



**OFFICE OF THE CONFLICT OF INTEREST COMMISSIONER
PROVINCE OF NEW BRUNSWICK**

**REPORT TO THE SPEAKER
OF THE
LEGISLATIVE ASSEMBLY OF NEW BRUNSWICK
OF THE
INVESTIGATION**

**BY THE HON. ALFRED R. LANDRY, Q.C.
CONFLICT OF INTEREST COMMISSIONER**

**INTO ALLEGATIONS BY MR. VICTOR BOUDREAU,
MLA FOR SHEDIAC—CAP-PELÉ
OF VIOLATIONS OF THE *MEMBERS' CONFLICT OF INTEREST ACT*
BY MINISTER CRAIG LEONARD, MLA FOR FREDERICTON-LINCOLN
AND MINISTER OF ENERGY AND MINES**

Report to the Speaker
of the
Legislative Assembly of New Brunswick
of the
Investigation
by the Hon. Alfred R. Landry, Q.C.
Conflict of Interest Commissioner

Into Allegations by Mr. Victor Boudreau,
MLA for Shediac—Cap-Pelé
of Violations of the *Members' Conflict of Interest Act*
by Minister Craig Leonard, MLA for Fredericton-Lincoln
and Minister of Energy and Mines

Introduction

Mr. Victor Boudreau, Member of the Legislative Assembly for Shediac—Cap-Pelé has requested, by affidavit dated March 12, 2013, an investigation pursuant to Section 36 of the *Members' Conflict of Interest Act*, SNB 1999, c M-7.01, to determine whether Minister Craig Leonard, Member of the Legislative Assembly for Fredericton-Lincoln and Minister of Energy and Mines has violated sections 4 and 15 of the *Act* which provides as follows:

Conflict of interest

4 A member shall not make a decision or participate in making a decision in the execution of his or her office if the member knows or reasonably should know that in the making of the decision there is the opportunity to further the member's private interest or to further another person's private interest.

Procedure on conflict of interest

15 A member of the Executive Council who has reason to believe that he or she has a conflict of interest with respect to a matter that requires that member's decision shall report that possible conflict to the President of the Executive Council and ask the Premier or Deputy Premier to appoint another member of the Executive Council to perform the member's duties in the matter for the purpose of making the decision, and the member who is appointed may act in the matter for the period of time necessary for the purpose.

Ms. Angie Leonard, the sister of Minister Leonard, was employed by the Province of New Brunswick and served on the shale gas working group until January 16, 2012 when she started employment as a natural gas advisor with the Canadian Association of

Petroleum Producers (CAPP). MLA Victor Boudreau submits that in continuing to serve as a member of the Executive Council of New Brunswick and participate in discussions related to the gas industry, Minister Leonard as Minister of Energy placed himself in a position of having a conflict of interest.

Provision for investigations

Section 36 of the *Members' Conflict of Interest Act* provides that any person may request in writing that the Commissioner investigate an alleged breach of the *Act* by a Member of the Legislative Assembly. The request must be made in the form of an affidavit and set out the grounds and the nature of the alleged breach. Upon receiving the request for an investigation the Commissioner may conduct an investigation with or without conducting an inquiry under s. 37. (See *Members' Conflict of Interest Act*, S.N.B. 1999, c.M-7.01, s.36 and s.37.)

The Complaint

MLA Boudreau's complaint is stated as follows in his affidavit:

2. Craig Leonard is a Member of the Legislative Assembly of New Brunswick and was appointed as the Minister of Energy and Minister responsible for the Energy Efficiency and Conservation Agency of New Brunswick on October 12, 2010. On March 15, 2012, he was appointed Minister of Government Services, Minister Responsible for the New Brunswick Internal Services Agency, and Minister Responsible for Service New Brunswick.
3. Angie Leonard is the sister of Craig Leonard and, until her appointment as a senior natural gas advisor with the Canadian Association of Petroleum Producers, in January 2012, she was employed by the Province of New Brunswick and served as a member of the shale gas working group.
4. I submit that in continuing to serve as a member of the Executive Council of New Brunswick and participate in discussions related to the gas industry, Craig Leonard as Minister of Energy placed himself in a position of having a conflict of interest.
5. I further submit that it was only following published reports of the appointment of Angie Leonard as a spokesperson for the gas industry, that it was announced that Craig Leonard would have

no further involvement in the shale gas issue, however, this did not negate the conflict that previously existed.

