Annual Report

Office of the Ethics Commissioner of Alberta

April 1, 2017 to March 31, 2018

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COMMISSIONER'S MESSAGE



I am pleased to submit the annual report for the Office of the Ethics Commissioner and Registrar of Lobbyists for 2017-2018. This report is my fifth since I became Ethics Commissioner.

In December of 2017, a number of amendments were made to the *Conflicts of Interest Act* to bring major agencies, boards and commissions under the Act. The position of Designated Senior Official was created and those so named will have financial reporting requirements and restrictions respecting concurrent employment, holding publicly traded securities and post-employment. These provisions will be applicable to 54 presidents, chairs and chief executive officers. Over 100 agencies, boards and commission are required by the amendments to prepare and submit for approval, codes of conduct that meet certain statutory requirements.

During the reporting period the Standing Committee on Resource Stewardship was mandated to carry out a statutory review of the *Conflicts of Interest Act*. Our office made a presentation to the Committee suggesting 21 changes to the legislation.

Also during the fiscal year the Standing Committee on Resource Stewardship reported on its review of the *Lobbyists Act*.

There are now approximately 300 Members of the Legislative Assembly, Designated Office Holders, Designated Senior Officials and political staff providing financial disclosure to us and meeting with us annually. This past year 15 Members and 10 political staff failed to comply with the deadline for filing their financial disclosure. Each was sent a letter imposing an administrative penalty if disclosure was not filed within a fixed period of time. Two Members, Prab Gill and Robyn Luff, were assessed a penalty. A third Member was assessed the minimum penalty but there were extenuating circumstances in that case. It was the second administrative penalty for Member Gill. One political staff member was directed to pay a penalty.

Requests for advice decreased from 429 queries the previous year to 399 last year. We strive to give advice within 24 hours unless the matter is complex and requires research. Requests for information decreased to 36 from 60. Requests for an investigation went down to 105 from 114. Most requests were for matters outside the jurisdiction given to me in the *Conflicts of Interest Act*. One investigation under the *Public Service Act* was carried out. It pertained to allegations made against Dr. Carl Amrhein, Deputy Minister of Health. The report arising from the investigation was released by the government.

We look forward to the report on the review of the *Conflicts of Interest Act* and the implementation of the amendments made in December 2017.

MANDATE

The Conflicts of Interest Act was passed in 1991, S.A. Chapter C.22.1 (now R.S.A, Chapter C-23), and created the Office of the Ethics Commissioner of Alberta. The Office is also responsible for the administration of the Lobbyists Act, Statutes of Alberta 2007, Chapter L-20.5 ("Lobbyists Act"), under which the Ethics Commissioner appoints the Lobbyists Registrar. The Ethics Commissioner is an Officer of the Legislature and is appointed by an Order in Council following a motion in the Legislative Assembly approving the appointment.

The Ethics Commissioner reports to the Legislative Assembly through the Speaker and files annual reports and investigation reports with the Speaker of the House for tabling in the Legislature. The Ethics Commissioner presents budgetary estimates through the Standing Committee on Legislative Offices. The Legislative Assembly approves the budget for the Office of the Ethics Commissioner.

CONFLICTS OF INTEREST ACT

The preamble of the *Conflicts of Interest Act* sets out some of the basic ethical requirements:

- Ethical conduct of elected officials is expected in democracies;
- Members of the Legislative Assembly serve Albertans most effectively if they come from a broad spectrum of occupations and continue to participate actively in the community;
- Members of the Legislative Assembly are expected to perform their duties of office and arrange their private affairs in a manner which promotes public confidence and trust in the integrity of each Member, maintains the Assembly's dignity and justifies the respect in which society holds the Assembly and its Members;
- Members of the Legislative Assembly, in reconciling their duties of office and their private interests, are expected to act with integrity and impartiality; and
- Ministers and their staff must avoid conduct that violates public trust or creates an appearance of impropriety.

