

## Information Notice for public office holders

# Managing a conflict of interest: Why disclosing a friendship matters

This document is intended to provide general information about your obligations under the Conflict of Interest Act. It must be read in conjunction with other <u>relevant information notices</u>. Public office holders are encouraged to contact the Office for confidential advice about their individual situation. Please call 613-995-0721 or <u>email us</u>.

Source: Section 4, section 5, section 6, section 8, section 9, section 11, section 21, section 23, and section 25 of the *Conflict of Interest Act*.

Compliance with the *Conflict of Interest Act* is a <u>condition of appointment or employment</u> for public office holders. As a public office holder and in the exercise of your official duties and functions, you are subject to disclosure obligations, recusals and conflict of interest rules. Exercising these public duties and functions may affect your private interests, as well as those of your relatives, friends, and others. Therefore, you must be cautious and take appropriate measures to avoid a conflict of interest situation. Although the Act provides a definition of <u>relatives</u>, the term <u>friends</u> is not defined.

The following provides some guidance on how to determine if a relationship could be considered a friendship, its impact on your obligations and why disclosing this relationship matters.

#### 1. What is a friendship within the meaning of the Act?

Unlike a public office holder's relationship with a relative, which can be verified objectively based on the definition set out in the Act, a friendship is more subjective. In its most basic form, a friend can include a "range of relationships from the closest of lifelong companions to neighbours, colleagues, acquaintances or business associates that one sees only occasionally and where there is little emotional attachment." For the purposes of the Act, however, the

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<sup>&</sup>lt;sup>1</sup> See sections 22, 23, 25 and 26 of the Act.

<sup>&</sup>lt;sup>2</sup> See sections 4 to 19 of the Act.

<sup>&</sup>lt;sup>3</sup> Watson Report, June 25, 2009, p. 14.

Commissioner considers that there should be "a close bond, a feeling of affection or a special kinship"<sup>4</sup> between both the public office holder and this person. If the relationship is close enough to reasonably call into question the judgment of a public office holder's decision making, then it is friendship.<sup>5</sup>

Several indicators may assist in determining whether an individual is a friend for the purposes of the Act. These indicators include:

- 1) the duration of the relationship and the context in which it developed;
- 2) the frequency of interactions;
- 3) the exchange of personal communications;
- 4) the sharing of meals or gifts in a personal setting;
- 5) the mutual display of trust, respect, affection, or admiration;
- 6) the perception of the relationship by others within the same social or professional circles.

The Commissioner has also found instances where personal and professional interactions between a public office holder and a person (colleague, associate, or a member of a broad social circle) become intertwined to the point where it is difficult to draw the line between the two. As a result, this relationship could also be considered a friendship since it could reasonably impair the public office holder's judgment in the exercise of their official duties or functions.

The Commissioner determines whether a friendship exists on a case-by-case basis. You should consult the Office or, when in doubt as to whether an individual is considered a friend for the purposes of the Act, recuse yourself from a matter involving such an individual.

### 2. What are your obligations under the Act regarding friendships?

You are in a <u>conflict of interest</u> when exercising an official power, duty or function that provides an opportunity to further, among others, the private interests of a friend. The Act provides rules to minimize the possibility of conflicts between these private interests and your official duties and functions. You are therefore required to proactively <u>arrange your private affairs</u> in a manner that will prevent you from being in a conflict of interest.

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<sup>&</sup>lt;sup>4</sup> Watson Report, June 25, 2009, p. 15.

<sup>&</sup>lt;sup>5</sup> *Morneau II Report*, May 13, 2021, p. 39.

As a reporting public office holder, you must disclose your interests (assets, liabilities, income, and activities) within 60 days of your appointment. You are also required to <u>provide any other information</u> that the Commissioner considers necessary to ensure your compliance with the Act. This includes the names of any friends or business associates whose profession or position could create a conflict of interest for you. For instance, you should indicate to the best of your knowledge whether any friends, co-owners, business partners or associates or the organizations with which you are associated engage in lobbying activities or seek any grants, contributions or other financial benefits from any public sector entity.

As a public office holder, you should be mindful, when exercising your official powers, duties, or functions, that you cannot <u>participate in a discussion or decision</u> if you know or reasonably should know that you would be providing an opportunity to further the private interests of a friend. In such instances, you must <u>recuse yourself</u> and, in the case of reporting public office holders, <u>inform the Commissioner</u> within 60 days to make the recusal public. Sometimes, if public office holders recuse themselves to avoid the appearance of a conflict with the private interests of a friend,<sup>6</sup> such recusals may also be made public by the Commissioner to ensure transparency at your request.

To comply with the Act, you may also be required to take appropriate measures agreed upon with the Commissioner. Among such measures, the Commissioner may recommend establishing a <u>conflict of interest screen</u> where it is highly likely that a friend will have dealings with your organization. All compliance measures are based on the information that you disclose to the Commissioner or that is publicly available.

You <u>cannot use information</u> obtained in your position that is not available to the public to further or seek to further the private interests of a friend. You also <u>cannot use your position</u> to seek to influence a decision to further your friends' private interests.

You can accept most gifts or advantages given by a friend because of the obligation to recuse yourself when the interests of a friend are at issue.<sup>7</sup> These gifts or advantages are exempted from disclosure to the Commissioner and from public declaration regardless of their value.

#### 3. Related examination reports

- Morneau Report II, May 13, 2021
- Watson Report, June 25, 2009

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<sup>&</sup>lt;sup>6</sup> While the Act does not prescribe compliance measures for apparent conflicts of interest, there may be situations where you may wish to disclose your recusal from discussions, debates, votes or decisions taken in respect of a particular matter giving rise to an apparent conflict.

<sup>&</sup>lt;sup>7</sup> While ministers, ministers of state or parliamentary secretaries, members of their families, ministerial staff and ministerial advisors may accept travel aboard a non-commercial chartered or private aircraft provided by a friend, such travel requires prior approval by the Commissioner and will be subject to a public declaration.