

Agenda Including Addeds

Municipal Election Compliance Audit Committee

3rd Meeting of the 2022 Municipal Election Compliance Audit Committee

August 10, 2023, 9:30 AM

Committee Room #5

The City of London is situated on the traditional lands of the Anishinaabek (AUh-nish-in-ah-bek), Haudenosaunee (Ho-den-no-show-nee), Lūnaapéewak (Len-ah-pay-wuk) and Attawandaron (Add-a-won-da-run).

We honour and respect the history, languages and culture of the diverse Indigenous people who call this territory home. The City of London is currently home to many First Nations, Métis and Inuit today.

As representatives of the people of the City of London, we are grateful to have the opportunity to work and live in this territory.

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Municipal Election Compliance Audit Committee

Report

2nd Meeting of the 2022 Municipal Election Compliance Audit Committee
August 2, 2023

PRESENT: D. Ross (Chair), C. Scrimgeour, A. Wright

A. Bush, M. Butlin, S. Corman, T. Hetherington, J. Raycroft, E. Skalski, B. Westlake-Power

The meeting is called to order at 9:34 AM; it being noted that A. Wright and C. Scrimgeour were in remote attendance.

1. Call to Order

1.1 Disclosures of Pecuniary Interest

None.

2. Consent

2.1 Minutes of the 1st Meeting of the 2022 Municipal Election Compliance Audit Committee

A. Wright and C. Scrimgeour

That the Minutes of the 1st Meeting of the Municipal Election Compliance Audit Committee, held on June 26, 2023 and continued on July 7, 2023, BE APPROVED.

Motion Passed

3. Items for Discussion

3.1 2022 Municipal Election Clerk's Contribution Report - Sil Palumbo

A. Wright and C. Scrimgeour

That the following actions be taken with respect to the Clerk's Contribution Report - Sil Palumbo:

- a) the report dated August 2, 2023 and entitled "2022 Municipal Election Clerk's Contribution Report - Sil Palumbo" to notice of an apparent contravention of the campaign contribution limits with respect to the 2022 Municipal Election, BE RECEIVED;
- b) the decision of the Municipal Election Compliance Audit Committee BE DEFERRED until the meeting of August 10, 2023 to provide opportunity for Khalil Ramal (Candidate) to provide documentation on donation refund and contact information for Sil Palumbo (Contributor); and
- c) the City Clerk BE DIRECTED to provide notice to the Contributor with the contact information from the Candidate.

it being noted that the Committee received a verbal submission from Khalil Ramal with respect to this matter.

Motion Passed

3.2 Request for Compliance Audit CAC-2022-L01-001 (K. Ramal)

C. Scrimgeour and A. Wright

That the following actions be taken with respect to the Application of Joseph Francis for Compliance Audit with respect to the 2022 Municipal Election candidacy of Khalil Ramal:

- a) the City Clerk BE DIRECTED to prepare a decision (attached) related to this matter that sets out the decision of the Municipal Election Compliance Audit Committee (Committee) to grant the Application and direct that an auditor be retained to carry out a compliance audit in accordance with the *Municipal Elections Act, 1996*; and
- b) the City Clerk BE DIRECTED bring forward to a future meeting of the 2022 Municipal Election Compliance Audit Committee a list of potential auditors qualified to undertake the above-noted compliance audit for the consideration and approval of the Committee;

it being noted that the Committee received a verbal submission from Khalil Ramal with respect to this matter.

Motion Passed

3.3 Request for Compliance Audit CAC-2022-L01-002 (A.M. Valastro)

A. Wright and C. Scrimgeour

The City Clerk BE DIRECTED to prepare a decision (attached) of the 2022 Municipal Election Compliance Audit Committee (Committee) with respect to the Application by John Fyfe-Millar for Compliance Audit (Application) of Anna Maria Valastro (Third Party Advertiser) that outlines the reasons for the Committee's decision to reject the Application and not order a compliance audit;

it being noted that the Committee thanked John Fyfe-Millar for bringing the matter forward to the Committee and his verbal presentation;

it being further noted the Committee received written and verbal submissions from Anna Maria Valastro and a verbal submission from John Fyfe-Millar with respect to this matter.

Motion Passed

A. Wright and C. Scrimgeour

That the 2022 Municipal Election Compliance Audit Committee (Committee) rise and go In Closed Session, for the purpose of deliberating with respect to the following matters pursuant to subsection 88.34(9.1) of the *Municipal Elections Act, 1996*:

- a) 2022 Municipal Election Clerk's Contribution Report - Sil Palumbo;
- b) Request for Compliance Audit - Khalil Ramal; and
- c) Request for Compliance Audit - Anna Maria Valastro.

Motion Passed

The Committee convenes In Closed Session, from 11:14 AM to 11:38 AM.

4. Deferred Matters/Additional Business

None.

5. Adjournment

A. Wright and C. Scrimgeour

That the meeting BE ADJOURNED.

Motion Passed

The meeting adjourned at 11:45 AM.

