



MANITOBA LEGISLATIVE ASSEMBLY
OFFICE OF THE ETHICS COMMISSIONER

REPORT OF
JEFFREY SCHNOOR, K.C.
ETHICS COMMISSIONER

**Re: The Honourable Ian Bushie, Minister of Municipal and Northern Relations
and Minister of Indigenous Economic Development and Member of the
Legislative Assembly for Keewatinook**

September 19, 2024

I. INTRODUCTION

1. On June 3, 2024, I received a letter from Greg Nesbitt, the member of the Legislative Assembly for Riding Mountain, in which he requested that I conduct an inquiry into the conduct of the Honourable Ian Bushie, the member for Keewatinook and the Minister of Municipal and Northern Relations and Minister of Indigenous Economic Development. Mr. Nesbitt tabled that letter in the Assembly the same day.

2. The request was made pursuant to section 44(1) of *The Conflict of Interest (Members and Ministers) Act* (the "Act"):

Member may request commissioner's opinion

44(1) A member who has reasonable grounds to believe that another member has contravened this Act may request the commissioner to give an opinion respecting the compliance of the other member with this Act.

3. Mr. Nesbitt alleged that Minister Bushie had contravened the Act. The following are relevant extracts from the letter:

Public documents have recently made it evident that on April 3rd, 2024 a \$100,000 contract [contract #4600024396] was awarded to "Grandpa Georges" by the department of Economic Development, Investment, Trade and Natural Resources. This was an untendered, direct award that was made public on May 15th, 2024.

In his January 19th, 2024 public disclosure, Mr. Bushie declares Grandpa Georges as a sole proprietorship, and an interest that was disclosed to you. . .

. . . Section 10(1) of the act is incredibly clear on this matter: A member must not knowingly be a party (directly or through a subcontract) to a contract with the government or a government agency under which the member receives a benefit.

Additionally, Mr. Bushie disclosed in January of 2024 that section B8 of the Disclosure Statement was not applicable, despite having an active contact [sic] with the Government of Manitoba. Contact [sic] #4600023883 was in effect from April 1st, 2023 to March 31st, 2024.

Mr. Bushie has contravened the *Conflict of Interest (Members and Ministers) Act* in accepting such a contract, either himself or through the business. He has contravened the act an additional time by failing to disclose an active contact [sic] when he filed his Disclosure Statement. His disclosure lists an exemption that was granted regarding section 11 and 12 conditions, but no exemption to section 10. . .

4. Mr. Nesbitt's letter also suggested that another member of the Legislative Assembly had played a role in the alleged contravention of the Act and so had also breached the Act.

5. I contacted Mr. Nesbitt and advised him that I required all requests for an inquiry into the conduct of another member be submitted in a form found in the Members Portal at the website of the Ethics Commissioner, www.ethicsmanitoba.ca. The Act provides in section 44(2) that a request for an inquiry "must be made in the form and manner specified by the commissioner". I also said that, if he intended to make a complaint in respect of both members mentioned in his letter, he would have to submit two separate requests.

6. Mr. Nesbitt then submitted his request for an inquiry into the conduct of Minister Bushie in the appropriate form. It contained the same language as in his letter. He did not submit a request for an inquiry in respect of the second member and I have accordingly omitted the references to that member in the extract above.

7. This is the fifth request that I have received for an inquiry into the conduct of a member of the Legislative Assembly since the Act came into force on October 4, 2023. However, because of their greater complexity, the investigations into the first four requests are ongoing and so this is the first report under the Act.

II. The Inquiry Process

8. The Act sets out certain steps that must be followed when a request for an inquiry is made. The first is that the member making the request must table a copy of it in the Assembly within the first five sitting days [s.44(3)]. Mr. Nesbitt did this on June 3, 2024.

9. Section 46 of the Act provides:

Notice of inquiry

46 Before conducting an inquiry, the commissioner must give the member whose conduct is the subject of the inquiry reasonable notice.

10. I wrote to Minister Bushie on June 4, 2024, advising him of the request for an inquiry. In my letter, I asked him to provide me with copies of the two contracts referred to in the request for an inquiry, as well as any other relevant documents in his possession, whether in paper or electronic form. I also advised him that he could provide me with a written response to the allegations, if he wished. I spoke with Minister Bushie later that day and he provided me with the requested documents and a written response by letter dated June 18, 2024.

