



Office of the Commissioner
of Lobbying of Canada

Commissariat au lobbying
du Canada

ANNUAL REPORT 14 | 15

OFFICE OF THE COMMISSIONER OF LOBBYING OF CANADA

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Free and open access to government is an important matter of public interest.

Lobbying public office holders is a legitimate activity.

It is desirable that public office holders and the public be able to know who is engaged in lobbying activities.

A system for the registration of paid lobbyists should not impede free and open access to government.

Commissioner of Lobbying



Commissaire au lobbying

Ottawa, Canada K1A 0R5

The Honourable Leo Housakos
Speaker of the Senate
The Senate
Ottawa, Ontario
K1A 0A4

Dear Mr. Speaker:

Pursuant to section 11 of the *Lobbying Act*, I have the honour of presenting to you the seventh annual report of the Commissioner of Lobbying for tabling in the Senate.

This report covers the fiscal year ending March 31, 2015.

Sincerely yours,

A handwritten signature in blue ink, appearing to be "K. Shepherd", with a long horizontal line extending to the right.

Karen E. Shepherd

Commissioner of Lobbying



Commissaire au lobbying

Ottawa, Canada K1A 0R5

The Honourable Andrew Scheer, M.P.
Speaker of the House of Commons
Room 316-N, Centre Block
House of Commons
Ottawa, Ontario
K1A 0A6

Dear Mr. Speaker:

Pursuant to section 11 of the *Lobbying Act*, I have the honour of presenting to you the seventh annual report of the Commissioner of Lobbying for tabling in the House of Commons.

This report covers the fiscal year ending March 31, 2015.

Sincerely yours,

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Karen E. Shepherd

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MESSAGE FROM THE COMMISSIONER



I am pleased to present the 2014-15 Annual Report for the Office of the Commissioner of Lobbying. This report highlights the main accomplishments of my organization in helping me deliver on my mandate.

My mandate, as set out in the *Lobbying Act*, covers three areas of activity: maintaining a registry of lobbyists that is accessible to all Canadians; fostering awareness of the requirements of the *Lobbying Act* through education and outreach; and ensuring compliance with the legislation and the *Lobbyists' Code of Conduct*.

The Registry of Lobbyists is the primary source of information on who is lobbying federal public office holders and about which topics. It plays a key role in fostering the transparency and accountability of government decision-making. Since I became Commissioner, I have continuously improved the Registry, making it easier for lobbyists to use and for Canadians to find information on lobbying. The entire Registry dataset is now available on the Open Data Portal and is often accessed.

A number of new tools were developed this year to assist lobbyists to register and report communications with designated public office holders. Two key tools which I believe will help lobbyists comply with the *Lobbying Act* are an improved self-assessment tool entitled “Are you required to register in the federal Registry of Lobbyists?”, and a revised *Guide to Registration*.

As I reported last year, the *Lobbyists' Code of Conduct* has remained unchanged since it came into force in 1997. This year, one of my priorities was a public consultation on a revised Code. Some important revisions consulted on included a change in the scope of the Code to



make it consistent with that of the Act, and clearer rules concerning conflict of interest. More than 130 stakeholders, including lobbyists, public office holders, representatives of the legal community, and academics participated in the process.

As required by the *Lobbying Act*, I will refer the *Lobbyists' Code of Conduct* to the House of Commons Standing Committee on Access to Information, Privacy, and Ethics in May 2015. At a later date, I will proceed to publish the Code in the *Canada Gazette*. At that time, I will indicate when the new Code will come into effect. Until then, the 1997 Code remains in effect.

I believe transparency is hindered when lobbyists file communication reports late. For that reason, I implemented new education measures this year to ensure that lobbyists know the deadlines and are made aware whenever they submit their communication reports late. As a result, I am proud to report that timeliness has improved.

While education is important to ensure compliance, it is essential to have a complementary compliance regime. This year, a number of proactive compliance activities were put in place to assist lobbyists and former designated public office holders to comply with the Act and the Code.

Last year, I reported on the first charge and conviction for a breach of the *Lobbying Act*. This year, based on referrals that I made to the RCMP, three individuals were charged. At the time of the writing of this Report, all three matters are before the courts.

I would like to take this opportunity to once again acknowledge the dedication of my staff and to thank them for all that they have accomplished this year. They continue to support me and surpass my expectations in finding innovative ways to help me deliver on my mandate in the most efficient manner.

A handwritten signature in black ink, consisting of a stylized 'K' and 'S' followed by a long horizontal line.

Karen E. Shepherd
Commissioner of Lobbying

FOSTERING TRANSPARENT LOBBYING ACTIVITIES



The *Lobbying Act* (the Act) gives the Commissioner of Lobbying a mandate to establish and maintain a Registry of Lobbyists (the Registry) through which individuals, corporations and organizations must publicly disclose specific information about their lobbying activities.

REGISTRY OF LOBBYISTS

The Registry is accessible online on the website of the Office of the Commissioner of Lobbying (OCL). It is free to consult and there is no charge to lobbyists to register.

A publicly available registry, which is easy to use, ensures transparency of lobbying activities. The Registry includes information about:

- who is lobbying;
 - the names and business contact information of lobbyists;
 - the federal public offices previously held by the lobbyists – including previously held designated public offices as well as the dates when the lobbyist left those offices;
- who benefits from the lobbying;
 - the names of the organizations or corporations, including the parent and subsidiary corporations, that benefit from the lobbying activities;
 - the organizations that are members of coalition groups represented;
 - government funding received by those represented;
- the names of the federal institutions lobbied;
- the subject matters of lobbying activities, including the legislative proposals, bills, regulations, policies and programs discussed, and grants, contributions or contracts sought;
- communication techniques used, such as written, oral or grass-roots lobbying.

REGISTERED LOBBYISTS

The number of lobbyists listed in the Registry at any given time tends to remain relatively stable through the

year. Monthly snapshots show the number of lobbyists ranging from a high of 5,210 on July 31, 2014 to a low of 5,110 on December 31, 2014.

In 2014-15, in-house lobbyists employed by not-for-profit organizations represented a larger proportion of registered lobbyists than in-house lobbyists employed by for-profit corporations. Consultant lobbyists represented the smallest proportion of registered lobbyists.

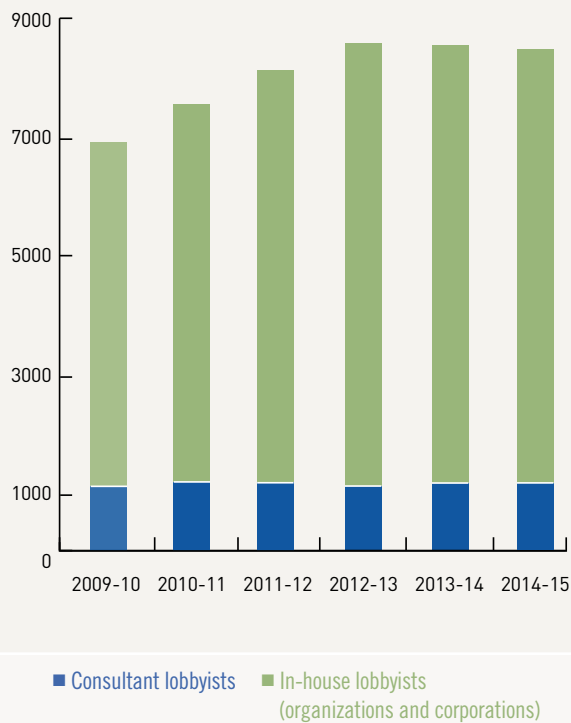
On March 31, 2015, there were 3,008 active registrations in the Registry of Lobbyists, of which 2,205 were filed by consultant lobbyists, 498 were filed on behalf of organizations, and 305 were filed on behalf of corporations. The number of active registrations at year-end has remained stable at around 3,000 since 2008.

Consultant lobbyists must register separately for each client. As a result, they often have more than one registration to their name and they account for the highest number of registrations. On average, a consultant lobbyist had 2.7 active registrations in 2014-15.

Organizations and corporations engaged in lobbying are required to file a single in-house registration. The most senior paid officer of an organization or a corporation is responsible for filing an in-house registration on behalf of the organization or corporation. In-house registrations for organizations are required to include all employees involved in lobbying activities. In-house registrations for corporations must include all senior officers of the corporation who lobby and all employees whose lobbying constitutes a significant part of their duties. On average, an in-house registration for an organization listed 5.3 lobbyists and an in-house registration for a corporation listed 5.7 lobbyists in 2014-15.

Consultant lobbyists are considered active whenever they have at least one active registration during a fiscal year. In-house lobbyists are considered active whenever their name is listed in an active in-house registration during the fiscal year. Figure 1 shows the total number of active lobbyists per fiscal year.

