# FW: Interview request: Cindy Veinot

**From:** "Hadisi, Lawvin (TBS)" <lawvin.hadisi@ontario.ca>
**To:** "Pichelli, Jason (TBS)" <jason.pichelli@ontario.ca>
**Date:** Wed, 18 Apr 2018 13:41:57 -0400

---

**From:** McClearn, Matthew <MMcClearn@globeandmail.com>
**Date:** Wednesday, Apr 18, 2018, 1:24 PM
**To:** Hadisi, Lawvin (TBS) <Lawvin.Hadisi@ontario.ca>
**Cc:** Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca>
**Subject:** RE: Interview request: Cindy Veinot

Okay, Lawvin. I respect Ms. Veinot's decision to decline the interview request.

Please let Ms. Veinot know that the story will explore her instruction to the IESO to consider changing its accounting policies. It's my understanding that at the time, Ms. Veinot was already involved with the team that was designing the Fair Hydro Plan's financial and accounting structure. Ms. Veinot later signed the Statement of Responsibility on the Province's financial statements, notwithstanding the Auditor General's warnings that the IESO was using improper accounting that might result in future misstatements on Ontario's public accounts. We'll be reporting the government's assertions that the IESO's decision to change its accounting policies was unrelated to the Fair Hydro Plan, and noting that those accounting policies were put to immediate use with the Fair Hydro Plan, and that the Auditor General insists those two developments were directly related. We'll be noting that Ms. Veinot declined our interview request.

If she changes her mind between now and when the story is finalized, I welcome her to contact me directly. My line is (416) 585-5487. Regards,

Matt.

THE GLOBE AND MAIL

**Matthew McClearn** | Data journalist, Enterprise Team
p: 416.585.5487 | m: 416.705.6047 | e: mmcclearn@globeandmail.com

---

**From:** Hadisi, Lawvin (TBS) [mailto:Lawvin.Hadisi@ontario.ca]
**Sent:** Wednesday, April 18, 2018 12:50 PM
**To:** McClearn, Matthew
**Cc:** Tharani, Alisha (TBS)
**Subject:** RE: Interview request: Cindy Veinot

Hi Matt,

Thanks for your patience. It's been crazy today at Queen's Park.

We don't traditionally offer civil servants for interviews. We're happy to continue to work with you to provide answers to your questions.

I understand Alisha is fact-checking something for you. We will get back to you as soon as possible.

Let me know if you have any additional questions.

Thanks.

Lawvin

---

**From:** McClearn, Matthew [mailto:MMcClearn@globeandmail.com]
**Sent:** April 16, 2018 1:51 PM
**To:** Hadisi, Lawvin (TBS)
**Subject:** RE: Interview request: Cindy Veinot

Very good. Thanks, Lawvin and Alisha. Regards,

Matt.

Sent from Mail for Windows 10

---

**From:** Hadisi, Lawvin (TBS)
**Sent:** April 16, 2018 1:45 PM
**To:** McClearn, Matthew
**Cc:** Tharani, Alisha (TBS)
**Subject:** RE: Interview request: Cindy Veinot

Hi Matt,

Thanks for your email.

I have cc'd Alisha Tharani who will help you with your request. She has better insight into Cindy's schedule.

Best,

Lawvin

---

**From:** McClearn, Matthew [mailto:MMcClearn@globeandmail.com]
**Sent:** April 16, 2018 11:30 AM
**To:** Hadisi, Lawvin (TBS)
**Subject:** Interview request: Cindy Veinot

Lawvin:

I'll be publishing a story about the financial and accounting structure of the Fair Hydro Plan in the near future, and I wanted to request an interview with Cindy Veinot this week, if she's available. My own schedule is quite flexible. Please let me know when you have a moment. Thanks and regards,

Matt.

Sent from [Mail](Mail) for Windows 10

**From:** [Hadisi, Lawvin (TBS)](Hadisi, Lawvin (TBS))
**Sent:** April 5, 2018 3:29 PM
**To:** [McClearn, Matthew](McClearn, Matthew)
**Subject:** RE: Cindy Veinot's instructions to IESO

Hi Matt,

I appreciate your patience with this request.

Below is our response to your questions.

Best,

Lawvin

-
**Questions:**
1) On what date did Ms. Veinot ask the IESO to "look at" the issue of market accounts on the IESO's financial statements?
2) What form did this request take? (Letter, memo, personal conversation, etc.)
3) To whom at IESO did Ms. Veinot direct this request?
4) Did Ms. Veinot indicate to the IESO a time frame in which her instructions were to be executed? If so, what was that timeframe?

