *Toronto Star* press report of October 1, 2009 which stated that "the fundraiser was coordinated out of the office of the President of the Toronto Port Authority, a federal agency that Ms. Raitt once headed." The article went on to say that the invitations to the fundraiser were sent out by the executive assistant to the acting President and Chief Executive Officer of the Toronto Port Authority. The assistant had previously worked for Ms. Raitt when she held that position. Ms. Raitt was President and CEO of the Toronto Port Authority until she ran successfully in the 2008 federal election.

On October 6, 2009, after reviewing Ms. Chow's letter and related press reports, I wrote to tell her that the material before me was insufficient to commence an investigation. I advised her that further details about the alleged non-compliance and the reasonable grounds for her belief that a contravention had taken place would be needed to meet the requirements of the *Conflict of Interest Act* (Act) for me to proceed with her request.

I received another letter from Ms. Chow on October 13, 2009. She alleged that Mr. Michael McSweeney, a registered lobbyist with the Cement Association of Canada, had spent considerable time organizing the fundraising event from his office and that this constituted a "gift or other advantage" accepted by Ms. Raitt, in contravention of section 11 of the Act. That section prohibits public office holders from accepting gifts or other advantages that might reasonably be seen to have been given to influence them in the exercise of their official duties. Ms. Chow alleged that Ms. Raitt had also contravened section 16 of the Act, which prohibits public office holders from personally soliciting funds if it would place them in a conflict of interest. Ms. Chow made no request for an inquiry under the *Conflict of Interest Code for Members of the House of Commons* (Code).

### **From Mr. Paul Szabo, Member of Parliament for Mississauga South**

Mr. Paul Szabo, Member of Parliament for Mississauga South, sent me a letter dated October 5, 2009 saying that he shared Ms. Chow's concerns and asking that I investigate Ms. Raitt's actions under the Act and the Code. On October 6, 2009, I sent Mr. Szabo a letter similar to the one I had sent to Ms. Chow to advise him that further details would be needed to meet the requirements of the Act and the Code before I could proceed with an examination under the Act or an inquiry under the Code.

I received another letter on October 19, 2009 from Mr. Szabo, stating that he had been told that Ms. Raitt had asked the executive assistant at the Toronto Port Authority to assist with the fundraiser. Mr. Szabo also stated that Mr. Michael McSweeney, a lobbyist with the Cement



Association of Canada, appeared to be the principal organizer of the fundraiser and that the Association had lobbied the federal government eight times between March and August 2009, including the Department of Natural Resources twice. While Mr. Szabo cited only section 18 of the Act and section 25 of the Code, which prohibit public office holders and Members from acting in such a way as to circumvent their obligations under the Act or the Code respectively, I determined that the information he provided was sufficient to allow me to identify the relevant provisions of the Act and the Code.

Mr. Szabo informed me as well, in his letter of October 19, 2009, that he had also written to the Privacy Commissioner, the Commissioner of Canada Elections and the Commissioner of Lobbying to ask them to consider investigations, as this matter touched on their mandates as well as mine.

### **From Democracy Watch**

On October 22, 2009, I received a letter from Mr. Duff Conacher of Democracy Watch, an advocacy organization, asking me to consider launching, on my own initiative, an examination under the Act and an inquiry under the Code into the same matter. My Office advised Mr. Conacher that I was already looking into this matter pursuant to requests from Members of Parliament.



## THE PROCESS

After sending me their first letters, both Ms. Chow and Mr. Szabo stated publicly that they had asked me to investigate Ms. Raitt's actions. Because the matter was in the public domain before the requests from Ms. Chow and Mr. Szabo were presented in accordance with the requirements of the *Conflict of Interest Act* (Act) and the *Conflict of Interest Code for Members of the House of Commons* (Code), I wrote to Ms. Raitt on October 6, 2009 to inform her that I was not planning to conduct an investigation at that time. For the same reason, a media statement was issued on my Office website to that effect.

I did, however, have some concern that the alleged involvement of Mr. Michael McSweeney and the Cement Association of Canada in the fundraiser had the potential to place Ms. Raitt in a conflict of interest at some future time. After discussing the allegations with me, Ms. Raitt agreed, on October 9, 2009, to put in place an interim conflict of interest screen as a compliance measure pursuant to section 29 and paragraph 51(1)(e) of the Act with respect to the Cement Association of Canada in order to prevent any potential conflicts of interest from arising in relation to the Association, more particularly any appearance of preferential treatment to the Cement Association of Canada. An agreed compliance measure to that effect was published on our website the same day and a copy is attached as Schedule B to this report.

On October 14, 2009, after receiving Ms. Chow's second letter, I wrote to Ms. Raitt again to advise her that I was now proceeding with an examination under the Act, and provided her with a copy of all of Ms. Chow's documentation. I advised her that she was alleged to have contravened sections 11 and 16 of the Act and asked her to provide me with her response. As well, I asked her to provide any information and views she might have concerning her obligations under the Act. I also wrote to Ms. Chow to advise her that I was proceeding with the examination.

On October 19, after receiving Mr. Szabo's second letter, I wrote to Ms. Raitt to advise her that Mr. Szabo had asked me to conduct both an examination under the Act and an inquiry under the Code into the matter, that I had enough information to warrant proceeding with an examination under the Act and that, with respect to the Code, I was required to conduct a preliminary review after receiving her response to determine if an inquiry was warranted. I provided Ms. Raitt with a copy of Mr. Szabo's request and asked her to provide me with her response under both the Act and the Code within 30 days, the length of time provided for under the Code. I also wrote to Mr. Szabo to advise him of this.

Mr. Michael Osborne, counsel for Ms. Raitt, contacted my Office to advise me that a joint response to both requests would be filed on her behalf. On November 18, 2009, he provided me with the joint response signed by Ms. Raitt. After a preliminary review of Mr. Szabo's request and Ms. Raitt's response, as required under the Code, I wrote to Ms. Raitt and Mr. Szabo on November 26, 2009 to advise them that I was conducting an inquiry under the Code in addition to the examination under the Act that had already been launched.

In addition to her response, counsel for Ms. Raitt forwarded additional submissions on November 27, 2009 and December 15, 2009, which are reflected later in this report under the heading Ms. Raitt's Position.



My Office interviewed 13 witnesses after having asked them to forward all relevant documents for review. In addition, nine other witnesses were asked to provide written submissions only. A complete list of witnesses is attached as Schedule C to this report.

Ms. Raitt was given an opportunity to present information and comments at an interview with me on December 10, 2009. Her counsel did not attend the interview with her. Ms. Raitt was given an opportunity to comment on the drafts of certain parts of this report, namely those under the headings The Requests, The Process, The Findings of Fact and Ms. Raitt's Position.



## FINDINGS OF FACT

### Introduction

At the federal level, political fundraising is regulated in many respects by the *Canada Elections Act*, which is administered by the Chief Electoral Officer of Canada. The conduct of lobbyists is regulated by the *Lobbying Act* and the *Lobbyists' Code of Conduct*, which are administered by the Commissioner of Lobbying. The conduct of Ministers, as public office holders, is governed by the *Conflict of Interest Act* and, in relation to their roles as Members of Parliament, by the *Conflict of Interest Code for Members of the House of Commons*, both of which I administer.

The only provision in the *Conflict of Interest Act* that specifically addresses fundraising is section 16, which prohibits public office holders from personally soliciting funds if it would place them in a conflict of interest. There is no equivalent rule in the Code. There are other more general rules of conduct in both the Act and the Code that may apply.

Both the Act and the Code contain a prohibition against accepting “gifts or other advantages” (section 11 in the Act) or “gifts or other benefits” (section 14 in the Code) that might reasonably be seen to influence the public office holder or Member, as the case may be, in the exercise of his or her official duties and functions.

The Act also contains a rule prohibiting preferential treatment in official decision-making of any person or organization based on the identity of a person engaged to represent that person or organization (section 7).

In order to understand Ms. Raitt’s involvement in the fundraising event, it was necessary to document the activities of individuals most directly involved, including Ms. Raitt’s former assistant at the Toronto Port Authority and the lobbyists involved in the event. This report includes a description of the follow-up action taken after the fundraising event to provide context for my general observations. I underline, however, that my mandate was not to make findings in relation to the conduct of anyone other than Ms. Raitt as none of the other individuals involved are subject to the Act or the Code. With respect to the activities of the lobbyists, it is up to the Commissioner of Lobbying to decide whether this should be addressed further.

The witnesses interviewed were, for the most part, cooperative and credible. There were some differences in testimony as to some of the material facts, and these are mentioned in the report. Where it was necessary to resolve these differences, I did so and my findings are set out in this section of the report.

### The Halton Conservative Association

It is necessary to explain the role of the Halton Conservative Association and Ms. Raitt’s relationship to it. That Association is registered as the electoral district association of the Conservative Party of Canada under the *Canada Elections Act* for Ms. Raitt’s constituency of Halton. The Association is commonly called the Halton Conservative E.D.A., the initials standing for “electoral district association”. Electoral district associations are commonly known as riding associations or constituency associations.



Mr. John Challinor, President of the Halton Conservative Association, was very credible and helpful with the information he provided my Office. He advised my Office that the association is made up of volunteers who are members of the Conservative Party of Canada. Its day-to-day activities are directed by its volunteer board and officers. Mr. Challinor told my Office that, under the Conservative Party Constitution, Ms. Raitt is an *ex officio* member of the Board as the sitting Member of Parliament for Halton. She attends about half of the board meetings, where she talks about her activities in the riding and other responsibilities. She does not get involved in administrative and financial matters. Ms. Raitt confirmed this and said that she usually leaves after providing the “MP’s Report”.