FIGURE 1: NUMBER OF ACTIVE LOBBYISTS DURING THE FISCAL YEAR.



The number of active lobbyists increased from just under 6,900 in 2009-10 to around 8,500 in 2013-14 and 2014-15. It remained relatively stable this year at 8,425. As shown in Figure 1, the number of consultant lobbyists has remained constant at around 1,100 over the years, while the number of in-house lobbyists has increased significantly since 2009-10.

Registration activities

Under the *Lobbying Act*, those responsible for filing registrations must ensure the information they disclose is updated regularly. They must:

- update their registrations whenever the targets or topics of their lobbying activities change;
- update the list of in-house lobbyists to reflect changes in personnel or duties in the organization or corporation;
- verify and confirm that the information that is disclosed in their registration, in cases where nothing has changed in the previous six months, is still up to date;
- terminate their registrations when they cease to engage in lobbying activities; and
- report oral and arranged communications with designated public office holders.

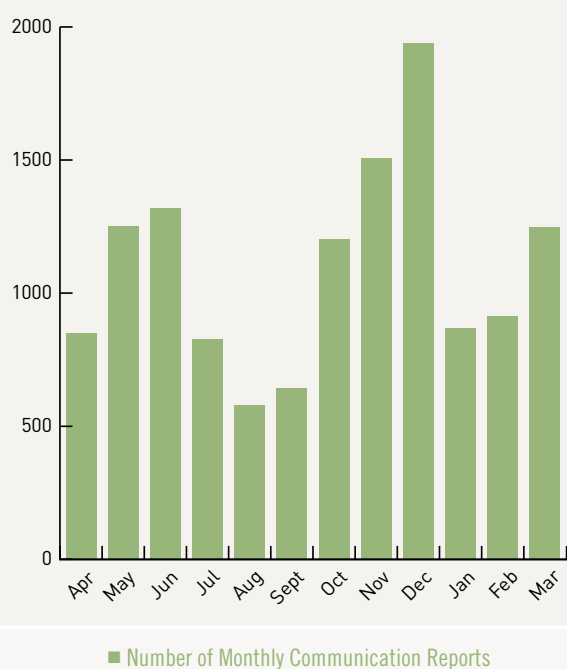
In 2014-15, a total of 1,229 new registrations were filed, 3,170 registrations were updated, and 13,134 monthly communication reports were submitted. Registrants certified that the information in 3,681 registrations did not change in the previous six months, terminated 948 registrations, and reactivated 417 registrations that had previously been terminated, for a total of 22,579 registration activities.

REPORTING COMMUNICATIONS WITH DESIGNATED PUBLIC OFFICE HOLDERS

The Act requires that lobbyists file monthly communication reports when oral and arranged communications take place with a designated public office holder. These reports must be filed by the 15th day of the month after the month in which the communication took place.

These communications may include telephone calls, in-person meetings and video-conferences. In most cases, oral communications must be reported when they are arranged in advance. A communication initiated by a public office holder is not required to be reported by the lobbyist unless it relates to the awarding of a contract (consultant lobbyists only), a grant, a contribution, or any other financial benefit.

FIGURE 2: NUMBER OF MONTHLY COMMUNICATION REPORTS FILED IN 2014-15, BY MONTH



Communication reports are published in the Registry and provide the name of the registrant, the date of the communication, the name of the designated public office holder(s) present and the subject matter(s) discussed. As shown in Figure 2, the number of monthly communication reports filed by registered lobbyists fluctuates from month to month.

As shown in Table 1, the government institution that appears most often in monthly communication reports is the House of Commons, which accounts for approximately a third of the reports filed in 2014-15.

TABLE 1: TOP 10 GOVERNMENT INSTITUTIONS LISTED IN MONTHLY COMMUNICATION REPORTS IN 2014-15.

GOVERNMENT INSTITUTION	RANK
House of Commons	1
Industry Canada (IC)	2
Finance Canada (FIN)	3
Foreign Affairs, Trade, and Development Canada (DFATD)	4
Prime Minister's Office (PMO)	5
Natural Resources Canada (NRCan)	6
Transport Canada (TC)	7
Senate of Canada	8
Employment and Social Development Canada (ESDC)	9
Health Canada (HC)	10

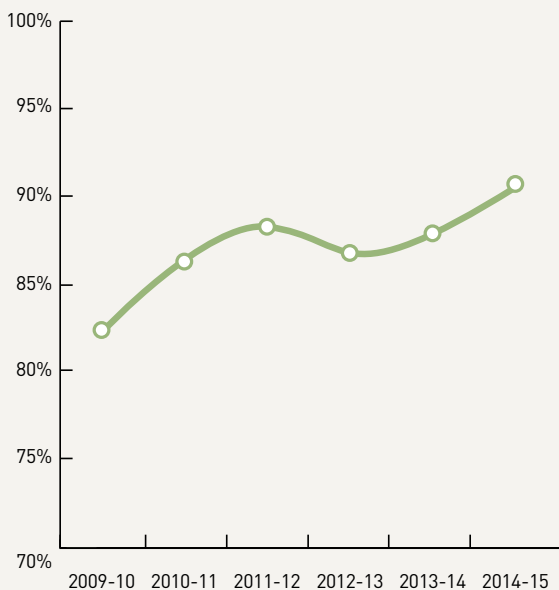
TABLE 2: TOP 10 SUBJECT MATTERS LISTED IN MONTHLY COMMUNICATION REPORTS IN 2014-15.

SUBJECT MATTER	RANK
Health	1
Industry	2
International Trade	3
Transportation	4
Taxation and Finance	5
Energy	6
Environment	7
Employment and Training	8
Agriculture	9
Science and Technology	10

IMPROVING THE TIMELINESS OF MONTHLY COMMUNICATION REPORTS

In 2014-15, a number of education measures were implemented to reinforce the importance of filing monthly communication reports in a timely manner. The results of these measures indicated improved compliance. A total of 13,134 communication reports were filed in 2014-15, of which 11,939 (91%) were filed on time. This is the highest proportion of monthly communication reports filed on time since 2008. Figure 3 shows the percentage of monthly communication reports filed on time in each of the last six fiscal years.

FIGURE 3: PERCENTAGE OF MONTHLY COMMUNICATION REPORTS FILED ON TIME, BY FISCAL YEAR.



○ Percentage of Timely Monthly Communication Reports

As I believe that late reporting of oral and arranged communications with designated public office holders hinders transparency, I will continue to educate lobbyists about the importance of filing monthly communication reports on time.

NEW TOOLS FOR LOBBYISTS

In 2014-15, my Office implemented three new tools to assist lobbyists: an updated *Guide to Registration* to provide guidance to lobbyists regarding when and how to register; new registration worksheets to help determine what information lobbyists must enter in the Registry; and an improved online self-assessment tool entitled “Are you required to register in the federal Registry of Lobbyists?”

Updated Guide to Registration

The existing *Guide to Registration* was revised with the assistance of an advisory group of lobbyist representatives. It is now easier to use and provides more detailed information on:

- the Lobbying Act as well as the Lobbyists Registration Regulations and the Designated Public Office Holder Regulations;
- the mandate of the Office of the Commissioner of Lobbying and our service standards;
- the account creation process and the Registrant User Agreement;
- the various types of lobbyists – consultant, in-house (organization), and in-house (corporation) – and the registration process for each type; and
- the follow-up to the registration process: filing monthly communication reports, keeping registrations up-to-date and terminating registrations.

The updated *Guide to Registration* is available on the OCL website.

Registration Worksheets

Worksheets were also developed by my Office in consultation with the advisory group. The registration worksheets are intended to help registrants determine what information they are required to disclose in the Registry. They also provide assistance in advance of filing an initial registration, and help registrants prepare for submitting registration updates or monthly communication reports.

The advisory group offered suggestions on the worksheets, helped validate their design, and recommended how they could best be accessed online.

The registration worksheets are available in the registration help tools section of the OCL website in both HTML and PDF formats.

“Are you required to register in the federal Registry of Lobbyists?” online tool

The “Are you required to register in the federal Registry of Lobbyists?” online self-assessment tool improves on the flowchart introduced last year. This self-assessment tool helps individuals determine whether they are required to register as lobbyists through a series of simple ‘yes’ or ‘no’ questions. The tool includes questions specifically for external directors of corporations or organizations as well as members of organizations.

ACCESSING THE REGISTRY

There is a wealth of information available in the Registry. Canadians can access the information on the OCL website through an easy-to-use search. They can also download the entire Registry dataset through our Open Data initiative.

