

December 22, 2015

**CAMPAIGN FINANCES REPORT - MR. JEFF BURCH, Mayoral Candidate 2015**

To Whom It May Concern,

I will begin by thanking you in advance for your time and consideration in this matter.

It is my understanding that upon request with merit, concerns expressed regarding Municipal Election Campaign donations and expenses of any Candidate will be reviewed.

Over the years I have has extensive experience with many political campaigns and as such am quite familiar with the costs of running a good strong campaign be it Municipal, Provincial or Federal.

There is no question the Mayoral race of 2014 was hard fought and expensive, physically, financially and emotionally. The serious contenders being Peter Secord, Walter Sendzik and Jeff Burch raised and spent significant sums of money in their challenge for the job of Mayor of St Catharines. Mark Stevens while a good candidate was not required to submit an audit and the Jim Fannon campaign isn't worth mentioning.

In reviewing the Candidates Financial Reports for Sendzik, Burch and Secord I have discovered some very interesting and also disturbing issues. There is no question the 'rookie' politician/candidate, Sendzik has the most complete and comprehensive report. This is very interesting in light of the fact that Mr. Sendzik did not enjoy the experience of paid campaign assistance as did Secord and Burch. Mr. Secord's report as a veteran politician and former City Councilor while missing some information is for the most believable. Mr. Burch also a veteran politician of both Municipal AND Provincial campaigns has submitted a financial report that raises a great number of questions which must be answered. It is rather telling that neither Mr. Secord nor Mr. Burch unlike Mr. Sendzik have identified any cost for the 'audits' performed on their respective reports. Also of concern is that while both Mr. Secord and Mr. Sendzik have extensively detailed the 'gifts in kind' which they received as services or goods throughout their respective campaigns, Mr. Burch apparently had none. This is quite remarkable even unbelievable.

Mr. Burch ran a very robust and a very expensive campaign. His financial report however does not reflect this type of campaign.

I understand and appreciate the Financial reports are audited. However, as stated by Mr. Burch's auditor Tony DiPaola, the report is only as accurate as the information provided to the auditor. This may be an appropriate moment to point out that the Municipal Elections Act states that the individual chosen to audit the candidates expenses may not have been a financial contributor to the candidate's election campaign. Please note as indicated in the 'Audited' Financial report of Jeff Burch, Donations:

**160 St Paul St Investments Inc., 39 Queen St. Suite 207, Tony DiPaola \$750**

This is inappropriate and the cheque must be returned to Mr. DiPaola.

Mr. Burch states expenses to be \$61,693.93

A very quick review of Mr. Burch's campaign suggests that figure may be inaccurate and actually being short of the actual expenditures for example:

## **EXPENSES:**

### **Office Expenses:**

**Rent:** The Burch for Mayor campaign headquarters was at 14 King Street, St Catharines. It is public knowledge the unit was in use from about early June This is a very high profile, premium downtown address that carries a hefty price tag.

The suggestion has been made that an arrangement was made with the property landlord benefitted the Burch campaign with a much below fair market value on the rent. This is perfectly acceptable **except** there is no reference to gifts in kind or donation by the landlord to equate to the reported expenses and the fair market value of the rental.

**Utilities:** for this period would probably come close to \$1,200.00 (A/C then heat , hydro, )

**Office Furniture:** – was there a rental of desks, chairs, etc? Again, is this a gift in kind or donation, neither of which is reported.

**Equipment:** copier, printer, fax, was all equipment rented, purchased, gifted?

### **Advertising Expenses:**

Mr. Burch was very generous in handing out a number of promotional items in order to generate interest and to encourage votes.

- **Logo Branded Hockey Pucks**

Did Mr. Burch purchase the pucks directly from a distributor? Were the pucks purchased by a 3<sup>rd</sup> party e.g B. Burke of the Ice Dogs? If this is the case should this not be declared as an in-kind donation? Was there any difference in fair market value and the actual cost declared as a donation or as a gift?