**Response:**
During the week of January 16, 2017, Cindy Veinot, Assistant Deputy Minister and Provincial Controller had a conversation with Kim Marshall, Vice President, Corporate Services and Chief Financial Officer regarding IESO's financial reporting of market accounts. She requested IESO take a closer look at the accounting for market accounts on their financial statements. While no specific timeframe was discussed during the conversation, the intention of the request was to have this review completed before the province's year-end of March 31, 2017.

**Background:**
In its 2016 financial statements, the Independent Electricity System Operator (IESO) began recognizing its market accounts' assets (amounts due from power distributors) and liabilities (amounts due to power producers) in its financial results. IESO has chosen to recognize these market accounts on its books for transparency reasons, as it better reflects the financial position of the IESO-administered markets at year-end.

This change was supported by the IESO's audit committee, its independent external auditor (KPMG), and by the Office of the Provincial Controller.

As standard practice, the financial statements of the IESO for the year-ended December 31, 2016 were subject to an external audit by KPMG. KPMG issued an unqualified (or clean) opinion stating that the financial statements of the IESO were fairly presented, in all material respects, in accordance with Public Sector Accounting Standards (PSAS).

This accounting is consistent with the presentation used previously by the Ontario Power Authority (which was merged with the IESO on January 1, 2015) in its financial statements, which was not subject to qualification from the Office of the Auditor General at that time.

The Office of the Provincial Controller is responsible for the integrity of the government's public financial reporting, including consolidation of all organizations within the reporting entity, as presented within the Public Accounts of Ontario. The province's consolidated financial statements, including the entities it controls and consolidates (such as the IESO), are presented in accordance with PSAS and the government's internal reporting policies. Each consolidated entity (such as the IESO) produces its own stand-alone financial statements and is subject to its own financial statement audit.

**From:** McClearn, Matthew [mailto:MMcClearn@globeandmail.com]

**Sent:** April 4, 2018 1:42 PM
**To:** Hadisi, Lawvin (TBS)
**Subject:** RE: Cindy Veinot's instructions to IESO

Okay, thanks for the prompt response. Regards,

Matt.

**Matthew McClearn** I Data journalist, Enterprise Team
p: 416.585.5487 I m: 416.705.6047 I e: mmcclearn@globeandmail.com

---

**From:** Hadisi, Lawvin (TBS) [mailto:Lawvin.Hadisi@ontario.ca]
**Sent:** Wednesday, April 04, 2018 1:41 PM
**To:** McClearn, Matthew
**Subject:** RE: Cindy Veinot's instructions to IESO

Hi Matt,

Yes I am working on it. Will get you something asap.

Sorry it's taking so long.

---

**From:** McClearn, Matthew [mailto:MMcClearn@globeandmail.com]
**Sent:** April 4, 2018 1:40 PM
**To:** Hadisi, Lawvin (TBS)
**Subject:** RE: Cindy Veinot's instructions to IESO

Lawvin:

Any word on this? Please advise. Thanks and regards,

Matt.

**Matthew McClearn** I Data journalist, Enterprise Team
p: 416.585.5487 I m: 416.705.6047 I e: mmcclearn@globeandmail.com

---

**From:** Hadisi, Lawvin (TBS) [mailto:Lawvin.Hadisi@ontario.ca]
**Sent:** Thursday, March 29, 2018 2:26 PM
**To:** McClearn, Matthew

**Subject:** RE: Cindy Veinot's instructions to IESO

Thanks for the update. We will touch base shortly.

---

**From:** McClearn, Matthew [mailto:MMcClearn@globeandmail.com]
**Sent:** March 29, 2018 2:13 PM
**To:** Hadisi, Lawvin (TBS)
**Subject:** RE: Cindy Veinot's instructions to IESO

Lawvin:

I don't have a firm deadline at this point. But it's one of those stories that could go from draft to published quite quickly. I'll be chatting with my editor about it next week. It's certainly not running this weekend. Regards,

Matt.

Sent from Mail for Windows 10

---

**From:** Hadisi, Lawvin (TBS)
**Sent:** March 29, 2018 1:36 PM
**To:** McClearn, Matthew
**Subject:** RE: Cindy Veinot's instructions to IESO

Hi Matthew - can you let me know your absolute deadline?
Thanks.
Lawvin

From: McClearn, Matthew <MMcClearn@globeandmail.com<mailto:MMcClearn@globeandmail.com>>
Date: Monday, Mar 26, 2018, 11:02 AM
To: Hadisi, Lawvin (TBS) <Lawvin.Hadisi@ontario.ca<mailto:Lawvin.Hadisi@ontario.ca>>
Subject: RE: Cindy Veinot's instructions to IESO

Lawvin:

Yes, please, I'll be writing more on this. Regards,

Matt.