The search engine includes a comprehensive range of features, including:

- advanced search based on any data field;
- recent and 12-month searches for lobbying activities;
- alphabetical listings of lobbyists, corporations and organizations and designated public office holders listed in monthly communication reports; and
- statistical reports on active lobbyists, government institutions being lobbied, and subject matters.

Open Data

I am committed to ensuring the information in the Registry is as accessible as possible. A comprehensive Registry dataset is compiled monthly and made available for download on both the OCL website and through open.canada.ca. Registry datasets were downloaded 5,618 times in 2014-15.

MAINTAINING HIGH STANDARDS FOR CLIENT SERVICE

Service standards have been established for our clients. These standards are intended to ensure that lobbyists, public office holders, and the public know what to expect when they interact with my Office.

TABLE 3: OCL SERVICE STANDARDS

SERVICE STANDARD	ACTIVITY
Immediate	<ul style="list-style-type: none"> Answer telephone calls received during business hours within 30 seconds, 80 percent of the time
Within 24 hours	<ul style="list-style-type: none"> Activate user accounts upon receipt of a completed Registrant User Agreement Respond to phone messages Acknowledge receipt of e-mail inquiries
Within 2 business days	<ul style="list-style-type: none"> Respond to less complex e-mail inquiries
Within 3 business days	<ul style="list-style-type: none"> Approve or provide feedback on registrations
Within 14 calendar days	<ul style="list-style-type: none"> Respond to more complex questions

In 2014-15, my Office processed 100% of registrations within the established three-business day standard.

Registration advisors responded to 2,724 phone enquiries regarding the Registry of Lobbyists, the registration process, and the application of the *Lobbying Act* and the *Lobbyists' Code of Conduct*. More than 89% of the calls were answered within 30 seconds. Table 4 provides a breakdown of who called my Office and Table 5 shows the types of questions that callers had.

TABLE 4: NUMBER OF TELEPHONE CALLS BY CALLER TYPE

CALLER TYPE	CALLS
Representative for a registered lobbyist	1,167
Lobbyist	809
Public	205
Potential lobbyist	194
Public office holder or designated public office holder (current or former)	125
Board member (consultant lobbyist)	66
Other	158
Total calls	2,724

TABLE 5: NUMBER OF TELEPHONE CALLS BY SUBJECT MATTER

PRIMARY SUBJECT MATTER OF CALL	CALLS
Registration support	1,594
Advice and interpretation of the Act and Code	677
Registry use	92
Outreach	57
Complaint or disclosure	12
Other	292
Total calls	2,724

My staff also answers simple email enquiries within a two-day service standard and complex email enquiries within a 14-day service standard. Table 6 provides a breakdown of who emailed my Office with enquiries and Table 7 shows the types of questions asked by email.

TABLE 6: NUMBER OF EMAILS BY CORRESPONDENT TYPE

CORRESPONDENT TYPE	EMAILS
Representative for a registered lobbyist	282
Lobbyist	279
Public	65
Potential lobbyist	52
Public office holder or designated public office holder (current or former)	40
Board member (consultant lobbyist)	2
Other	20
Total emails	740

TABLE 7: NUMBER OF EMAILS BY SUBJECT MATTER

PRIMARY SUBJECT MATTER OF EMAIL	EMAILS
Registration support	427
Advice and interpretation of the Act and Code	214
Registry use	40
Outreach	21
Complaint or disclosure	8
Other	30
Total emails	740

REACHING OUT TO BUILD AWARENESS



OUTREACH AND EDUCATION

The *Lobbying Act* (the Act) provides the Commissioner of Lobbying with a mandate to foster public awareness about the requirements of the Act and the *Lobbyists' Code of Conduct* (the Code).

Since the creation of my Office, a broad range of educational programs and material have been put in place to reach out to stakeholders and inform them about the requirements of the Act and the Code. This year, a public consultation to support the preparation of a revised *Lobbyists' Code of Conduct* was one of my key priorities. It was also an important element of my outreach program, as it provided an opportunity to raise awareness about the Code.

Including the consultation activities, members of my staff and I reached out to more than 760 individuals: lobbyists; public office holders; parliamentarians and their staff; academics; and members of the public.

I also appeared before the House of Commons Standing Committee on Access to Information, Privacy and Ethics to discuss my Office's priorities and accomplishments.

CONSULTATION ON THE *LOBBYISTS' CODE OF CONDUCT*

The Code was originally introduced in 1997. It has played an important role in the federal lobbying regime by establishing a mandatory standard of conduct for individuals who engage in activity deemed registrable by the Act. While the federal lobbying legislation has been amended several times since it was introduced in 1989, the Code has essentially remained unchanged since it came into force. It contains three principles dealing with integrity and honesty, openness, and professionalism. The principles are followed by a series of eight rules dealing with transparency, confidentiality, and conflict of interest.

The Code is a non-statutory instrument. There are no fines or jail terms for breaches of the Code. For those who breach the *Lobbyists' Code of Conduct* the consequence is having their name published in a Report on Investigation, tabled in Parliament. Given the importance of a lobbyist's reputation to gain or maintain employment, the effect of public sanction should not be underestimated in terms of its impact on overall compliance with the Code. To date, I have tabled ten Reports on Investigation, finding 12 lobbyists in breach of the Code.

The *Lobbying Act* states that "the Commissioner shall develop a *Lobbyists' Code of Conduct*". I believe that it is important that the Code continues to provide clear guidance to lobbyists and promote the high ethical standards that Canadians expect of them. In May 2014, I indicated in a report that I would be undertaking a full review of the *Lobbyists' Code of Conduct*. Specific attention was paid to the following considerations:

- how the Code can be made more congruent with the *Lobbying Act* and other relevant ethics documents;
- how to maintain an appropriate balance between principles and rules in the Code;
- whether to change the scope of the Code;
- whether definitions are needed;
- whether the application and the consequences of breaches of the Code need to be better explained;
- whether the Code should be explicit with respect to who can complain about breaches;
- whether the Code should explicitly promote greater respect for public institutions;
- whether the Code should prohibit lobbyists from putting a public office holder in a conflict with the values and ethics rules governing his/her behaviour;

- whether the Code should explicitly deal with the provision of gifts by lobbyists;
- whether political activities should be defined in the Code and should that definition be aligned with the *Public Service Employment Act*;
- whether the relevance of political activities by lobbyists should be time-limited in the context of creating a real or an apparent conflict of interest;
- whether preferential access to public office holders should be explicitly regulated; and
- whether scenarios and examples illustrating the application of the Code are required.

The *Lobbyists' Code of Conduct* was revised over the summer of 2014. In October, I released a revised Code for consultation as well as a background paper that set out the rationale for changes I made to the Code. The consultation ran from October to December 2014.

I received a total of 37 written submissions from a variety of stakeholders, including consultant and in-house lobbyists who lobby on behalf of corporations; not-for-profit organizations and industry associations; representatives of the legal community; public office holders; academics; and members of the public. In the interest of transparency, the submissions are posted on my website.

LIST OF SUBMISSIONS

- Denise Amyot, President and Chief Executive Officer, Colleges and Institutes Canada
- Michael Anderson, President and Chief Executive Officer, Canadian Society of Association Executives
- Perrin Beatty, President and Chief Executive Officer, Canadian Chamber of Commerce
- Kyle Billing
- Peter Boag, President and Chief Executive Officer, Canadian Fuels Association
- Marc Brazeau, President and Chief Executive Officer, Automotive Industries Association of Canada
- Jim R. Burpee, President and Chief Executive Officer, Canadian Electricity Association
- George Butts, CFN Consultants
- Canadian Association of Petroleum Producers
- Canadian Bankers Association
- Canadian Bar Association
- Philip Cartwright, President, Canadian Advocacy Network (CAN)
- Gary Clement, Senior Manager, Government Relations, TD Bank Group
- Richard Dunn, Vice-President, Government Relations Canada, Encana Services Company Ltd.
- Government Relations Institute of Canada and Public Affairs Association of Canada
- Clyde Graham, Acting President, Canadian Fertilizer Institute
- Janice Hilchie, Vice-President, Government and International Relations, Canadian Life and Health Insurance Association
- Steve Irwin, CFN Consultants
- William Kelly, President, Masstrategies, Inc.
- Kevin Lee, Chief Executive Officer, Canadian Home Builders' Association
- Bruce MacDonald, President and CEO, Imagine Canada
- John Manley, President and Chief Executive Officer, Canadian Council of Chief Executives

LIST OF SUBMISSIONS (CONT)