6. Although Craig Leonard was appointed Minister of Government Services, he has since been reappointed as Minister of Energy effective October 9, 2012 and continued to be in a position of conflict, despite an edict from the Office of the Premier that members of the Executive Council are not to have any meetings with Angie Leonard, the sister of Craig Leonard.

7. I further submit that shale gas is only one issue that relates to the Energy portfolio held by Mr. Leonard, who remained in conflict during such time he served as Minister of Energy and deliberated on energy issues as a member of the Executive Council.

8. I believe that if the public is to maintain confidence in the impartiality of Mr. Leonard on Energy issues and the integrity of the Alward government, Mr. Leonard should have been prohibited from serving in the capacity of Minister of Energy.

The Response

Minister Leonard's response is enunciated as follows in his affidavit:

1. I am currently a Member of the Legislative Assembly of New Brunswick and was appointed Minister of Energy on October 12, 2010. On March 15, 2012, I was appointed Minister of the Department of Government Services. On October 9, 2012, I was appointed Minister of Department of Energy and Mines.

2. Prior to October 9, 2012 the regulation and management of the extraction and development of all petroleum products in New Brunswick, including natural gas, was the responsibility of the Department of Natural Resources with the assistance of the natural gas steering committee (the "Committee") which consisted of the Ministers of Natural Resources, Environment and Energy and the Deputy Ministers from the same departments.

3. In late December 2011, I was advised that my sister had been offered and had accepted a new job with the Canadian Association of Petroleum Producers. I was not made aware of the nature of my sister's employment or what duties she would be carrying out.

4. The Canadian Association of Petroleum Producers is an industry association consisting of a wide range of members and associate members dealing with all aspects of petroleum extraction and development.

5. On January 16, 2012, my sister started employment with the Canadian Association of Petroleum Producers.

6. On January 17, 2012, I was made aware that my sister had registered as a political lobbyist and that my involvement with the natural gas steering committee could put me in a perceived conflict of interest because of my sister's employment.

7. On January 18, 2012, I formally requested advice from the Conflict of Interest Commissioner regarding the recent employment of my sister, Angie Leonard, by the Canadian Association of Petroleum Producers on or about the same date.

8. By letter dated January 23rd, 2012, the Conflict of Interest Commissioner indicated that in my role of Energy Minister, the new position my sister held put me in an apparent conflict of interest which could develop into an actual conflict of interest. Of concern was my involvement with the Natural Gas Steering Committee group and potential contact with my sister through that involvement.

9. I was removed from the Natural Gas Steering Committee by Cabinet on January 25, 2012 through an Order in Council.

“Under subsection 3(2) of the Executive Council Act, the Lieutenant-Governor in Council transfers to, vests in and imposes on the Honourable Bruce Northrup, effective January 25, 2012, all rights, powers, duties, functions, responsibilities and authority related to natural gas exploration that are vested in or imposed on the Honourable Craig Leonard.”

10. As per the advice I received from the Conflict of Interest Commissioner on January 23, 2012, I ensured I was not part of any Cabinet discussions or votes, committees or assembly matters that pertained to the Canadian Association of Petroleum Producers, or in any matters that could be perceived to be furthering the private interest of any individual from the date of January 23, 2012 through to October 9, 2012.

11. I have reviewed my calendar for the time period from late December 2011 when I became aware of my sister's new employment and January 23rd, 2012 when I received advice from the Conflict of Interest Commissioner and have confirmed that

there were no Cabinet discussions or votes, committees or assembly matters in which I participated that pertained to the Canadian Association of Petroleum Producers, or in any matters that could be perceived to be furthering the private interest of any individual.

12. Since being made aware of my sister’s employment with the Canadian Association of Petroleum Producers I have had no direct or indirect communication with my sister and have had no meetings, formal or informal, with my sister.