Andrew Wright, Chair

Dan Ross, Member

Christene Scrimgeour, Member



300 Dufferin Avenue
P.O. Box 5035
London, ON
N6A 4L9

NOTICE OF DECISION
THE CORPORATION OF THE CITY OF LONDON
COMPLIANCE AUDIT COMMITTEE
established under Section 88.37 of the *Municipal Elections Act, 1996*

IN THE MATTER OF an Application for Compliance Audit under section 88.33(1) of the Municipal Elections Act, 1996;

AND IN THE MATTER OF the City of London's Rules of Procedure for the 2018 Municipal Election Compliance Audit Committee in accordance with section 88.37(6) of the Municipal Elections Act, 1996;

Candidate: Khalil Ramal
Applicant: Joseph Francis
File No. CAC-2022-L01-001
Meeting Date: Wednesday, August 2, 2023 at 9:30 AM

Meeting Location: Committee Room #5 – 2nd Floor
City Hall
300 Dufferin Avenue
London, Ontario N6B 1Z2

DECISION

PURPOSE OF MEETING

The purpose of the meeting was to consider a Compliance Audit Application submitted by Joseph Francis with respect to the 2022 City of London Municipal Election as it relates to the candidacy of Khalil Ramal.

This meeting was held in accordance with the provisions of the City of London's Rules of Procedure for the 2022 Municipal Election Compliance Audit Committee.

DECISION

After reviewing the Application and hearing oral submissions from the Candidate Khalil Ramal, it is the decision of the Compliance Audit Committee to grant the Application

and direct that an auditor be retained to carry out a compliance audit in accordance with the *Municipal Elections Act, 1996*.

REASONS

The reasons for the decision are as follows:

1. Joseph Francis (the “**Applicant**”) has applied for a compliance audit of the election campaign finances of Khalil Ramal (the “**Candidate**”) in connection with his candidacy for the office of Mayor in the October 24, 2022 Municipal Election.
2. The Applicant confirmed, when completing his Application that he was entitled to vote in the 2022 Municipal Election and is therefore qualified to make this Application.
3. In the Applicant’s application (the “**Application**”), the Applicant asserts that he has reasonable grounds to believe that the Candidate contravened a provision of the *Municipal Elections Act, 1996*, (the “**Act**”) relating to election campaign finances.
4. The Candidate’s Form 4 Financial Statement required by section 88.25(1) of the Act is dated March 30, 2023 and was filed on March 31, 2023. It shows contributions received in the amount of 12,595.00 and total expenses subject to the spending limit incurred in the election campaign of \$41,722.01.
5. The Committee met to consider the Application on Wednesday, August 2, 2023. On July 20, 2023, notice of the time, place and purpose of the Committee’s meeting, including an agenda with a copy of the Application, was sent by registered mail to the Candidate at the address for the Candidate appearing on the Candidate’s Form 4 Financial Statement. The Candidate confirmed to the Committee that he received the notice.
6. As part of this July 20, 2023 notification, the Candidate was advised that, if he wished to make any written submissions to be included on the added agenda for this meeting, his written submissions were to be sent by e-mail before 9:00 AM Monday, July 31, 2023, to elections@london.ca.
7. No such written submissions were received. At the August 2, 2023 Committee meeting, the Candidate appeared via video conference and made extensive oral submissions before the Committee.
8. The Applicant says that the Candidate’s Form 4 Financial Statement discloses a \$1,495.00 contribution by a person named Sil Palumbo in contravention of

subsection 88.9(1) of the Act. The maximum contribution permitted by subsection 88.9(1) of the Act is \$1,200.00. Clause 88.22(1)(o) of the Act imposes a duty on the candidate to return a contribution of money made or received in contravention of this Act as soon as possible after the candidate becomes aware of the contravention. The Applicant says he has reasonable grounds to believe that the Candidate received a contribution in contravention of the Act and retained it in contravention of the Act.

9. Clause 88.22(1)(g) requires a candidate to ensure that records are kept of
 - (i) the receipts issued for every contribution,
 - (ii) the value of every contribution,
 - (iii) whether a contribution is in the form of money, goods or services, and
 - (iv) the contributor's name and address.
10. The Candidate told the Committee that he returned the excess contribution by Sil Palumbo by cheque dated April 21, 2023. He has undertaken to provide as soon as possible a copy of the cheque and to confirm that it has cleared the bank.
11. The Candidate's Form 4 Financial Statement provides no addresses for any of the 27 contributors identified and, in two cases, provides no names. The Applicant says that the Candidate's Form 4 Financial Statement gives reasonable grounds to believe that the Candidate did not keep the records contemplated by clause 88.22(1)(g) of the Act.
12. The Candidate told the Committee that he would provide that information.
13. The Applicant says that the Candidate contravened the Act by failing to provide an auditor's report required by section 88.25(1) of the Act as part of the Candidate's Form 4 Financial Statement reflecting the Candidate's election campaign finances.
14. Section 88.25(8) of the Act provides an exemption from the auditor's report requirement if the total contributions received, and total expenses incurred in the election campaign are each equal to or less than \$10,000. From the information provided in the Candidate's Form 4 Financial Statement, this exemption does not apply.
15. Section 88.25(7) of the Act requires that the auditor's report be prepared by an auditor licensed under the *Public Accounting Act, 2004*. The prescribed Form 4 specifies that the auditor's report is to be attached to the Candidate's Financial Statement and is to be completed in accordance with generally accepted auditing

standards and must set out the scope of the examination and provide an opinion as to the completeness and accuracy of the financial statement and whether it is free of material misstatement.

16. What is attached to the Candidate's Form 4 Financial Statement is the following page:

Date: March 31, 2022

From: Salah Hassan

24 Gallant Place, Woodbridge, Ontario L4H 3W6

To; City of London, Ontario

Hi,

I am Salah Hassan a Chartered Professional Accountant Licensed by Professional Accountants of Canada, license number 2086643. According to the information provided by Mr. Khalil Ramal the Mayoral candidate for the City of London, Ontario for the year 2022 election, after examining the bank statement, donation expenses and Form 4, it appears to me that all the information are correctly entered in the Financial Statement - Auditor's Report candidate - Form 4n.