- Melissa Pasi, Manager, Public Affairs and Research, National Airlines Council of Canada
- Dan Paszkowski, President and CEO, Canadian Vintners Association
- Corinne Pohlmann, Senior Vice-President, National Affairs, Canadian Federation of Independent Business
- Paul Pross, Professor Emeritus, School of Public Administration, Dalhousie University
- Jim Quick, President and Chief Executive Officer, Aerospace Industries Association of Canada
- Elizabeth Roscoe, Senior Vice President, National Practice Leader, Public Affairs, Hill + Knowlton Strategies
- David Sculthorpe, Chief Executive Officer, Heart and Stroke Foundation
- Gregory E. Siekaniec, Chief Executive Officer, Ducks Unlimited Canada
- Rick Sztramko, Director, Business Development, Canadian Coast Guard Programs, Babcock Canada Inc.
- W. Scott Thurlow
- John von Heyking, Department of Political Science, University of Lethbridge
- Victor Vrsnik
- Ron Watkins, President, Canadian Steel Producers Association
- Alan Young and Howard Mains, TACTIX Government Relations and Public Affairs
- Joint submission:
 - Michael Bourque, President and CEO, Railway Association of Canada
 - Timothy Egan, President and CEO, Canadian Gas Association
 - Pierre Gratton, President and CEO, Mining Association of Canada
 - David Lindsay, President and CEO, Forestry Products Association of Canada
 - Richard Paton, President and CEO, Chemistry Industry Association of Canada

I also held 16 roundtables across the country (in Calgary, Edmonton, Halifax, Ottawa, Toronto, Vancouver, and Victoria) and at the Annual Conference of the Council on Governmental Ethics Laws (COGEL) to discuss the revised Code with lobbyists, federal public office holders, academics, and other lobbying regulators. These roundtables were well attended and I am pleased with the active participation of those who attended. These discussions complemented the written submissions I received. Between written submissions and roundtables, I heard views from 130 individuals, associations, organizations and corporations. The views expressed in the roundtables and submissions were beneficial in assisting me in forming my views on specific amendments.

What I heard

I received positive feedback on many aspects of the revised Code. My decision to limit the scope of the Code to match that of the Act received general support, as did my decision to add a principle requiring lobbyists to act in a manner that demonstrated respect for democratic institutions. The addition of a rule explicitly dealing with the provision of gifts by lobbyists was generally appreciated.

While it was noted that my revisions to the Code promoted coherence and clarity in several areas, participants identified other areas requiring additional clarity. The majority of the comments I received centered on the rules concerning preferential access. In particular, concerns were raised about the word “friend” and the term “area of responsibility”.

I plan to make further adjustments to the revised Code, taking into account the views shared during the consultation.

Putting a new Code into effect

As required by the *Lobbying Act*, I intend to refer the *Lobbyists' Code of Conduct* to the House of Commons Standing Committee on Access to Information, Privacy and Ethics in May 2015. Following consideration of the views presented there, I will next proceed to publish the Code in the *Canada Gazette*. At that time, I will indicate when the Code will come into effect. I will develop guidance and tools to ensure that the Code is clearly understood by those who lobby as well as by those who are being lobbied. This will be a key priority of my education program for 2015-16.

IMPORTANT NOTE

The *Lobbyists' Code of Conduct* introduced in 1997 remains in force until a new Code comes into effect following publication in the *Canada Gazette*.

IMPROVING COMPLIANCE THROUGH EDUCATION AND AWARENESS

In addition to the 130 individuals reached during the consultation on the revised Code, my staff and I also met with more than 630 individuals, including lobbyists, public office holders, academics, and members of the public.

Educating lobbyists

The *Lobbying Act* requires registered lobbyists to file a communication report with my Office when they have an oral and arranged communication with a designated public office holder. These reports are due no later than 15 days after the end of the month in which the communication took place. Failure to file within these

timelines is an offence under the Act. This disclosure requirement is important, as it ensures Canadians know who communicated with which high-level decision makers, when the communication took place, and the topic of the communication. I believe that when lobbyists file communication reports late, transparency is hindered. This is why I committed to educating lobbyists about the importance of timely reporting and to monitoring the situation.

In 2014-15, I implemented measures to ensure that lobbyists were made aware when they submit a monthly communication report late. These measures include immediate feedback from the Lobbyists Registration System and improved outreach materials to ensure that the deadline for filing communication reports is clearly communicated.

As a result, the proportion of communication reports filed on time increased to 91% in 2014-15, from no higher than 88% in any previous year. My Office will continue to monitor the situation to ensure that timely reporting continues and to advise me whether new measures are required to ensure compliance.

As mentioned above, the public consultation on the revised *Lobbyists' Code of Conduct* represented a major share of my outreach activities. However, my Office remained responsive to outreach requests from a broad range of stakeholders. Information sessions were organized at the request of industry associations, such as the Government Relations Institute of Canada, and professional associations, such as the Canadian Medical Association and the Dairy and Chicken Farmers Associations. My registration staff is increasingly proactive in reaching out to associations to help them comply with the Act. This new approach led to many external directors of associations registering as soon as they were appointed.

Educating public office holders

The *Lobbying Act* places the onus on lobbyists to comply with the Act and the Code. Federal public office holders play a key role in ensuring lobbying is transparent. Understanding the requirements of the Act and the Code means that public office holders are more likely to recognize the legitimacy of lobbying activities and contribute to compliance.

Meeting with individuals or groups of government officials provides an effective mechanism to inform them about the requirements of the Act and the Code, and address any concerns they may have. These meetings also help my Office to determine the effectiveness of our outreach activities and educational material. In 2014-15, several information sessions were organized for Shared Services Canada, Industry Canada and the Privy Council Office.

Educating current and former designated public office holders

Under the *Lobbying Act*, designated public office holders are subject to a five-year prohibition on lobbying after they leave office. Specifically, former designated public office holders are prohibited for five years from lobbying the federal government as a consultant lobbyist or on behalf of an organization. They can, however, lobby on behalf of a corporation, if lobbying constitutes less than a “significant part of their work”. I have interpreted this to mean 20% of a former designated public office holder’s work.

Former or outgoing designated public office holders seek advice and guidance in order to determine if a specific employment opportunity is permissible and under what conditions. I welcome these requests, which facilitate compliance with the five-year prohibition on lobbying. My Office also proactively writes to former designated public office holders who take new positions in order to ensure they fully understand the restrictions on post-employment lobbying activities under the *Lobbying Act*.

CONNECTING WITH COUNTERPARTS

The community that works to ensure that lobbying is conducted in a transparent and ethical manner is relatively small. Regular interactions between lobbying regulators from Canadian and foreign jurisdictions provide opportunities to discuss issues and share practices related to the administration of our respective lobbying regimes.

At the provincial level, Alberta, British Columbia, Newfoundland and Labrador, Nova Scotia, Manitoba, Ontario, and Quebec have established lobbying registration regimes. Saskatchewan and New Brunswick have passed legislation, which has yet to come into force. In addition, Ottawa and Toronto have lobbying registries in place, while St. John’s in Newfoundland and Labrador, and municipalities in the province of Quebec are covered by their respective provincial legislation. I regularly participate in meetings of the Canadian Lobbyists Registrars and Commissioners Network, which are held twice a year.

I also communicate with my Canadian and American counterparts by phone or email. However, it is sometimes necessary to discuss substantive issues in person. In 2014-15, I travelled and met with counterparts in Alberta, British Columbia, Ontario, Toronto, and the United States. These meetings have helped me improve my outreach strategies and practices to achieve greater compliance.

I continue to be active in the Council on Governmental Ethics Laws (COGEL), a professional organization for governmental agencies and other organizations working in the areas of ethics, elections, freedom of information, lobbying and campaign financing.

I am often consulted about lobbying regulation by representatives from other countries. In 2014-15, representatives from Chile, Mexico and Peru sought my expertise.

ENSURING COMPLIANCE WITH THE ACT AND THE CODE



COMPLIANCE AND ENFORCEMENT

I believe that knowledge and understanding of the *Lobbying Act* (the Act) and the *Lobbyists' Code of Conduct* (the Code), supported by an effective education and outreach program, are key to fostering greater compliance. However, in order to be effective at deterring non-compliance with the requirements of the Act and the Code, my efforts to educate must be complemented by a program of monitoring and enforcement. It is important that there be consequences for those who are found to have breached either the Act or the Code.

My compliance program is focused on three main activities: reviews and investigation of alleged breaches of the Act or the Code; compliance verification activities; and the review of applications for exemption from the five-year post-employment prohibition on lobbying for former designated public office holders.

Charges under the *Lobbying Act*

The *Lobbying Act* contains sanctions for failure to register or report communications with public office holders and for knowingly making false or misleading statements. Individuals who are found guilty of an offence are liable to a fine of up to \$50,000 and/or six months imprisonment on summary conviction, or up to \$200,000 and/or imprisonment of up to two years on proceedings by way of indictment. If an individual is convicted of an offence under the Act, the Commissioner has the authority to prohibit that individual from lobbying for a period of up to two years.