Through the Conflicts of Interest Act, and the Public Service Act, the Office of the Ethics Commissioner:

- Promotes an understanding of Members of the Legislative Assembly, Designated Office Holder, Designated Senior Official, and political staff obligations under the Act;
- Receives financial disclosure statements from Members, Designated Senior Officials, Designated Office Holders as defined in the *Public Service Act*, and political staff in the Premier's and Ministers' offices;
- Provides advice to Members and former Members under the Act to all or groups of Members (including former Members) and to current or former political staff, Designated Senior Officials, and Designated Office Holders;
- Provides advice to individuals governed by post-employment restrictions; and
- Investigates alleged breaches of the *Conflicts of Interest Act* by Members, Designated Senior Officials, political staff and breaches of the conflicts of interest and post-employment provisions of the *Public Service Act* by Designated Office Holders.

Upon receiving an investigation report of conduct of a Member from the Office of the Ethics Commissioner, the Speaker is required to release the report publicly. If the Legislature is in session, the report is tabled in the Legislature. If the Legislature is not in session, the report is filed as an intersessional tabling. If the Ethics Commissioner recommends a sanction in an investigation report, the Legislative Assembly debates and votes on the investigation report within 15 days after the report is tabled, or at such other time determined by a resolution of the Legislative Assembly.

Under section 29 of the *Conflicts of Interest Act*, the Legislative Assembly may accept or reject the findings of the Office of the Ethics Commissioner or substitute its own findings. If the Legislative Assembly determines there is a breach, it may impose the sanction recommended by the Ethics Commissioner, any other sanction referred to in section 27(2) which it considers appropriate, or the Legislative Assembly may refrain from imposing a sanction. The Legislative Assembly has final authority about disciplinary matters relating to its Members.

Under the *Conflicts of Interest Act*, reports of an investigation involving a Designated Senior Official may only be disclosed by the Commissioner to:

- (a) to the individual under investigation,
- (b) to the person who made the request under section,
- (c) to the responsible Minister,
- (d) to the chief executive officer or, if no chief executive officer exists, to the chair, and
- (e) where the Ethics Commissioner believes on reasonable grounds that the disclosure is necessary for the purpose of advising the Minister of Justice and Solicitor General or a law enforcement agency of an alleged offence under this Part or any other enactment of Alberta or an Act of the Parliament of Canada, to the Minister of Justice and Solicitor General or a law enforcement agency.

Under the *Conflicts of Interest Act* reports of an investigation involving a political staff member may only be disclosed by the Commissioner to:

- (a) to the individual against whom the allegation was made,
- (b) in the case of a report respecting a member or former member of the Premier's and Ministers' staff who holds or held a position in the Premier's Office, to the Premier,
- (c) in the case of a report respecting a member or former member of the Premier's and Ministers' staff who holds or held a position in a Minister's office, to that Minister, and
- (d) where the Ethics Commissioner believes on reasonable grounds that the disclosure is necessary for the purpose of advising the Minister of Justice and Solicitor General or a law enforcement agency of an alleged offence under the Act or any other enactment of Alberta or an Act of the Parliament of Canada, to the Minister of Justice and Solicitor General or a law enforcement agency.

Under the *Public Service Act*, reports of an investigation involving a Designated Office Holder may only be disclosed by the Commissioner to:

(a) to the individual against whom an allegation was made,

- (b) to the Deputy Minister of Executive Council,
- (c) in the case of a report relating to a deputy minister, to the Minister to whom the deputy minister reports,
- (d) in the case of a report relating to the Deputy Minister of Executive Council, to the Premier,
- (e) in the case of a report relating to a member or person referred to in section 25.2(b), to the deputy minister to whom the member or person reports,

LOBBYISTS ACT

The *Lobbyists Act* is intended to enhance the integrity and accountability of government by fostering openness and transparency about who is influencing decisions made by public office holders. The *Lobbyists Act* establishes two categories of lobbyists: consultant lobbyists and organization lobbyists. The *Lobbyists Act* prohibits a person from lobbying the Government or a prescribed provincial entity and providing paid advice at the same time, and from lobbying in respect of a subject matter if a person associated with them provides paid advice to Government or a prescribed provincial entity on that subject matter (and vice versa), unless an exemption is granted.

The *Lobbyists Act* preamble describes its basic principles:

- Free and open access to government is an important matter of public interest;
- Lobbying public office holders is a legitimate activity;
- The public and public office holders should know who is engaged in lobbying activities;
- A registration system of paid lobbyists should not impede free and open access to government;
 and
- The public and public office holders should know who is contracting with the Government of Alberta and provincial entities.