Best regards,

Salah Hassan, CPA

17. There is no signature on the page, and it is not on the business letterhead of an accounting practice.
18. From a Google Maps search, 24 Gallant Place in Woodbridge appears to be a single-family residence in the midst of a predominantly single-family residential subdivision north of Toronto.
19. The Applicant says that this unsigned page is entirely inadequate as an auditor's report for the purposes of complying with section 88.25(8) of the Act.
20. The Applicant says that the Candidate's Form 4 Financial Statement also discloses a number of contraventions of the Act relating to election expenses.
21. From 2003 to 2011 the Candidate was a member of the Legislative Assembly of Ontario for the riding of London-Fanshawe. He also ran federally in the same riding in 2014. The Candidate is not unsophisticated about rules and regulations around elections in Ontario.

Decision and Reasons

22. A review of applicable case law has been instructive in both determining the role of the Committee and determining when an application should be granted. At this stage of the proceedings, the Committee acts primarily as a gatekeeper in determining whether an audit should be undertaken. It is a pre-investigatory stage and not a determination that the Candidate has contravened the Act in any way. The test is whether the Applicant, acting in good faith, has reasonable grounds to believe the Candidate contravened the Act. Once reasonable grounds have been found to exist, the Committee has limited discretion in deciding whether to order a compliance audit.
23. The Committee acknowledges the submissions of the Applicant in the Application and the submissions of the Candidate during the Committee's meeting on August 2, 2023, however, at this stage of the proceedings, the Committee is to serve in a gate-keeper function to see that municipal financial and other resources are deployed in the public interest or for some useful municipal purpose and it is not within the Committee's mandate or authority to weigh the evidence or decide which position is correct in law, but to determine whether the Applicant has reasonable grounds to believe the Candidate has contravened the Act.
24. That said, there must be credible evidence from the Applicant in support of reasonable grounds to warrant a publicly funded compliance audit; and the contraventions of the Act which the Applicant has reasonable grounds to believe have occurred must be substantive, not technicalities of *de minimus* consequence.
25. Based upon the information provided by the Applicant in his Application and by the Candidate at the August 2, 2023 Committee meeting, the Committee is satisfied that there are reasonable grounds for the Applicant to believe that the Candidate contravened the Act by not maintaining records of the names and addresses of contributors to his campaign. The Committee is also satisfied that the Applicant has reasonable grounds to believe that the March 31, 2022 unsigned page from Salah Hassan is not sufficient to qualify as an auditor's report as required by the Act and, therefore, that the Candidate's failure to provide such an auditor's report with his Form 4 Financial Statement is a contravention of the Act. This is not a mere technicality; a sufficient auditor's report is fundamental to the integrity of the Financial Statement. The Committee is of the opinion that an audit of the Candidate's election campaign finances is in the public interest and will serve the municipal purpose of confirming, or otherwise, compliance by the Candidate with the financial elements of the Act in the municipal election process. The Committee, therefore, grants the Application

and directs that an auditor be retained to carry out a compliance audit in accordance with the *Municipal Elections Act, 1996*.

26. The Applicant has raised other items in the Application dealing with the disclosure of election expenses. Those matters will be addressed during the compliance audit.
27. In the course of his submissions to the Committee on August 2, 2023, the Candidate undertook to provide certain documentation and information. The Committee immediately requires the documentation and information about the April 21, 2023 cheque payable to Sil Palumbo returning the excess contribution. The Candidate should reserve any other information and documentation for review by the compliance auditor.

ISSUED by The Corporation of the City of London Compliance Audit Committee at London, Ontario, on August 3, 2023.

Compliance Audit Committee

[Signed copy on file]

Dan Ross, Chair

[Signed copy on file]

Christene Scrimgeour, Member



Andrew Wright, Member



300 Dufferin Avenue
P.O. Box 5035
London, ON
N6A 4L9

NOTICE OF DECISION
THE CORPORATION OF THE CITY OF LONDON
COMPLIANCE AUDIT COMMITTEE
established under Section 88.37 of the *Municipal Elections Act, 1996*

IN THE MATTER OF an Application for Compliance Audit under section 88.33(1) of the Municipal Elections Act, 1996;

AND IN THE MATTER OF the City of London's Rules of Procedure for the 2022 Municipal Election Compliance Audit Committee in accordance with section 88.37(6) of the Municipal Elections Act, 1996;

Third Party : Anna Maria Valastro
Applicant: John Andrew Fyfe-Millar
File No. CAC-2022-L01-002
Meeting Date: Wednesday, August 2, 2023 at 9:30 AM

Meeting Location: Committee Room #5 – 2nd Floor
City Hall
300 Dufferin Avenue
London, Ontario N6B 1Z2

DECISION

PURPOSE OF MEETING

The purpose of the meeting was to consider a Compliance Audit Application submitted by John Andrew Fyfe-Millar with respect to the 2022 City of London Municipal Election as it relates to the campaign finances of registered Third Party Anna Maria Valastro in relation to third party advertisements.

This meeting was held in accordance with the provisions of the City of London's Rules of Procedure for the 2022 Municipal Election Compliance Audit Committee.

DECISION

Based upon the information provided by the Applicant in his Application and at the meeting and the information provided by the Third Party prior to the Committee meeting held on August 2, 2023 and her comments at the Committee meeting, and considering the public interest, useful municipal purpose, and the provisions of the *Municipal Elections Act, 1996*, it is the decision of the Compliance Audit Committee to reject the Application and not to order a compliance audit in accordance with the Act.

