

Ontario Liberals face backlash over fundraising pressure tactics

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TORONTO — The Globe and Mail

Published Wednesday, Mar. 30, 2016 10:25PM EDT

Last updated Thursday, Mar. 31, 2016 9:17AM EDT

Ontario Premier Kathleen Wynne's Liberals have been on a full-court press to raise money from wealthy donors even as they promise tough new rules on campaign finance.

Corporations and lobbyists who regularly do business with government say the party has stepped up pressure tactics in recent months – telling them they must attend fundraisers to get a hearing on their issues – and they are getting fed up with the shakedown.

The Globe and Mail has obtained documents outlining a dozen fundraisers, most of them kept secret from the public, that the Liberals have held since November. Nearly all involve intimate gatherings at which, for a price, corporations and unions wanting to influence government policy can meet cabinet ministers and MPPs over cocktails.

A furor over the issue drew Prime Minister Justin Trudeau into the fray on Wednesday. Mr. Trudeau said the federal government's much tougher rules – which ban corporate and union contributions, place a \$1,525 annual limit on donations and cap the amount of money third parties can spend on advertising during an election period at a little more than \$200,000 – have been good for democracy.

“It took parties a while to adjust, but as I think we've demonstrated in this past election campaign and in the lead up to it, the capacity to draw from larger numbers of people, smaller donations, gives a different tone to the approach and role that money plays in political campaigns and political operations,” he said in Edmonton during a tour to promote his budget.

Recent and upcoming fundraisers in Ontario include a reception for Community Safety Minister Yasir Naqvi last Nov. 4 at the National Club hosted by former finance minister Dwight Duncan; an evening of “cocktails and conversation” with Energy Minister Bob Chiarelli at a restaurant on April 18; and an “intimate fundraising reception” for Economic Development Minister Brad Duguid and MPP Peter Milczyn at the Royal Canadian Military Institute on April 19.

The opposition parties are also getting in on the action. Progressive Conservative Leader Patrick Brown attended a \$2,500 a person “special private reception” at a Toronto steakhouse earlier this month to raise money to pay down MPP Monte McNaughton's debt from last year's leadership race.

And an NDP source said leader Andrea Horwath's \$9,975-a-plate dinner at the Fairmont Royal York Hotel with Alberta Premier Rachel Notley last month was a bid by the party to raise as much money as possible before stricter donation rules take effect.

Ms. Wynne promised last summer to reform campaign finance. Earlier this week amid revelations of intimate fundraisers with high prices – including a \$6,000-a-person event in March and a \$7,500-a-plate event in December promoted by the bank that led the privatization of Hydro One – she vowed to curb corporate and union donations. But she has provided few details.

The controversy erupted just as the Ontario Liberals held their largest fundraising event of the year, the Heritage Dinner in the Metro Toronto Convention Centre on Wednesday. Donors paid \$16,000 for a regular table or \$18,000 to attend a more intimate reception with Ms. Wynne beforehand. The event raised \$2.5-million from more than 1,500 people.

Before the fundraiser, many of the lobbyists and corporate decision makers targeted by the Liberals for donations expressed weariness.

“The big secret of the dinners is that everyone has always hated them. They're not fun,” Chad Rogers, a partner at lobbying firm Crestview Strategy, said in an interview. “Donations to political parties are not bad things. It's only equating them with access that is a bad thing.”

He said many corporations feel obliged to attend so as not to lose an opportunity to a rival.

John Capobianco, president of the Public Affairs Association of Canada and a veteran PC activist, said some companies have stopped donating to political parties, fearing the scrutiny of disclosure.

“I think more and more businesses on their own are actually making rules amongst themselves not to make political contributions,” he said. “Some of them are just saying, ‘either we get in trouble’ or at some point the media will always disclose which company gave to which party.”

A senior official with a multinational company that does business with the Ontario government says requests to contribute have increased since Ms. Wynne became Premier in 2013. The official, who spoke on condition of anonymity, said if he does not attend functions, calls will not be returned as quickly and the company will not get meetings with government. He said his company is getting fed up with the “multiple asks.”

“What I think has gone overboard are these private, exclusive high-priced events where it does look like you're doing influence peddling. ... If you pay \$10,000, you can have some time with the Finance Minister or Energy Minister. That's what is a little obscene,” he said.

Some Liberal insiders say fundraising is out of control. One said the party “needs to go into fundraising rehab.” Over the past few years, he said, requests for donations have become demands as party fundraisers “harass” people for money.

Sometimes lobbyists even promote the party's events. Chris Benedetti, a principal at Sussex Strategy Group who represents electricity companies, promoted the Heritage Dinner and at least three fundraisers for Mr. Chiarelli in the past six months. "As usual the Sussex team will be attending the event and will be organizing a number of tables," he wrote in an e-mail encouraging energy industry insiders to attend the Heritage Dinner. "The [Ontario Liberal] Fund will also be placing key Ministers, MPPs and senior staff at tables if you are also interested in this opportunity."

Mr. Benedetti told *The Globe* his lobbying activity "is in no way related to" his promoting of political fundraisers. "Political donations and fundraising events are part of the democratic process in Ontario, as governed by the Elections Finances Act and Elections Ontario. We support this process," he wrote in an e-mail. Mr. Benedetti said he has not been involved "in the scheduling or logistics of these events."

Mr. Brown has said he favours bringing Ontario's campaign finance laws in line with those of the federal government. In the meantime, he is engaging in similar fundraising practices as the Liberals. An event on April 12 at Toronto's Albany Club will feature former Quebec premier Jean Charest, Mr. Brown's political mentor, for \$500 a person. On May 18, he will hold his Toronto Leader's Dinner, the Tory equivalent of the Heritage Dinner. Tickets cost \$15,000 a table, or \$25,000 a table for a special reception with Mr. Brown beforehand. For \$30,000, a company can be listed as a sponsor of the evening.

Mr. Brown also attended a \$2,500-a-plate cocktails-and-dinner event on March 2 to help Mr. McNaughton pay off his \$50,000 campaign debt. In an e-mail promoting the event, Mr. McNaughton described it as a "special private reception" and an "exclusive cocktail reception."

In an interview, Mr. McNaughton said he favours campaign finance reform, including caps on donations to leadership campaigns. "It's extremely unfortunate that it takes so much money to run for the leadership of a party. The playing field isn't level," he said.

Asked if the March 2 event amounted to selling access to Mr. Brown, a possible future premier, Mr. McNaughton said, "I am fully supportive of the entire system being changed."

Mr. McNaughton said about 12 people attended the fundraiser. He said he could not remember off the top of his head which corporations sent representatives.

Mr. McNaughton held another fundraiser on March 21 at a Toronto Maple Leafs game against the Calgary Flames at the Air Canada Centre in Toronto. "Tickets for this exclusive evening are priced at \$1,000 per person and include box seats, food and beverage," he wrote in the promotional e-mail. "Generous tax receipts will be issued to your personal or corporate donation."

Ms. Horwath this week called for the government to curb "the influence of big money on our electoral system," but said new rules must be developed with public consultation, not crafted behind closed doors by the Liberals.

"I should not be up to the Liberal Party of Ontario to fundamentally change the rules that govern our

democracy on their own,” she said in a statement.

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