



OFFICE OF THE INTEGRITY COMMISSIONER

REPORT

of

**THE HONOURABLE ROBERT C. RUTHERFORD
COMMISSIONER**

**RE: THE HONOURABLE MICHAEL HARRIS,
PREMIER OF ONTARIO AND THE HONOURABLE
CHARLES HARNICK, ATTORNEY GENERAL**

**TORONTO, ONTARIO
JANUARY 20, 1999**

**REPORT
Of
THE HONOURABLE ROBERT C. RUTHERFORD
INTEGRITY COMMISSIONER**

**RE: THE HONOURABLE MICHAEL HARRIS, PREMIER OF ONTARIO
AND THE HONOURABLE CHARLES HARNICK, ATTORNEY GENERAL**

BACKGROUND

On November 17, 1998, Mr. Howard Hampton, M.P.P. for Rainy River, and Leader of the Ontario New Democratic Party, filed a request for an investigation into the activities of Mr. Michael Harris, M.P.P. for Nipissing and Premier of Ontario and Mr. Charles Harnick, M.P.P. for Willowdale and the Attorney General of Ontario. As the request was not in compliance with the procedure for filing complaints under s.30 of the *Members' Integrity Act, 1994* (the "*Act*"), Mr. Hampton subsequently filed an affidavit in support of his request to determine whether there was a breach of the *Act* by Mr. Harris and Mr. Harnick as the result of the acceptance of a trip to New York City paid for by Newcourt Credit Group. Such affidavit is attached hereto as Exhibit "1".

On November 23, 1998, Mr. Dalton McGuinty, M.P.P. for Ottawa South, and Leader of the Official Opposition, filed an affidavit in support of a request to investigate media reports indicating that Mr. Harris and Mr. Harnick received an all expense paid weekend from Newcourt Credit Group, contrary to the *Act*. Such affidavit is attached hereto as Exhibit "2".

Mr. Harris and Mr. Harnick each submitted letters dated December 4, 1998, in response to the above affidavits, which are attached hereto as Exhibits "3" and "4" respectively.

Messrs. Hampton and McGuinty declined to respond to the submissions by Messrs. Harris and Harnick.

On the basis of the material filed and marked as Exhibits to my Report, I have concluded that the information submitted to this office is sufficient to provide the opinion requested and that a more formal inquiry is not necessary.

Submission by the Complainant, Mr. Howard Hampton, M.P.P.

Mr. Hampton states that Mr. Harris and Mr. Harnick violated the *Act* "when they accepted a trip to New York City 'apparently' paid for by Newcourt Credit Group". This trip is described in an article in the *Globe and Mail* on November 17, 1998 and attached to his affidavit, "to raise the Canadian profile at the New York premiere of the Stratford Festival of which Newcourt is a co-sponsor."

Mr. Hampton lists approximate Canadian dollar values of benefits received by Mr. Harris and Mr. Harnick and their wives, and states that;

"It is highly unlikely that 'protocol, customs or social obligations' would have required the Premier and the Attorney General to accept Newcourt's hospitality to such an extent."

He goes on to state:

"Even if that were the case, the Act clearly requires Mr. Harris and Mr. Harnick to file disclosure statements with the Integrity Commissioner regardless of the existence of a complaint."

Submission by the Complainant, Mr. Dalton McGuinty, M.P.P.

In his affidavit, Mr. McGuinty raises

"...some very serious questions about the close relationship between the Premier, the Attorney General and Newcourt Credit Group. Given the significant dealings with Newcourt Credit Group and the Government, I believe the Premier and Attorney General may have contravened the Members' Integrity Act, 1994..."

Submission by Mr. Michael Harris, M.P.P. and Premier

Mr. Harris submits that the invitation to attend in New York on the weekend of November 13th to 15th, 1998, was a "private weekend with personal friends..." to support the Stratford Festival presenting plays in New York for the first time in 40 years. Mr. Harris advised he paid his own expenses, including airfare, incidental snacks and light lunches. He did not pay for two plays, one of which was a rehearsal, a reception/dinner and a lunch, which were hosted by Newcourt.

On January 5, 1999, I had a telephone interview with Mr. Harris, during which he indicated that he and his wife have been friends with Mr. and Mrs. Hudson for approximately ten years and his acceptance of the invitation was based on that personal friendship.