REASONS

The reasons for the decision are as follows:

1. John Andrew Fyfe-Millar (the “**Applicant**”) has applied for a compliance audit of the election campaign finances of Anna Maria Valastro (the “**Third Party**”) in connection with the October 24, 2022 Municipal Election in London. Anna Maria Valastro registered as a Third Party for that Municipal Election.
2. The Applicant confirmed that he was entitled to vote in the 2022 Municipal Election and is therefore qualified to make this Application.
3. In the Applicant’s application (the “**Application**”), the Applicant asserts that he has reasonable grounds to believe that the Third Party contravened a provision of the *Municipal Elections Act, 1996*, (the “**Act**”) relating to election campaign finances.
4. The Committee met to consider the Application on Wednesday, August 2, 2023. On July 20, 2023, notice of the time, place and purpose of the Committee’s meeting, including an agenda with a copy of the Application, was sent by registered mail to the Third Party.
5. As part of this July 20, 2023 notification, the Third Party was advised that, if she wished to make any written submissions to be included on the added agenda for this meeting, her written submissions were to be sent by e-mail before 9:00 AM Monday, July 31, 2023, to elections@london.ca.
6. The Third Party’s submissions were received, and the Third Party appeared before the Committee in person on August 2, 2023.
7. Subsection 88.29(1) of the Act requires that a registered third party file with the clerk of the municipality a financial statement and auditor’s report, each in the prescribed form, reflecting the registered third party’s campaign finances in relation to third party advertisements.

8. Subsection 88.29(6) of the Act provides that no auditor's report is required if the total contributions received, and total expenses incurred in the registered third party's campaign in relation to third party advertisements during an election in the municipality up to the end of the relevant period are each equal to or less than \$10,000.
9. The Third Party prepared a Financial Statement dated March 28, 2023 and filed it with the City on March 29, 2023. That Financial Statement says that the Third Party received no contributions and that the Third Party spent \$50.00 on brochures/flyers and contributed to the campaigns of a candidate for mayor (\$600.00) and a candidate for councillor for Ward 13 (\$22.00). This is well below the subsection 88.29(6) criteria for requiring that an auditor's report be provided with the Financial Statement.
10. The Committee makes several observations about the Third Party's Financial Statement. It is doubtful that contributions to municipal election candidates' election campaigns are to be regarded as expenses incurred in relation to the third party advertisements during an election. While the Third Party's Financial Statement says that she received no contributions, it is clear that her third party advertisement activity was self-financed so, whatever she spent on third party advertisements, should have been reported as contributions in money from the third party registrant.
11. At bottom, this case is about a \$50.00 bundle of brochures. To put that in perspective, considerably more than that has been incurred by the City convening and then holding the August 2, 2023 meeting of the Committee.
12. The Third Party has sought to do the right thing by registering as a third party and by filing a financial statement. But she got some things wrong.
13. The Applicant complains that the Third Party used the wrong form of financial statement. He says there is a discrepancy between the donation amount reported in the financial statement and the amount reported in the recipient candidate's financial reporting. The Applicant says that the Third Party's \$50.00 worth of brochures did not include the information required by subsection 88.5(1) of the Act.
14. The form issue raised by the Applicant is that the form of Financial Statement filed by the Third Party is in Form 4, which is the prescribed form for Candidates, not Third Parties who are required to use Form 8 for their Financial Statement filing.
15. The Committee has examined the two prescribed forms. Much of the information to be provided is the same. A significant substantive difference is that Form 8

- requires Third Parties to list in Table 4 the names and addresses of monetary contributions from corporations or trade unions. Candidates are not permitted to receive contributions from corporations or trade unions, so this is not part of the Form 4 Financial Statement. In this case, the Financial Statement provided by the Third Party discloses that she received no contributions from any source. Technically, because the Third Party self-funded her expenses for third party advertisement, whatever was spent was contributed by the Third Party herself.
16. The Applicant was asked to identify what information would be produced had the Third Party used the Form 8 Financial Statement which was not provided in the Form 4 Financial Statement which she prepared and filed. He could not identify anything which he thought would come out of a Form 8 Financial Statement that was not provided in the Third Party's Form 4 Financial Statement.
 17. The Third Party told the Committee that she used Form 4 because City staff told her to use that form. The Third Party produced communication for the City to third party registrants which specifically provides for financial statement filing on Form 4.
 18. The Applicant says that the Third Party's Financial Statement shows a contribution of \$600.00 to mayoralty candidate Dan Lenart whereas the Applicant says that the Financial Statement filed by Mr. Lenart shows a contribution of \$135.00 from the Third Party. Neither amount exceeds the \$1,200.00 limit an individual can make to a candidate's election campaign. Regardless of which amount is accurate, the Committee agrees with the Applicant that cash contributions to municipal election candidates' election campaigns are not to be regarded as expenses incurred in relation to third party advertisements during an election. The Third Party told the Committee that she was not sure if her financial contributions to candidates in the election should be included as expenses on her financial statement reporting. The Third Party asked City staff for guidance and received none. Out of an abundance of caution, the Third Party included the contributions as expenses.
 19. The Applicant also complains that Third the Party failed to comply with section 88.5 of the Act in that she did not include on the brochures she distributed the information required by subsection 88.5(1) of the Act. That subsection requires that a third party advertisement is to contain the name of the registered third party, the municipality where the registered third party is registered and a telephone number, mailing address or email address at which the registered third party may be contacted regarding the advertisement.
 20. The Third Party said she put an e-mail address on the brochures which did not include her personal information; she did this for security reasons. The e-mail

address would allow anyone interested or wanting to ask questions to reach her for that purpose.

