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Casino lobbyists face scrutiny under bylaw that prohibits 'improper' relationships with politicians

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The city's lobbyist registrar has concerns that two prominent casino lobbyists may have violated bylaws governing their conduct [in the hours before](#) Councillor Ana Bailao was [charged](#) with impaired driving.

The two lobbyists from Sussex Strategy Group have been hired by MGM to sell the idea of a Toronto casino to councillors. If found guilty, Jamie Besner and Kim Wright could each face up to a \$25,000 fine. It is unclear if any violations actually occurred, and Besner and Wright both deny any wrongdoing.

At issue is whether sections of the [bylaw](#) were broken that, one, prohibit lobbying at a charity event and, two, restrict "improper" relationships with councillors.

But much more appears to be at stake than whether the lobbyists broke a municipal bylaw the night of Oct. 15. Those at the centre of the casino debate firestorm say the climate at city hall harks back to the days of the [MFP computer leasing scandal](#).

Back then, lobbyists seemingly lurked in every hallway and inappropriately close relationships were formed between elected officials and the people paid to win their vote.

"City business should not be conducted on junkets and in lounges," said Councillor Gord Perks, referring to the fact numerous casino lobbyists — including Besner — took part in the [mayor's Chicago trade mission](#) last month. "Toronto is still a small town. You still run into people. Going on trips and going out explicitly with a lobbyist is wrong."

Said deputy mayor Doug Holyday: "Maybe some people weren't even here when the whole matter with MFP unfolded. In fact, a lot of people weren't here at that time and maybe the integrity commissioner should be reminding councillors about what took place then."

Earlier this year, Holyday unsuccessfully attempted to pass a motion through the mayor's executive committee with the hopes of banning casino lobbyists.

Councillor Adam Vaughan hasn't seen so many lobbyists working a file since the days of the MFP. It's impossible not to bump into them.

"There's a difference between being at a restaurant or a bar in the ward and having a lobbyist there and making an appointment to go out to a bar with a lobbyist."

Whether by appointment or last-minute planning, on the night of Oct. 15, after the Mayor's Ball for the Arts, Councillors Bailao and Mark Grimes left the charity gala alongside Besner, Wright and Nick Kouvalis, who has been hired by Sussex to do research and polling for MGM's casino bid.

Wright left, but the others headed to the Thompson Hotel, according to a source who was with the group at the lounge.

Besner told the Star in an email he was on "personal time." Grimes said he was not out "specifically" with MGM. Bailao and Kouvalis have not responded to requests for comment.

Both lobbyists reported meetings with Bailao and Grimes, who chairs the board of Exhibition Place — MGM's preferred site for a casino — on the city's [lobbyist registry](#) for Oct. 15.

At issue are the circumstances around those meetings.

Section 140-42 of the lobbyist bylaw prohibits lobbying at a charity event.



Ana Bailao leaves a press conference at City Hall on October 17, 2012.

ANDREW FRANCIS WALLACE/TORONTO STAR

According to Councillor Kristyn Wong-Tam, “Kim chased me out the door (of the mayor’s art ball) asking if I had time to meet with her clients. I said I hadn’t met with any casino lobbyists and I wasn’t feeling inclined to do so.”

Wright registered this interaction with city. It is not clear if this constitutes a breach.

Speaking on behalf of Wright, Besner explained in an email that the code allows for “casual communication at a public gathering such as a charitable event.”

“At no time did anyone from Sussex Strategy engage in lobbying at the Mayor’s Arts Ball. While not required under the Code, any registrations of communications that occurred on October 15th were submitted out of an abundance of caution and in keeping with the spirit of openness and transparency that is required under the Code and is also expected of lobbyists.”

Concerns about Besner’s conduct are more complicated.

For registrar Linda Gehrke, the definitive word is the report on the computer leasing scandal by Justice Denise Bellamy. The report, finished in 2005, examined how a \$43 million contract between the city and MFP Financial Services for computers and equipment nearly doubled without authorization from council.

Bellamy’s report raised red flags about off-hours socializing between lobbyists and elected officials. Gehrke said the report found that “inappropriately close relationships” between lobbyists, councillors and staff were partly to blame.

The code of conduct does allow for “casual interactions,” but Gehrke says lobbyists must avoid “improper influence” — section 140-45 — which would pertain to the types of relationships Bellamy found between councillors and lobbyists at the time of MFP.

“One of the ways of building those types of relationships that were commonly used by the lobbyists (at that time) was to invite public office holders to social events to offer them entertainment,” Gehrke said.

Somewhere in this grey area of socializing is a line that can’t be crossed. Without knowing the details — which no one at the Thompson Hotel gathering will reveal “out of respect for Ana” — it’s not clear if the meeting between Besner and the councillors was improper.

Asked about the events of Oct. 15, Gehrke said she can “neither confirm nor deny whether any investigation has or will occur or is occurring.”

“Would it cause me concern? Yes,” she said. “That’s not to say something inappropriate occurred, (but) it could raise that possibility, so as a registrar I want to be assured.”

After leaving the Thompson Hotel, Bailao was arrested by a 14 Division police officer on Bathurst St. and charged with impaired driving. She intends to plead not guilty. Bailao is due in court Dec. 3.