



# LEADERSHIP

2018

**TO:** Leadership Campaigns and Leadership Candidates

**FROM:** Tara Erskine and Chris d'Entremont  
Leadership Selection Committee Co-Chairs

**DATE:** September 24, 2018

**Subject:** Decision regarding Unauthorized Contribution

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This is the response of the Leadership Selection Committee ("LSC") to the complaint regarding an unauthorized contribution being accepted by the Houston campaign.

The Rules Committee of the LSC has reviewed the complaint and the response of the Houston campaign, and has provided this Decision.

A Complaint was submitted on August 28, 2018 on behalf of the Lohr campaign regarding an unauthorized campaign contribution related to an event held on Argyle Street in Halifax on August 24, 2018 in conjunction with the federal Conservative convention.

The Complaint was not submitted in accordance with the Leadership Selection Rules ("Rules"), specifically Rule 205, which requires complaints to be signed by either the official agent for the campaign or the candidate. The campaign was requested to resubmit its complaint, which it did on August 30.

The Houston campaign provided an initial response on August 29. After reviewing the information provided, on September 6 the Houston campaign was requested to provide certain financial information and receipts related to the event. The Houston campaign provided the requested information on September 12. On September 13 the Houston campaign provided some revised and additional information.

## Decision

The Leadership Selection Rules ("Rules") were passed by the Party Executive on February 7, 2018 and provided to all prospective leadership candidates on March 5, 2018. They are also posted on the Party's website.

"Section 88 states:

88. An Official Agent shall only accept contributions from individuals who are resident in Nova Scotia. An Official Agent shall not accept contributions from:

- (a) a non-resident individual;
- (b) an anonymous contribution;
- (c) a corporation;
- (d) an association (including a provincial or federal electoral district association);
- (e) a charity; or
- (f) a trade union

in any amount." [emphasis added]

Subsection (d) specifically references contributions from a federal electoral district association.

Contributions are addressed in Rule 96, which provides:

"In these rules, "contributions" means services, money or other property donated to a prospective candidate or leadership candidate's campaign, but does not include personal services or the use of a vehicle volunteered by a person and not provided as part of that person's work in the service of an employer."

Rule 83 is also relevant as it defines "campaign expenses" broadly, as follows:

"81. In these rules, "Campaign Expenses" means, subject to the Rules, those expenses paid, liabilities incurred, the fair market value of those goods and services donated, and the difference between amounts paid or liabilities incurred, whether billed or unbilled, and the fair market value thereof for the purpose of promoting a leadership candidate's selection as Leader of the Party, provided that such are paid, liabilities are incurred, whether billed or unbilled, or goods or services donated at any time on and from November 1, 2017 until and on the date the new leader is elected."

Is it admitted by the Houston campaign that there was an event on Friday, August 24 at 7:00 p.m. branded initially as a "Nova Scotia Celtic Celidh" to coincide with the federal Conservative convention. An invite went out from the Houston campaign requesting people RSVP for the event. The event was also referred to in various social media as "Tim Houston's Street Party." Following the event, a tweet from Tim Houston's Twitter account said "thanks to everyone who took the time to stop by Argyle Street for our Street party."

Photos from the event also clearly demonstrate that Tim Houston campaign materials were prominently displayed, and the campaign did in fact expend campaign funds toward the conduct of the event.

The Houston campaign provided information on September 13 that the Central Nova Electoral District Association ("EDA") paid for the three member band for the event in the amount of \$1,500. (Sound equipment was paid for separately by the Houston campaign.) We note that in advance of the event, the Central Nova EDA president requested a vote of the executive of the riding spending \$1,500 for the event.

The Houston campaign admitted that one member of the band do not charge for his services but would have otherwise charged \$750.00. Although it is not part of this complaint, the Houston campaign must report a contribution of services in the amount of \$750 for this in-kind contribution.

We find that the Houston campaign did accept an unauthorized contribution from a federal EDA in the amount of \$1,500 in violation of the Leadership Selection Rules. The Rules were distributed over six months ago and they clearly outline what contributions are allowed under the Rules. It is important that the Party's leadership race be conducted in accordance with those Rules.

The Houston campaign is fined the amount of \$2,500, which is the amount of the unauthorized contribution plus \$1,000. This amount will be deducted from the candidate's deposit.

The LSC realizes that there may be some who say the fine is too little and that it does not provide sufficient incentive to comply with the Rules. Others will say that the fine is too high. The LSC has considered this matter carefully and of view that this is the appropriate amount in all the circumstances.

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