21. In his Application, the Applicant says the Third Party has failed to comply with sections 88.26, 88.27, 88.28, 88.29 and 88.5 of the Act. Except as specifically mentioned above, the Applicant has provided no particulars of the contraventions about which he is referring.

Decision and Reasons

22. A review of applicable case law has been instructive in both determining the role of the Committee and determining when an application should be granted. At this stage of the proceedings, the Committee acts primarily as a gatekeeper in determining whether an audit should be undertaken. It is a pre-investigatory stage and not a determination that the Candidate has contravened the Act in any way. The test is whether the Applicant, acting in good faith, has reasonable grounds to believe the Candidate contravened the Act. Once reasonable grounds have been found to exist, the Committee has limited discretion in deciding whether to order a compliance audit.
23. The Committee acknowledges the submissions of the Applicant and the Third Party, however, at this stage of the proceedings, the Committee is to serve in a gate-keeper function to see that municipal financial and other resources are deployed in the public interest or for some useful municipal purpose and it is not within the Committee's mandate or authority to weigh the evidence or decide which position is correct in law, but to determine whether the Applicant has reasonable grounds to believe the Third Party has contravened the Act.
24. That said, there must be credible evidence from the Applicant in support of reasonable grounds to warrant a publicly funded compliance audit; and the contraventions of the Act which the Applicant has reasonable grounds to believe have occurred must be substantive, not technicalities of *de minimus* consequence.
25. Based upon the information provided by the Applicant in his Application and at the meeting and the information provided by the Third Party prior to the meeting and then at the Committee meeting held on August 2, 2023, the Committee is satisfied that the issues raised by the Application are, in this case, technicalities of negligible consequence with respect to a \$50.00 expenditure by the Third Party of her own funds for brochures.
26. The Committee has concluded that, considering the public interest, useful municipal purpose, and the provisions of the Act, there are no credible, reasonable grounds that justify a publicly funded compliance audit of the Third

DECISION
Fyfe-Millar/Valastro

Page 6

Party's campaign finances in relation to her third party advertisements. It is, therefore, the decision of the Committee to reject the Application and not to order a compliance audit in accordance with the Act.

ISSUED by The Corporation of the City of London Compliance Audit Committee at London, Ontario, on August 3, 2023.

Compliance Audit Committee

[Signed copy on file]

Dan Ross, Chair

[Signed copy on file]

Christene Scrimgeour, Member



Andrew Wright, Member

Report to 2022 Municipal Election Compliance Audit Committee

To: Chair and Members
2022 Municipal Election Compliance Audit Committee
From: Michael Schulthess, City Clerk
Subject: 2022 Municipal Election Clerk's Contribution Report - Sil Palumbo
Date: August 2, 2023

Recommendation

That, on the recommendation of the City Clerk, the report dated June 26, 2023, and entitled "2022 Municipal Election Clerk's Contribution Report - Sil Palumbo" providing notice of an apparent contravention of the campaign contribution limits with respect to the 2022 Municipal Election, BE RECEIVED for information.

Analysis

1.0 Background Information

The purpose of this report is to identify to the 2022 Municipal Election Compliance Audit Committee an apparent contravention by Sil Palumbo of the campaign contribution limits under section 88.9 of *The Municipal Elections Act, 1996* (the "Act").

Section 88.9 of the Act directs the following regarding campaign contributions to candidates for council in a municipal election:

88.9 (1) A contributor shall not make contributions exceeding a total of \$1,200 to any one candidate in an election.

88.9 (4) A contributor shall not make contributions exceeding a total of \$5,000 to two or more candidates for office on the same council or local board.

88.9 (5) This section does not apply to contributions made to a candidate's own election campaign by the candidate or his or her spouse.

Under section 88.34 of the Act, the City Clerk is directed to review the above-mentioned contributions to candidates and to report on any apparent contraventions to contribution limits:

88.34 (1) The clerk shall review the contributions reported on the financial statements submitted by a candidate under section 88.25 to determine whether any contributor appears to have exceeded any of the contribution limits under section 88.9.

88.34 (2) As soon as possible following the day that is 30 days after the filing date or supplementary filing date, as the case may be, under section 88.30, the clerk shall prepare a report identifying each contributor to a candidate for office on a council who appears to have contravened any of the contribution limits under section 88.9 and,

(a) if the contributor's total contributions to a candidate for office on a council appear to exceed the limit under section 88.9, the report shall set out the contributions made by that contributor to the candidate; and

(b) if the contributor's total contributions to two or more candidates for office on the same council appear to exceed the limit under section 88.9, the report shall set out the contributions made by that contributor to all candidates for office on the same council.

88.34 (3) The clerk shall prepare a separate report under subsection (2) in respect of each contributor who appears to have contravened any of the contribution limits under section 88.9.

88.34 (4) The clerk shall forward each report prepared under subsection (2) to the compliance audit committee.

2.0 Discussion and Considerations

2.1 Campaign Contributions Analysis – Sil Palumbo

Subsequent to the above, a review of the contributions reported on the financial statements submitted by candidates under section 88.25 of the Act has identified an apparent contravention to the contribution limits under section 88.9 by contributor **Sil Palumbo**.

The attached (Appendix 'A') is a copy of the financial statement (Form 4) of Khalil Ramal to whom Sil Palumbo contributed \$1,495.00 during the 2022 Municipal Election.