- **Meridian Centre Advertising**

Mr. Burch enjoyed the opportunity to promote his candidacy for Mayor through the highly visible use of the centre boards at the opening of the Meridian Centre and Ice Dogs Season Opener. It has been indicated to me that advertising of this level would cost approx. @\$6000 cost. Did Mr. Burch purchase the advertising or was it subsidized or gifted?

- **The Guilty Burger \$2.00 Coupons**

Mr. Burch was also very generous in handing out coupons from the Guilty Burger at an Ice Dogs Game. It is suggested the coupons were for a face value of \$2.00. Was this a gifted donation from the Guilty Burger as there is no record of such a gift ?

**Entertainment/Appreciation Expenses:**

**The Polish Legion** at which Mr. Burch celebrated his post election appreciation charges a minimum of \$12.00/person for a basic buffet for 100 plus people. In the event the magic number of 100 is not reached a \$500 hall fee is applicable. Let's assume the former is the case. I am going to assume that alcohol and soft drinks would be made available. Traditionally the candidate expresses his/her appreciation by allotting two drinks per person on his/her tab.

The hall was decorated with a number of balloon columns (at least 6 @ \$50/column) and there were at least two large slab cakes. @ \$60/slab

However, only \$462.45 was shown as an expense for 'voting day party'. There is absolutely no way that the cost of this event was that low.

Mr. Burch has indicated the following expenses with which I have no issue as they are fair and comparable to the other two candidates.

Brochures/flyers	10,652.98
Signs	11,446.74
Phone and/or	
Internet	5,239.79

Where I have issue is the obvious and blatant expenses for which there is no, or questionable accounting;

Office Expenses	5,250.40??? (rent, furniture, equipment)
Utilities	\$1,200
Promotional Items	\$2,495
'Victory' Celebration	\$462
Advertising	22,435.59 (assuming this includes all print ads, Facebook ads, promotional printing, billboards 6 x \$800, ads etc.)

**DOES THIS INCLUDE THE PRODUCTION, PURCHASE AND RENTAL SPACE FOR THE BOARD SIGNS AT THE MERIDIAN CTR?**

## **DONATIONS:**

Of great concern is the blatant disregard by the Burch campaign for the Municipal Elections Act wherein in it is stated:

**“Groups such as neighbourhood associations, clubs or professional associations, such as fire or police associations, are not eligible to make contributions. Members may contribute individually.”**

In contravention to this rule, Mr. Burch enjoyed donations from the following:

**International Association of Firefighters (this is also a U.S. company with a U.S. address – illegal according to Municipal Election Act)**

**Ontario Professional Firefighters**

**St. Catharines Professional Firefighters Association**

**Also:**

**The following individuals and organizations are not allowed to make contributions to municipal and school board campaigns:**

- **a federal political party, constituency association, or a registered candidate in a federal election**
- **a provincial political party, constituency association, or a registered candidate or leadership contestant**
- **a federal or provincial government, a municipality or a school board**
- **an organization outside Ontario**

I believe the following contributors to Mr. Burch’s Campaign fall into this category of ineligible donors:

Wayne Gates MPP (NDP) Niagara Falls

Cindy Forster, MPP (NDP) Welland

Malcolm Allen, MP (NDP) Welland

I would respectfully request an in depth forensic audit be carried out in order to substantiate the donations and expenditures of Mr. Burch’s 2014 Mayoral Campaign. Included in this audit I would like to see verification of all expenses through valid receipts and copies of all cheques, money orders, financial transaction for the purposes of donations to the campaign.

In light of the recent disclosure that Mr. Secord has compromised any further political ambitions as a result of being non compliant with the Municipal Elections Act, I would hope and expect the rules of engagement apply to all candidates. If in fact an investigation into Mr. Burch’s expenses and donations determine any wrong doing then I

would expect he be required to refund any and all ineligible donations, gifts in kind and 'negotiated' expenses.

I shall look forward to your early attention to this matter.

**Julia McLaren**