The first conviction under the *Lobbying Act* was issued in 2013. Mr. Andrew Skaling pled guilty to failing to register as a consultant lobbyist and was fined \$7,500. As a result, I used my authority under the Act to impose a four-month prohibition from lobbying beginning in September 2013.

In 2014-15, three individuals have been charged with breaches of the *Lobbying Act* following referrals from me to the RCMP:

- In May 2014, Mr. Bruce Carson, a former designated public office holder, was charged with three counts of engaging in lobbying activities while under the five-year prohibition as prescribed in the Act;
- In October 2014, Mr. James Carroll was charged with failure to file a registration as required under subsection 5(1) of the Act;
- In January 2015, Mr. Hervé Pouts was charged with four counts of failure to file a registration as required under subsection 5(1) of the Act.

All three matters remain before the courts as of April 1, 2015.

LOOKING INTO ALLEGED BREACHES OF THE ACT OR THE CODE

When an alleged breach of the Act or the Code is brought to my attention, the first step is to initiate an informal fact finding exercise, referred to as an administrative review. The facts and analysis are presented to me in an Administrative Review Report so that I may determine if there is any basis to conclude that the allegation is founded. If so, I will decide on the suitable means of ensuring compliance. I conduct a formal investigation under the *Lobbying Act* if I have reason to believe that is the course of action necessary to ensure compliance with the Act or the Code.

In 2014-15, I initiated 22 administrative reviews and completed 20.

Outcomes of administrative reviews

There are four possible outcomes following an administrative review.

a. The review is closed because the allegation was unfounded.

Reasons why allegations are unfounded include: the individual(s) did not communicate in respect of a registrable subject; their activity was not undertaken for payment; or the “significant part of duties” threshold for registration was not met by the corporation or organization. In such cases, I will advise the individual/organization/corporation and the complainant of my decision by letter.

b. The review is closed even though the allegation is well-founded.

In cases where I consider the gravity of the transgression to be low, I may choose to employ alternative compliance measures that I consider better suited to ensuring compliance with the *Lobbying Act*. These measures would include educating the lobbyist about the requirements of the Act or requesting that a correction be made to the information submitted to the Registry. In most cases, such files do not warrant a referral to the RCMP or a formal investigation under the Act. Following the closing of a review, these individuals are subject to further monitoring by my Office to ensure they remain in compliance.

c. The review leads to the initiation of a formal investigation when I determine that an alleged breach is serious and appears to be well-founded.

The Act prescribes that I shall initiate an investigation if I have ‘reason to believe’ that an investigation is necessary to ensure compliance with the Act or the Code. In some instances, I may initiate more than one investigation based on information provided to me following an administrative review.

d. The review is suspended and the matter is referred to a peace officer, the RCMP, if I have ‘reasonable grounds to believe’ that an offence has been committed under the Act, or any other Act of Parliament or of the legislature of a province.

In such cases, the Act prescribes that I suspend looking into a matter until it has been finally disposed of by the police or by the courts.

Examples

The following are some examples of cases that I reviewed during 2014-15.

EXAMPLE #1: REVIEW OF A WELL-FOUNDED ALLEGATION OF LATE FILING OF MONTHLY COMMUNICATION REPORTS

All individuals who have been found in breach of the Act or the Code are subject to monitoring and a compliance assessment to determine whether they have demonstrated improved compliance in the ensuing one-year period.

The Act requires that an oral communication that was arranged in advance between a lobbyist and a designated public office holder be reported no later than 15 days after the end of the month in which it occurred. The Act also requires that lobbyists update a registration if the information it contains is no longer accurate. These requirements are important to ensure that lobbying activities are conducted in a transparent manner.

In July 2014, while conducting a follow-up compliance assessment, my Office discovered that a consultant lobbyist had failed to file communication reports within the time limit prescribed in the Act. The individual had previously received a warning for submitting a late registration, and I decided that an administrative review was necessary to determine whether any additional breaches had occurred. The administrative review included an examination of the registration history and publicly available information for the lobbyist, and an interview with the lobbyist.

The administrative review discovered that the consultant lobbyist had filed two monthly communication reports after the prescribed deadlines. The lobbyist had also renewed his registration without updating the particulars of the subject matter of his communications and, as a result, his registration was no longer accurate. I concluded that several breaches of the Act had occurred.

The individual was required to register as a consultant lobbyist because he held a paid position on the board of directors of a trade association. Although the registration was filed late and was not updated in a timely manner, my Office found no evidence that he deliberately sought to circumvent the requirements of the Act. Rather, it appeared that the breaches were due to the individual having limited knowledge about the *Lobbying Act* and its requirements.

The lobbyist was informed of the results of the review and advised about the requirements to submit timely and accurate information about his lobbying activities. He was also warned that future breaches would likely result in more serious sanctions being imposed and that his registrations and monthly reports would be subject to follow-up monitoring.

The lobbyist provided me with assurances that he would take the measures necessary to ensure timely disclosure and compliance with the Act. As a result, I elected not to open a formal investigation in this case.

OUTCOME: I educated the lobbyist about the requirements of the *Lobbying Act* and decided that he will continue to be monitored for the next year.

EXAMPLE #2: REVIEW OF AN UNFOUNDED ALLEGATION OF A BREACH OF RULE 8 OF THE *LOBBYISTS' CODE OF CONDUCT*

In October 2014, my Office completed an administrative review concerning an allegation that a lobbyist from an industry association had placed federal public office holders in a conflict of interest, a breach of Rule 8 of the *Lobbyists' Code of Conduct*. The complainant, a private citizen, alleged that senior officials from various departments had attended an annual conference and had participated in a golf tournament hosted by the association, an organization registered to lobby.

The objective of the administrative review was to determine whether lobbyists employed by the organization were in breach of Rule 8 (improper influence), which prohibits lobbyists from “[placing] a public office holder in a conflict of interest by proposing or undertaking any action that would constitute an improper influence on a public office holder.” Specifically, lobbyists breach Rule 8 if they advance the private interest of public office holders while also interacting with the same public office holders in the context of lobbying activities.

In this case, the administrative review involved an examination of registrations and monthly communication reports submitted by the organization, research of other publicly available information, and interviews with both the complainant and the Chief Executive Officer (CEO) of the association. The CEO provided evidence that all public office holders in attendance at the conference had paid their own entry fee and that none of them had participated in the golf tournament.

Based on the administrative review report, I determined that the allegation was unfounded as there was no evidence that the association had advanced the private interest of the public office holders who attended the conference.

OUTCOME: I decided that no further action was required.

EXAMPLE #3: REVIEW OF AN UNFOUNDED ALLEGATION OF A BREACH OF THE FIVE-YEAR POST-EMPLOYMENT PROHIBITION

In May 2014, my Office completed an administrative review about an allegation that a former designated public office holder had engaged in lobbying activities while under the five-year post-employment prohibition on lobbying. The complainant indicated that he had met an individual at a golf tournament who had identified himself as a consultant lobbyist. The complaint suggested that the individual in question was apparently not registered to lobby.

The objective of the review was to determine whether the individual was subject to the five-year prohibition on lobbying and whether he had engaged in activities requiring registration as a consultant lobbyist. A consultant lobbyist registration is required if, for payment and on behalf of a client, an individual undertakes to communicate with a public office holder in respect of a registrable subject or to arrange a meeting between a public office holder and another person.

The administrative review involved research of the Registry data as well as interviews and correspondence with the client organization, the individual who allegedly committed the breach, and public office holders with whom the individual communicated. My Office also obtained a copy of the contract to provide consulting services.

Based on the evidence collected, I determined that the individual named in the complaint was subject to a post-employment prohibition on lobbying. However, there was no evidence that the individual communicated with public office holders on registrable subject matters nor that he had attempted to arrange meetings with public office holders.

Based on the administrative review report, I determined that the allegation was unfounded and I decided to close the file.

OUTCOME: I decided that no further action was required.

Cases Closed

Table 8 provides information about the administrative reviews I completed in 2014-15.

TABLE 8: OUTCOME OF ADMINISTRATIVE REVIEWS CLOSED IN 2014-15

ADMINISTRATIVE REVIEWS BY OUTCOME	NUMBER CLOSED
Unfounded — No registrable or reportable communication	4
Unfounded — No apparent conflict of interest	2
UNFOUNDED — SUBTOTAL	6
Well-founded — Education and monitoring	10
Well-founded — Investigation opened and suspended (referred to the RCMP)	1
WELL-FOUNDED — SUBTOTAL	11
Ceased: the parties being reviewed entered into compliance	3
CEASED — SUBTOTAL	3
TOTAL NUMBER OF ADMINISTRATIVE REVIEWS CLOSED IN 2014-15	20

The time required to complete an administrative review or an investigation will vary in each case depending on multiple factors such as the complexity of the allegation, the availability of evidence, the number of people involved, and whether interviews are required. The processing of files may also be delayed for reasons beyond my control after they are referred to the RCMP.