Mr. Harris stated that the only time he felt he was acting as the Premier was when members of the press, also present at these events, asked him questions in his capacity as Premier of the

Province of Ontario. At no other time did he feel he was acting as Premier. In support of his submission Mr. Harris stated:

- (1) The weekend was not part of his public itinerary;
- (2) No staff accompanied him; and
- (3) He paid his own expenses. In my January 5th telephone conversation, Mr. Harris indicated that had this trip been part of his public duties, expenses would have been paid by the Premier's Office.

Submission by Mr. Charles Harnick, M.P.P. and Attorney General

Mr. Harnick states that he and his wife were invited by Mr. David Sharpless, an Executive Officer with Newcourt Credit Group, and personal friend of long standing, to attend in New York City for a weekend. Mr. Harnick agreed to accept the invitation on the condition that he pay all expenses, and such payment was made.

Mr. Harnick denies that the invitation and acceptance of the trip were in any way connected to his role as Attorney General or Member of Provincial Parliament and categorically denies that the trip was paid for by others.

On January 7, 1999, Mr. Harnick subsequently confirmed with my office that his family have been personal friends with the Sharpless family for twenty (20) years, and the invitation to New York City was accepted on that basis.

ISSUE

The issue for my consideration is whether Mr. Harris and Mr. Harnick, violated s.6 of the *Members' Integrity Act, 1994*, by accepting an invitation for an all expense paid weekend trip to New York City from Newcourt Credit Group. It is general knowledge that Newcourt Credit Group does business with the Government of Ontario.

FINDING OF FACT

Section 6 of the *Members' Integrity Act, 1994* states:

- "(1) A member of the Assembly shall not accept a fee, gift or personal benefit that is connected directly or indirectly with the performance of his or her duties of office.*
- (2) Subsection (1) does not apply to,*
- (a) compensation authorized by law;*
- (b) a gift or personal benefit that is received as an incident of the protocol, customs or social obligations that normally accompany the responsibilities of office.*
- (3) Within 30 days of receiving a gift or personal benefit referred to in clause (2)(b) that exceeds \$200 in value, the member shall file with the Commissioner a disclosure statement in the form provided by the Commissioner, indicating the nature of the gift or benefit, its source and the circumstances under which it was given and accepted.*
- (4) Subsection (3) also applies to gifts and benefits if the total value of what is received from one source in any 12-month period exceeds \$200.*
- (5) A member who receives promotional awards or points from airlines, hotels and other commercial enterprises as the result of travel for which he or she is reimbursed by the Government of Ontario shall not use them for personal purposes."*

The purpose of s.6(1) of the *Act* is to prohibit a Member of the Assembly from accepting a bribe as the price of influencing that Member in the discharge of the Member's legislative duties to take some action which would give to the donor some advantage inconsistent with the public interest and incompatible with the Member's oath of office.

There is no evidence before me which supports the allegation that Mr. Harris and Mr. Harnick were in New York City in their capacity as Members of the Provincial Parliament or as Premier and Attorney General respectively.

The Preamble to the *Act* states in part:

"3. Members are expected to perform their duties of office and arrange their private affairs in a manner that promotes public confidence in the integrity of each member, maintains the Assembly's dignity and justifies the respect in which society holds the Assembly and its members.

4. Members are expected to act with integrity and impartiality that will bear the closest scrutiny."

Elected officials cannot be expected to isolate themselves from the outside world, otherwise, citizens of outstanding ability in the private sector will be inhibited from seeking public office.

Messrs. Harris and Harnick each have a long-standing personal relationship with an official of a company which conducts business with the Province of Ontario. From time to time, it can be expected that their public duties may coincide with their private interests. The balancing of those interests can be very difficult and perception may become an issue.

My predecessor, The Honourable Gregory T. Evans, stated in his Annual Report 1992/93:

"The oft repeated maxim, "In politics, perception is reality" is a false and fraudulent statement which has been so frequently proclaimed by political pundits that the general public in the past has been brainwashed into believing it to be a true standard of political conduct. Recent opinion polls show that the electorate is not prepared to be ignored and that politicians will be judged by their actual contribution to public office rather than some fanciful appearance standard which varies with the subjective viewpoint of the individual elector."

In his Annual Report, 1990/91, the former Commissioner also stated:

"The frequently suggested standard is that a legislator should not engage in conduct which would appear to be improper to a reasonable, non-partisan, fully informed person. The problem with such an 'appearance standard' is that there are few, if any, "reasonable, non-partisan, fully informed persons". 'Perception of impropriety' is an individual subjective viewpoint which I doubt many would accept as a proper criteria for ensuring the behaviour of legislators."

