

QP BRIEFING

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1). *SUDBURY BRIBERY TRIAL: CROWN OUTLINES ALLEGATIONS*

By: Jessica Smith Cross

The Crown lawyers have outlined their case in the bribery trial of two Liberal operatives — which includes an allegation that Energy Minister Glenn Thibeault requested paid positions for two of his constituency staffers as a condition for running for the Ontario Liberals.

Prosecutor David McKercher outlined the case in a brief opening statement in a Sudbury courtroom Wednesday morning. Much of the Crown's case is already known: both Gerry Lougheed Jr. (a local Liberal organizer and funeral home owner) and Patricia Sorbara (Premier Kathleen Wynne's former deputy chief staff) are accused of offering Andrew Olivier (the party's candidate in the 2014 election) a bribe, in the form of a job, in order for him not to seek the Liberal party nomination in the 2015 byelection.

The political context, according to the Crown, is that Wynne and the Liberal leadership wanted a smooth acclamation for Thibeault to avoid a contested nomination, which they believed Olivier would win, and avoid Wynne having to appoint a candidate, which could be politically controversial.

However, Sorbara is facing a second bribery charge and McKercher offered new information about the allegations it is based on. McKercher said the Crown's evidence is intended to show that Thibeault had outlined three conditions in order for him to quit his job as an NDP MP and run for the Ontario Liberals in Sudbury: income replacement for himself, paid positions for two members of his Sudbury constituency staff and full campaign support from the Liberal party.

It is the alleged second condition — the paid positions — that form the basis of the second charge against Sorbara, McKercher said.

While Thibeault is not on trial, the opposition called for his resignation over the issue. For his part, Thibeault has denied he sought "anything that could be seen as a bribe," in order to run for the Liberals.

McKercher said the Crown's evidence will include the testimony of 17 witnesses, including Wynne and Thibeault, a collection of Sorbara's emails, and three taped conversations.

Olivier taped the three conversations and posted two of them, conversations with Lougheed and Sorbara, online. The third conversation is between Olivier and Sorbara, and occurred in November 2014. It was discovered by the defence only days before the trial began, the court heard.

Neither defendants' counsel offered a full opening statement Wednesday morning, but both spoke to clarify their position on the use of the word "candidate." Both argue that there is a difference between the word "candidate" in the Election Act, under which both defendants are charged, and the nominee of a political party.

Sorbara's lawyer, Brian Greenspan, argued a nomination for a party is not tantamount to candidacy in an election, but rather refers to the internal workings of a political party.

For reference, the Election Act defines "candidate" as follows:

"candidate at an election" and "candidate" mean a person elected to serve in the Assembly and a person who is nominated as a candidate at an election or is declared by himself or herself or by others to be a candidate on or after the date of the issue of the writ or after the dissolution or vacancy in consequence of which the writ has been issued;

And the offence at issue — bribery under the Election Act — also refers to "candidate."

96.1 No person shall, directly or indirectly,

(e) give, procure or promise or agree to procure an office or employment to induce a person to become a candidate, refrain from becoming a candidate or withdraw his or her candidacy.
1998, c. 9, s. 44.

Michael Lacy, Lougheed's lawyer, argued that means the Crown has no case, quipping that Oliver's "wishful thinking" doesn't transform him into a candidate under the Election Act.

"All of which may cause you to wonder why we're here," he added.

2). PC RIDING ASSOCIATION BOARD MEMBERS JUMP SHIP FOR TRILLIUM PARTY

By: Christopher Reynolds

Most of the Progressive Conservative riding association board in Scarborough Centre has stepped down, with about half flocking to the Trillium party.

Eight board members say in a joint letter that their decision was prompted by "unfair" application of the party rules and "loss of confidence in Patrick Brown." It comes in the wake of a chaotic nomination meeting in June freighted with questions over the validity of some party memberships.

Twelve of 16 board members abandoned ship last week, according to several of those who resigned and resignation letters from Aug. 29 obtained by QP Briefing. Five of the ex-Tories are already newly minted members of the Trillium Party of Ontario, according to that party. The Trillium Party's freshly anointed Scarborough Centre riding association president is Chris Mellor — who stepped down from the PC association board last week.

"There's a myriad of problems," said Mellor, who served as PC board president in Scarborough Centre for three years until February. He cited "general dissatisfaction with the direction the party is taking under Patrick Brown" and finding the board "completely ignored and overwritten."

He said the Trillium party, which counts former PC MPP Jack MacLaren among its ranks, appealed to him as a centre-right, "constituency-based" party that "respected democracy."

Eight board members, including Mellor, signed off on a frankly-worded second resignation letter, also obtained by QP Briefing, which was sent Tuesday to PC Leader Patrick Brown, party executive director Bob Stanley and party president Rick Dykstra.

