



BRITISH
COLUMBIA

April 14, 2014

Mr. Dan Doyle
Chief of Staff to the Premier of British Columbia
Room 156 - West Annex
Parliament Buildings
Victoria BC V8V 1X4

Dear Mr. Doyle,

During question period on Thursday, April 10, 2014 the Leader of the Opposition referred to a story that had appeared that morning in the *National Post* and questioned the Premier about her past involvement with RCI Pacific Gateway Education Inc. ("PGE"), a wholly owned subsidiary of the investment firm, RCI Capital Group.

Mr. Dix asserted that the story "raises questions about the ties of the Premier to a company that has done significant business with the provincial government". He also stated that "the Premier has done significant business promoting this company since becoming Premier".

The *National Post* story framed the Premier's past involvement with PGE as taking place in the fall of 2007, when it is alleged she "entered into a two-year agreement as chairwomen and board member".

The *Members' Conflict of Interest Act* ("the Act") sets out the obligations of all "members" of the House. "Member" is a defined term under section 1 of the Act as, 'mean[ing] a member of the Legislative Assembly or of the Executive Council, or both'. The Premier was sworn in as the member for Vancouver-Point Grey on May 30, 2011.

Mr. Dix indicated in his questioning that PGE was "wrapped up" on May 16, 2011. It has since been reported that according to the BC Corporate Registry the company was dissolved for inactivity. The president of PGE has also been quoted as saying that by "mistake" his legal department failed to officially terminate the company in 2007, and that PGE "actually did no work between 2007 and 2011 and that Ms. Clark told him shortly after being hired that she wanted out of the deal to pursue another venture".

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The Act requires [Sec 16(1)] that every member must within 60 days of being elected, file with the Commissioner a confidential statement of assets, liabilities and financial interests. The Premier's filing was made on July 26, 2011 and was, therefore, in accordance with the Act. It appears that she was then no longer a director of PGE.

In her response in the House to Mr. Dix on April 10, 2014 the Premier said:

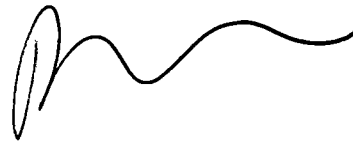
"I never did any work for the company. I wasn't paid by the company. I never attended any meetings at the request of the company. As far as I know, the company never even really got off the ground".

The Premier also stated, "[I] had no obligation to declare my relationship with that company in the time that I was working in the private sector and outside of politics".

I agree that the *Act* imposes no such obligation on the Premier or any other Member of the Legislative Assembly. The supervisory disclosure jurisdiction given to me under the Act has only to do with the conduct of Members after their election to the Legislative Assembly. I have no jurisdiction to scrutinize their conduct prior to them becoming members. Whatever obligations they may have for their prior conduct remains entirely in the political realm.

The Premier has been quoted in the media as saying that she would ask me for an opinion about the formal role she held as Director of PGE. While I can understand the propriety of that suggestion, I simply do not have jurisdiction to deal with such a request under the Act. While this response may appear to some to be too technical, it is my view that the responsibilities given to me under the Act must be confined to the existing provisions of the Act; otherwise, any opinion I might express would be purely gratuitous.

Sincerely,

A handwritten signature in black ink, appearing to read 'Paul D. K. Fraser', with a long, wavy horizontal stroke extending to the right.

Paul D. K. Fraser, Q.C.
Commissioner