The Act provides me with some degree of discretion in deciding whether to pursue or cease a review or an investigation. I may choose to cease administrative reviews if the parties under review enter into compliance. The *Guiding Principles and Criteria for Recommending Compliance Measures* explain the application of my discretion in this regard.

COMPLIANCE VERIFICATIONS

In 2014-15, I established a Compliance Advisory Team that brings together employees from across the organization to recommend initiatives and approaches that could improve compliance with the *Lobbying Act* and the *Lobbyists' Code of Conduct*. This approach allows me to be more proactive in ensuring compliance. The team reviews existing compliance verification activities to identify potential efficiencies and opportunities for collaboration and recommend innovative solutions. It also reviews recent developments that may trigger or influence lobbying activity at the federal level, recommends how to best target monitoring and compliance verification activities, and recommends priorities for compliance audits.

Monthly communication report verifications

My Office regularly conducts verifications to assess the accuracy of monthly communication reports. Designated public office holders who have been identified in monthly communication reports are contacted to validate the information. This process is also an effective instrument to remind designated public office holders about the disclosure requirements of the Act, especially with respect to the requirement that lobbyists have to report certain communications with designated public office holders.

In 2014-15, my Office conducted 116 verifications with designated public office holders covering 540 monthly communication reports. Those verifications confirmed that 97.4% of the reports were accurate.

Compliance assessments

My Office conducts compliance assessments of individuals, corporations and organizations that have been subject to a previous compliance measure in order to ensure compliance with the Act. One year after the subject has been advised that a breach has occurred, my Office conducts a compliance assessment. My staff verifies whether a recurrence of the original breach has occurred, and also reviews recent registration activity and media reports to review the subject's overall compliance with the Act. Where additional non-compliance is uncovered, suitable compliance measures are applied.

In 2014-15, my Office conducted 46 compliance assessments and found no instances of repeat non-compliance. However, one instance of non-compliance different from the original breach was uncovered.

Compliance analysis

My Office conducts compliance analyses of data in the Registry, sectors of the economy, or specific events to uncover potential non-compliance and identify areas where knowledge of the requirements of the Act can be improved. This year, my staff conducted an analysis of organizations that obtain government funding but had not registered to lobby the government in respect of the awarding of grants, contributions, or other financial benefits. The analysis is ongoing but preliminary results indicate that many organizations do not meet the "significant part of duties" threshold and are thus not required to register.

Compliance audits

My Office conducts compliance audits of registrations to ensure that information submitted by registrants is accurate and up-to-date. This year, I initiated a compliance audit of registrations that had not been changed or updated in several years.

I believe that accurate and up-to-date information is key to the integrity of the Registry and in assuring Canadians that lobbying is being done in a transparent manner. Registrants whose registrations are found to contain inaccurate or outdated information are asked to update and correct their registrations. My Office will monitor and follow up with those who do not do so in a timely manner.

Media monitoring

My Office routinely monitors media reports to ensure that individuals, corporations, and organizations that are reported to lobby are properly registered. When necessary, I send advisory letters to individuals, corporations, and organizations that appear to be communicating with federal public office holders to make them aware of the requirement to register. In some cases, situations of non-compliance may be uncovered. In these cases, I may decide that an administrative review or an investigation is warranted.

Advisory letters

Last year, I indicated that I would increase the number of advisory letters to advise those who communicate with public office holders of the requirements of the Act. As a result, my Office sent out 36 advisory letters in total, which represents a threefold increase over the previous year.

In February 2015, a new process was initiated. My Office sent letters to former designated public office holders listed in the Registry who were still subject to the five-year prohibition on lobbying – all were listed in active in-house registrations for corporations – explaining the post-employment restrictions under the *Lobbying Act*. The former designated public office holders were asked to confirm that they understand the limits placed on their lobbying activities. They were also asked to indicate that they are in compliance with the restrictions. This will be an ongoing activity to ensure that former designated public office holders who do engage in lobbying for corporations within the first five years after leaving office remain fully aware of the restrictions on their lobbying activities.

ENSURING COMPLIANCE WITH THE FIVE-YEAR PROHIBITION

The *Lobbying Act* prohibits, for a period of five years after they leave office, former designated public office holders and members of the Prime Minister's transition team from:

- working as consultant lobbyists
- working for not-for-profit organizations and carrying out lobbying activities on their behalf
- working for corporations if lobbying federal public office holders constitutes a significant part of their work (which I interpret as 20% or more of their work)

The Act provides me with the authority to grant an exemption from the five-year prohibition if it is not contrary to the purposes of the Act. Subsection 10.11(3) of the Act indicates that I may consider any circumstance or factor in support of my decision whether to grant an exemption, including whether the individual was a designated public office holder for a short period or on an acting basis, was employed under a program of student employment, or had administrative duties only.

In 2014-15, my Office completed four reviews of requests for exemption from the five-year prohibition. Based on the results of those reviews, I granted two exemptions. As required by the Act, all exemptions and the reasons for granting them were made public on the OCL's website.

I believe that timely decisions about exemption requests lead to greater compliance with the five-year prohibition. This year, every Letter of Intent was issued within the 60-day service standard.



Prohibition enquiries

Over the past year, my Office received enquiries from departing or former designated public office holders seeking clarification about the exact date that their prohibition commences. To respond accurately to the enquiries, it is necessary to gather sufficient information about the individual's employment history.

Until now, my Office responded to these enquiries using the existing exemption review process. That process involves a thorough verification of the information provided by the applicants and, if necessary, gathering additional information through interviews with former managers or colleagues and requests for information from government institutions. The exemption review process must be thorough when I am asked to grant an exemption to the five-year prohibition. However, this is more cumbersome than needed when individuals are only seeking clarification about the period when the prohibition applies.

This year, a streamlined review process was implemented to respond more quickly to these requests. As a result, my Office can provide me with sufficient information and analysis for me to provide a decision within 30 days. I responded to two prohibition enquiries in 2014-15, both within the 30-day timeline.

ANNEX A – OFFICE OF THE COMMISSIONER OF LOBBYING



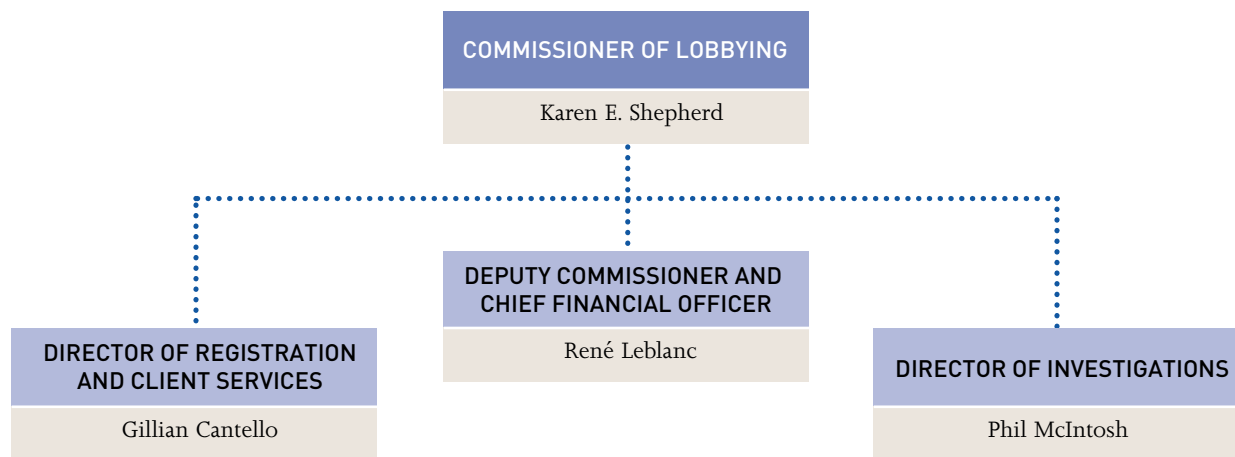
WHO WE ARE

The Commissioner of Lobbying is an independent Agent of Parliament, appointed by resolution of both Houses of Parliament under the *Lobbying Act* (the Act) for a term of seven years. The purpose of the Act is to ensure transparency and accountability in the lobbying of public office holders, in order to contribute to confidence in the integrity of government decision-making. The Commissioner administers the Act by:

- maintaining the Registry of Lobbyists, which contains and makes public the registration information disclosed by lobbyists;

- developing and implementing educational programs to foster public awareness of the requirements of the Act; and
- conducting reviews and investigations to ensure compliance with the Act and the *Lobbyists' Code of Conduct* (the Code).