During the fiscal year, the requirement to register as an organizational lobbyist applied once a lobbyist performs, or is required to perform, over 100 hours of lobbying annually, either individually or with others in their organization. However, some lobbyists, as a matter of practice, register before they reach the threshold. Consultant lobbyists are required to register within ten days of commencing an undertaking to lobby. The Office of the Ethics Commissioner maintains a web-based lobbyist registry system and database. It is searchable by the general public. The registry provides openness and transparency by:

- Recording the identities and activities of people paid to influence decisions made by public office holders;
- Recording the identities of organizations and clients who pay lobbyists to influence the activities of public office holders on their behalf;
- Allowing lobbyists to register, update, renew and terminate registrations by submitting returns and notices for acceptance into the system; and
- Allowing public scrutiny.

The registry allows access 24 hours per day, seven days per week, for both the public and lobbyists.

The Ethics Commissioner may authorize any individual in the Office of the Ethics Commissioner to act as Registrar and to perform any of the powers, duties or functions of the Registrar under the *Lobbyists Act.* The Ethics Commissioner delegates the administrative and enforcement responsibilities of the Registrar to the Lobbyist Registrar, who is also the General Counsel to the Ethics Commissioner.

Under the *Lobbyists Act*, certain powers and responsibilities are reserved for the Ethics Commissioner and cannot be delegated, including:

- Exemptions from the contracting prohibitions in s. 6 of the Lobbyists Act (eg. allowing a person
 to provide paid advice to government while at the same time lobbying the government), with or
 without conditions;
- · Issuing advisory opinions and interpretation bulletins; and
- Banning serious offenders from lobbying.

The Ethics Commissioner reports to the Legislative Assembly through the Speaker on investigations under the *Lobbyists Act*. If the House is sitting, the report is tabled. If the House is not sitting, the report is distributed to Members after which the Ethics Commissioner may make the report public. A report provided when the House is not sitting is tabled when the House next sits.

DISCLOSURE PROCESS

This year, all Members of the Legislative Assembly, Designated Office Holders and political staff complied with their obligation to file disclosure statements. However, several were late in filing and had to be reminded they were late and would be subject to an administrative penalty if the disclosure was not filed within a set period of time. This year, a number of administrative penalties were assessed.

Disclosure statements include information about the Member, Designated Office Holder, or political staff, their spouse or adult interdependent partner and minor children.

It requires disclosing:

- All assets, ownership of publicly traded securities, liabilities and financial interests of any private corporation in their control;
- Any legal proceedings brought against them and any taxes owing.

The Office of the Ethics Commissioner received private disclosures from 87 Members and met with each Member personally to discuss their disclosure. Previously, Members' public disclosure statements were released through the Office of the Clerk of the Legislative Assembly. However, as a result of the changes to the *Conflicts of Interest Act* in December 2014, public disclosure statements are now posted on the Office of the Ethics Commissioner website sometime after the Member's meeting with the Ethics Commissioner.

Designated Office Holders are required to submit disclosure statements under the *Public Service Act*, and Designated Senior Officials will be required to submit disclosure statements under the *Conflicts of Interest Act*. Disclosure meetings were conducted with all Designated Office Holders in 2017-2018 and in 2018-2019 disclosure meetings will be held with Designated Senior Officials as they become subject to the reporting requirements. There are no public disclosure statements for Designated Office Holders or Designated Senior Officials.

Certain senior political staff, Chiefs of Staff, Press Secretaries and Ministerial Assistants are also required to provide financial disclosure to the Office of the Ethics Commissioner as a result of the changes to the scope of the *Act* in December 2014. There are no public disclosure statements for political staff.

Percentage of individuals who submitted all required disclosure information by the deadline

Category of Filer:	Compliance
Members of the Legislative Assembly (87 MLAs)	15 late filing warning letters issued. 3 MLAs were issued an administrative penalty for late filing.
Designated Office Holders (fluctuated – 40 to 44)	No late letters issued, no delinquent filers.
Political staff (fluctuated – 108 to 124) Note: In 2014-15, there were approx. 50 political staff who had to report.	10 late filing warning letters issued 1 political staff member was issued an administrative penalty for late filing.

REQUESTS FOR ADVICE

If Members, Designated Office Holders, Designated Senior Officials, or political staff seek and follow advice from the Ethics Commissioner, they are protected from prosecution for a breach of the *Conflicts of Interest Act*. Advice is typically given in writing.