He explained that the main functions of the Halton Conservative Association are raising the revenue required to conduct an election campaign for their local candidate, recruiting new party members and volunteers to support the election campaign and maintaining a positive image of the party and its candidate or the sitting Member in the riding.

With respect to fundraising, Mr. Challinor told us that the Association organizes several fundraising events each year. While all of its board members and officers are expected to assist with the organization of fundraisers, he explained that fundraisers cannot take place without the assistance of other volunteers. Mr. Challinor indicated that the funds raised by selling tickets to fundraising events are political contributions to the Halton Conservative Association and are governed by the *Canada Elections Act*. The proceeds of the fundraising are used for the main functions of the Association described above.

The Halton Conservative Association has decided to set aside \$2,000 annually for expenses of the sitting Member of Parliament that are incurred to attend community events and participate in other activities in the riding. Mr. Challinor explained that this is mainly to reimburse the cost of tickets to attend events. Usually the Halton Conservative Association buys the ticket for Ms. Raitt but in the event that this is not convenient, she is reimbursed for her ticket.

### **The September 24, 2009 fundraising event and subsequent events**

#### ***The event***

On September 24, 2009, the Halton Conservative Association held a fundraising event involving a cocktail reception from 4:00 p.m. to 6:00 p.m. at a downtown Toronto restaurant. Mr. Challinor indicated that 41 tickets had been sold and between 30 and 40 people attended. Although a list of all ticket purchasers and a list of those expected to attend the event were established based on the responses received, no list was kept of those who actually attended.

Witnesses told us that those attending the event included stakeholders of the Department of Natural Resources, lobbyists, board members of the Halton Conservative Association, Halton Constituency Office staff and friends of Ms. Raitt. Ms. Raitt attended the event and, on arriving, asked to see a list of those who were expected to attend so that she would be better prepared to meet them.

She then circulated through the room chatting with the guests. She said she spent approximately five to seven minutes with each group of guests in conversations about the possibility of a general election, announcements in the riding and her portfolio. On the latter, she



indicated that certain guests did approach her and provided information on their particular projects. Ms. Raitt said that she found the information interesting and advised anyone who had issues they wished to pursue that they should contact members of her staff in Ottawa to provide them with a briefing.

Mr. Challinor said that the Toronto fundraiser had been in the planning phase since the spring of 2009. The Halton Conservative Association consulted Mr. Colin McSweeney, who was at that time the Manager of Ms. Raitt's office on Parliament Hill, to schedule the fundraiser. Mr. McSweeney routinely acted as liaison between the Hill office and the Halton Conservative Association to make sure that Ms. Raitt was available for every fundraiser. Several dates were discussed before September 24, 2009 was chosen.

Mr. Challinor, as President of the Association, had overall responsibility for the event and Mr. Will Stewart, a member of the board and a former President of the Association, was designated by the Board as lead organizer. This is reflected in the Board minutes of April 9, 2009 and August 20, 2009. It was generally understood by others involved with organizing the event that Mr. Will Stewart was the lead organizer. I note, however, that Mr. Stewart told my Office that he was simply one of a group of volunteers each of whom had specific tasks. He said that Colin McSweeney had called him to ask if he would help to sell tickets.

Mr. Stewart also said that the fundraiser was initiated by Colin McSweeney and that it was not unusual for the Hill staff to initiate fundraisers. All other witnesses said that the fundraiser was initiated by the Halton Conservative Association.

There are differences in what was said to us about who had initiated the event and who was the lead organizer. I believe, however, that the more consistent explanation is that the Halton Conservative Association initiated the fundraising event and, based on the minutes of the Association and a number of testimonies, Mr. Stewart played a significant role in organizing this event.

Mr. Stewart arranged to have the invitation designed. The invitation stated on its face "Come and Support Lisa Raitt on September 24<sup>th</sup>" and featured Ms. Raitt's photo. The price of a ticket was a minimum contribution of \$250 to the Halton Conservative Association. Tax receipts were to be issued in accordance with the *Canada Elections Act*.

Colin McSweeney said he had asked his brother Michael McSweeney to sell tickets because Michael used to live in the Halton area and would know people who might support the fundraiser. Michael McSweeney is also the Vice-President, Industry Relations, of the Cement Association of Canada. Colin McSweeney also asked a family friend who lived in Toronto, Mr. Gary Clement, if he would sell tickets. Both agreed, so Colin McSweeney forwarded their names to Will Stewart. More details about the roles of Will Stewart, Michael McSweeney and Gary Clement are provided later in this part of the report.

### ***The role of Mr. Colin McSweeney***

Mr. Colin McSweeney met Ms. Raitt during the 2008 election campaign. At that time, he worked for the Conservative Party of Canada as an organizer and worked with her campaign team in Halton. After the election, because of his experience, Ms. Raitt asked him to join her team to get



her office set up and running as a new Member of Parliament in Ottawa. He became Manager of her Hill Office and one of his duties was to liaise with the staff of her Constituency Office in Halton. He also acted as a liaison between Ms. Raitt's Hill Office and the Halton Conservative Association. He was at no time a member of Ms. Raitt's ministerial staff, and therefore was not subject to the *Conflict of Interest Act*.

Colin McSweeney's role in the organization of the September 24, 2009 fundraising event was to liaise with the Halton Conservative Association to secure a date for the event and, as indicated earlier, to suggest names of volunteers to sell tickets. He also approached his brother Michael McSweeney and Mr. Clement, to ask them to sell tickets. Colin McSweeney explained that he had kept Ms. Raitt apprised of the possible dates for the event and that he had mentioned that his brother was helping to sell tickets. He doubted that she would have made the connection that Michael McSweeney was also with the Cement Association of Canada and Ms. Raitt confirmed that this was the case. Colin McSweeney stated that this would have been the extent of Ms. Raitt's knowledge of the organization of the event. Colin McSweeney did not attend the September 24, 2009 event.

### ***The role of Ms. Janet MacDonald and the Toronto Port Authority***

Ms. MacDonald had been Ms. Raitt's executive assistant at the Toronto Port Authority until Ms. Raitt left her position as President and Chief Operating Officer to run in the federal election of 2008. Ms. Raitt and Ms. MacDonald had worked together for several years at the Toronto Port Authority, and became very close friends. Ms. MacDonald volunteered to help Ms. Raitt many times during the 2008 election campaign, including canvassing door to door with Ms. Raitt, and babysitting Ms. Raitt's children. Ms. Raitt told me that she would contact Ms. MacDonald whenever she was planning to be in Toronto so they could arrange to get together socially, even if just for a coffee. They did not have many opportunities to get together after Ms. Raitt became a Member of Parliament and then a Cabinet Minister.

They attended a social event together in Toronto on September 9, 2009 where Ms. MacDonald said she was told about the fundraiser, but she could not recall by whom. Ms. Raitt said that she thinks she mentioned the upcoming Toronto fundraiser to Ms. MacDonald, so that they could plan to get together again that day. I believe that this is likely how Ms. MacDonald found out about the fundraising event. Ms. MacDonald did not attend the fundraising event. Ms. Raitt told me that Ms. MacDonald was looking after Ms. Raitt's children that evening.

Ms. MacDonald told my Office that she was a long-time Liberal but volunteered to help Ms. Raitt, a Conservative, because they were close friends. She emailed Mr. Will Stewart, a Board member of the Halton Conservative Association, to obtain a copy of the invitation and then sent around email invitations to the fundraiser. She used two binders of business cards that had been collected while Ms. Raitt was at the Toronto Port Authority to put her list together. She said that she used her Port Authority email account because she did not have a personal email account. Although the email showed Ms. MacDonald's signature block indicating her position, she said that she did this on her own initiative and not as a representative of the Port Authority





and had received no instructions or authorization from Port Authority officials to do so. Ms. MacDonald said that she only spent about 10 to 15 minutes putting the list together and sending the invitations by email. This seems a very low estimate. I would suspect she must have spent a couple of hours on this.

Ms. Raitt told me that she did not ask Ms. MacDonald to sell tickets to the fundraiser, or to help in any other way, but was not surprised to learn that Ms. MacDonald had contacted Mr. Stewart shortly after hearing about the fundraiser. Ms. MacDonald also said that Ms. Raitt did not ask her to get involved.

Mr. Paul Szabo, one of the Members who requested this investigation, told me that he had received two phone calls from Mr. Dennis Mills, a former Member of Parliament and currently a senior executive in a private sector company, about Ms. MacDonald's involvement. Mr. Mills was concerned, as a close personal friend of Ms. MacDonald, about the negative public statements that had been made about her in the press. Mr. Szabo testified that he was very certain that Mr. Mills had said to him during the first phone conversation that Ms. MacDonald had told Mr. Mills that Ms. Raitt did solicit Ms. MacDonald's help.

Mr. Mills' recollection was quite different. He told my Office that he did not say that to Mr. Szabo, but might have said something to the effect that it would be natural, if Members held a fundraiser, that they would have their friends support them. He thought that Mr. Szabo might have inferred from this that he was suggesting that Ms. Raitt had given some direction to Ms. MacDonald, but he was not suggesting that.

Irrespective of the conversation between Mr. Szabo and Mr. Mills, when Ms. MacDonald and Ms. Raitt were questioned on the issue, they both confirmed that at no time had Ms. Raitt asked Ms. MacDonald to get involved in any way in the fundraising event. I believe their testimony to be truthful.