The Commissioner is supported by the Office of the Commissioner of Lobbying, which was established in 2008. The Commissioner reports annually to Parliament on the administration of the Act and the Code and is required to table reports about any investigation conducted in relation to the Code.



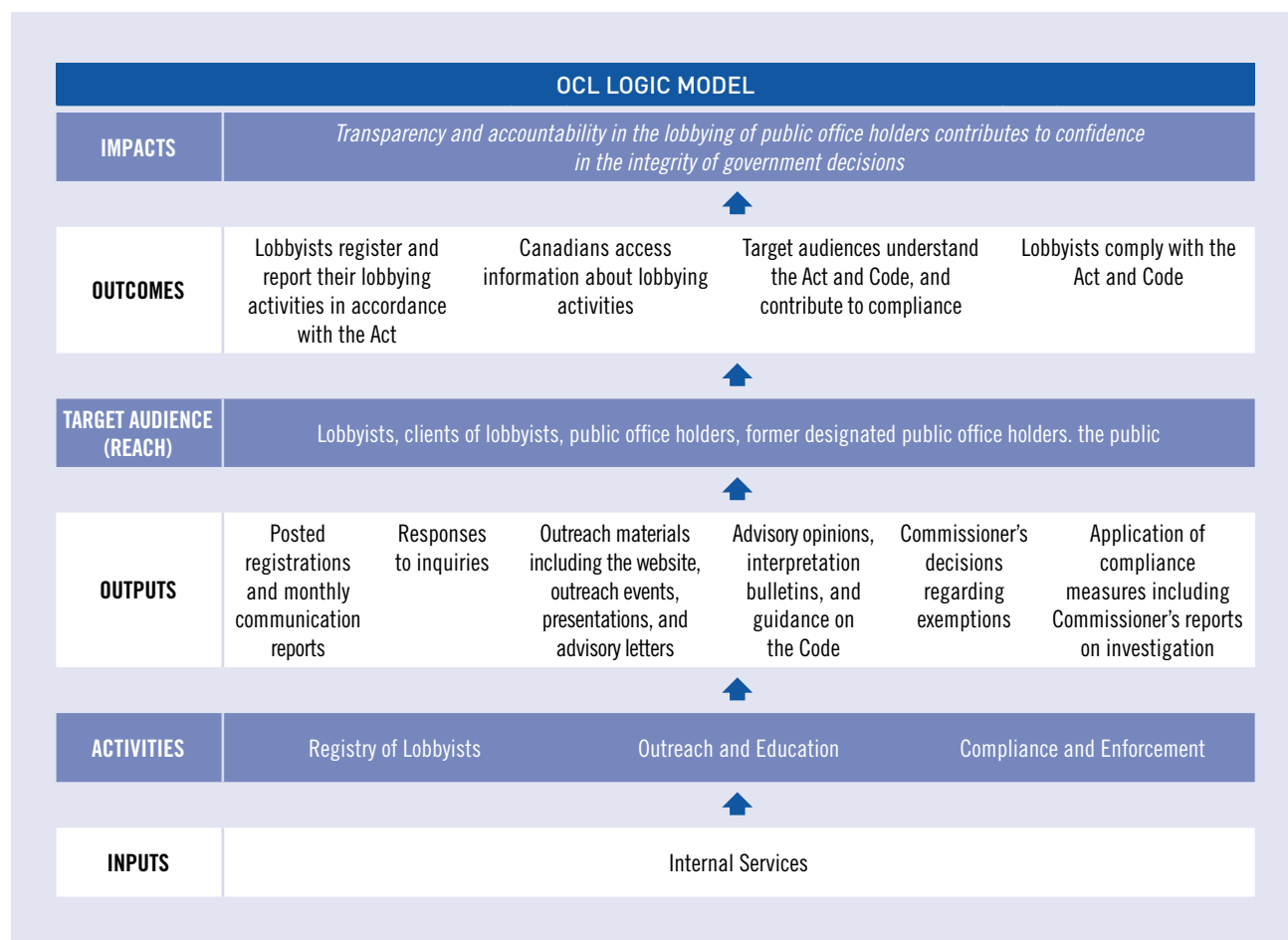


Our organization

The Office, when fully staffed, has 28 full-time employees and an overall budget of about \$4 million. It is divided into four groups.

- **The Office of the Commissioner** includes the Commissioner, a Senior Legal Counsel, a Senior Advisor, and an Executive Assistant. The Commissioner has the rank and authority of a Deputy Head of a federal department.
- **The Office of the Deputy Commissioner and Chief Financial Officer** is responsible for all corporate services, including: integrated strategic and operational planning; financial and human resource management; information technology; strategic policy; internal and external communications advice; audit and evaluation, security; facilities management; and workplace safety. The Deputy Commissioner and Chief Financial Officer is also responsible for the coordination and delivery of all outreach activities.
- **The Registration and Client Services Directorate** is responsible for developing and maintaining the Lobbyists Registration System (LRS). The LRS allows lobbyists to register their lobbying activities and perform amendments, renewals and terminations of their registrations. This group provides assistance to registrants, public office holders and the general public in using the LRS and in searching the Registry.
- **The Investigations Directorate** is responsible for supporting the Commissioner in her mandate to ensure compliance with the *Lobbying Act* and the *Lobbyists' Code of Conduct*. The directorate monitors lobbying activities, verifies the accuracy of monthly communication reports submitted by lobbyists, and reviews and investigates allegations of non-compliance. It also reviews applications for exemptions to the five-year prohibition on lobbying for former designated public office holders.

WHAT WE DO



MAINTAIN THE REGISTRY

The Office works to ensure that the Lobbyists Registration System is an easy-to-use tool for lobbyists to register their lobbying activities. To this end, the system is refined on an ongoing basis. In addition, systems and processes are in place to ensure that interruptions and downtime are kept to a minimum. This allows Canadians access to the Registry 24 hours a day, seven days a week.

DELIVER EDUCATION AND OUTREACH PROGRAMS

The Office undertakes a range of activities to ensure that public office holders, lobbyists, their clients and

Canadians are aware of the requirements of the Act. Our efforts are focused on key activities to reach stakeholders in the most cost-effective way possible.

ENSURE COMPLIANCE WITH THE *LOBBYING ACT* AND THE *LOBBYISTS' CODE OF CONDUCT*

The Office strives to ensure that all lobbyists are compliant with the *Lobbying Act* and the *Lobbyists' Code of Conduct*. Administrative reviews and investigations are conducted to examine every alleged breach of the Act or the Code. Rigorous monitoring and compliance verification processes also contribute to compliance.

ANNEX B – LEGISLATIVE FRAMEWORK



THE *LOBBYING ACT*

The *Lobbying Act* (the Act) provides for the public registration of individuals who are paid to communicate with public office holders (POHs) with regard to certain topics as prescribed in the legislation. Public office holders are defined in the Act as virtually all persons occupying an elected or appointed position in the Government of Canada, including members of the House of Commons and the Senate and their staff, as well as officers and employees of federal departments and agencies, members of the Canadian Forces and members of the Royal Canadian Mounted Police.

The preamble to the Act sets out four basic principles pertaining to the registration of lobbyists.

- Free and open access to government is an important matter of public interest.
- Lobbying public office holders is a legitimate activity.
- It is desirable that public office holders and the public be able to know who is engaged in lobbying activities.
- A system for the registration of paid lobbyists should not impede free and open access to government.

Individuals must be registered if they communicate with federal POHs, for payment, with regard to:

- the making, developing or amending of federal legislative proposals, bills or resolutions, regulations, policies or programs;
- the awarding of federal grants, contributions or other financial benefits; or
- in the case of consultant lobbyists, the awarding of a federal government contract and arranging a meeting between a POH and any other person.

The Act provides for the following three categories of lobbyists:

CONSULTANT LOBBYISTS

Consultant lobbyists are individuals who are paid to lobby on behalf of a client. Consultant lobbyists may be government relations consultants, lawyers, accountants or other professional advisors who provide lobbying services for their clients. They must file a registration for each individual undertaking (i.e., one per client).

IN-HOUSE LOBBYISTS (CORPORATIONS)

In-house lobbyists (corporations) are employees of corporations that conduct commercial activities for financial gain. As the registrant, the most senior paid officer must register the corporation if the total lobbying activity of all employees represents a significant part of the duties of one equivalent full-time employee. The registration must include the names of all senior officers who engage in any lobbying activity, as well as the name of any employee (senior officer or otherwise) who individually devotes a significant part of his or her duties to lobbying activities.