11. I then contacted Dana Rudy, Deputy Minister of Economic Development, Investment, Trade and Natural Resources, the Department that had issued the contracts in question. I asked her for information and documents and she provided a response to me on June 26, 2024. On June 28, 2024, I asked Ms Rudy for additional information. She provided responses to me on July 15 and 17, 2024. I asked for further information on August 14, 2024 and she provided it the following day. I would like to express my appreciation for her cooperation and assistance.

12. The Act provides in section 47(3) that members must be given an opportunity to respond to the possibility of an adverse finding by the Ethics Commissioner:

Representations by affected member

47(3) If it appears to the commissioner that the commissioner's report may adversely affect the member, the commissioner must inform the member of the particulars and give the member the opportunity to make representations — either orally or in writing, at the discretion of the commissioner — before the commissioner finalizes the report.

13. After due consideration, I concluded that it was likely that I would be making an adverse finding. Accordingly, I wrote to Minister Bushie on July 23, 2024 and sent him a draft copy of the portion of this report setting out the introduction, inquiry process, facts, issues and tentative

findings. I offered him the opportunity to make representations respecting the accuracy of the facts, whether he had contravened the Act and what an appropriate penalty would be. Minister Bushie and I spoke on August 9, 2024 and he submitted written representations to me on August 12, 2024. I asked for a clarification on August 20, 2024 and he responded on August 22, 2024.

III. Facts

14. The facts are not in dispute.

15. Minister Bushie is, and was at all relevant times, the sole proprietor of a convenience store and gas bar named Grandpa George's, located at Wanipigow in Hollow Water First Nation.

16. Minister Bushie has advised me that, although he is the owner of Grandpa George's, he plays no part in its day-to-day operations. He has hired a manager to run the business.

17. Grandpa George's has had an outline agreement with the Government of Manitoba since at least 2012. The agreement is issued by the Manitoba Wildfire Service, currently part of the Department of Economic Development, Investment, Trade and Natural Resources. In some cases, the agreement covered a number of years and, more recently, the agreement has been issued annually.

18. An outline agreement is a type of contract used often by the Government, especially when it is not known exactly what goods will be needed or when they will be needed. An outline agreement specifies the type of goods that a contractor will sell and sets an upper limit on the value of the contract. Government employees can then buy goods from the contractor, as and when needed. Instead of the Government employees paying for the goods directly to the contractor and seeking reimbursement, the contractor bills the Government and the Government pays later. In essence, an outline agreement is a form of invoicing or credit agreement. The contractor agrees to provide goods immediately and to accept payment from Government later.

19. The most recent agreement runs from April 1, 2024 to March 31, 2025. I was advised that, although this agreement was issued by the Manitoba Wildfire Service, neither it nor the agreements for 2022/23 and 2023/24 were ever sent to Grandpa George's. The last agreement sent to Grandpa George's was for the 2021/22 fiscal year. Even so, Grandpa George's continued to provide goods and submit invoices and the Government continued to pay.

20. The response from Deputy Minister Rudy provided the following description of the outline agreements issued by the Manitoba Wildfire Service:

- Outline agreements provide the Manitoba Wildfire Service with authority to purchase groceries and supplies on an as-required basis, for up to an approved amount per year. There is no guarantee to spend the total value as expenditures are based on the actual need of the Wildfire Service in the given year.
- The Wildfire Service sets up outline agreements with local vendors to ensure they can purchase needed supplies if and when a fire breaks out or if there are supply chain issues.
- The goods procured at each of the vendors are dependent on the selection of items available in stock in any emergent situation.
- The total dollar amount that the outline agreements are set up for does not constitute any guarantee of business, as goods are picked up on an as needed basis.
- The amount spent in any given year relates to the wildfire activity in the area which varies year to year.
- In absence of an outline agreement, staff would purchase groceries and be reimbursed via the expense claim process.

21. The outline agreement issued to Grandpa George's was to supply emergency firefighters in the area, as needed. The most recent agreement stated the following:

Requirement is for the supply of miscellaneous groceries, commissary and supplies to be picked up as required for the Manitoba Wildfire Service, Eastern Region. Supplies to be used in the event of an emergency fire situation, preparedness fire alerts, training, meetings and programs.