Mr. Alan Paul, who was, at the time of the fundraising event, Acting President and Chief Executive Officer of the Toronto Port Authority, told my Office that once he was apprised of Ms. MacDonald's participation in the sale of tickets, he had an internal investigation conducted into the matter. The results of the investigation showed that no other employees or officials of the Toronto Port Authority were involved in the fundraiser and that Ms. MacDonald had acted entirely on her own initiative. This was confirmed to me separately by each Member of the Board of Directors. Mr. Paul told Ms. MacDonald that her use of the office email system to send out the invitations, being for personal use, was contrary to office policy. Mr. Paul forwarded to my Office all of the information collected during his investigation and he was very cooperative. He advised that steps had been taken to make sure this type of situation did not occur again.

### ***The involvement of lobbyists***

#### ***Mr. Will Stewart***

Mr. Stewart, as well as being a board member of the Halton Conservative Association, is a Principal with Navigator Ltd., a communications and research firm, as well as with Ensign Canada Inc. Ensign Canada is a firm that lobbies the federal government on behalf of clients and Mr. Stewart is registered with Ensign Canada to lobby a number of federal government



departments, including the Department of Natural Resources, on behalf of several clients. The federal Registry of Lobbyists shows that he lobbied either Ms. Raitt, as Minister of Natural Resources, or members of her ministerial staff several times in 2008 and 2009 on behalf of two clients.

Mr. Stewart underlined that he participated in the organization of the fundraiser in his capacity as a member of the Board of Directors of the Halton Conservative Association and not in his capacity as a Principal of Navigator or Ensign Canada. In addition to his involvement in organizing the event, outlined above, Mr. Stewart coordinated ticket sales among the volunteers and also sent invitations himself by email to a number of his contacts, using his office email at Navigator Ltd., and sold several tickets. He also ensured that an appropriate venue for the fundraiser was found by Mr. Clement.

Mr. Stewart attended the event and said it was decided that he would pay the restaurant bill because he could be reimbursed quickly as a Halton Conservative Association board member. He also followed up as liaison between the Association and the other ticket sellers after the event to obtain missing ticket payment information.

There was no evidence that Mr. Stewart lobbied Ms. Raitt during the event.

#### *Mr. Gary Clement*

Mr. Clement is the Manager, Government and Community Relations, TD Bank Financial Group in Toronto. He stated that it was quite common for employees in the Government Relations division to take part in political activities, including fundraising events. Mr. Clement attended the fundraising event in question and met Ms. Raitt there for the first time. They spoke briefly and he said she thanked him for helping with the fundraiser.

Mr. Clement confirmed that his role was to find a venue for the event, organize the refreshments and sell tickets. He also sold tickets using his office email but stated that he had volunteered in his personal capacity and not as an official of the TD Bank. He estimated that he spent less than two hours on the fundraiser.

Although he and other TD Bank officials are registered to lobby the Department of Natural Resources, neither he nor they, according to the federal Registry of Lobbyists, have ever lobbied Ms. Raitt or her officials. As well, there was no evidence that he lobbied Ms. Raitt at the fundraising event.

#### *Mr. Michael McSweeney and the Cement Association of Canada*

Mr. Michael McSweeney is the brother of Colin McSweeney, who was at the time of the fundraising event Manager of Ms. Raitt's Hill Office. Michael McSweeney is the Vice-President, Industry Relations, of the Cement Association of Canada, a national trade association representing Canadian cement producers. It was stated on the invitation to the fundraising event that cheques were payable to the "Halton Conservative E.D.A." and the invitation directed that responses were to be made by faxing a completed form to Michael McSweeney at a designated fax number. The fax number given for the responses was his office fax number, although it was not identified as being at the Cement Association of Canada. The invitation also directed that



questions could be sent to an email address that was Michael McSweeney's personal email account. He himself also sent invitations to his contacts using both his office and personal emails and sold seven tickets.

Michael McSweeney said that he received only 12 faxed donation forms and, because the Cement Association of Canada was not charged for incoming faxes, he did not think that this limited use would be a problem.

Michael McSweeney told my Office that he volunteered because his brother asked him to help, and that he was volunteering in his personal capacity and not in his capacity as an official of the Cement Association of Canada. He told my Office that he spent less than one hour on the fundraiser. This seems a rather low estimate. As with Ms. MacDonald, I would suspect he likely spent a few more hours on this.

Michael McSweeney is registered in the federal Registry of Lobbyists as a lobbyist with the Cement Association of Canada to lobby a number of federal departments, including Natural Resources. He lobbied Ms. Raitt and her officials twice in 2009 and both meetings are registered in the Registry of Lobbyists.

The lobbying of Ms. Raitt by Michael McSweeney and the Cement Association of Canada was the subject of much attention in the press and was a central element in the requests for investigation. I will therefore set out in some detail what I learned in this regard.

The first time Michael McSweeney lobbied Ms. Raitt was on March 3, 2009 during the Cement Association's Lobby Day on the Hill. Mr. Pierre Boucher, President of the Cement Association, Mr. McSweeney and several Directors had a lunch meeting with Ms. Raitt and members of her ministerial staff. Mr. Boucher told my Office that the Cement Association officials initiated a general discussion about a project that the Association wanted to submit for funding under a program at the Department of Natural Resources. At that time, he believed that the project was ineligible under the program.

Mr. Boucher recalled that Ms. Raitt had explained that the project might qualify as a pilot project and that they should follow up with her officials to pursue it. Ms. Raitt recalled having general discussions about the cement industry but did not recall the specifics of any particular project. Michael McSweeney told us that no particular project was discussed but that the opportunity was taken to educate those at the lunch meeting about the overall climate change file, the cement manufacturing process in particular and the cement industry's thermal capabilities.

The second time Michael McSweeney lobbied Ms. Raitt was during the fundraising event on September 24, 2009, which he attended with a few cement industry officials whom he had invited. Ms. Raitt recalled meeting them and speaking with them for a few minutes.

Mr. McSweeney told Ms. Raitt that the Cement Association had just submitted a funding application to her Department for a project under the Clean Energy Fund. This was the same project that had been referred to by Mr. Boucher during the March 3, 2009 lunch. Mr. McSweeney said that no further details about the project were discussed at the event.



During her interview, Ms. Raitt explained that there are processes in place to receive funding. The Request for Proposals to receive applications for the Clean Energy Fund had just closed and there had been an overwhelming number of responses. No decisions had been taken as to which projects would receive funding. Ms. Raitt recalled that she explained at the fundraising event that the Clean Energy Fund was a \$200 million fund and that there were \$3 billion worth of applications made under it and that she had been “pitched” a cement project but that she could not recall any particulars about the project.

After the event and later that same evening, Michael McSweeney sent an email to several Cement Association of Canada members and Directors, and to his boss Mr. Pierre Boucher, President of the Cement Association. In the email, Mr. McSweeney reported that he had just had cocktails with Ms. Raitt and that she was excited about the particular project and wanted to have a personal copy so she could “see how to push it”. He stated in the email that she had said that there were \$3 billion in applications for a \$200 million fund. He said in the email that he would give a copy of the application to his brother Colin, who worked for her, to give to her personally. The email also stated that he had sold 40 tickets to the fundraiser for her and that she was pleased about that.

Michael McSweeney told my Office that he very much regretted and was ashamed of having sent that email, which he described as “self-aggrandising” and “very boastful”, and said that he was just trying to make himself look good. He said that he had only sold about six tickets, and that he did not give a copy of the application to his brother to give to Ms. Raitt. He also said that when he told Ms. Raitt that the funding applications had been filed, she said “That’s great. Make sure I get a copy so I can push for it.” He said he didn’t think Ms. Raitt knew what the project was and that this was a “gratuitous comment” that all politicians make and he took the comment for what it was.

When shown the email during her interview, Ms. Raitt was very surprised and taken aback that there was a suggestion that she would have offered to support this particular project and said that she did not recall having been given any details about it. Ms. Raitt explained that no applications for funding under the program had been processed yet because the Request for Proposals had just closed, that she did not recall saying that she would “push” any particular project and that in reality she “can’t push anything.” She also stated that she had never been given a copy of this application or details of the project by Colin McSweeney. Colin McSweeney confirmed that he had never received a copy of the application. Mr. Boucher also told my Office that he and Michael McSweeney agreed that it was not appropriate to send the copy to Colin McSweeney.

I believe Michael McSweeney’s explanation of the email. Whether or not Ms. Raitt said or implied that she would “push” the project, I have no reason to believe that Ms. Raitt was aware of the particulars of this project; nor was there evidence to suggest that she in fact supported it or advanced it in any way. The Deputy Minister at the Department of Natural Resources, Ms. Cassie Doyle, confirmed that neither she nor other departmental officials had been given special instructions by Ms. Raitt or her staff with respect to this project.



Mr. Boucher told my Office that he was not aware of Michael McSweeney's involvement in the fundraiser until Michael McSweeney sent him the email after the event. There were subsequently media enquiries to Michael McSweeney, who then spoke to Mr. Boucher about the links that were being made to the Cement Association of Canada. Mr. Boucher told Mr. McSweeney orally, and advised him in writing, that he should not have used the fax number of the Cement Association of Canada or sent any emails using its email system, as this was in contravention of the policies of the organization, which restrict their use to Association matters.

Mr. Boucher said that his view is that employees are free to volunteer for political activities but only on their own time and using their own resources, that the Cement Association of Canada as an organization does not get involved in these matters, and that employees should avoid giving the opposite impression by using Association facilities. He said that he had conducted an internal investigation to find out if any other employees were involved in organizing the September 24, 2009 fundraising event, and found that no other employees were involved.