A news report by itself is not a solid foundation upon which to base a belief that a contravention has occurred. The material submitted in the affidavits of Messrs. Hampton and McGuinty referring to the newspaper reports is not supported by an affidavit by the journalist who wrote the article. News reports are a journalist's opinion derived from sources which may or may not be accurate. The credibility of the information provided by the journalist is unknown and credibility becomes an issue, hence 'perception' becomes an issue.


Perception is for the electorate. The Office of the Integrity Commissioner deals with the facts.

Based on the evidence before me, I am satisfied that Messrs. Harris and Harnick attended in New York City in their personal capacities. They were circumspect in maintaining a distance between their personal relationships and their official duties and accepted the invitations to attend in New York City for a weekend, on the condition that they pay their own expenses.

It is, therefore, my opinion that Messrs. Harris and Harnick did not violate s.6 of the *Members' Integrity Act, 1994*.

It should be noted that even if the invitations were extended to Messrs. Harris and Harnick in their official capacities, such invitations may be considered a social obligation under s.6(2)(b). Therefore, acceptance is not a violation of the *Act*. However, if the value of the gift or benefit exceeds \$200, disclosure must be made to this office by filing a Gift Form in accordance with s.6(3) of the *Act*.

DATED at Toronto this 20th day of January 1999.



The Honourable Robert C. Rutherford
Integrity Commissioner



NDP
caucus services
services au groupe parlementaire
NPD

administration/administration

communications/communications

constituency liaison/liaison avec les circonscriptions

information systems/systèmes informatiques

November 18, 1998

Lynn Morrison
Executive Administrative Officer
Office of the Integrity Commissioner
101 Bloor St. West, 13th floor
Toronto, Ont. M5S 2Z7

Dear Ms. Morrison,

This is a follow-up to our letter of yesterday requesting an investigation by the Integrity Commissioner.

Attached is an affidavit signed by Howard Hampton and witnessed by Rob Milling, L.I.B. The second copy is signed by the Speaker and serves as evidence that the document was served on him.

I hope this is satisfactory. Should you have any further questions or concerns, please call me at 325-7328.

Yours truly,

Fred Gloger
NDP Research

**IN THE MATTER OF AN
INVESTIGATION INTO THE
CONDUCT OF THE
HONOURABLE MIKE
HARRIS, PREMIER OF
ONTARIO AND THE
HONOURABLE CHARLES
HARNICK, ATTORNEY
GENERAL FOR ONTARIO**

**CANADA
PROVINCE OF ONTARIO
COUNTY OF METROPOLITAN TORONTO**

Affidavit

1. Pursuant to the provisions of Section 30 of the Member's Integrity Act, I Howard Hampton do solemnly affirm that I have reasonable and probable grounds to believe that Mike Harris, Premier of Ontario and MPP for Nipissing and Charles Harnick, Attorney General for Ontario and MPP for Willowdale may have contravened the Act.
2. The members may have violated Section 6 of the Member's Integrity Act when they accepted a trip to New York apparently paid for by Newcourt Credit Group. The trip is described in an article by Brian Milner and Susan Craig in the November 17 edition of the Globe and Mail.
3. Section 6(1) of the Member's Integrity Act says that "A member of the Assembly shall not accept a fee, gift or personal benefit that is connected directly or indirectly with the performance of his or her duties of office."
4. It qualifies this by saying in subsection (2) that "Subsection 1 does not apply to: a) compensation authorized by law; b) a gift or personal benefit that is received as an incident of the protocol, customs or social obligations that normally accompany the responsibilities of office."
5. Subsection (3) requires members to file a disclosure statement for any gifts etc. received the value of which exceeds \$200. The disclosure statement must be "in the form provided by the Commissioner, indicating the nature of the gift or benefit, its source and the circumstances under which it was given and accepted."

6. The requirement to file a disclosure statement is not dependent on a member filing a request under section 30. The Premier's spokesperson, Mr. Bob Reid states in the Globe and Mail article that "There are conflict of interest guidelines that cover situations like this and they were adhered to...I do not see anything untoward here."
7. It would therefore appear that Mr. Reid is claiming the exemption listed in subsection 6(2)(b). It is, however, doubtful that trips costing the amounts listed below would qualify under that exemption. It is highly unlikely that "protocol, customs or social obligations" would have required the Premier and the Attorney General to accept Newcourt's hospitality to such an extent.
8. Even if that were the case, the Act clearly requires Mr. Harris and Mr. Harnick to file disclosure statements with the Integrity Commissioner regardless of the existence of a complaint.
9. My staff researched the prices for the items mentioned in the Globe article. All prices have been converted into Canadian funds at a rate of \$1.54 per US dollar. The article said that Mr. Harnick and Mr. Harris were accompanied by their wives and included the following expenses allegedly paid for by Newcourt.