....

Please note that this document does not constitute any guarantee of business, but should items be required, then the total expenditure shall not exceed \$100,000.00. Any unused portion as of the end of the contract period will be considered cancelled.

22. In short, emergency firefighters can go to Grandpa George's and get whatever supplies they need. They do not have to get prior approval or a purchase order from Manitoba Wildfire Service. They do not have to pay Grandpa George's and then submit a request to the Government for reimbursement. Instead, Grandpa George's bills and then gets paid by the Government.

23. According to the responses from Deputy Minister Rudy, the nearest alternative locations for obtaining supplies for firefighters are Bissett (which does not have fuel) and Pine Falls, an hour's drive from Wanipigow. Deputy Minister Rudy also advised:

The department has similar outline agreements across the province as part of Wildfire Service, and the ADM [Assistant Deputy Minister] of Wildfire Service has authority for this up to \$100K. Over 60 similar outline agreements have been established in the first few months of 2024/25.

''''

Grocery outline agreements are untendered, under the presumption these are emergency purchases to support wildfire suppression activity. They are set up in areas in close proximity to wildfire activities in the event that services are needed.

24. I was advised that grocery outline agreements are renewed routinely unless there has been a problem with the contractor.

25. Deputy Minister Rudy provided the following table showing the maximum dollar value of each outline agreement with Grandpa George's since 2012, as well as the actual amounts billed and paid:

Grandpa George's Vendor # 2008249				
	Fiscal Year	Outline Agreement	Contract Value	SAP Actual Payment
2012/2016	2012/2013	4600016360	49,000.00	10,250.12
	2013/2014	4600016360		11,487.64
	2014/2015	4600016360		214.26
	2015/2016	4600016360		20,953.07
2016/2018	2016/2017	4600019059	49,000.00	24,038.80
	2017/2018	4600019059		11,071.07
2018/2020	2018/2019	4600020724	49,000.00	13,848.71
	2019/2020	4600020724		10,946.46
2020/2022	2020/2021	4600020724		26,559.20
2022/2023	2021/2022	4600022179	98,000.00	44,549.80
	2022/2023	4600023284	99,000.00	8,086.52
2023/2025	2023/2024	4600023883	99,000.00	1,872.19
2024/2025	2024/2025	4600024396	100,000.00	105.12
Total			543,000.00	183,982.96

26. She indicated that the increase in the contract value was applied to all similar outline agreements and reflects increases in the delegated authority for the Assistant Deputy Minister responsible for approving and issuing these agreements.

27. Deputy Minister Rudy also advised that use of the outline agreement with Grandpa George's was cancelled on June 3, 2024 (the day on which the request for an inquiry was made) and that staff was advised accordingly. The agreement has since been terminated.

IV. Issues and Findings

28. The request for inquiry submitted by Mr. Nesbitt raises two issues for my determination:

1. Has Minister Bushie contravened the Act by having a contract with the Government of Manitoba?
2. Has Minister Bushie contravened the Act by failing to disclose his contract with the Government of Manitoba?

29. I think it is important to also indicate what is not at issue.

30. As Mr. Nesbitt's request for an inquiry notes, there is no allegation of a breach of sections 11 or 12 of the Act that prohibit a Cabinet Minister from carrying on a business. I have previously granted Minister Bushie permission to carry on the Grandpa George's business, subject to conditions.

31. There is also no allegation that Mr. Bushie has made a decision or sought to influence a decision while in a conflict of interest (sections 2 to 5 of the Act).

1. Has Minister Bushie contravened the Act by having a contract with the Government of Manitoba?

32. Section 10 of the Act states that members may not have a contract with the Government of Manitoba under which the member receives a benefit.

Government contracts with members

10(1) A member must not knowingly be a party (directly or through a subcontract) to a contract with the government or a government agency under which the member receives a benefit.

33. In his representations to me, Minister Bushie argued that he did not receive a benefit from the contract:

I have been advised that the outline agreement in question, while indeed a contract, nonetheless can be seen as different from the type of contract that is contemplated by section 10(1) of the act.