After Mr. McSweeney's discussion with Mr. Boucher and after this issue drew media attention, Michael McSweeney, with the approval of Mr. Boucher, arranged to have all files with the Department of Natural Resources handled by another colleague.

### ***Actions taken after the event***

#### *By the Conservative Party of Canada and the Halton Conservative Association*

A decision was made by the Conservative Party of Canada officials and the Board of the Halton Conservative Association to refund 22 of the 41 tickets that had been sold. Mr. Arthur Hamilton, counsel for the Conservative Party of Canada and, at that time, for the Halton Conservative Association, sent me a letter dated October 29, 2009 advising me that, as of October 7, the Halton Conservative Association had been in the process of refunding money paid for tickets sold by lobbyist Michael McSweeney and lobbyist Will Stewart, and generally for all tickets sold to stakeholders of the Department of Natural Resources and to employees of those stakeholders, including individuals registered to lobby the department.

Mr. John Challinor, the President of the Halton Conservative Association, sent letters to those 22 ticket purchasers explaining that the refunds were being made due to sensitivities raised about the fundraiser.

Mr. Challinor provided us with a document called the *Halton EDA Fundraising Guidelines* which was prepared by the Halton Conservative Association after the September 24, 2009 fundraiser. These guidelines are intended for volunteers who assist with fundraising events in the future. They apply to all fundraising events held by the Association, whether or not the sitting Member is also a public office holder.

One of the guidelines states that volunteers should not use their employer's corporate resources to sell tickets, including using fax machines, email accounts or phones, as these types of communications should be considered personal. There is also a reminder to use non-governmental email and phones for such purposes.



Another guideline provides that a “no attendance” list from their Member should be prepared setting out which industries or organizations may not be canvassed, and that the list should be confirmed with the Member or senior staff of the Member. The Member and the Member’s staff should not be involved in organizing fundraisers, except for consultations on the “no attendance” list, scheduling and other logistical matters. The Member may be kept informed about fundraisers, but should not be provided with details of donations made by attendees.

Mr. Challinor said that no guidelines had been provided to the Association by the Conservative Party of Canada, so he forwarded this document to national party officials for review. Ms. Jenni Byrne, Director of Political Operations, Conservative Party of Canada, confirmed during her interview with my Office that the Conservative Party did not have fundraising guidelines, but that volunteers are expected to follow the Elections Canada rules and guidelines. Ms. Raitt was given a copy of the *Halton EDA Fundraising Guidelines* after they were developed and said that they would be very helpful.

*By Ms. Raitt*

On October 9, 2009, Ms. Raitt signed an agreed compliance measure establishing an interim conflict of interest screen with respect to the Cement Association of Canada in accordance with section 29 and paragraph 51(1)(e) of the *Conflict of Interest Act* to prevent any potential conflicts of interest, more particularly any appearance of preferential treatment. The agreed compliance measure was made public on our website the same day and a copy is attached as Schedule B to this report. This screen was to be kept in place at least until the completion of my investigation. On February 4, 2010, I wrote to Ms. Raitt to advise her that, in light of her new portfolio as Minister of Labour, this interim conflict of interest screen was no longer necessary. An adjustment had been made to the public registry on our website.



## MS. RAITT'S POSITION

Ms. Raitt's position is that she did not contravene any of the provisions of the *Conflict of Interest Act* (Act) or the *Conflict of Interest Code for Members of the House of Commons* (Code). In her response to the requests for investigation as well as during my interview with her, she stated that the event was organized by the Halton Conservative Association and that her only involvement in the fundraiser was to confirm her availability, to agree to be at the event and, while there, to chat briefly with the guests. Although she is an *ex officio* member of the board of the Association and was generally aware of all upcoming fundraisers from board meetings, she was not involved in any of the planning or organization of the fundraiser held on September 24, 2009.

Ms. Raitt told me that she did not ask anyone to sell tickets for the event or to assist in any other way. In particular, Ms. Raitt did not ask either Janet MacDonald or Michael McSweeney to sell tickets, nor did she request anyone else to ask them to do so. She did not ask anyone to purchase a ticket or to attend the event, nor did she ask anyone to do so on her behalf. She did not receive any of the ticket money, as all funds were payable to the Halton Conservative Association and were handled by Association officials.

Ms. Raitt's position is that Michael McSweeney's volunteer time cannot be considered a gift or advantage accepted by her, as his time was donated to the Halton Conservative Association, and not to her. In addition, he spent at most a few hours on tickets sales and this is not sufficient to raise a reasonable belief that his efforts were intended to influence her in the exercise of her office.

She submitted that Parliament has legislated the current \$1,100 political contribution limit in the *Canada Elections Act* to prevent undue influence on Members and that it is unreasonable to believe that Ms. Raitt could be influenced by the purchase of a \$250 ticket by a lobbyist or industry representative or that this small amount could create a sense of obligation to them. The whole event only raised a total of approximately \$4,000 after the refunds were made. She argued that, even if an appearance of conflict of interest existed, it was removed by making the refunds.

Ms. Raitt also submitted that the allegations made by Mr. Szabo and Ms. Chow in their requests for investigation demonstrated an abuse of process and demonstrated further that they were without foundation, made for partisan political purposes and made in bad faith. The arguments made by Mr. Osborne, her counsel, in this regard are elaborated in the Analysis section under the heading "Allegations of bad faith."



## THE RELEVANT PROVISIONS OF THE CODE

The relevant provisions of the *Conflict of Interest Code for Members of the House of Commons* (Code) read as follows:

3. (1) *The following definitions apply in this Code.*

[ ... ]

*“benefit” means*

- (a) an amount of money if there is no obligation to repay it; and*
- (b) a service or property, or the use of property or money that is provided without charge or at less than its commercial value, other than a service provided by a volunteer working on behalf of a Member;*

*but does not include a benefit received from a riding association or a political party.*

14. (1) *Neither a Member nor any member of a Member’s family shall accept, directly or indirectly, any gift or other benefit, except compensation authorized by law, that might reasonably be seen to have been given to influence the Member in the exercise of a duty or function of his or her office.*

*(1.1) For greater certainty, subsection (1) applies to gifts or other benefits:*

- (a) related to attendance at a charitable or political event; and*
- (b) received from an all-party caucus established in relation to a particular subject or interest.*

25. *A Member shall not take any action that has as its purpose the circumvention of the Member’s obligations under this Code.*





## ANALYSIS UNDER THE CODE

In this section, I make my determination as to whether sections 14 and 25 of the *Conflict of Interest Code for Members of the House of Commons* (Code) were contravened. Before doing so, I will deal with the question of whether the request was not made in good faith and hence constituted an abuse of process.

It is important to note that Ms. Raitt was lobbied in her capacity as Minister of Natural Resources and not in her capacity as a Member of Parliament. However, the fundraising event took place because Ms. Raitt is the sitting Member of Parliament for the Halton constituency. For this reason, it was appropriate to review the allegations with respect to the obligations under the Code as well as those under the *Conflict of Interest Act*.

In the next section, entitled General Observations, I look more generally at the concerns that underlie these requests and discuss the need for rules or guidelines for Members, in particular those who are also Ministers, Ministers of State and Parliamentary Secretaries, in relation to fundraising events where lobbyists or other stakeholders are involved.

### **Allegation of bad faith**

Counsel for Ms. Raitt claimed that the request made by Mr. Szabo was without foundation and made in bad faith. Subsection 27(6) of the Code provides that, if I determine that a request is frivolous or vexatious or not made in good faith, I may dismiss the request and may recommend appropriate sanctions against the Member who made the request. Counsel, however, did not argue that I should dismiss the request but did ask that I make a finding of bad faith against Mr. Szabo and that I recommend a sanction against him.

Counsel argued that Mr. Szabo's request for an inquiry was motivated by partisan political purposes aimed at destroying Ms. Raitt's reputation, was not made in good faith and hence, constituted an abuse of process. He argued that Mr. Szabo has repeatedly attempted to leverage his request to this Office to generate adverse publicity for Ms. Raitt by making inflammatory statements in the House of Commons that went well beyond the evidence, revealing in statements in the House information he provided to me, and knowingly misleading the House by stating that I had found "that there was clear evidence to launch a full inquiry." In short, Mr. Osborne claimed that the comments made in the House were misleading, gratuitous and deliberately false. Mr. Osborne submitted a number of excerpts from *Hansard* in support of his submission.

The threshold for finding a request to be frivolous, vexatious or not made in good faith is very high. In general, a frivolous request is one that lacks any basis or merit or that was not seriously made or was made for an unreasonable purpose and a vexatious request is one that is instituted maliciously and without good cause. Similarly, requests that are "not made in good faith" would include requests made dishonestly for unreasonable or unfounded purposes.



The allegations in this case raised serious issues that on their face warranted further investigation, given the allegation of significant involvement by a lobbyist in this fundraising initiative and the suggestion of Ms. Raitt's involvement in the event, even if only through her Hill office manager, his brother and her former assistant at the Toronto Port Authority. I, therefore, was not prepared to find that the request made to my Office was frivolous, vexatious or not made in good faith.

Although I am not prepared to make a finding of bad faith against Mr. Szabo, Mr. Osborne raises an important issue, namely the extent to which requests for examinations under the Act or inquiries under the Code should be commented on publicly by Members making the requests. While partisan jockeying is an inevitable fact of political life, it can become problematic in some cases. If it misrepresents what my Office is doing in relation to a request, this can be very prejudicial to an individual who is the subject of a request. I am restricted in what comments I can make with respect to examinations or inquiries as I must keep information confidential until a report is made public. There is little I can do to clarify, counter or balance statements that are made by Members that are not accurate or fair.