Based on this financial statement it appears that Sil Palumbo has contributed a total of \$1,495 to a candidate for office on the same council during the 2022 City of London Municipal Election. This total is \$295 in excess of the \$1,200 limit, thereby constituting an apparent contravention of section 88.9 of the Act.

3.0 Conclusion

Next Steps of 2022 Municipal Election Compliance Audit Committee

Upon receiving this Report identifying an apparent contravention of campaign contribution limits from the Clerk, the 2022 Municipal Election Compliance Audit Committee is directed under the Act to undertake the following:

88.34 (8) Within 30 days after receiving a report under subsection (4) or (7), the compliance audit committee shall consider it and decide whether to commence a legal proceeding against a contributor for an apparent contravention.

88.34 (9) Reasonable notice of the meetings of the committee under subsection (8) shall be given to the contributor, the applicable candidate and the public.

88.34 (9.1) The meetings of the committee under subsection (8) shall be open to the public, but the committee may deliberate in private.

88.34 (11) The decision of the committee under subsection (8), and brief written reasons for the decision, shall be given to the contributor and to the clerk of the municipality or the secretary of the local board, as the case may be.

Prepared by: Jeannie Raycroft, Manager, Elections, Strategic Integration & Policy

Submitted by: Sarah Corman, Deputy City Clerk

Recommended by: Michael Schulthess, City Clerk

Appendix 'A'

Candidates' Financial Statements – Form 4
(To be provided with public agenda)

All 2022 Municipal Election Financial Statements may be found online at
www.london.ca/elections

Instructions

All candidates must complete Boxes A and B. Candidates who receive contributions or incur expenses must complete Boxes C, D, Schedule 1 and Schedule 2 as appropriate. Candidates who receive contributions or incur expenses in excess of \$10,000 must also attach an Auditor's Report.

All surplus funds (after any refund to the candidate or their spouse) shall be immediately paid to the clerk who is responsible for the conduct of the election.

For the campaign period from (day clerk received nomination)

YYYY	MM	DD
2 0 2 2	0 6	2 7

 to

YYYY	MM	DD
2 0 2 2	0 9	2 4

- Initial filing reflecting finances from start of campaign to December 31 (or 45 days after voting day in a by-election)
- Supplementary filing reflecting finances from start of campaign to end of extended campaign period

Box A: Name of Candidate and Office

Candidate's name as shown on the ballot		
Last Name or Single Name Ramal	Given Name(s) Khalil	
Office for Which the Candidate Sought Election Mayorship	Ward Name or Number (if any)	
Municipality London		
Spending Limit General \$ 243,898.60	Parties and Other Expressions of Appreciation \$ 24,389.86	Contribution Limit Contributions from Candidate and Spouse \$ 2,583.92 2500

I did not accept any contributions or incur any expenses. (Complete Boxes A and B only)

Box B: Declaration

I, khalil Ramal, declare that to the best of my knowledge and belief that these financial statements and attached supporting schedules are true and correct.

 Signature of Candidate

2023/03/30

 Date (yyyy/mm/dd)

Date Filed (yyyy/mm/dd)	Time Filed	Initial of Candidate or Agent (if filed in person)	Signature of Clerk or Designate
2023 03 31	10:54am	K.R	taking Affidavits and Oaths, Middlesex County, while a deputized Clerk of The Corporation of the City of London.

Box C: Statement of Campaign Income and Expenses

LOAN		
Name of bank or recognized lending institution		Amount borrowed \$
<hr/>		
INCOME		
Total amount of all contributions (from line 1A in Schedule 1)	+ \$ 15,228.92	
Revenue from items \$25 or less	+ \$ 90.00	
Sign deposit refund	+ \$	
Revenue from fundraising events not deemed a contribution (from Part III of Schedule 2)	+ \$ 190.00	
Interest earned by campaign bank account	+ \$	
Other (provide full details)		
1. Senior Rebate	+ \$ 6.74	
2. _____	+ \$	
3. _____	+ \$	
4. _____	+ \$	
5. _____	+ \$	
6. _____	+ \$	
Total Campaign Income (Do not include loan)		= \$ 15,515.66 C1

EXPENSES (Note: Include the value of contributions of goods and services)

1. Expenses subject to general spending limit

Inventory from previous campaign used in this campaign (list details in Table 2 of Schedule 1)	+ \$	
Advertising	+ \$ 8,353.23	
Brochures/flyers	+ \$ 2,260.00	
Signs (including sign deposit)	+ \$ 19,775.00	
Meetings hosted	+ \$ 750.00	
Office expenses incurred until voting day	+ \$ 3,000.00	
Phone and/or internet expenses incurred until voting day	+ \$	
Salaries, benefits, honoraria, professional fees incurred until voting day	+ \$	
Bank charges incurred until voting day	+ \$ 214.81	
Interest charged on loan until voting day	+ \$	
Other (provide full details)		
1. miscellaneous expenses	+ \$ 7,368.97	
2. _____	+ \$	
3. _____	+ \$	
4. _____	+ \$	
5. _____	+ \$	
6. _____	+ \$	
Total Expenses subject to general spending limit	= \$ 41,722.01 C2	

2. Expenses subject to spending limit for parties and other expressions of appreciation

1. _____	+ \$	
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2.	_____	+ \$	_____
3.	_____	+ \$	_____
4.	_____	+ \$	_____
5.	_____	+ \$	_____
Total Expenses subject to spending limit for parties and other expressions of appreciation		= \$	<u> </u> C3