	Harris	Harnick
Museum	\$38	\$38
Le Bernardin	\$129	\$129
21 Club	\$231	\$231
accommod.	\$731*	\$454
<hr/>		
	\$1,129	\$ 852

Note that extremely conservative assumptions were used throughout. For example, the hotel rates included were at the lowest listed rate. The article says that Mr. Harris may have stayed at the condominium owned by Steve Hudson, President of Newcourt, in which case his total would have been \$398. It could be argued, however, Mr. Hudson's hospitality should also be considered to be a gift with monetary value.

10. I therefore request that you look into this matter to determine whether a breach of the Member's Integrity Act has occurred.



Howard Hampton MPP

Sworn before me at the City of Toronto,
this 18th day of November, 1998.


A Commissioner etc.

ROBERT MILLING UCB.

Leader, Ontario NDP

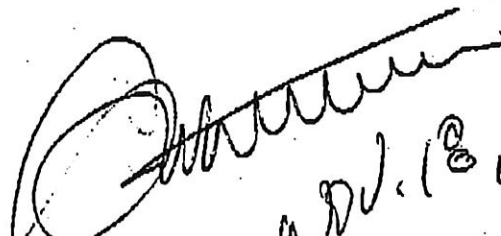


**IN THE MATTER OF AN
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HONOURABLE MIKE
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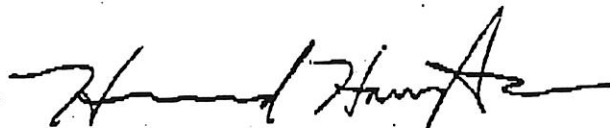

Nov. 18, 1998

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Howard Hampton MPP

Finance GLOBE & MAIL NOV 17 '98 firm wined and dined^{P.A.} Harris

*New York excursion
included lavish meals
and luxury hotels*

BRIAN MILNER
SUSANNE CRAIG
The Globe and Mail, New York

The chief executive officer of Canada's largest finance company wined and dined Ontario Premier Mike Harris and Attorney-General Charles Harnick and their wives during a lavish outing this weekend in New York.

The excursion, sponsored by Steve Hudson's Newcourt Credit Group Inc., included free theatre and museum tickets, and expensive meals including a late-night nosh at the 21 Club, one of the city's most exclusive watering holes. Most guests got free limousine service from morning to night, but Mr. Harris had his own transportation.

One of Newcourt's specialties is financing large infrastructure deals and equipment purchases. It often finances government projects, including highways, power plants and hospitals.

As a result, it is in the company's interest to court officials of government departments and agencies. But guests said Mr. Hudson's primary motivation was to raise the Canadian profile at the New York premiere of the Stratford Festival, of which Newcourt is a co-sponsor.

Besides Mr. Harris and Mr. Harnick, the guest list of more than 160 included Ontario Casino Corp. chairman Ron Barbaro and his wife; John Beck, president of Canadian Highway International Corp.; almost every senior Newcourt executive and major customers.

Several of the guests are involved in potential privatizations or major contracts and would have considerable influence in handing out those plums. These include the planned privatization of Highway 407, which was built by Mr. Beck's company and for which it is one of the bidders. Proposed legislation to take the toll road private is before a legislative committee this week.

Newcourt is a small indirect shareholder of CHIC.

The weekend was organized around the first New York appearance in 40 years by the Stratford Festival. Newcourt and the Canadian Imperial Bank of Commerce each donated \$150,000 (U.S.) to help pay for the two-week run, which began on Friday.

Laurie Ludwick, a spokeswoman for Newcourt, refused to discuss the company's guest list for the weekend, calling it a private party. "I just don't think that's something the company's going to be disclosing."

At Queen's Park, Mr. Harris said he spent the weekend in New York promoting Stratford's return to the Big Apple "and the excitement that that was causing there."

Bob Reid, a spokesman for the Premier, described the weekend as private and said the government did not pick up the tab. He confirmed that Mr. Harris was a guest of Newcourt at the Stratford performances and some of the related events.

"There are conflict-of-interest guidelines that cover situations like this and they were adhered to," Mr. Reid said. "... I do not see anything untoward here."

Barry Wilson, spokesman for the Attorney-General, said: "Mr. Harnick was on a private trip on his own expense. There was no official business."

Asked if Mr. Harnick reimbursed Newcourt for meals or tickets, Mr. Wilson simply repeated his statement.