As a result of the public statements made about this matter, I did write to Ms. Raitt on October 6, 2009, before the requests were sufficiently precise to trigger either an examination under the Act or an inquiry under the Code, and issued a statement on my Office's website indicating that I was not proceeding with an examination or an inquiry at that time. I had not received sufficient information to proceed and I was concerned that it was being widely reported that I was in fact conducting an investigation.

I would invite Members who request investigations to be mindful of my confidentiality obligations under the Act and the Code and ask that they not place individuals subject to a request for an examination or inquiry in the position of having to respond publicly to allegations before I have had an opportunity to determine whether these requests meet the requirements of the Act or the Code and before they have been informed by my Office that I have received a request about them.

### **Alleged contraventions**

The examination of these allegations required that I look closely at the organization of the fundraising event held on September 24, 2009 and the relationship between Ms. Raitt and organizers to determine whether she accepted a gift or other benefit that might reasonably be seen to have been given to influence her as a Member in the exercise of a duty or function of her office contrary to section 14 of the Code. I will also consider section 25 of the Code to determine whether Ms. Raitt took any action to circumvent her obligations under the Code.

### ***Prohibition against accepting a gift or other benefit: Section 14***

It was alleged that the volunteer services provided by Mr. Michael McSweeney in relation to the fundraising event constituted a gift or benefit that Ms. Raitt should have declined because of his lobbying activities and that, by accepting these services, Ms. Raitt contravened section 14 of the Code. It was argued that, because Mr. McSweeney was lobbying Ms. Raitt as Minister of Natural Resources, his volunteer services might reasonably be seen to have been given to influence her in the exercise of her duties or functions as a Member.



A number of other lobbyists also provided volunteer services in connection with the fundraising event. The analysis that follows applies equally to those instances.

Section 14 of the Code sets out a prohibition against Members receiving gifts and other benefits. The relevant portions of section 14 read as follows:

*14. (1) Neither a Member nor any member of a Member's family shall accept, directly or indirectly, any gift or other benefit, except compensation authorized by law, that might reasonably be seen to have been given to influence the Member in the exercise of a duty or function of his or her office.*

*(1.1) For greater certainty, subsection (1) applies to gifts or other benefits:*

*(a) related to attendance at a charitable or political event; and*

*(b) received from an all-party caucus established in relation to a particular subject or interest.*

[ ... ]

The evidence showed that a number of individuals donated their time and energy and that some used their office resources in assisting in the organization of the fundraising event.

With respect to Janet MacDonald, she provided volunteer services because of her close friendship with Ms. Raitt and, if these services were accepted by Ms. Raitt, I do not believe they might reasonably be seen to have been given to influence Ms. Raitt in the exercise of a duty or function of her office. Ms. MacDonald had no official dealings with Ms. Raitt in her capacity as Minister of Natural Resources or Member for Halton.

With respect to the volunteer services and monetary contributions provided by the lobbyists, it would seem reasonable to question whether they were given with a view to influencing Ms. Raitt in her capacity as Minister of Natural Resources with respect to a future official decision that might benefit the lobbyists, their associations or clients. It is less clear in relation to her capacity as Member for Halton. While lobbyists, including the Cement Association of Canada, may also be registered to lobby Members, lobbying activities are often directed towards Ministers or other public office holders whose official duties are linked to government decisions. However, these lobbying activities could be directed towards Members with respect to their duties that take place in the House of Commons or in Committees of the House of Commons.

In any event, the evidence showed that Ms. Raitt was unaware of the details relating to the organization of the event and did not get involved in the recruitment of volunteers or in the solicitation of funds. In order for her to have accepted these services or funds as contemplated by section 14, she would have had to be aware of them being offered to her, and have had an opportunity to decline them. This was not the case. While she was aware of Mr. Stewart's involvement in his capacity as a Member of the Board of the Halton Conservative Association, he had been designated by the Board as the lead of this fundraiser. I will comment further on the issue of lobbyists sitting as a member of a board of a riding association in my General Observations.



The Board of the Halton Conservative Association is responsible for the political fundraising events in its own electoral district and is charged with the organization of these events as well as the administration of all funds that are collected. I have found, in fact, that the Halton Conservative Association did organize the fundraising event of September 24, 2009 and was the direct recipient and beneficiary of all volunteer services and of all monetary contributions related to it.

While Ms. Raitt, as the sitting Member of Parliament, is an *ex officio* member of the Board of the Halton Conservative Association, the evidence has clearly established that she does not participate in administrative decisions, including decisions on how the Association funds are expended. She has no control over those funds.

The Board of the Halton Conservative Association has set aside an annual amount of \$2,000 for expenses incurred by Ms. Raitt in attending constituency events while she is the sitting Member of Parliament to cover ticket purchases that are related to her work as a Member of Parliament. Thus, Ms. Raitt will receive some financial support as a result of fundraisers organized by the Halton Conservative Association while she is the sitting Member of Parliament and if she is re-nominated as the Conservative candidate for Halton in the next federal election. I consider these expenditures to be for work-related expenses that are covered for her, and not gifts or other benefits under the Code. It is up to the Halton Conservative Association to decide how the funds are to be used, not Ms. Raitt.

In fact, a benefit received by a Member from a riding association is expressly excluded from the definition of “benefit” in the Code.

It is not necessary to go any further, but it is interesting to examine the definition of “benefit”, set out in subsection 3(1) of the Code. The definition reads as follows:

*“benefit” means*

- (a) an amount of money if there is no obligation to repay it; and*
- (b) a service or property, or the use of property or money that is provided without charge or at less than its commercial value, other than a service provided by a volunteer working on behalf of a Member;*

*but does not include a benefit received from a riding association or a political party.*

The funds raised would fall within paragraph (a) of that definition. I have some doubt that political contributions were intended to be included in this definition in light of the fact that these are regulated by the *Canada Elections Act*, but for the purposes of my analysis I have assumed that they are included in the definition.

I note that, just last year, the definition of “benefit” in the Code was amended by the House of Commons to exclude volunteer services provided on behalf of a Member. In its eighteenth report of the 2nd session of the 40th Parliament, the Standing Committee on Procedure and House Affairs stated that:



*“Genuine volunteer services are part of any democratic system of government. While services provided by volunteers would not be prohibited under the proposed conflict of interest test, the Committee believes that it is important to state that principle clearly and exclude them, altogether, from the ambit of the Code.”*

This would indicate that this exception is probably intended to exclude volunteer services provided by family, friends or individuals who share the same political or policy views, who would not reasonably be seen to have given their services to influence the Member receiving the volunteer services. The possibility of a lobbyist being involved may not have been considered. It is, in any event, of no concern in the matter at issue because of my findings above that the funds and volunteer services were provided to the Halton Conservative Association and not to Ms. Raitt.

I have, accordingly, concluded that Ms. Raitt did not accept any gift or other benefit in connection with the September 24, 2009 fundraising event and therefore did not contravene section 14.

I find support for the determination that there has been no contravention of the Code in this case in the fact that there is a comprehensive regime of the *Canada Elections Act* that deals with political contributions. It sets out rules for contributions, both monetary and non-monetary, as well as public reporting requirements, which apply at all times. I note that there is no special restriction against lobbyists contributing to a registered electoral district association. The only restriction is the \$1,100 limit that applies to everyone.

Political fundraising activities are important and legitimate activities. In light of the fact that they are regulated by a comprehensive regime under the *Canada Elections Act*, that the volunteer services and monetary contributions provided by the lobbyists were given to the Halton Conservative Association and that Ms. Raitt was not involved in recruiting the volunteers or organizing the fundraiser, I conclude that section 14 has no application in the present circumstances.

Many may argue that Ms. Raitt should have made herself aware of the details to ensure that there would be no potential for conflicts of interest. I will have more to say about that in my General Observations.

### ***Anti-avoidance: Section 25***

In his request, Mr. Szabo alleged that Ms. Raitt had contravened section 25 of the Code which prohibits Members from taking “any action that has as its purpose the circumvention of the Member’s obligations under this Code.” Mr. Szabo did not identify any specific provisions under the Code that Ms. Raitt might have tried to circumvent.

I have found that Ms. Raitt did not breach section 14 of the Code. Further, there was no evidence that Ms. Raitt took any actions to circumvent her obligations under this section or any other obligations under the Code. I find that section 25 has no application in respect of this matter.



## Conclusions

For the reasons stated above, I have determined that Ms. Raitt has not contravened section 14 of the Code in respect of the political fundraising event of September 24, 2009 because Ms. Raitt was not involved in the recruitment of these volunteers or the organization of the fundraiser and therefore did not accept these services or contributions. The political contributions, volunteer time and resources provided by the lobbyists in connection with this fundraiser were given to the organizer of the event, the Halton Conservative Association.

Much attention was given to the role that Ms. Janet MacDonald played in relation to this fundraising event. Ms. MacDonald had no official dealings with Ms. Raitt in her capacity as Minister of Natural Resources or Member for Halton, and her involvement was based solely on their friendship. Had her volunteer services been given to Ms. Raitt and not the Halton Conservative Association, they could not reasonably be seen to have been given to influence Ms. Raitt.

Finally, I have determined that Ms. Raitt did not contravene section 25 as she did not take any actions for the purpose of circumventing any of her obligations under the Code.