The letter cites "arbitrary and unfair application of rules" to Scarborough Centre prospective's nominees and alleges "false information" from Stanley following the nomination race. It also says party leadership overrode the association's "authority to run its own nomination meeting leading to the chaos that ensued." It alleges that "chaos" includes the accusations of intimidation, threats, disorder and voter fraud.

<http://www.qpbriefing.com/wp-content/uploads/2017/09/PCPO-riding-resignation-letter-signed--216x300.jpg>

The letter goes on to assert the signatories' "loss of confidence in Patrick Brown as a leader," citing his "radical reversal" on issues including sex education, support for a carbon tax, and "the democratic process" at the nomination level.

Trillium party president Bob Yaciuk confirmed the five new additions to its Scarborough Centre board.

"It definitely tells you there's a lot of disgruntled people in Scarborough with the PCs," Yaciuk said.

"This kind of defection, I've never heard of this stuff happening in my 30-some years of being intimately and actively involved in politics. I mean, how many do we have now that have just

quit, that just abandoned a party this close to an election because of disgruntled-ness?" he asked.

Scarborough Centre joins at least three other ridings that saw mass resignations by PC association boards over the summer due to ideological differences or alleged irregularities at nomination votes: Newmarket - Aurora, Ottawa West - Nepean, and Kanata - Carleton. Meanwhile, there is lawsuit and police probe into the Hamilton West - Ancaster - Dundas nomination.

In May, Brown hired private auditors PwC to oversee all nominations meetings going forward.

Brown, Dykstra and Stanley did not respond to questions on the resignations by press time.

Raphael Rosch, a former pastor, self-declared "social conservative" and now card-carrying member of the pro-life Ontario Alliance Party, was part of last week's resignation wave.

"People like me are not welcome now," he said, of the PC party.

Jun Calaguio, who served on the PC board in Scarborough Centre since 2010, and his wife Trinidad Calaguio said they stepped down "because we were so disgusted with the way the party was being run."

"The association didn't have any teeth at all, any say with regard to policies," Calaguio added. "Our frustrations have been bothering us for so long ... we really hate to leave the party ... It really hurts me so much."

Board president Basu Mukherjee remains at the helm, according to multiple ex-board members. Marilyn Mushinski, the last Tory MPP to represent the riding, resigned in July after Thenusha Parani won the nomination in a hectic vote on June 26, when police were apparently called amidst accusations of invalid memberships.

3). *ONTARIO'S DEFICIT DROPS TO \$1 BILLION, THOUGH FISCAL WATCHDOGS AREN'T SATISFIED*

By: Christopher Reynolds

The province dug itself into a near-\$1 billion fiscal hole last year — \$3.3. billion lower than projected in the 2016 budget. But Ontario's financial watchdogs aren't smiling; they're baring their teeth.

Auditor general Bonnie Lysyk said Thursday the government "significantly understated" its deficit — \$1.4 billion in her view — while the Financial Accountability office this week called the Liberal plan to reduce the debt burden "unlikely."

Finance Minister Charles Sousa and Treasury Board President Liz Sandals said Thursday the lower-than-expected \$991-million deficit is due to billions in increased revenue — partly from land transfer taxes in a scorching real estate market — spending cuts to programs and lower interest costs for the provincial debt.

Last year, Lysyk critiqued the inclusion of two public pensions — the Ontario Teacher's Pension Plan and the Ontario Public Service Employee's Union Pension Plan — as assets on the government ledger. The auditor general said earlier this year that the taxpayer-funded pension surpluses, which amount to \$10.7 billion, shouldn't be pegged as assets because the government does not have easy access to the funds.

"The public wants to know, are you managing your deficit?" Sandals said Thursday at the release of the province's 2016-217 public accounts. "Is your deficit getting smaller? Are you going to balance the budget this year? Quite frankly, I don't think the public is terribly hung up on accounting disagreements."

Added Sousa: "The interpretation of accounting standards is not up to us, those are up to the experts. But what we can control, we've exceeded," he said, citing "confidence in Ontario's economy" by investors.

Lysyk said in a release Thursday that government's "statements were not prepared following Canadian Public Sector Accounting Standards."

She also warned that the complex accounting mechanics behind the province's hydro-bill reduction could add to a bigger-than-expected deficit next year. A special report on that topic will be tabled in the fall.

The actuarial acrimony comes as the government stuck to his pledge to balance the budget ahead of the election on June 7, 2017.

The Financial Accountability office said in a commentary this week that the province's plan to reduce the debt-to-GDP ratio to its pre-recession level of 27 per cent rests on dubiously "optimistic" assumptions around balanced budgets, capital spending and GDP growth.