A confidential and searchable database of all requests and both verbal and written advice is maintained by the Office of the Ethics Commissioner for future reference to ensure consistent responses under similar circumstances to similar requests for advice. This database is only accessible by staff working in the Office of the Ethics Commissioner.

Total Requests for Advice under the Conflicts of Interest Act



Breakdown of Requests for Advice

Types of Advice	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Gifts	25	58	80	110	267	280	253
Post-Employment	38	37	36	95	105	26	40
Outside Activities	23	27	26	19	17	12	20
Investments	19	17	22	13	24	19	7
Family	5	15	10	18	12	10	9
Constituency Issues	5	12	20	8	13	10	9
Codes of Conduct	14	12	3	5	26	2	0
Contracts with the Crown	4	9	10	9	10	7	2
Taking Part in Decisions	1	9	4	6	6	7	14
Conflicts of Interest/Other	n/a	n/a	9	27	57	41	38
Reviewing SO Appointments	n/a	n/a	14	10	3	15	7
Total	147	204	242	320	540	429	399

Gifts

Questions are raised about accepting tickets to sporting events, invitations to fundraisers, invitations to conferences and non-commercial flights. Members are required to track all gifts over \$100, including event tickets, to ensure they have accurate records for yearly disclosure and are mindful of both the value of cumulative gifts they receive from one source in a reporting year and any connection between a source and the Member's public responsibilities.

Post-Employment

Post-employment questions arise from departing Ministers, Designated Office Holders and political staff.

Outside Activities

Questions regarding outside activities almost exclusively deal with volunteer board activities in community organizations and clarification on external business activities.

Investments

Investment requests relate to blind trusts and personal investments of the individual or their family. Where potential conflicts existed, appropriate steps were taken by the parties to remove themselves from the situation prior to a conflict arising.

Family

Questions involving family members involve either the employment or activities of a spouse or child.

Constituency Issues

Questions relate to assisting constituents, using the constituency allowance for social obligations within the constituency. Where questions about the Member's constituency allowance fall within the mandate of the Office of the Speaker, the Member is referred to Legislative Assembly Office.

Codes of Conduct

Several agencies, boards and commissions, seek informal confidential advice on conflict of interest matters relating to their agency's code of conduct.

Contracts

Contract questions are often raised by individuals about their dealings with Alberta Treasury Branch, and by others regarding other business, financial or Crown contracts.

Taking Part in Decisions

Generally, individuals consider their personal holdings and those of close family members and ask whether it is appropriate to participate in a decision before the Legislative Assembly or one of its committees, or before Executive Council or one of its committees. The Office of the Ethics Commissioner advises whether a private interest is involved or whether the matter is a general application which affects the Member only as a broad class of the public, thereby allowing the Member to participate and vote.

Conflicts of Interest/Other

This is a general category where requests for advice do not fall within the other categories but do fall within the general scope of the *Conflicts of Interest Act*.

Reviewing Senior Official Appointments and Vetting of Potential Board Member Appointments

Sometimes, as part of the screening and hiring process, potential conflicts of interest issues arise with certain candidates for certain senior government or board positions. In these cases, or in cases where

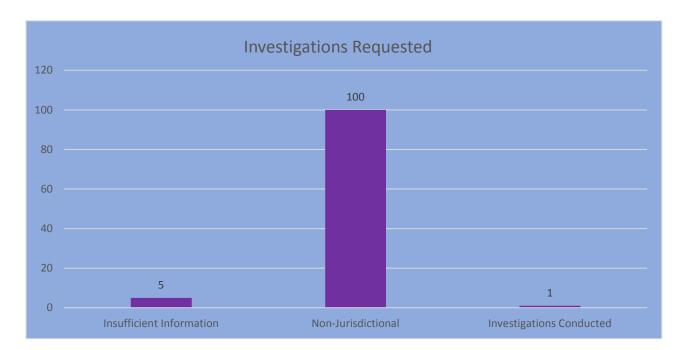
it is prudent to ensure there are no underlying conflict of interest issues, the Office of the Ethics Commissioner may review selected candidate's backgrounds and investment holdings to ensure there are no issues and provide related advice.