But Newcourt intended to pick up the tab for all the expenses, including hotel bills, a source familiar with the plans said.

This could not be confirmed. But what is known is that the Attorney-General was registered at the Four Seasons Hotel as a guest of Newcourt, according to hotel records.

While most other guests and Newcourt executives stayed at the Canadian-owned Four Seasons, Mr. Harris and Mr. Hudson were ensconced at another exclusive address, Trump International Hotel and Towers. Mr. Hudson has a condominium there and was also registered as a guest during the weekend.

Mr. Harris was not registered, and other participants speculated that he was a house guest of Mr. Hudson.

The Premier and his wife were seen getting out of a Chevrolet security van with darkened windows at the hotel's entrance just after midnight on Saturday.

"It was a complete weekend of meeting, greeting and eating and enjoying the talents that are part of Stratford," said Mr. Barbaro, who has his own apartment in New York from the days when he headed worldwide operations for the Prudential Insurance Co. of America. "I didn't get any bills for anything."

Mr. Barbaro said Newcourt executives did not discuss business during the weekend.

The junket began Friday night with Stratford's New York premiere of *Much Ado About Nothing*. On Saturday morning, Newcourt's guests were picked up by about 50 limousines for a day of entertainment, shopping and fine dining, one of the chauffeurs confirmed.

The day included a visit to the Jackson Pollock exhibit at the Museum of Modern Art and lunch at Le Bernardin, one of the top-rated restaurants in the United States.

After taking in a preview of the Stratford production of *The Miser*, Newcourt's guests topped off their evening at the 21 Club with a late-night supper of chicken hash, steak and fine wine.

Unlike Newcourt, the CIBC did not put on a lavish spread or invite any big-name clients.

With a report from Richard Mackie at Queen's Park.

Premier attacked for N.Y. junket

NAT. POST NOV 18 '98
PROPRIETY QUESTIONED

Integrity officer
asked to investigate
expensive jaunt

BY WENDY McCANN

Provincial opposition leaders
want Ontario's integrity commis-
sioner to investigate a lavish

weekend excursion by Mike Harris to "21" and other New York hot spots.

Last weekend's jaunt included visits to the theatre and museum for the premier, Charles Harnick, the attorney-general, and their wives.

Critics claim it was paid for by Newcourt Credit, a Canadian finance company that could benefit from Tory policies.

"They've picked up the tab for him and his wife on an all-expenses-paid trip to New York City, put him up in the Trump Towers and wine and dined him at an expensive restaurant," said Dalton McGuinty, leader of the Liberal party. "There's got to be some sense of obligation there towards the company."

But the premier's spokesman, Bob Reid, strongly denied the ac-

cusations, saying Mr. Harris was on a private trip and paid for most of it himself.

Mr. Harris did see two Stratford Festival plays being staged on Broadway and attended two receptions paid for by Newcourt as part of its sponsorship of Stratford's foray into New York.

Mr. Reid confirmed one of the receptions was a post-performance meal at "21," an exclusive Manhattan watering hole famed for its \$30 hamburgers. Mr. Harris was among about 150 guests of Newcourt, he said.

But the premier paid for his other meals and airfare, Mr. Reid said. He stayed at the residence of a friend, the press secretary said. Mr. Reid refused to comment on a report the friend was Newcourt executive Steve Hudson.

The premier was just helping

promote a Canadian cultural organization in the U.S., Mr. Reid.

"There's nothing untoward here, there's nothing improper here. This is not unusual."

Howard Hampton, leader of the New Democrats, said it would be up to the integrity commissioner to decide whether Mr. Harris violated conflict-of-interest rules.

An aide to the commissioner said a letter from Mr. Hampton requesting an investigation will have to be followed by an affidavit. Even then, the commissioner can refuse to get involved if it is determined there's not enough evidence to proceed, said Lynn Morrison.

Barry Wilson, a spokesman for Mr. Harnick, said the attorney-general was on a "private trip on his own expense."

The Canadian Press

Premier under fire over trip to New York

TOR. STAR NOV 18 '98
P. A7

Opposition
parties want
integrity ruling

BY DANIEL GIRARD
QUEEN'S PARK BUREAU

The province's integrity commissioner will be asked to investigate reports that Premier Mike Harris and one of his cabinet ministers were entertained in New York by a company seeking government business.

"Accepting an all-expenses-paid trip to New York City, with the tab being picked up by a company that's doing business now with the government, and wants to do more still, is just wrong," Liberal Leader

Dalton McGuinty told reporters.

"You can't place yourself in this kind of a position of conflict."