[cid:5114D3B1-1410-4891-8833-0259441E2F64]
Matthew McClearn I Data journalist, Enterprise Team
p: 416.585.5487 I m: 416.705.6047 I e:
mmcclearn@globeandmail.com<mailto:mmcclearn@globeandmail.com>

From: Hadisi, Lawvin (TBS) [mailto:Lawvin.Hadisi@ontario.ca]
Sent: Monday, March 26, 2018 10:58 AM
To: McClearn, Matthew
Subject: RE: Cindy Veinot's instructions to IESO

Hi Matt,

Just to confirm, do you still want the answers to the questions below. I saw your story today but wasn't sure if you are doing a follow up.

Let me know.

Lawvin

From: McClearn, Matthew [mailto:MMcClearn@globeandmail.com]
Sent: March 23, 2018 11:14 AM
To: Hadisi, Lawvin (TBS)
Subject: RE: Cindy Veinot's instructions to IESO

Lawvin:

Okay, thanks. I'm filing an early draft today, but we'll have opportunities to revise next week. No publication date yet.

Matt.

[cid:5114D3B1-1410-4891-8833-0259441E2F64]
Matthew McClearn I Data journalist, Enterprise Team
p: 416.585.5487 I m: 416.705.6047 I e:
mmcclearn@globeandmail.com<mailto:mmcclearn@globeandmail.com>

From: Hadisi, Lawvin (TBS) [mailto:Lawvin.Hadisi@ontario.ca]
Sent: Friday, March 23, 2018 10:15 AM
To: McClearn, Matthew; Nekolaichuk, Colin (ENERGY)
Subject: RE: Cindy Veinot's instructions to IESO

Hi Matt,

Treasury Board will handle questions pertaining to the Office of the Provincial Controller.

We will work on your request. What is your deadline?

Thanks.

Lawvin

From: McClearn, Matthew [mailto:MMcClearn@globeandmail.com]
Sent: March 22, 2018 5:45 PM
To: Nekolaichuk, Colin (ENERGY)
Cc: Veinot, Cindy (TBS); Hadisi, Lawvin (TBS)
Subject: RE: Cindy Veinot's instructions to IESO

Hey, Colin. I just want to confirm that the MOE represents Ms. Veinot for the purposes of communications. That's not what I expected, so please confirm. Thanks and regards,

Matt.

[cid:5114D3B1-1410-4891-8833-0259441E2F64]
Matthew McClearn I Data journalist, Enterprise Team
p: 416.585.5487 I m: 416.705.6047 I e:
mmcclearn@globeandmail.com<mailto:mmcclearn@globeandmail.com>

From: Hadisi, Lawvin (TBS) [mailto:Lawvin.Hadisi@ontario.ca]
Sent: Thursday, March 22, 2018 3:40 PM
To: McClearn, Matthew
Cc: Nekolaichuk, Colin (ENERGY)
Subject: RE: Cindy Veinot's instructions to IESO

Hi Matthew,

Thank you for your email.

I have cc'd my colleague Colin who can help with your request.

Any additional questions can be directed to him.

Best,

Lawvin

From: McClearn, Matthew [mailto:MMcClearn@globeandmail.com]
Sent: March 22, 2018 3:26 PM
To: Hadisi, Lawvin (TBS)
Subject: Cindy Veinot's instructions to IESO

Lawvin:

It's McClearn here again.

Before the Public Accounts Committee on Feb. 28, 2017, provincial controller Cindy Veinot testified to the following:

There are two different issues. One is the reflection of market accounts in the financial statements of the IESO. As the provincial controller, I actually asked the IESO to look at that issue. When I first heard about the fact that the IESO had a second set of accounts that was not reflected in their financial statements, I asked them to consider whether or not that was the appropriate accounting treatment.

She also said:

The issue that the Auditor General qualified the statements on, the inclusion of market accounts, is something that I directed them, I asked them to look at, because I didn't think the accounting that they were doing, which was not showing any of the $17 billion in the transactions that they settled for the market—I didn't think it was appropriate.

Before the same committee, IESO CFO Kim Marshall testified:

We fast-forward a couple of years and we have some conversations with a new provincial controller. At that time, there are questions about, "But why do you do what you do?" So we undertook some processes to go, first of all, right back to the beginning of the IESO and see what was some of the advice that was presented at that point in time…

My questions:

1) On what date did Ms. Veinot ask the IESO to "look at" the issue of market accounts on the IESO's financial statements?

2) What form did this request take? (Letter, memo, personal conversation, etc.)

3) To whom at IESO did Ms. Veinot direct this request?

4) Did Ms. Veinot indicate to the IESO a time frame in which her instructions were to be executed? If so, what was that timeframe?

Thanks for considering my questions. Best regards,

Matt.

[cid:5114D3B1-1410-4891-8833-0259441E2F64]
Matthew McClearn I Data journalist, Enterprise Team
p: 416.585.5487 I m: 416.705.6047 I e:
mmcclearn@globeandmail.com<mailto:mmcclearn@globeandmail.com>