I will comment further on the potential for conflicts of interests for Members, particularly those who are Ministers, Ministers of State, Parliamentary Secretaries in the next section, which includes my observations on the involvement of lobbyists and other stakeholders in political fundraising activities. In particular I will address the reasonable perception that volunteer services and monetary contributions given by stakeholders are given with a view to influencing elected officials in respect of future official decisions. I believe elected officials need some guidance with respect to political fundraising activities. There was no such guidance available at the time of the September 24, 2009 fundraising event under review in this report.



## GENERAL OBSERVATIONS

### Issues relating to preferential treatment

Although I have determined that Ms. Raitt did not contravene the *Conflict of Interest Act* (Act) or the *Conflict of Interest Code for Members of the House of Commons* (Code), I believe that this matter raises important issues about the relationship between Members, particularly those Members who are Ministers, Ministers of State or Parliamentary Secretaries, on the one hand, and lobbyists or other stakeholders who become involved in political fundraising activities organized by their electoral district associations on the other hand.

In light of the extensive media and public attention surrounding the fundraising event of September 24, 2009 and the alleged involvement of Mr. Michael McSweeney, an in-house lobbyist at the Cement Association of Canada who was actively lobbying Ms. Raitt as Minister of Natural Resources, I had some concern that subsection 6(1) and section 7 of the Act might potentially be engaged. These provisions read as follows:

*6. (1) No public office holder shall make a decision or participate in making a decision related to the exercise of an official power, duty or function if the public office holder knows or reasonably should know that, in the making of the decision, he or she would be in a conflict of interest.*

[ ... ]

*7. No public office holder shall, in the exercise of an official power, duty or function, give preferential treatment to any person or organization based on the identity of the person or organization that represents the first-mentioned person or organization.*

There were no allegations raised with my Office that Ms. Raitt had given preferential treatment to Mr. Michael McSweeney, the Cement Association of Canada or any other person or organization. However, I was concerned that, should a situation arise where Ms. Raitt had to make an official decision involving the Cement Association of Canada, she could be subject to allegations of preferential treatment because of the help that Mr. McSweeney had provided for the fundraiser.

In order to avoid this possibility, on October 9, 2009, Ms. Raitt signed an agreed compliance measure establishing an interim conflict of interest screen to prevent any potential conflicts of interest, more particularly any potential for preferential treatment. The agreed compliance measure was made public on our website the same day and a copy is attached as Schedule B to this report. It was to be kept in place at least until the completion of my investigation.

Ms. Raitt was assigned a new portfolio in January, 2010 and I wrote to her on February 4, 2010 to advise her that, in light of her new responsibilities as Minister of Labour, this interim conflict of interest screen was no longer necessary.



With respect to the Code, there could also be similar concerns. While the Code does not contain a provision like section 7 of the Act that expressly refers to the possibility of future “preferential treatment”, section 8 of the Code is similar to subsection 6(1) of the Act in that it prohibits a Member from improperly furthering another person’s or entity’s private interests.

That section reads as follows:

*8. When performing parliamentary duties and functions, a Member shall not act in any way to further his or her private interests or those of a member of the Member’s family, or to improperly further another person’s or entity’s private interests.*

In general, where a Member, particularly a Minister, Minister of State or Parliamentary Secretary, is placed in a situation where lobbyists or other stakeholders are involved in fundraisers in the Member’s electoral district, there is the possibility that future events could create situations where issues of preferential treatment or other conflicts of interest could arise.

### **The need for fundraising guidelines**

At the time of the September 24, 2009 fundraiser, there were no rules or guidelines that applied generally to Members or in particular to Ministers, Ministers of State or Parliamentary Secretaries in relation to political fundraising events that could assist them in ensuring that they are not placed or seen to be placed in situations of actual or potential conflict of interest. Early in this investigation it became evident to me that there was a need in these situations for some guidance for Members, particularly for Ministers, Ministers of State and Parliamentary Secretaries.

Mr. Challinor and Ms. Byrne confirmed that the Conservative Party of Canada did not, at the time of the September 24, 2009 fundraiser, have guidelines with respect to political fundraising activities.

After the fundraiser, the Halton Conservative Association developed for its own use the set of guidelines that were mentioned earlier. They were addressed to volunteers who assist with fundraising events and were intended to clarify their role and that of the sitting Member and his or her staff. Those guidelines provided that lobbyists or other stakeholders should not be approached to purchase tickets. They did not, however, address the issue of who should or should not be permitted to volunteer to organize fundraising events or sell tickets. It is not clear whether the Halton Conservative Association would have developed these guidelines had the sitting Member not been a Minister as well.

The Commissioner of Lobbying is responsible for the administration of rules for lobbyists. A guideline relating to political activities such as fundraising was issued on November 6, 2009 by the Commissioner of Lobbying entitled the *Commissioner’s Guidance on Conflict of Interest - Rule 8 (Lobbyists’ Code of Conduct)*.





The lobbyists interviewed for the purposes of this report confirmed that their employers understood that it would be normal and appropriate for them to volunteer for political campaigns and fundraising as long as it was in their personal capacity and as long as they respected their employers' general policies related to the use of office equipment for personal use.

A document issued by the Privy Council Office in 2008 entitled *Accountable Government – A Guide for Ministers and Ministers of State* includes a strict prohibition on the use of government offices for political purposes. It does not, however, address situations such as the one under consideration, the involvement of lobbyists or other stakeholders in political fundraising activities.

I note that in 2002, the Right Honourable Jean Chrétien, the Prime Minister at that time, had issued guidelines entitled *The Ministry and Activities for Personal Political Purposes*. These guidelines provided the following with respect to lobbyists:

*Ministers also need to be mindful of situations where individuals involved in the Minister's campaign, whether as fundraisers, organizers or strategists, may be registered under the Lobbyists Registration Act to lobby the Minister's department. This again is a situation which can give rise to the appearance of a conflict of interest and needs to be resolved by the Minister in the public interest by declining the active support of the individual on the campaign. Alternatively, the individual might choose not to lobby the department so long as he or she was involved in the campaign. Either step would resolve the matter.*

These guidelines appear to have been discontinued around 2003 and no others were put in place until very recently.

### **The Prime Minister's recent guidance document**

On April 20, 2010, the Right Honourable Stephen Harper, Prime Minister, forwarded to me a guidance document entitled *Fundraising and Dealing with Lobbyists: Best Practices for Ministers and Parliamentary Secretaries* which he advised had been issued to all Ministers and Parliamentary Secretaries.

The Prime Minister's new guidance document sets out best practices that are expected to be followed by Ministers and Parliamentary Secretaries in respect of fundraising activities. These new guidelines address many of the conflict of interest concerns that became apparent as I conducted my examination and inquiry, in particular those relating to the potential for preferential treatment. I note below, however, some aspects that might be addressed further.

The document applies to Ministers and Parliamentary Secretaries. They do not apply to Members who are not public office holders. Although it is not clear in the document whether Ministers of State are included in the term "Ministers", they should be as well. The *Conflict of Interest Act* distinguishes between Ministers and Ministers of State and I have referred to both in this report.



The guidance document sets out the following general principles:

- *Ministers and Parliamentary Secretaries must ensure that fundraising does not affect, or appear to affect, access to government.*
- *People who make financial contributions to politicians or political parties must not receive, or be seen to receive, preferential access.*
- *People who have dealings with Ministers and Parliamentary Secretaries, or with the staffs or departments of Ministers and Parliamentary Secretaries, must not be singled out, or be perceived to be singled out, as the targets of partisan fundraising.*

Specific best practices relate to the involvement in fundraising activities of departmental stakeholders. “Departmental stakeholders” include lobbyists registered to lobby the Minister, Parliamentary Secretary, their staff or departments, and individuals employed by or connected with associations and companies that have or are likely to have significant dealings with the Minister, Parliamentary Secretary, their staffs or their departments.

Best practices include not having departmental stakeholders on fundraising or campaign teams. It would be important to review the situation in the case of a cabinet shuffle or when staff changes occur in the offices of a Minister or a Parliamentary Secretary because the relevant stakeholders would change. Recusals or conflict of interest screens may be required should a problem arise at that time. This could also apply should a Member become a Minister or Parliamentary Secretary.

The Prime Minister’s guidance document provides that appropriate safeguards be put in place to ensure that departmental stakeholder lists are not shared with the fundraising team and that fundraisers are to be instructed not to target departmental stakeholders or knowingly solicit contributions from them. It notes, however, that broad general fundraising appeals can be made that may involve lobbyists and other stakeholders only incidentally.

The guidance document also states that fundraising events are to be no-lobbying zones. Ministers and Parliamentary Secretaries and their staffs are to avoid discussing departmental business and refer anyone who wishes to do so to their office for an appointment. Another best practice is for Ministers and Parliamentary Secretaries and their Chiefs of Staff to review all communications relating to fundraising to ensure that they do not improperly suggest a connection between the fundraising and their portfolios.

The document also indicates that Ministers and Parliamentary Secretaries are to ensure that their staff members are well acquainted with the guidelines and are to put appropriate processes in place in their offices and departments to ensure compliance.

It is important that all staff who support Ministers, Ministers of State and Parliamentary Secretaries, in both Parliament Hill and constituency offices, as well as board members and officers of their respective electoral district associations, be aware of the Act and the obligations



it places on these elected public office holders so that they are not inadvertently placed in a potential conflict of interest situation. Chiefs of Staff should ensure that staff members, whether or not they themselves are subject to the Act, are fully briefed on the requirements of the Act.

One issue that is not addressed directly is the presence of lobbyists or other departmental stakeholders as board members of an electoral district association of a Minister or Parliamentary Secretary. While the guidelines suggest that these board members could not be part of the fundraising activities of the association, board members have other responsibilities that may also raise conflict of interest issues. This situation has the potential to place the Minister or Parliamentary Secretary in a conflict of interest situation. Careful consideration should be given to managing this risk.