13. On May 15th 2012 I was appointed Acting Minister of Energy effective June 1st, 2012 by Order in Council 2012-180. This Order in Council also provides:

“Under subsection 3(2) of the Executive Council Act, the Lieutenant-Governor in Council transfers to, vests in and imposes on the Honourable Bruce Fitch, effective June 1st, 2012, all rights, powers, duties, functions, responsibilities and authority related to natural gas exploration that are vested in or imposed on the Honourable Craig Leonard in his capability as the Acting Minister of Energy.”

14. On or about October 5, 2012, my sister resigned her position with the Canadian Association of Petroleum.

15. On October 9, 2012 I was appointed Minister of Energy and Mines.

Timeline

October 12, 2010	Minister Leonard appointed Minister of Energy. (He became a member of the Natural Gas Steering Committee).
December, 2011	Late December Minister Leonard’s sister offered a job by the Canadian Association of Petroleum Producers.
January 16, 2012	Ms. Angie Leonard is employed by CAPP as a Natural Gas Advisor. Prior to that she had been a Business New Brunswick employee seconded to the Natural Gas Steering Committee. Minister Leonard had no communication with his sister from learning of her employment with CAPP.
January 17, 2012	Minister Leonard becomes aware that Ms. Angie Leonard registered as a lobbyist.

January 18, 2012	Minister Leonard formally requests by letter advice from the Conflict of Interest Commissioner.
January 23, 2012	Minister Leonard receives by letter the Commissioner's advice that an apparent conflict existed which could develop into an actual conflict of interest.
January 25, 2012	Order in Council transferring responsibility for Natural Gas to Minister Northrup and removing Minister Leonard from the Natural Gas Steering Committee.
March 15, 2012	Minister Leonard appointed Minister of the Department of Government Services.
May 15, 2012	Minister Leonard appointed acting Minister of Energy. Order in Council transferring responsibility for natural gas to Minister Fitch.
October 5, 2012 (On or about)	Ms. Angie Leonard resigns from CAPP.
October 9, 2012	Minister Leonard appointed Minister of Energy and Mines.

Canadian Association of Petroleum Producers

The Mission Statement and the profile of the Canadian Association of Petroleum Producers on the Association's web site states as follows:

CAPP'S Mission Statement

CAPP'S mission is to enhance the economic sustainability of the Canadian upstream petroleum industry in a safe and environmentally and socially responsible manner, through constructive engagement and communication with governments, the public and stakeholders in the communities in which we operate.

Profile

The Canadian Association of Petroleum Producers (CAPP) represents companies, large and small, that explore for, develop and produce natural gas and crude oil throughout Canada. CAPP's member companies produce about 90 per

cent of Canada's natural gas and crude oil. CAPP's associate members provide a wide range of services that support the upstream crude oil and natural gas industry. Together CAPP's members and associate members are an important part of a national industry with revenues of about \$110 billion a year.

Timely efforts to avoid a conflict of interest

On January 18, 2012, only two days after Ms. Angie Leonard became employed by CAPP, and one day after Minister Leonard became aware that she registered as a lobbyist, Minister Leonard formally requested the advice of the then Conflict of Interest Commissioner, the Honourable Patrick A.A. Ryan, Q.C.

By letter dated January 25, 2012, the then Conflict of Interest Commissioner, the Honourable Patrick A.A. Ryan, Q.C. advised Minister Leonard that an apparent conflict of interest existed which could develop into an actual conflict of interest. Then Commissioner Ryan further advised the Minister that he should remove himself from any position or circumstance that required a decision, vote or discussion relating to natural gas and if participation in such activity was necessary, he should seek further advice, in advance, from the Commissioner to determine whether a "private interest", within the meaning of the *Members' Conflict of Interest Act*, was engaged.

Transfers of responsibilities

Ms. Leonard was employed by CAPP for a total of approximately nine months from January 16, 2012 until October 5, 2012. During that period Minister Leonard held the following portfolios as of the following dates:

1. October 12, 2010	Minister of Energy
2. March 15, 2012	Minister of the Department of Government Services
3. May 15, 2012	Acting Minister of Energy

It is important to note that on January 25, 2012, two days after the Commissioner's advice, an Order in Council transferred Minister Leonard's responsibility for Natural Gas to Minister Northrup and removed Minister Leonard from the Natural Gas Steering Committee.