That provision states: "Government contracts with members 10(1) A member must not knowingly be a party (directly or through a subcontract) to a contract with the government or a government agency under which the member receives a benefit".

The issue in question turns on the fact the outline agreement does not confer a distinct and specific benefit. While this agreement helps facilitate convenience for Government firefighters and other employees in the region, and while it provides certainty for the provider, it does not confer a specific benefit that would otherwise exist if the same workers simply purchased goods and services in the normal manner.

If the workers had simply purchased goods without this arrangement in place it would be permissible under the Act. As such it appears this type of contract was not intended to be captured by the relevant considerations associated with section 10(1).

34. I am unable to accept this argument. The Act does not require the existence of a "distinct and specific benefit", simply a "benefit". Grandpa George's (Minister Bushie) received payments under the contract; the fact that a different arrangement could have been put in place does not change the fact that this benefit is received. Furthermore, as Minister Bushie says, the agreement provides certainty to the provider. The agreement makes it easier for emergency firefighters to purchase from Grandpa George's. These are benefits.

35. In my view, therefore, Minister Bushie did have a contract with the Government of Manitoba under which he received a benefit. He has contravened this provision of the Act unless the contract falls within one of the exceptions to the prohibition. There are three that may be relevant.

36. The first exception relates to contracts that were in existence at the time the member assumes office.

Application to existing contracts

10(3) This section does not apply to a contract that existed before the member assumes office, but it does apply to the contract's renewal or extension.

37. The Act came into effect on October 4, 2023 and does not have retroactive effect. I therefore conclude that a member assumes office once they are declared elected after the October 3, 2023 general election.

38. The contract for 2023/24 therefore existed before Minister Bushie assumed office and, at that point, he was excluded from the prohibition against having a contract with the Government of Manitoba.

39. However, the contract was renewed on April 1, 2024 and, at that point, this exception ceased to apply.

40. The second exception is for contracts of broad application.

Exceptions for contracts

10(5) This section does not apply to

...

(b) a contract offered by the government or a government agency on the same terms and conditions available to other members of the public under contracts of the same class.

41. An argument can be made that this exception applies because there are over 60 similar outline agreements issued by the Manitoba Wildfire Service. However, I am of the view that this exception is intended for contracts of broader application. Examples are the contracts that Manitobans have with Manitoba Hydro for the provision of electricity to their homes or with Manitoba Public Insurance for the provision of automobile insurance.

42. I therefore conclude that this exception does not apply.

43. The final exception is if the Ethics Commissioner determines that the contract is unlikely to give rise to a conflict of interest:

Exception if commissioner approves

10(6) This section does not apply if

- (a) the commissioner is of the opinion that the contract or interest is unlikely to affect the exercise of the member's powers, duties and functions; and
- (b) the member complies with any conditions respecting the contract or interest that the commissioner may impose.

44. Minister Bushie did not ask for my approval of the contract and so this exception does not apply. In the future, he may still ask for my approval but, if granted, that approval cannot excuse a contravention committed beforehand.

45. I therefore conclude that this exception does not apply.

46. Accordingly, it is my view that Minister Bushie did not contravene the Act by having a contract with the Government of Manitoba prior to April 1, 2024 but did contravene the Act by having the contract on and after April 1, 2024.

2. Has Minister Bushie contravened the Act by failing to disclose his contract with the Government of Manitoba?

47. All members must file a statement disclosing their assets, liabilities and sources of income in a form approved by the Ethics Commissioner. It must be filed within 90 days after assuming office and, in each subsequent year, within 60 days after a date established by the Commissioner. Once accepted by the Ethics Commissioner, the statement is posted to the Commissioner's website at www.ethicsmanitoba.ca.

48. Every member must also meet with the Ethics Commissioner, unless the Commissioner decides that a meeting is not necessary:

Meeting with the commissioner to review draft

18(2) After filing their draft statement, a member must, on request of the commissioner, meet with the commissioner to



- (a) ensure that their statement will provide adequate disclosure; and
- (b) obtain advice about their obligations under this Act.

...

49. Minister Bushie met with me as required. He filed his Disclosure Statement within the required time and I posted it at the same time that I posted the Disclosure Statements of all members, on January 19, 2024.