The Prime Minister could consider including the guidance he has developed in the documents issued by the Privy Council Office entitled *Accountable Government – A Guide for Ministers and Ministers of State* and, if it still exists, the *Guide for Parliamentary Secretaries* referred to in the guide for Ministers and Ministers of State.

It would be important, as well, that all lobbyists, other departmental stakeholders, political volunteers and the general public be aware of this new guidance document. I would, therefore, recommend that it be made public.

### **Final comments**

Beyond the guidance document, however, the attendance of lobbyists and other stakeholders at fundraising events will continue to be of concern. These events afford special access to Ministers, Ministers of State, Parliamentary Secretaries and other Members and provide an opportunity for a personal connection that can stand a lobbyist, or other stakeholder, in good stead for future official meetings where private interests are being advanced.

All Members, even those in parties that are not in power, sit on committees of Parliament that may review matters of interest to lobbyists or other stakeholders. However, they are not involved in government decisions in the same way as Members who are also Ministers, Ministers of State or Parliamentary Secretaries.

With respect to Members, the *Conflict of Interest Code for Members of the House of Commons* does not include any provision dealing with political fundraising. Consideration could be given to amending the Code in this regard, perhaps to include prohibitions against solicitation of funds and preferential treatment, broader recusal obligations and provision for the establishment of conflict of interest screens.

As for public office holders, the *Conflict of Interest Act* already provides a number of rules and provisions to deal with public office holders who find themselves in situations that could lead to a conflict of interest. The only provision of the Act that relates directly to fundraising is section 16, which prohibits public office holders from personally soliciting funds where that would place them in a conflict of interest. The Act could provide additional rules of conduct to deal with political fundraising.



Members, especially those Members who are also Ministers, Ministers of State and Parliamentary Secretaries, must remain vigilant to avoid circumstances where they might be placed in a conflict of interest, in particular in their dealings with lobbyists registered to lobby them or their organizations or with other stakeholders. Otherwise, as happened in this case, they open themselves up to criticism and accusations of conflict of interest, particularly relating to preferential treatment.



**SCHEDULE A:  
ANALYSIS UNDER THE ACT**  
(from page 1)

In this section, I make my determination as to whether sections 11, 16 and 18 of the *Conflict of Interest Act* (Act) were contravened. Before doing so, I will deal with the question of whether these requests were made in bad faith and hence constituted an abuse of process.

It is important to note that Ms. Raitt was lobbied in her capacity as Minister of Natural Resources and not in her capacity as a Member of Parliament. However, the fundraising event took place because Ms. Raitt is the sitting Member of Parliament for the Halton constituency. For this reason, it was appropriate to review the allegations with respect to the obligations under the *Conflict of Interest Code for Members of the House of Commons* (Code) as well as those under the Act.

In the next section, entitled General Observations, I look more generally at the concerns that underlie these requests and discuss the need for rules or guidelines for elected public office holders (Ministers, Ministers of State and Parliamentary Secretaries), in relation to fundraising events where lobbyists or other stakeholders are involved.

**Allegations of bad faith**

Counsel for Ms. Raitt claimed that the requests were without foundation and made in bad faith. Subsection 44(3) of the Act provides that, if I determine that a request is frivolous or vexatious or made in bad faith, I may decline to examine the matter. Counsel, however, did not request that the examination be discontinued but did request that I make findings of bad faith against Ms. Chow and Mr. Szabo.

Counsel argued that Ms. Chow's and Mr. Szabo's requests for an examination were motivated by partisan political purposes aimed at destroying Ms. Raitt's reputation, were made in bad faith and, therefore, constituted an abuse of process. He argued that Ms. Chow has pursued a campaign against Ms. Raitt ever since she was President and Chief Executive Officer of the Toronto Port Authority as Ms. Chow was involved with pressure groups seeking closure of the Toronto Island Airport.

With respect to Mr. Szabo, counsel submitted that Mr. Szabo repeatedly attempted to leverage his request to this Office to generate adverse publicity for Ms. Raitt by making inflammatory statements in the House of Commons that went well beyond the evidence, revealing in statements in the House information he had provided to me, and knowingly misleading the House by stating that I had found "that there was clear evidence to launch a full inquiry." In short, Mr. Osborne claimed that the comments made in the House were misleading, gratuitous and deliberately false. Mr. Osborne submitted a number of excerpts from *Hansard* in support of his submission.

The threshold for finding a request to be frivolous, vexatious or made in bad faith is very high. In general, a frivolous request is one that lacks any basis or merit or that was not seriously made or was made for an unreasonable purpose and a vexatious request is one that is instituted



maliciously and without good cause. Similarly, requests that are “made in bad faith” would include requests made dishonestly for unreasonable or unfounded purposes.

The allegations in this case raised serious issues that on their face warranted further investigation, given the allegation of significant involvement by a lobbyist in this fundraising initiative and the suggestion of Ms. Raitt’s involvement in the event, even if only through her Hill Office manager, his brother and her former assistant at the Toronto Port Authority. I, therefore, was not prepared to find that the requests made to my Office were frivolous, vexatious or made in bad faith.

Although I am not prepared to make a finding of bad faith against the Members who filed the requests, Mr. Osborne raises an important issue, namely the extent to which requests for examinations under the Act or inquiries under the Code should be commented on publicly by Members making the requests. While partisan jockeying is an inevitable fact of political life, it can become problematic in some cases. If it misrepresents what my Office is doing in relation to a request, this can be very prejudicial to the individual who is the subject of the request. I am restricted in what comments I can make with respect to examinations or inquiries as I must keep information confidential until a report is made public. There is little I can do to clarify, counter or balance statements that are made by Members that are not accurate or fair.

As a result of the public statements made about this matter, I did write to Ms. Raitt on October 6, 2009, before the requests were sufficiently precise to trigger either an examination under the Act or an inquiry under the Code, and issued a statement on my Office’s website, indicating that I was not proceeding with an examination or an inquiry at that time. I had not received sufficient information to proceed and I was concerned that it was being widely reported that I was in fact conducting an investigation.

I would invite Members who request investigations to be mindful of my confidentiality obligations under the Act and the Code and ask that they not place individuals subject to a request for an examination or inquiry in the position of having to respond publicly to allegations before I have had an opportunity to determine whether these requests meet the requirements of the Act or the Code and before they have been informed by my Office that I have received a request about them.

### **Alleged contraventions**

The examination of these allegations required that I look closely at the organization of the fundraising event held on September 24, 2009 and the relationship between Ms. Raitt and organizers to determine whether she accepted a gift or other advantage that might reasonably be seen to have been given to influence her in the exercise of an official power, duty or function contrary to section 11 of the Act. It was also necessary to look at Ms. Raitt’s involvement in the event in order to determine whether she personally solicited funds from a person or organization that would have placed her in a conflict of interest contrary to section 16 of the Act. Finally, under this heading, I will consider section 18 of the Act to determine whether Ms. Raitt took any action to circumvent her obligations under the Act.



### ***Prohibition against accepting a gift or other advantage: Section 11***

It was alleged that the volunteer services provided by Mr. Michael McSweeney in relation to the fundraising event constituted a gift or advantage that Ms. Raitt should have declined because of his lobbying activities and that, by accepting these services, Ms. Raitt contravened section 11 of the Act. It was argued that, because Mr. McSweeney was lobbying Ms. Raitt as Minister of Natural Resources, his volunteer services might reasonably be seen to have been given to influence her in the exercise of her official duties. A number of other lobbyists also provided volunteer services in connection with the fundraising event. The analysis that follows applies equally to those instances.

Subsections 11(1) and (2) of the Act set out a prohibition against public office holders receiving gifts and other advantages, as well as some exceptions. These provisions read as follows:

- 11. (1) No public office holder or member of his or her family shall accept any gift or other advantage, including from a trust, that might reasonably be seen to have been given to influence the public office holder in the exercise of an official power, duty or function.*
- (2) Despite subsection (1), a public office holder or member of his or her family may accept a gift or other advantage*
- (a) that is permitted under the Canada Elections Act;*
  - (b) that is given by a relative or friend; or*
  - (c) that is received as a normal expression of courtesy or protocol, or is within the customary standards that normally accompany the public office holder's position.*

Subsection 2(1) of the Act includes the following definition of “gift or other advantage”:

*“gift or other advantage” means*

- (a) an amount of money if there is no obligation to repay it; and*
- (b) a service or property, or the use of property or money that is provided without charge or at less than its commercial value.*

The evidence showed that a number of individuals donated their time and energy and that some used their office resources in assisting in the organization of the fundraising event. The volunteer time offered by Ms. Janet MacDonald, Mr. Michael McSweeney, Mr. Gary Clement and Mr. Will Stewart was a service without charge, and therefore falls within paragraph (b) of the definition of “gift or other advantage” under the Act. The funds raised would fall within paragraph (2)(a) of that definition. I have some doubt that political contributions and volunteer fundraising services were intended to be included in this definition in light of the fact that these are regulated by the *Canada Elections Act*, but, for the purposes of my analysis, I will assume that they are included in the definition.



With respect to Janet MacDonald, she provided volunteer services because of her close friendship with Ms. Raitt, and, if these services were accepted by Ms. Raitt, this would fall under the exception in paragraph 11(2)(b) for gifts given by relatives or friends. There is another exception in paragraph 11(2)(a) for gifts that are permitted under the *Canada Elections Act*, but that exception only applies during election periods, which is not the case here.