REQUESTS FOR INVESTIGATION

Investigation requests, once received, are considered and then acted upon accordingly. If sufficient evidence and grounds are provided, and the issue is within the jurisdiction of the Office of the Ethics Commissioner, an investigation is conducted. If the request is vague or frivolous or contains overly broad allegations, and further relevant information is not provided upon request, the request is categorized as "insufficient information". If sufficient information is provided, but the request is determined to pertain to someone other than a Member, Designated Office Holder or political staffer, or is a complaint that does not fall within the scope of the *Conflicts of Interest Act*, it is classified as "non-jurisdictional".

The majority of requests for investigation involved matters that are outside the jurisdiction of the Office.





Of the 105 requests for investigation, the Office of the Ethics Commissioner found the Office had jurisdiction on only one request.

1. The Office conducted an investigation under the *Public Service Act* into allegations concerning Mr. Carl Amrhein, Deputy Minister of Alberta Health. The Government of Alberta released this report publicly following the investigation.

Investigation reports that were tabled in the Legislative Assembly can be found at: http://www.ethicscommissioner.ab.ca/publications/investigation-reports/commissioner-trussler/

REQUESTS FOR INFORMATION

The Office of the Ethics Commissioner received 36 requests for information this year, down from 60 the year prior. The majority of requests were from callers seeking clarification about the Office of the Ethics Commissioner's mandate and the relevant legislation. Information requested concerned employment standards, professional standards and conduct, Member compensation, post-employment, blind trusts, gift acceptance, public disclosure, conduct in non-profit organizations and legislation surrounding investigations. Callers who could not be assisted were referred, where possible, to the appropriate office that could answer the inquiry.

COMPARATIVE SUMMARY STATISTICS

Total Requests Received for:	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Advice	147	204	242	320	540	429	399
Investigations	20	11	9	26	79	114	105
Information	95	208	140	23	30	60	36
TOTAL	262	423	391	369	649	603	540

BUDGET AND FISCAL UPDATE

The Office of the Ethics Commissioner continually ensures prudent expenditure of public funds and strives to find internal efficiencies and savings wherever possible and reasonable. As a result, the office's expenses last year were less than budgeted.

Full copies of the 2017-18 audited financial statements are located on the Office of the Ethics Commissioner website: http://www.ethicscommissioner.ab.ca/publications/annual-reports/.

	2014-15	2014-15	2015-16	2015-16	2016-17	2016-17	2017-18	2017-18
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Salaries	\$638,000	\$642,539	\$703,000	\$619,149	\$697,000	\$718,673	\$709,000	\$687,391
Supplies	\$335,000	\$253,408	\$450,500	\$157,637	\$433,000	\$287,540	\$240,000	\$185,623
and								
Expenses								
Total	\$973,000	\$895,947	\$1,153,500	\$776,786	\$1,130,000	\$1,006,213	\$949,000	\$873,014
Surplus								
or	n/a	\$77,053	n/a	\$376,214	n/a	\$123,787	n/a	\$75,986
(Deficit)								

EVENTS AND CONFERENCES

In 2017-18, the Office of the Ethics Commissioner attended the annual Canadian Conflicts of Interest Network Conference (CCOIN) in Prince Edward Island, and the new Lobbyist's Registrar attended the Lobbyist Registrar and Commissioner Network (LRCN) Annual Conference in Saskatchewan and the Conference on Governmental Ethics (COGEL) in Toronto.

Participating in annual conferences is very beneficial to further the work of the Office. Conferences provide the Office of the Ethics Commissioner the opportunity to exchange information with peers on issues of common interest and review legislative and regulatory differences and trends.

PUBLICATIONS

A routine review of brochures and guides is undertaken each year to ensure they are current. Educational information is reviewed to ensure it is as user-friendly as possible. All brochures and bulletins on the public website were reviewed and updated in 2017.

PUBLIC INTEREST DISCLOSURE ACT REPORTING

The Office of the Ethics Commissioner received zero disclosures, and conducted zero investigations, under the Public Interest Disclosure Act during the fiscal 2017-2018 reporting year.