The Liberals and New Democrats both said they would ask Integrity Commissioner Robert Rutherford to investigate.

Officials in Harris' office and that of Attorney-General Charles Harnick said their bosses paid most of their own way and that there was nothing untoward about last weekend's trip.

It was part of a celebration of the Stratford Festival's first performance on Broadway in 40 years, they added.

Just because Harris, Harnick and their wives accepted a couple of sets of free theatre tickets and some invitations to parties,

offered by Newcourt Credit Group Inc., won't help Newcourt buy any influence when it comes to government contracts, Harris spokesperson Bob Reid said.

Harris saw two Stratford Festival plays being staged on Broadway and attended two receptions paid for by Newcourt as part of its sponsorship of Stratford's foray into New York.

One reception was a post-performance meal at the posh 21 Club. Harris was among about 150 guests of Newcourt, Reid said.

The Premier stayed at the private residence of a friend, the press secretary added.

He refused to comment on whether the friend was Newcourt chief executive officer Steve Hudson.

Reid insisted there is no validity to the argument that the trip could help Newcourt get government business.

"We have a very stringent, very transparent, heavily scrutinized bidding process in place."

The Premier or a minister cannot influence that, Reid said.

The controversy arose yesterday when The Globe and Mail reported that Newcourt's

Hudson, who heads the executive committee for Toronto's bid for the 2008 Summer Games, played host to about 100 Ontarians in New York.

Guests, including Harris and Harnick, were given theatre tickets and expensive meals, the report said.

Because Newcourt is involved in private financing of infrastructure projects and has

cause the government appears poised to privatize Ontario Hydro, the outing is very unseemly, NDP Leader Howard Hampton said.

"If it's not a violation of the (integrity) guidelines, it's a violation of the spirit of what people think governments ought to be about," Hampton told reporters.

Newcourt is also reportedly a small, indirect shareholder of Canadian Highways International Corp., which built Highway 407 and is now one of the bidders as the government moves to privatize it.

A Newcourt official said the trip was simply a show of support for Stratford Festival because its two-week New York run was partially sponsored by the company.

"We've always supported Ontario culture and community and that's what this was about," said Robyn Matsumoto.

"We were delighted to have the support of the Premier."

Matsumoto refused to discuss costs or the exact number of people involved, simply saying "they were our guests."

While former Liberal premier David Peterson refused to be drawn into the debate about whether or not Harris' trip was improper, he defended the concept of selling Ontario abroad.

"It's the Premier's job to sell Ontario culture and Ontario business," Peterson added.

"Every premier's done it." Peterson referred to similar trips he made to Los Angeles on behalf of the Stratford Festival and another to Paris in support of classical guitarist Liana Boyd.

Harris denies 'junket' claims

TOR. SUN NOV 18 '90 P.45

By JAMES WALLACE
Queen's Park Bureau

Opposition critics accused Premier Mike Harris yesterday of accepting a New York "junket" from financier Steve Hudson.

Harris and his wife Janet attended the Broadway premiere of a Stratford Festival production of Shakespeare's *Much Ado About Nothing* sponsored by Hudson's Newcourt Credit Group last weekend.

NDP Leader Howard Hampton and Liberal Leader Dalton McGuinty said Harris should not have accepted freebies from Newcourt, and have asked Ontario In-

tegrity Commissioner Robert Rutherford to investigate.

Harris did get free theatre tickets and attended both a pre-show cocktail party and after-show dinner hosted by Newcourt, spokesman Bob Reid said yesterday.

However, the premier was in New York for a "private weekend" and only went to the show to support the production, he said.

"The suggestion he took an all-expense paid junket to New York city is completely untrue," Reid said, adding Harris paid "for all of his own expenses" including air fare and transportation.

Harris GLOBE & MAIL NOV 18 '90 pressured to explain N.Y. trip

*Premier says he paid
for all but show tickets*

RICHARD MACKIE
Queen's Park Bureau, Toronto

The leaders of Ontario's two opposition parties called yesterday for an investigation of the relationship between Premier Mike Harris and a major finance company that does business with the provincial government.

They were reacting to a story in *The Globe and Mail* that described a weekend in New York during which Mr. Harris and his wife joined some prominent Ontario business leaders visiting museums, attending a Broadway show and dining in expensive restaurants.

Political observers suggested that the report could damage the Premier's image as an ordinary Ontarian watching the pennies.

The *Globe* story said the weekend was paid for by a finance company, Newcourt Credit Group Inc. A spokesman for the Premier said yesterday that the only expenses picked up by Newcourt were for tickets to the Broadway premiere of the Stratford Festival's production of Shakespeare's *Much Ado About Nothing*.