IN-HOUSE LOBBYISTS (ORGANIZATIONS)

In-house lobbyists (organizations) are employees of non-profit organizations, such as associations, charities and foundations, including non-profit corporations. As the registrant, the most senior paid officer of an organization must register the names of all employees engaged in lobbying activities, if the total lobbying activity of all such employees represents a significant part of the duties of one equivalent full-time employee.

DISCLOSURE REQUIREMENTS

All three categories of lobbyists are required to disclose certain information within time limits specified in the Act. This information includes:

- names of their clients, or corporate or organizational employers;
- names of the parent or subsidiary companies that would benefit from the lobbying activity;
- organizational members of coalition groups;
- specific subject matters of lobbying;
- names of the federal departments or agencies contacted;
- sources and amounts of any public funding received; and
- communication techniques used, such as written, oral or grass-roots lobbying

Although their reporting requirements differ slightly, corporations and organizations must also provide general descriptions of their business or activities.

REGULATIONS

The *Lobbying Act* authorizes the Governor in Council to make regulations respecting the submission of returns and other registration requirements of the Act, and in relation to various aspects of the lobbyists' registration regime.

The *Lobbyists Registration Regulations* set the form and manner in which lobbyists must file returns required by the Act. Returns disclose information regarding the lobbying activities of registrants. The Regulations also set out additional information to be disclosed in returns, beyond what is required by the Act. They set the timeframes to respond to a request by the Commissioner for correction or clarification of information submitted in returns. The Regulations also describe the type of communication that will trigger monthly returns. The Lobbyists Registration System reflects the form and manner of registration set out in the *Lobbyists Registration Regulations*.

The Act defines designated public office holders to include ministers, ministers of state and ministerial staff, deputy heads, associate deputy ministers and assistant deputy ministers and those of comparable rank throughout the public service. The *Designated Public Office Holder Regulations* further designate various positions in the Canadian Forces and the Privy Council Office, as well as the Comptroller General of Canada, with the result that the persons occupying those positions are included as designated public office holders under the *Lobbying Act*. The Regulations came into force on July 2, 2008 and further designated the following 11 positions or classes of positions:

- Chief of the Defence Staff;
- Vice Chief of the Defence Staff;
- Chief of Maritime Staff;
- Chief of Land Staff;
- Chief of Air Staff;
- Chief of Military Personnel;
- Judge Advocate General;
- any position of Senior Advisor to the Privy Council to which the office holder is appointed by the Governor in Council;
- Deputy Minister (Intergovernmental Affairs) Privy Council Office;
- Comptroller General of Canada; and
- any position to which the office holder is appointed pursuant to paragraph 127.1(1)(a) or (b) of the *Public Service Employment Act*.

On September 20, 2010, the Regulations were amended to add three more classes of positions to the category of designated public office holder:

- the position of Member of the House of Commons;
- the position of Member of the Senate; and
- any position on the staff of the Leader of the Opposition in the House of Commons or on the staff of the Leader of the Opposition in the Senate, that is occupied by a person appointed pursuant to subsection 128(1) of the *Public Service Employment Act*.

ANNEX C – THE *LOBBYISTS’ CODE OF CONDUCT* (1997)*



Under the *Lobbying Act* (the Act), the Commissioner of Lobbying is responsible for developing a *Lobbyists’ Code of Conduct*. The current *Lobbyists’ Code of Conduct* (the Code) is the result of extensive consultations with a large number of people and organizations with an interest in promoting public trust in the integrity of government decision-making. The Code, which came into effect on March 1, 1997, is not a statutory instrument. The Commissioner is, however, responsible for enforcement of the Code.

The purpose of the Code is to assure the Canadian public that lobbyists are required to adhere to high ethical standards, with a view to conserving and enhancing public confidence and trust in the integrity of government decision-making. In this regard, the Code complements the disclosure and registration requirements of the Act.

The Code is based on the same four basic principles stated in the Act.

- Free and open access to government is an important matter of public interest.
- Lobbying public office holders is a legitimate activity.
- It is desirable that public office holders and the public be able to know who is engaged in lobbying activities.
- A system for the registration of paid lobbyists should not impede free and open access to government.

The Code is made up of the following three overriding principles followed by eight specific rules.

PRINCIPLES

INTEGRITY AND HONESTY

Lobbyists should conduct with integrity and honesty all relations with public office holders, clients, employers, the public and other lobbyists.

OPENNESS

Lobbyists should, at all times, be open and frank about their lobbying activities, while respecting confidentiality.

PROFESSIONALISM

Lobbyists should observe the highest professional and ethical standards. In particular, lobbyists should conform fully with not only the letter but the spirit of the *Lobbyists’ Code of Conduct* as well as all the relevant laws, including the *Lobbying Act* and its regulations.

RULES

TRANSPARENCY

1. Identity and purpose

Lobbyists shall, when making a representation to a public office holder, disclose the identity of the person or organization on whose behalf the representation is made, as well as the reasons for the approach.

2. Accurate information

Lobbyists shall provide information that is accurate and factual to public office holders. Moreover, lobbyists shall not knowingly mislead anyone and shall use proper care to avoid doing so inadvertently.

3. Disclosure of obligations

Lobbyists shall indicate to their client, employer or organization their obligations under the *Lobbying Act*, and their obligation to adhere to the *Lobbyists' Code of Conduct*.

CONFIDENTIALITY

4. Confidential information

Lobbyists shall not divulge confidential information unless they have obtained the informed consent of their client, employer or organization, or disclosure is required by law.

5. Insider information

Lobbyists shall not use any confidential or other insider information obtained in the course of their lobbying activities to the disadvantage of their client, employer or organization.

CONFLICT OF INTEREST

6. Competing interests

Lobbyists shall not represent conflicting or competing interests without the informed consent of those whose interests are involved.

7. Disclosure

Consultant lobbyists shall advise public office holders that they have informed their clients of any actual, potential or apparent conflict of interest, and obtained the informed consent of each client concerned before proceeding or continuing with the undertaking.

8. Improper influence

Lobbyists shall not place public office holders in a conflict of interest by proposing or undertaking any action that would constitute an improper influence on a public office holder.

***IMPORTANT NOTE**

Although the Commissioner has consulted publicly on a draft revised Code, the 1997 Code remains in effect until the new Code is published in the *Canada Gazette*, and a coming into effect date is established.

ANNEX D – STATISTICAL INFORMATION



SUBJECT MATTER OF LOBBYING ACTIVITIES

The following table shows, in rank order, the 20 subject matters most frequently identified by lobbyists in their registration for this fiscal year. The remaining two columns show the rank ordering of subject matters for the two previous fiscal years. This information is based on the registrations that were active on March 31, 2015.

SUBJECT MATTER OF LOBBYING	2014-15	2013-14	2012-13
Industry	1	1	1
Taxation and Finance	2	2	2
International Trade	3	3	3
Health	4	5	5
Environment	5	4	4
Transportation	6	6	6
Science and Technology	7	7	7
Employment and Training	8	9	10
Consumer Issues	9	8	8
Infrastructure	10	11	9
Agriculture	11	13	13
Government Procurement	12	10	13
Economic Development	13	15	18
Energy	14	12	11
Regional Development	15	17	14
Aboriginal Affairs	16	14	15
Defence	17	18	16
International Relations	18	16	17
Internal Trade	19	20	19
Labour	20	-	-

GOVERNMENT INSTITUTIONS

The following table shows, in rank order, the 20 federal government institutions most frequently identified by lobbyists in their registration for this fiscal year. The remaining two columns show the rank ordering of institutions for the two previous fiscal years. This information is based on the registrations that were active on March 31, 2015.

GOVERNMENT INSTITUTION	2014-15	2013-14	2012-13
House of Commons	1	1	1
Industry Canada	2	2	2
Prime Minister's Office	3	3	3
Finance Canada	4	4	4
Senate of Canada	5	5	6
Foreign Affairs, Trade and Development Canada*	6	9	5
Privy Council Office	7	6	7
Health Canada	8	8	9
Environment Canada	9	7	8
Transport Canada	10	10	10
Employment and Social Development Canada**	11	15	13
Natural Resources Canada	12	11	11
Treasury Board Secretariat	13	12	14
Agriculture and Agri-Food Canada	14	14	15
Public Works and Government Services Canada	15	13	12
Canada Revenue Agency	16	18	18
National Defence	17	17	16
Aboriginal Affairs and Northern Development Canada	18	16	17
Canadian Heritage	19	19	19
Citizenship and Immigration Canada	20	20	-

* Name changed from Foreign Affairs and International Trade Canada in 2013.

** Name changed from Human Resources and Skills Development Canada in 2013.