LOBBYISTS ACT AND REGISTRY UPDATE

LEGISLATIVE REVIEW

In July 2017, the Standing Committee on Resource Stewardship submitted its final report to the Legislative Assembly regarding the review of the *Lobbyists Act*. A number of the suggestions, of varying degrees of importance, made by the Office of the Ethics Commissioner were not addressed in the Committee's final report. A copy may be obtained here:

http://www.assembly.ab.ca/committees/PastReports/2017/Review%20of%20the%20Lobbyists%20Act.pdf

REQUESTS FOR INFORMATION

In addition to the many requests for technical assistance with navigating the Lobbyist Registry which the Office received and addressed, the Lobbyist Registrar continued to receive and respond to requests for information from lobbyists, potential lobbyists, and other interested parties about interpreting the *Lobbyists Act* provisions. Responding to these requests for information and assisting with the use of the Lobbyist Registry were part of our proactive approach to achieving compliance with the *Lobbyists Act* and to reducing the amount of enforcement action required. We frequently addressed questions about:

- whether a particular organization or individual needs to be registered as a lobbyist;
- the applicable registration requirements;
- whether certain information must be disclosed in a registration and how to disclose the required information;
- whether certain activities constitute lobbying;
- the prohibitions in the Lobbyists Act;
- how to set up an account;
- how change a password, account user, or account information;
- how to submit, update or terminate a return.

Questions regarding interpretation of the *Lobbyists Act* and use of the Lobbyist Registry were responded to by email and by phone and were consistently addressed in a timely manner.

INFORMATION ON FILING REGISTRATIONS

The Lobbyist Registrar continued to review returns submitted to the Lobbyist Registry with a view to ensuring compliance with the applicable registration requirements. There was a focus on ensuring that the descriptions of the subject matter details of the lobbying activities were sufficiently specific and clear in respect of the client's or the organization's particular lobbying interests, activities and objectives. There also was a focus on ensuring that lobbyists correctly completed and updated the lobbyist information and organization or client information required to be disclosed in returns, including identifying all current directors and officers as required, disclosing government and government agency funding as required, and updating the lists of current and former lobbyists.

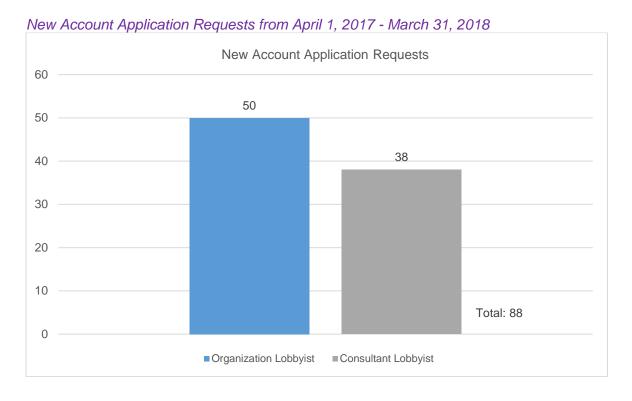
INVESTIGATIONS AND ENFORCEMENT

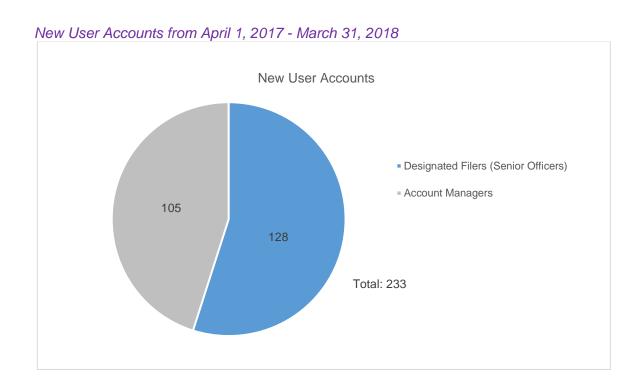
Although the Office continues to assist lobbyists with using the Lobbyist Registry and with understanding the various requirements and restrictions to which they are subject under the *Lobbyists Act* as part of our proactive approach to compliance, lobbyists are responsible for ensuring that they are familiar and comply with their obligations under the Act and that the information they provide in their returns is forthright, complete and accurate.

The Lobbyist Registrar and Ethics Commissioner have numerous enforcement powers available to promote compliance with the Act, including the ability to commence an investigation, impose an administrative penalty, and impose a prohibition from lobbying and from filing or having a return filed for a period of up to 2 years if a lobbyist is convicted of an offence.

Section 15 of the *Lobbyists Act* provides when the Lobbyist Registrar shall conduct an investigation and when the Registrar may refuse or cease to conduct an investigation. There were no requests for an investigation under the *Lobbyists Act* received from April 1, 2017 to March 31, 2018.