Mr. Harris also attended two receptions held to coincide with the Stratford theatre company's return to Broadway after a 40-year absence, said Bob Reid, the Premier's press secretary. He stressed that Mr. Harris had paid for the air fare and other expenses incurred by himself and his wife.

"He was in New York at his own expense for a private weekend, with his wife," and paid his own air fare, Mr. Reid said. "He was invited to attend the Stratford performances and to lend his support and help promote the event by being there, which he was very pleased to do."

Mr. Reid added that Mr. Harris "was provided with tickets to two performances, one of which was a dress rehearsal and actually had no cost, and a couple of related functions. Outside of that, he paid for all of his own personal expenses."

Newcourt was one of the sponsors of Stratford's return to Broadway. It and the Canadian Imperial Bank of Commerce each paid \$150,000 to help finance the two-week run, which began last Friday. The Ontario government also paid \$30,000.

Mr. Harris and Newcourt head Steve Hudson are friends and have various social and political links.

Liberal Leader Dalton McGuinty suggested that the weekend indicates that the Premier is too close to a company that seeks contracts from the province. "You are talking about a company that does extensive business today with the province and wants to do more tomorrow," he said.

Similarly, New Democratic Leader Howard Hampton said the trip raises many questions.

"What exactly is the relationship between Mr. Harris ... and this company?" he asked. "What was the nature of this trip? Why was this paid for by this company?"

He added: "I think the Integrity Commissioner ought to be interested in that as well."

Mr. Hampton noted that this is not the first time that Newcourt's relationship to Mr. Harris has been questioned.

"This is a company, a very wealthy company, that we know is interested in the privatization of public utilities like Ontario Hydro. We know that the Harris government appointed [as] the chair of Ontario Hydro [William] Farlinger, a very close friend of the Premier's. ... Now he is on the board of directors of this particular company."

With a report from *The Canadian Press*.

NOV 24 1998

In the matter of the complaint to the Integrity Commissioner regarding the appropriateness of Premier Mike Harris and Attorney General Charles Harnick accepting an all expense paid weekend in New York from Newcourt Credit Group.

Affidavit

I, Dalton McGuinty, of the City of Ottawa, Ontario, make an oath and say as follows:

- 1) Newcourt Credit Group specializes in funding and advising on major capital projects like power facilities and toll highways.
- 2) I understand Newcourt Credit Group has significant dealings with the Ontario Government, including the proposed sale of Highway 407 and Ontario Hydro.
- 3) On November 17th, 1998, The Globe and Mail reported that "the chief executive officer of Canada's largest finance company (Newcourt Credit Group) wined and dined Ontario Premier Mike Harris and Attorney-General Charles Harnick and their wives during a lavish outing this weekend in New York."
- 4) On November 17th, 1998, The Globe and Mail further reported that "Bob Reid, a spokesman for the Premier, described the weekend as private and said the government did not pick up the tab. He confirmed that Mike Harris was a guest of Newcourt at the Stratford performances and some of the related events."
- 5) Following persistent questioning on who paid the costs for this all-expenses paid trip to New York, The Toronto Star of November 18th, 1998 reported that "officials in Harris' office and that of Attorney General Charles Harnick said their bosses paid most of their own way".
- 6) These reports raise some very serious questions about the close relationship between the Premier, the Attorney General and Newcourt Credit Group. Given the significant dealings between Newcourt Credit Group and the Government, I believe the Premier and Attorney General may have contravened the Member's Integrity Act, 1994 (the "Act").
- 7) Section 6 of this Act states:
 - (1) A member of the Assembly shall not accept a fee, gift or personal benefit that is connected directly or indirectly with the performance of his or her duties of office.
 - (2) Subsection (1) does not apply to, (a) compensation authorized by law;
(b) a gift or personal benefit that is received as an incident of the protocol, customs or social obligations that normally accompany the responsibilities of office.

- 8) Pursuant to the Act, I believe that the Integrity Commissioner should immediately investigate media reports which indicate that Premier Mike Harris and Attorney General Charles Harnick received an all expense paid weekend from Newcourt Credit Group.
- 9) I make this affidavit in support of my complaint to the Integrity Commissioner and for no other improper purpose.

Sworn before me in the City of
Toronto, in the Province of Ontario
November 1998

this 23rd day

James Phyllips - MPP
Name of Commissioner
Commissioner of Oaths, etc.
Barrister & Solicitor

John G. H. J.