50. Section 19 of the Act specifies the information that must be included in a Disclosure Statement. Clause 19(1)(d) states that the Disclosure Statement must “include the subject matter and nature of any contract or subcontract that the member or their family . . . have with the government”.

51. Members make their disclosure in an online form. Question B8 deals with contracts with Government. The following is an extract from Minister Bushie’s Disclosure Statement:

Office of the Ethics Commissioner Manitoba Legislative Assembly		Member's Disclosure Statement	
		Status: Accept	Accepted Date: 1/19/2024 Version: 1 
Member's Disclosure Statement		Member's name: Ian Bushie	
Part A: Personal Information	▼	B8 - Contracts with the Government of Manitoba Identify the subject matter and nature of any contract or subcontract with the Government of Manitoba (or any government agency) in which you, your spouse or your dependants (directly or indirectly, including through a partnership) have an interest. For each contract, you must state whether it is exempt from the prohibition on contracts with the Government of Manitoba or if you have obtained the Commissioner's approval. A contract is exempt from the prohibition on contracts with the Government of Manitoba if it existed before the Member assumed office; the exemption does not apply to any renewal or extension. An interest in a partnership with a contract with the Government of Manitoba that is acquired by inheritance is exempt until the first anniversary of the acquisition. Contracts held by a family member are also exempt from the prohibition. Do not list contracts offered by the government or a government agency on the same terms and conditions available to other members of the public under contracts of the same class (e.g., an insurance policy with MPI). Not Applicable <input type="checkbox"/>	
Part B: Assets	▲		
B1- Real Property Interests			
B2- Money Owed and Secured by a Mortgage on Real Property			
B3- Money Owed and Secured by Government of Manitoba			

52. As noted above, Minister Bushie answered “Not Applicable”, indicating that he had no contracts with the Government of Manitoba. This was not correct. He should have unchecked “Not Applicable” to indicate that he had a contract. Had he done so, the form would have given him the opportunity to identify the contract and indicate that it was exempt (as a contract in existence upon assuming office), as shown below:

Subject matter and nature of contract	M	S	D	Exempt?	Commissioner's approval obtained	Date of Change
<input type="text"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/> Yes <input type="radio"/> No	<input type="radio"/> Yes <input type="radio"/> No	<input type="text" value=""/>
						<input type="button" value="Clear"/> <input type="button" value="Add"/>
<input type="button" value="Back"/>						<input type="button" value="Save & Continue"/>

53. On April 1, 2024 or within 60 days thereafter, he should have submitted an amendment to his Disclosure Statement indicating that the contract was no longer exempt (unless he had obtained my approval).

54. Accordingly, I conclude that Minister Bushie contravened the Act by failing to disclose his contract with the Government of Manitoba.

V. Minister Bushie’s response

55. As noted above, Minister Bushie in his written representations to me put forward an argument respecting the interpretation of section 10 that I did not accept. He also noted that the agreement was of long standing and that the Government of Manitoba had not communicated the renewal of the agreement on April 1, 2024. He pointed out that he was not involved in the day-to-day management of his business.

56. Minister Bushie advised me that he did not think of the contract with Manitoba Wildfire Service when he was completing his Disclosure Statement:

Today, in my recollection of the existence of the agreement, I did not realize at that time that I had a contract with Manitoba Wildfire. I realize today that it was in fact a contract as you note. My mind did not turn to it as a contract and I did not even think about it when I completed my disclosure statement in December 2023.

57. Even so, Minister Bushie acknowledged his contravention of the Act and apologized:

I would like to unequivocally offer my apology. I have endeavoured to follow both the spirit and letter of this new Act and where I have fallen short I am committed to doing better. All MLAs and Ministers owe Manitobans their trust and honour and I am dedicated to living up to the trust they have placed in me.

....

I understand that a violation of the Act occurred and that I committed an error of judgment made in good faith. I take full responsibility for this oversight. I intend to present a full public apology for contravention of the Act. I humbly ask that you recommend no further penalty be imposed.

I want to reiterate my regret for my failings. There is a sacred trust between Manitobans and their elected leaders. It demands the highest standards from all involved. Wherever and whenever I fall short I am committed to acknowledging my failure, doing better and to living up to the expectations all Manitobans have for their elected representatives.

