

IN THE MATTER OF A COMPLAINT  
IN RELATION TO \$10,000 CONTRIBUTED TO  
DANIELLE SMITH'S CANDIDATE CAMPAIGN  
IN THE ELECTORAL DIVISION OF HIGHWOOD ON APRIL 20, 2012

**DECISION OF GLEN RESLER  
CHIEF ELECTORAL OFFICER OF ALBERTA**

(PUBLISHED UNDER SECTION 5.2(3)(a) of the  
ELECTION FINANCES AND CONTRIBUTIONS DISCLOSURE ACT)

On April 20, 2012, 18 corporations made contributions to the candidate campaign of Danielle Smith, who was a registered candidate in the electoral division of Highwood in the 2012 provincial general election. The contributions were made in the form of 20 cheques in the amount of \$500 each.

The Investigation

Some months after Ms. Smith filed her campaign period financial statements with my Office, a comprehensive review of the financial statements showed addresses, dates of contribution and contribution amounts that were common to multiple contributors. My Office commenced an investigation under the *Election Finances and Contributions Disclosure Act* (the Act) into the making and receiving of these contributions, and to what extent the evidence may show contraventions of various provisions of the Act.

I appointed a retired justice as director of the investigation, and a retired RCMP officer as investigator to carry out duties. The investigator conducted 12 interviews and gathered extensive documentary evidence. The retired justice provided a substantial and voluminous investigation report to me. Further, I engaged the services of an internationally recognized accounting firm with expertise in associated corporations, which provided a report to me and assisted my assessment of relationship among the corporations.

The Findings

After the investigation was completed, one of my findings was that 15 of the 18 corporations contravened the contribution limit set out in section 17(1)(b)(ii). A contributor may not contribute more than \$2,000 to a single candidate in a campaign period.

Fifteen of the 18 corporations were associated with each other in two groupings, as association is set out in section 256 of the *Income Tax Act* of Canada. At the time of the contributions, section 1(3) of the Act deemed associated corporations to be a single

corporation for the purposes of the Act. The other three corporations were not associated. The two groupings of the 15 corporations were as follows:

Group of corporations deemed to be a single corporation (Single Corporation #1):

Devonshire Manor Ltd.  
 Devonshire Mews Ltd.  
 Christenson Developments Inc.  
 Christenson Developments Ltd.  
 Glastonbury Village Ltd.  
 Rail Town Condominiums Ltd.  
 Can-Der Construction Ltd.

Group of corporations deemed to be a single corporation (Single Corporation #2):

Citadel Mews West Ltd.  
 Christenson Equities Ltd.  
 Glastonbury Mews Ltd.  
 340013 Alberta Ltd.  
 Bedford Village Ltd.  
 Arcon Design Services Ltd.  
 Royal Oak Dev. Lacombe Ltd.  
 585436 Alberta Ltd.

After considering the totality of the investigation report, the report from the accounting firm, and the submissions made on behalf of these 15 corporations, I found that:

- Single Corporation #1 made contributions such that the total contribution by that single corporation exceeded the limit in section 17(1)(b)(ii) by \$1,500.
- Single Corporation #2 made contributions such the total contribution by that single corporation exceeded the limit in section 17(1)(b)(ii) by \$3,000.

The Remedy

I chose to issue a letter of reprimand against these 15 corporations. The letter of reprimand was issued to the 15 corporations under section 51(1) of the Act. I did not find this a suitable case for a monetary penalty or prosecution. The reasons were: there was no ill-will or blatant disregard on the part of the contributors; the associated corporation's analysis was very complex; this is the first time a complaint against these corporations has come to the attention of the Chief Electoral Officer; and the contributing corporations and their accounting firm were very cooperative throughout the investigation.

The outcome of the investigation is Ms. Smith's campaign received \$4,500 that it should not have from these associated corporations. Surplus funds from Ms. Smith's campaign

account were transferred to the Wildrose Constituency Association following the 2012 provincial general election. I made an order under section 51.1 of the Act to return the \$4,500 to the associated corporations. Both Ms. Smith and the Highwood Constituency Association were cooperative. Unlike administrative penalties or prosecutions, an order under section 51.1 is not based on a finding of culpability. The object of such an order is to restore matters to the status they would have been had the excess contributions not been made to the campaign.

I note that the scope of publication is restricted by my duty of confidentiality under section 5.2(1) of the Act.

Decision made: July 6, 2015

  
\_\_\_\_\_  
Glen Resler  
Chief Electoral Officer of Alberta