With respect to the volunteer services and monetary contributions provided by the lobbyists, it would seem reasonable to question whether they were given with a view to influencing Ms. Raitt with respect to a future official decision that might benefit the lobbyists, their associations or clients. The potential to influence or attempt to influence will be enhanced by a personal connection between a lobbyist and a Minister, an advisor of the Minister or a senior departmental official who makes recommendations to the Minister. This personal connection can develop each time they have an opportunity for personal access to that Minister, for example through a fundraising event.

Mr. Michael McSweeney and his colleagues from the Cement Association of Canada had lobbied Ms. Raitt with respect to a Cement Association project in March 2009 and later volunteered for the first time to assist with the fundraiser. He attended the event and spoke with Ms. Raitt again about the project that had just been submitted to her department, registering this communication under the *Lobbying Act* as well. It would seem reasonable to question whether Mr. McSweeney was trying to build a personal connection with Ms. Raitt with a view to influencing her to consider or approve the project.

The evidence, however, showed that Ms. Raitt was unaware of the details relating to the organization of the event and did not get involved in the recruitment of volunteers or in the solicitation of funds. In order for her to have accepted these services or funds as contemplated by section 11, she would have had to be aware of them being offered to her, and have had an opportunity to decline them. This was not the case. While she was aware of Mr. Stewart's involvement in his capacity as a Member of the Board of the Halton Conservative Association, he had been designated by the Board as the lead of this fundraiser. I will comment further on the issue of lobbyists sitting as a member of a board of a riding association in my General Observations.

The Board of the Halton Conservative Association is responsible for the political fundraising events in its own electoral district and is charged with the organization of these events as well as the administration of all funds that are collected. I have found, in fact, that the Halton Conservative Association did organize the fundraising event of September 24, 2009 and was the direct recipient and beneficiary of all volunteer services and of all monetary contributions related to it.

While Ms. Raitt, as the sitting Member of Parliament, is an *ex officio* member of the Board of the Halton Conservative Association, the evidence has clearly established that she does not participate in administrative decisions, including decisions on how Association funds are expended. She has no control over those funds.





The Board of the Halton Conservative Association has set aside an annual amount of \$2,000 for expenses incurred by Ms. Raitt in attending constituency events while she is the sitting Member of Parliament to cover ticket purchases that are related to her work as a Member of Parliament. Thus, Ms. Raitt will receive some financial support as a result of fundraisers organized by the Halton Conservative Association while she is the sitting Member of Parliament and if she is re-nominated as the Conservative candidate for Halton in the next federal election. I consider these expenditures to be for work-related expenses that are covered for her, and not gifts or advantages under the Act. It is up to the Halton Conservative Association to decide how the funds are to be used, not Ms. Raitt.

I have, accordingly, concluded that Ms. Raitt did not accept any gift or other advantage in connection with the September 24, 2009 fundraising event and therefore did not contravene section 11.

I find support for the determination that there has been no contravention of the Act in this case in the fact that there is a comprehensive regime of the *Canada Elections Act* that deals with political contributions. It sets out rules for contributions, both monetary and non-monetary, as well as public reporting requirements, which apply at all times. I note that there is no special restriction against lobbyists contributing to a registered electoral district association. The only restriction is the \$1,100 limit that applies to everyone.

Political fundraising activities are important and legitimate activities. In light of the fact that they are regulated by a comprehensive regime under the *Canada Elections Act*, that the volunteer services and monetary contributions provided by the lobbyists were given to the Halton Conservative Association and that Ms. Raitt was not involved in recruiting the volunteers or organizing the fundraiser, I conclude that section 11 has no application in the present circumstances.

Many may argue that Ms. Raitt should have made herself aware of the details to ensure that there would be no potential for conflicts of interest. I will have more to say about that in my General Observations.

### ***Prohibition against fundraising: Section 16***

Ms. Chow alleged that Ms. Raitt had contravened section 16 of the Act by personally soliciting funds. Mr. Szabo, without making reference to section 16, alleged that Ms. Raitt had asked Ms. Janet McDonald to get involved in the organization of the event.

Section 16 reads as follows:

*16. No public office holder shall personally solicit funds from any person or organization if it would place the public office holder in a conflict of interest.*

Section 16 requires that two elements be established: that the public office holder personally solicited funds from a person or organization, and that this solicitation placed the public office holder in a conflict of interest. In order for Ms. Raitt to have personally solicited funds in



connection with the September 24, 2009 fundraising event, she would have had to actively seek monetary contributions to support the event.

There was no evidence that Ms. Raitt asked anyone to buy tickets for the event, either directly or by asking someone else to do so at any time. Every witness questioned on this issue confirmed this. Ms. Raitt was aware that an event was being organized and she planned to attend the event, but that was the extent of her involvement.

I find that Ms. Raitt did not personally solicit funds and therefore that section 16 does not apply.

### ***Anti-avoidance: Section 18***

In his request, Mr. Szabo alleged that Ms. Raitt had contravened section 18 of the Act which prohibits public office holders from taking “any action that has as its purpose the circumvention of the public office holder’s obligations under this Act.” Mr. Szabo did not identify any specific provisions under the Act that Ms. Raitt might have tried to circumvent.

I have found that Ms. Raitt did not breach sections 11 or 16 of the Act. Further, there was no evidence that Ms. Raitt took any actions to circumvent her obligations under these sections or any other obligations under the Act. I find that section 18 has no application in respect of this matter.

### **Conclusions**

For the reasons stated above, I have determined that Ms. Raitt has not contravened section 11 of the Act in respect of the political fundraising event of September 24, 2009 because Ms. Raitt was not involved in the recruitment of these volunteers or the organization of the fundraiser and therefore did not accept these services or contributions. The political contributions, volunteer time and resources provided by the lobbyists in connection with this fundraiser were given to the organizer of the event, the Halton Conservative Association.

Much attention was given to the role that Ms. Janet MacDonald played in relation to this fundraising event. Ms. MacDonald had no official dealings with Ms. Raitt in her capacity as Minister of Natural Resources or Member for Halton, and her involvement was based solely on their friendship. Had her volunteer services been given to Ms. Raitt and not the Halton Conservative Association, they would have fallen under the exception to section 11 for gifts or advantages from friends or family.

I have also concluded that section 16 did not apply since there was no evidence that Ms. Raitt solicited funds, either directly or indirectly, in relation to that fundraising event.

Finally, I have determined that Ms. Raitt did not contravene section 18 as she did not take any actions for the purpose of circumventing any of her obligations under the Act.

I will comment further on the potential for conflicts of interests for Ministers, Ministers of State, Parliamentary Secretaries and other Members in the next section, which includes my observations on the involvement of lobbyists and other stakeholders in political fundraising



activities. In particular I will address the reasonable perception that volunteer services and monetary contributions given by stakeholders are given with a view to influencing elected officials in respect of future official decisions. I believe elected officials need some guidance with respect to political fundraising activities. There was no such guidance available at the time of the September 24, 2009 fundraising event under review in this report.



**SCHEDULE B:**  
**AGREED COMPLIANCE MEASURE**  
(from pages 5 and 16)

*I, Lisa Raitt, Minister of Natural Resources, have agreed not to participate in matters involving the Cement Association of Canada (CAC), or Mr. Michael McSweeney acting on behalf of the CAC, in order to prevent any conflict of interest, and in particular not to give preferential treatment to Mr. McSweeney or the CAC. Any dealings between CAC and the Department of Natural Resources will be addressed by the Deputy Minister or such other person as may be designated by the Deputy Minister.*



**SCHEDULE C:  
LIST OF WITNESSES: INTERVIEWS AND WRITTEN SUBMISSIONS**  
(from page 6)

***INTERVIEWS***

1. Mr. Pierre Boucher  
*President, Cement Association of Canada*  
*Federally registered lobbyist*
2. Ms. Jenni Byrne  
*Director of Political Operations, Conservative Party of Canada*
3. Mr. John Challinor  
*President, Halton Conservative Association*
4. Mr. Gary Clement  
*Manager, Government and Community Relations, TD Bank Financial Group*  
*Federally registered lobbyist*
5. Ms. Cassie Doyle  
*Deputy Minister, Department of Natural Resources*
6. Ms. Janet MacDonald  
*Executive Assistant to the President and Chief Executive Officer*  
*Toronto Port Authority*
7. Mr. Colin McSweeney  
*Former Manager of Ms. Raitt's Parliament Hill office*
8. Mr. Michael McSweeney  
*Vice-President, Industry Relations, Cement Association of Canada*  
*Federally registered lobbyist*
9. Mr. Dennis Mills  
*Former Liberal Member of Parliament*
10. Mr. Alan Paul  
*Vice-President & Chief Financial Officer*  
*(Former Acting President and Chief Executive Officer)*  
*Toronto Port Authority*
11. Ms. Lisa Raitt  
*Minister of Labour (Former Minister of Natural Resources) and*  
*Member of Parliament for Halton*



12. Mr. Will Stewart  
*Principal, Navigator Ltd. and Ensign Canada Inc.*  
*Federally registered lobbyist*  
*Director, Halton Conservative Association*
  
13. Mr. Paul Szabo  
*Member of Parliament for Mississauga South*

## ***WRITTEN SUBMISSIONS***

### **Toronto Port Authority – Board Members**

1. Mr. Jeremy Adams
2. Mr. G. Mark Curry
3. Mr. David Gurin
4. Ms. Michele D. McCarthy
5. Mr. Mark R. McQueen
6. Mr. Sean L. Morley
7. Mr. Robert D. Poirier
8. Mr. Craig Rix
9. Mr. Colin D. Watson