58. I commend Minister Bushie for his acceptance of responsibility.

VI. Recommendation Respecting Penalty

59. The Act provides that, if the Commissioner determines that a member has contravened it, the Commissioner must recommend a specific penalty or recommend that no penalty be imposed.

60. Section 50(1) sets out the penalties that the Commissioner can recommend:

Commissioner's recommendations in case of contravention

50(1) If, after conducting an inquiry, the commissioner is of the opinion that the member has contravened this Act, the commissioner may recommend the following penalty be imposed on a member:

- (a) the member be reprimanded;

- (b) the member be fined an amount not exceeding \$50,000;
- (c) the member's right to sit and vote in the Assembly be suspended for a specified period or until the fulfilment of a condition imposed by the commissioner;
- (d) the member's seat be declared vacant.

61. The next two subsections set out the circumstances in which the Commissioner has the discretion to recommend that no penalty be imposed. The first of these subsections, section 50(2), deals with situations where the member had relied on the advice of the Commissioner. It is not applicable here.

62. The second of these subsections, section 50(3), provides as follows:

Recommendations re no penalty

50(3) The commissioner may recommend that no penalty be imposed if the commissioner is of the opinion that

- (a) a contravention occurred even though the member took all reasonable measures to prevent it; or
- (b) a contravention occurred that was trivial or that was committed through inadvertence or an error of judgment made in good faith.

63. As Minister Bushie acknowledges, he did not take all reasonable measures to prevent the contraventions. He should have better reviewed his business's affairs and should have sought my advice. Therefore, clause 50(3)(a) is not applicable.

64. I also cannot conclude that the contraventions were trivial. Certainly, the amount of money paid under the contract in most years was relatively small. However, transparency through full disclosure is an essential objective of the Act. Minister Bushie's failure to disclose his contract with Manitoba Wildfire Services deprived the public of information that it should have had.

65. Even so, the evidence does support the conclusion that the contraventions were inadvertent. It is understandable that a contract of long standing, renewed automatically and not sent out by the Government for several years, would be overlooked; this is especially so given that Minister Bushie has delegated the day-to-day management of his business to a manager. There is no evidence of any bad faith or of an attempt to wilfully hide the agreement.

66. In considering the appropriate consequence for the contraventions, I also note Minister Bushie's contrition and intention to make a public apology.

67. I have therefore concluded that, in the circumstances, no penalty should be imposed for Minister Bushie's contraventions of the Act.

VII. Further Comments

68. I would like to address some final comments to all members of the Legislative Assembly (and to members of the public).

69. The fundamental purpose of the Act is to build public confidence in their elected representatives and in our democratic institutions. Minister Bushie describes this as a sacred trust and I agree. Careful compliance with all of the Act's provisions is essential.

70. The Act requires substantial disclosure of assets, liabilities and sources of income by members of the Legislative Assembly and contains a number of other requirements and prohibitions that must be observed. Most of the disclosure requirements include not just the assets, liabilities and sources of income of the members but also those of their spouses and dependents. This can be challenging, especially for members who carry on businesses or who have interests in private corporations.

71. I urge all members to carefully review all of their assets, liabilities, sources of income and other relevant information before finalizing their annual Disclosure Statements. They should discuss them with their spouses and dependents and, where applicable, their financial advisors

or business partners. They should make sure that these individuals understand that members must be kept up to date on any changes to the information reported in the Disclosure Statements.

72. As Commissioner, I am available to assist and advise members but my advice is only as good as the information that they provide to me.

VIII. Conclusion

73. For the reasons given above, it is my opinion that Minister Bushie did not contravene the Act by having a contract with the Government of Manitoba prior to April 1, 2024. However, he did contravene the Act by having a contract with the Government of Manitoba on and after April 1, 2024. He also contravened the Act by failing to include the contract in his Disclosure Statement of Assets, Liabilities and Sources of Income.

74. I also conclude that Minister Bushie's contraventions were inadvertent. I therefore recommend that no penalty be imposed.

A handwritten signature in black ink, appearing to read 'Jeffrey Schnoor', with a stylized, flowing script.

Jeffrey Schnoor, K.C.
Ethics Commissioner