3. Expenses not subject to spending limits

Accounting and audit		+ \$	_____
Cost of fundraising events/activities (list details in Part IV of Schedule 2)		+ \$	<u>842.47</u>
Office expenses incurred after voting day		+ \$	<u>3,000.00</u>
Phone and/or internet expenses incurred after voting day		+ \$	<u>150.00</u>
Salaries, benefits, honoraria, professional fees incurred after voting day		+ \$	_____
Bank charges incurred after voting day		+ \$	<u>145.43</u>
Interest charged on loan after voting day		+ \$	_____
Expenses related to recount		+ \$	<u>69.38</u>
Expenses related to controverted election		+ \$	_____
Expenses related to compliance audit		+ \$	_____
Expenses related to candidate's disability (provide full details)			
1.	_____	+ \$	_____
2.	_____	+ \$	_____
3.	_____	+ \$	_____
4.	_____	+ \$	_____
5.	_____	+ \$	_____
Other (provide full details)			
1. Steel		+ \$	<u>2,034.00</u>
2. Steel		+ \$	<u>339.00</u>
3.	_____	+ \$	_____
4.	_____	+ \$	_____
5.	_____	+ \$	_____
Total Expenses not subject to spending limits		= \$	<u>6,580.28</u> C4

Total Campaign Expenses (C2 + C3 + C4) = \$ **48,302.29** **C5**

Box D: Calculation of Surplus or Deficit

Excess (deficiency) of income over expenses (Income minus Total Expenses) (C1 – C5)		+ \$	<u>-32,786.63</u> D1
If there is a surplus, deduct any refund of candidate's or spouse's contributions to the campaign		- \$	_____
Surplus (or deficit) for the campaign		= \$	<u>-32,786.63</u> D2

If line D2 shows a surplus, the amount must be paid in trust, at the time the financial statements are filed, to the municipal clerk who is responsible for the conduct of the election.

Schedule 1 – Contributions

Part I – Summary of Contributions

Contributions in money from candidate and spouse	+ \$	2,583.92	
Contributions in goods and services from candidate and spouse (include value listed in Table 1 and Table 2)	+ \$	250.00	
Total value of contributions not exceeding \$100 per contributor • Include ticket revenue, contributions in money, goods and services where the total contribution from a contributor is \$100 or less (do not include contributions from candidate or spouse).	+ \$		
Total value of contributions exceeding \$100 per contributor (from line 1B; list details in Table 3 and Table 4) • Include ticket revenue, contributions in money, goods and services where the total contribution from a contributor exceeds \$100 (do not include contributions from candidate or spouse).	+ \$	12,595.00	
Less: Ineligible contributions paid or payable to the contributor Contributions paid or payable to the clerk, including contributions from anonymous sources exceeding \$25	– \$	200.00	
	– \$		
Total Amount of Contributions (record under Income in Box C)	= \$	15,228.92	1A

Part II – Contributions from candidate or spouse

Table 1: Contributions in goods or services

Description of Goods or Services	Date Received (yyyy/mm/dd)	Value (\$)
papers ,plates cups and cutleries	2022/09/11	50.00
Chairs	2022/09/11	100.00
Tables	2022/09/11	100.00
Total		250.00

Additional information is listed on separate supplementary attachment, if completed manually.

**Table 2: Inventory of campaign goods and materials from previous municipal campaign used in this campaign
(Note: Value must be recorded as a contribution from the candidate and as an expense.)**

Description	Date Acquired (yyyy/mm/dd)	Supplier	Quantity	Current Market Value (\$)
Total				

Additional information is listed on separate supplementary attachment, if completed manually.

Part III – Contributions exceeding \$100 per contributor – individuals other than candidate or spouse

Table 3: Monetary contributions from individuals other than candidate or spouse

Name	Full Address	Date Received (yyyy/mm/dd)	Amount Received (\$)	Amount Returned to Contributor or Paid to Clerk (\$)
Mohamad AdulHamid	N/A	2022/10/23	300.00	
Wajde Darwish	N/A	2022/10/22	1,200.00	
Micheal Loebach	N/A	2022/10/22	100.00	
Kamal Rammal	N/A	2022/10/21	250.00	
Abdollah Abosharia	N/A	2022/10/21	100.00	
Hassan Noureddine	N/A	2022/10/20	1,200.00	
Salem Ghanem	N/A	2022/10/20	200.00	
Hussam Mohamad	N/A	2022/10/17	1,000.00	
Youssef Khochaba	N/A	2022/10/13	100.00	
Micheal Loebach	N/A	2022/10/02	100.00	
Mohamed Elsayed	N/a	2022/09/25	100.00	
Sobhi Elsayed	N/A	2022/09/25	200.00	
Sandra Miller	N/A	2022/09/22	100.00	
George Zouki	N/A	2022/09/12	200.00	
Claud Cortas	N/A	2022/09/11	300.00	
Hanan Al Aridi	N/A	2022/09/11	100.00	
Mohammed Al-Sahli	N/A	2022/09/11	500.00	
Lukasz Piskozub	N/A	2022/09/11	1,200.00	
hassan Hiadar	N/A	2022/09/11	100.00	
Sam Mokbel	N/A	2022/09/11	1,200.00	
Jaafer Hiadar	NA	2022/09/09	500.00	
Arshad Gondal	N/A	2022/09/09	250.00	
Robert Robah	N/A	2022/09/08	100.00	
N/A		2022/09/08	200.00	

Name	Full Address	Date Received (yyyy/mm/dd)	Amount Received (\$)	Amount Returned to Contributor or Paid to Clerk (\$)
Sil Palumbo		2022/10/18	1,495.00	
N/A		2022/10/19	1,000.00	
Mohammad Ramal		2022/11/22	500.00	
Total			12,595.00	

Additional information is listed on separate supplementary attachment, if completed manually.