The Natural Gas Steering Committee consists of the following six members, that is the Minister of Natural Resources, the Minister of Environment and the Minister of Energy and their Deputy Ministers.

Also when Minister Leonard became acting Minister of Energy on May 15, 2012, an Order in Council transferred his responsibility for natural gas to Minister Fitch.

Other efforts to avoid a conflict of interest

Paragraphs 10, 11 and 12 of Minister Leonard's affidavit describe as follows the efforts he made to heed the Commissioner's advice:

10. As per the advice I received from the Conflict of Interest Commissioner on January 23, 2012, I ensured I was not part of any Cabinet discussions or votes, committees or assembly matters that pertained to the Canadian Association of Petroleum Producers, or in any matters that could be perceived to be furthering the private interest of any individual from the date of January 23, 2012 through to October 9, 2012.

11. I have reviewed my calendar for the time period from late December 2011 when I became aware of my sister's new employment and January 23rd, 2012 when I received advice from the Conflict of Interest Commissioner and have confirmed that there were no Cabinet discussions or votes, committees or assembly matters in which I participated that pertained to the Canadian Association of Petroleum Producers, or in any matters that could be perceived to be furthering the private interest of any individual.

12. Since being made aware of my sister's employment with the Canadian Association of Petroleum Producers I have had no direct or indirect communication with my sister and have had no meetings, formal or informal, with my sister.

Section 30(4) of the Act

I note that in the matter of the compliance by a member of the recommendations of the Commissioner, section 30(4), of the *Members' Conflict of Interest Act*, S. N. B., 1999, c. M-7.01 provides as follows:

30(4) If a member or former member has, with respect to the advice and recommendations,

(a) communicated the material facts to the Commissioner, and

(b) complied with any recommendations contained in the advice and recommendations of the Commissioner,

no proceeding or prosecution shall be taken against the member or former member under this Act by reason only of the facts so communicated and the member's or former member's compliance with the recommendations.

2003, c.8, s.3

Conclusion

Minister Leonard took the following three steps to prevent his sister's employment with CAPP from becoming a conflict of interest on his part:

1. Immediately upon learning of her appointment with CAPP he sought an opinion from the then Conflict of Interest Commissioner.
2. As referred to in detail above, by Orders in Council dated January 25, 2012 and May 15, 2012, Minister Leonard's responsibilities related to natural gas exploration were transferred to Minister Northrup and Minister Fitch respectively.
3. As mentioned in the following paragraphs 10, 11 and 12 of Minister Leonard's affidavit he took steps to follow the advice of the Conflict of Interest Commissioner.

10. As per the advice I received from the Conflict of Interest Commissioner on January 23, 2012, I ensured I was not part of any Cabinet discussions or votes, committees or assembly matters that pertained to the Canadian Association of Petroleum Producers, or in any matters that could be perceived to be furthering the private interest of any individual from the date of January 23, 2012 through to October 9, 2012.

11. I have reviewed my calendar for the time period from late December 2011 when I became aware of my sister's new employment and January 23rd, 2012 when I received advice from the Conflict of Interest Commissioner and have confirmed that there were no Cabinet discussions or votes, committees or assembly matters in which I participated that pertained to the Canadian Association of Petroleum Producers, or in any matters that could be perceived to be furthering the private interest of any individual.

12. Since being made aware of my sister's employment with the Canadian Association of Petroleum Producers I have had no direct or indirect communication with my sister and have had no meetings, formal or informal, with my sister.

For these reasons I find that Minister Leonard did not contravene section 4 and 15 of the *Act*.

Recommendations/Sanctions

As there were no breaches of the *Members' Conflict of Interest Act* found, no sanction is warranted or recommended.

Dated at the City of Fredericton this 8th day of July, 2014.

The Hon. Alfred R. Landry, Q.C.
Conflict of Interest Commissioner