W. H. H. H. H.
S. C. D. Nov. 23 / 98

The Premier
of Ontario

Legislative Building
Queen's Park
Toronto, Ontario
M7A 1A1

Le Premier ministre
de l'Ontario

Hôtel du gouvernement
Queen's Park
Toronto (Ontario)
M7A 1A1



EXHIBIT 3

December 4, 1998

The Honourable Robert Rutherford
Commissioner
Suite 1301, 101 Bloor Street West
Toronto, Ontario
M5S 2Z7

Dear Commissioner Rutherford:

This letter is in reply to the requests you have received in affidavits of Howard Hampton and Dalton McGuinty to conduct an inquiry into my trip to New York City on the weekend of November 13-15, 1998.

The requests proceed on the basis that section 6 of the *Members Integrity Act* may be engaged because of the inaccurate assumptions (i) that my trip was paid for by others, and (ii) that I have received a personal benefit connected directly or indirectly with the performance of my duties of office. Both assumptions are wrong.

As I have advised you, the weekend was a private weekend with personal friends of long standing, Steven and Sharon Hudson. This weekend was not included on my public itinerary and I was not accompanied by staff as would normally be the case for an official visit. As we usually do when we visit friends, we stayed with the Hudsons in their condominium as their personal guests.

I advised Mr. Hudson that I would pay my own expenses and I did. In particular, my airfare and that of my wife were paid for by us. Incidental snacks and light lunches purchased over the course of the weekend were paid for by me.

Throughout the weekend, as happens whenever I travel, in the interests of protocol and security the New York police provided transportation based on a request by the Ontario Provincial Police.

As I have advised you, during the course of this private visit I attended two plays put on by the Stratford Festival, one reception associated with the plays which included a dinner, and a lunch associated with the productions. I did not pay for these events. I am aware that there were other events (the museum event, referred to in Mr. Hampton's affidavit is one) not directly linked to the Stratford Festival performances which were hosted by Newcourt over the weekend. I did not attend those events.

I recognize that, while I was in New York on a personal visit, as Premier, my attendance at the public events associated with the Stratford Festival may be construed as connected to my office. However, I regularly attend social, sports and cultural events as Premier and have never considered that a portion of the cost of the event I am attending constitutes a "fee, gift or personal benefit" to myself. Therefore, whether my attendance is viewed as being in my personal capacity (in which case section 6 clearly does not apply) or as Premier, I do not consider there is any basis for an allegation that section 6 has been violated.

I would be pleased to provide any further information you require in connection with your inquiry.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Harris". The signature is fluid and cursive, with the first name "Michael" written in a larger, more prominent script than the last name "Harris".

Michael D. Harris, MPP



LEGISLATIVE ASSEMBLY

DEC 04 1998

EXHIBIT 4

CHARLES HARNICK, M.P.P.
Willowdale

December 4, 1998

Constituency Office:
5801 Yonge Street
Unit 4
North York M2M 3T9
Tel. (416) 733-7878
Fax (416) 733-7709

The Honourable Robert Rutherford
Commissioner
Officer of the Integrity Commission
13th Floor, 101 Bloor Street West
TORONTO, Ontario
M5S 2Z7

Dear Commissioner:

I acknowledge receipt of your letters dated November 19 and November 24, 1998 with enclosures requesting an inquiry into my trip to New York City on the weekend of November 13-15, 1998.

I did indeed attend in New York City that weekend, with my wife. As I have previously advised you, I attended the weekend at the invitation of a long standing personal friend, David Sharpless, who is an executive officer with Newcourt Credit. I accepted his invitation on the basis of our long standing friendship. Neither the invitation nor the acceptance were in any way connected to my role as Attorney General or as a member of the provincial parliament.

When I accepted, I indicated to my friend that I would pay all the expenses of myself and my wife associated with the weekend, and I did. Our airfares were paid for through the use of airline points accumulated on a personal basis. In accordance with the arrangement made at the time I accepted the invitation, I paid for all expenses such as hotel accommodation, meals and museum tickets, for my wife and myself associated with the weekend.

I categorically deny that my trip was paid for by others, nor did I receive any personal benefit connected directly or indirectly with the performance of my duties of office. No aspect of my visit to New York was in any way connected to the duties of my office.

I would be pleased to provide any further information you require in connection with the investigation you have undertaken. If you consider it would be of assistance, I am prepared to confirm the statements I have made in this letter under oath, and to provide you with whatever other documentary support or sworn confirmation of the arrangements described in this letter which you consider appropriate.

Yours respectfully,

Charles Harnick, MPP
Willowdale