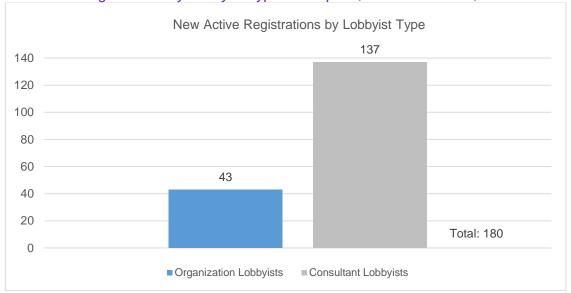
STATISTICAL YEAR IN REVIEW

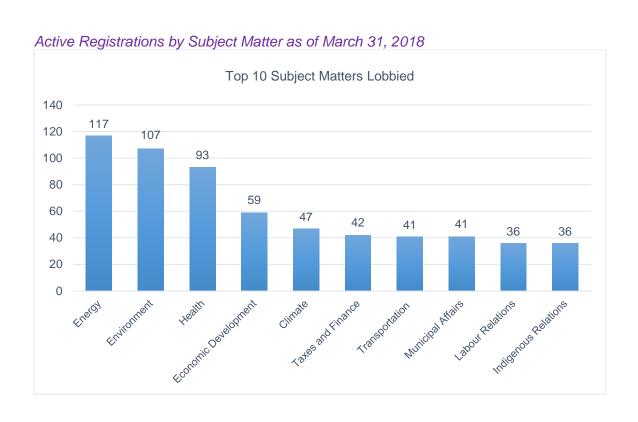






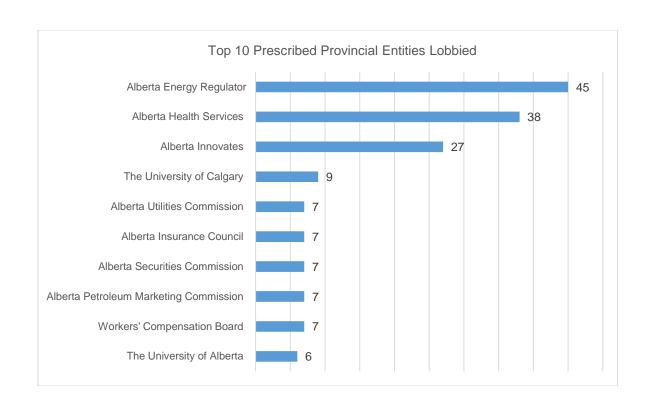


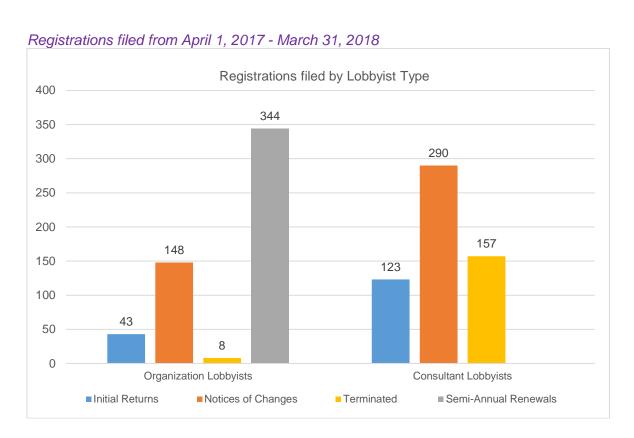






Active Registrations by Prescribed Provincial Entities Lobbied as of March 31, 2018





Registry Website Activity from June 1, 2017 - March 31, 2018





Definition
Users who have initiated at least one session during the date range.
The number of first-time users during the selected date range.
Pageviews is the total number of pages viewed. Repeated views of a single page are counted.
Total number of sessions within the date range. A session is a group of user interactions with our website that take place within a given time frame. For example a single session can contain multiple page views, events, and applications.
Pages is the average number of pages viewed during a session. Repeated views of a single page are counted.
The average number of sessions per user.
The percentage of single-page sessions in which there was no interaction with the page. A bounced session has a duration of 0 seconds. A high bounce rate indicates that website users land on one page and leave without clicking on anywhere else on the website.

*web tracking commenced in June 2017