**Table 4: Contributions in goods or services from individuals other than candidate or spouse
(Note: Must also be recorded as Expenses in Box C.)**

Name	Full Address	Description of Goods or Services	Date Received (yyyy/mm/dd)	Value (\$)
Total				

Additional information is listed on separate supplementary attachment, if completed manually.

**Total for Part III – Contributions exceeding \$100 per contributor
(Add totals from Table 3 and Table 4 and record the total in Part 1 – Summary of Contributions) \$ 12,595.00 1B**

Schedule 2 – Fundraising Events and Activities

Complete a separate schedule for each event or activity held.

Additional schedule(s) attached, if completed manually.

Fundraising Event/Activity 1

Description of fundraising event/activity open fundraising

Date of event/activity (yyyy/mm/dd) 2022/09/11

Part I – Ticket revenue

Admission charge (per person) \$ 100.00 2A

(If there are a range of ticket prices, attach complete breakdown of all ticket sales)

Number of tickets sold x 90 2B

Total Part I (2A X 2B) (include in Part I of Schedule 1) = \$ 9,000.00

Part II – Other revenue deemed a contribution

Provide details (e.g., revenue from goods sold in excess of fair market value)

1.		+ \$	
2.		+ \$	
3.		+ \$	
4.		+ \$	
5.		+ \$	

Total Part II (include in Part I of Schedule 1) = \$ _____

Part III – Other revenue not deemed a contribution

Provide details (e.g., contribution of \$25 or less; goods or services sold for \$25 or less)

1.	2x20	+ \$	40.00
2.	3x50	+ \$	150.00
3.		+ \$	
4.		+ \$	
5.		+ \$	

Total Part III (include under Income in Box C) = \$ 190.00

Part IV – Expenses related to fundraising event or activity

Provide details

1.	paying for food	+ \$	692.47
2.	Tips	+ \$	150.00
3.		+ \$	
4.		+ \$	
5.		+ \$	

Total Part IV Expenses (include under Expenses in Box C) = \$ 842.47

Auditor's Report – Municipal Elections Act, 1996 (Section 88.25)

A candidate who has received contributions or incurred expenses in excess of \$10,000 must attach an auditor's report.

Professional Designation of Auditor

CP

Municipality woodbridge	Date (yyyy/mm/dd) 2023/03/31
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Contact Information

Last Name or Single Name Hassan	Given Name(s) Salah	Licence Number 2086643
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Address

Suite/Unit Number	Street Number 24	Street Name gallant
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Municipality Woodbridge	Province Ontario	Postal Code L4H 3W6
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Telephone Number 647-674-4242	Email Address smmh19@yahoo.com
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The report must be done in accordance with generally accepted auditing standards and must:

- set out the scope of the examination
- provide an opinion as to the completeness and accuracy of the financial statement and whether it is free of material misstatement

Report is attached

Personal information, if any, collected on this form is obtained under the authority of sections 88.25 and 95 of the *Municipal Elections Act, 1996*. Under section 88 of the *Municipal Elections Act, 1996* (and despite anything in the *Municipal Freedom of Information and Protection of Privacy Act*) documents and materials filed with or prepared by the clerk or any other election official under the *Municipal Elections Act, 1996* are public records and, until their destruction, may be inspected by any person at the clerk's office at a time when the office is open. Campaign financial statements shall also be made available by the clerk in an electronic format free of charge upon request.

Date: March 31, 2022

From: Salah Hassan

24 Gallant Place, Woodbridge, Ontario L4H 3W6

To; City of London, Ontario

Hi,

I am Salah Hassan a Chartered Professional Accountant Licensed by Professional Accountants of Canada, license number 2086643. According to the information provided by Mr. Khalil Ramal the Mayoral candidate for the City of London, Ontario for the year 2022 election, after examining the bank statement, donation expenses and Form 4, it appears to me that all the information are correctly entered in the Financial Statement – Auditor’s Report candidate – Form 4n.

Best regards,

Salah Hassan, CPA

Begin forwarded message:

From: chacko@chackocpa.ca

Date: August 8, 2023 at 9:32:03 PM EDT

To: Elections <Elections@london.ca>, "Schulthess, Michael" <mschulth@london.ca>

Cc: sil@palumbohomes.ca

Subject: [EXTERNAL] Sil Palumbo - contributions to Khalil Ramal

Dear Sir:

I am sending this email on behalf of my client "Sil Palumbo".

This morning Sil received a package from your office asking him to attend a meeting scheduled on August 10, 2023.

Sil Palumbo *[redacted]* will not be able to attend the meeting *[redacted]*.

Sil agrees that he has made an election contribution to Khalil Ramal on October 15, 2022 in the amount of \$1,495.00. He was not aware that there was a contribution limit of \$1,200.

On August 2, 2023 Mr. Khalil Ramal came to Sil's office and gave him a cheque for \$295.00 (the excess amount of contribution). Same day, both of them went to Sil's bank and Sil cashed the cheque.

You may contact Sil Palumbo at:

Email address: sil@palumbohomes.ca

Tel: *[redacted]*

Regards,

Chacko Varghese

Chacko Varghese, CPA

228-1255 Commissioners Rd W

London, ON N6K 3N5

Tel: 519-474-6850 Fax: 888-217-1702