

# **Ontario Lottery and Gaming Corporation (“OLG”) Conflict of Interest Rules**

Effective July 13, 2017

## **Purpose**

OLG’s mandate is to provide gaming entertainment in an efficient and socially responsible manner that maximizes economic benefits for the people of Ontario, stakeholders, related economic sectors and host communities.

OLG maintains the public’s trust by ensuring that all of its employees and Board members conduct themselves with integrity, objectivity, and in full compliance with applicable laws and standards.

OLG’s employees and Board members are subject to the provisions of the *Public Service of Ontario Act 2006* (the “*PSOA*”), including Ontario Regulation 381/07 under the *PSOA*. In accordance with the values enshrined in the *PSOA*, all OLG employees and Board members must be, and must be seen to be performing their responsibilities in a manner that is non-partisan, professional, and ethical.

The purpose of these Conflict of Interest Rules (the “Rules”) is to ensure that OLG’s employees and Board members remain in compliance with the *PSOA* and Regulation 381/07, to the extent they apply to OLG’s unique role and mandate.

If a provision of these Rules is inconsistent with Regulation 381/07, the provision in Regulation 381/07 prevails. For this purpose, a provision in these Rules is inconsistent with a provision of Regulation 381/07, where a provision in the Rules establishes a degree of ethical conduct that is lower than is established by the Regulation 381/07. An inconsistency does not arise where a provision in these Rules exceeds the degree of ethical conduct established by the Regulation 381/07.

Some of the obligations outlined in the *PSOA*, Regulation 381/07 and these Rules continue to apply to certain former employees and Board members. These obligations are set out at the end of these Rules.

OLG recognizes that actual, perceived, and potential conflicts of interest cannot always be avoided. These Rules were drafted to assist current and former OLG employees and Board members in recognizing, avoiding, and managing such conflicts of interests when they arise. When they arise, OLG’s goal is to ensure that they are resolved in a manner that maintains and enhances public confidence and trust in OLG.

## **Definitions**

For the purposes of these Rules:

**“Board members”** means members of OLG’s Board of Directors;

**“confidential information”** means information that is not available to the public and if disclosed, could result in harm to OLG or the Crown, or could give the person to whom it is disclosed an advantage;

**“former employee”** and **“former Board member”** mean a former employee or Board member of OLG who has fully terminated his or her relationship with OLG, and no longer receives remuneration, including ongoing severance payments, from OLG. OLG employees and Board members on an authorized leave of absence or on temporary assignment are considered current, and not former, employees and/or Board members;

**“designated senior position”** means the following positions: (i) President and Chief Executive Officer (“CEO”); (ii) Executive Vice Presidents; (iii) Chief Operating Officer; (iv) Chief Compliance Officer; (v) Chief Administrative Officer; (vi) General Counsel; (vii) Chief Information Officer; (viii) Chief Financial Officer; and (ix) Senior Vice Presidents;

**“employee”** means every person, whether employed on a full-time or part-time basis, who receives compensation from OLG through its payroll system;

**“gift”** includes a benefit of any kind;

**“spouse”** is defined in section 1 of the *Family Law Act*, or either of two persons who live together in a conjugal relationship outside of marriage;

**“substantial interest”** is an interest, whether personal, financial or otherwise, which could reasonably be expected to inhibit neutral and impartial decision-making and/or negotiation.

## **What is a Conflict of Interest?**

A conflict of interest occurs when a current or former employee or Board member’s personal or business interests may be, or may reasonably be perceived to be, in conflict with his or her responsibilities as a current or former OLG employee or Board member.

OLG employees and Board members should not obtain any personal benefit, whether direct or indirect, as a result of reaching business decisions on behalf of OLG or the Crown.

## **Disclosure of Conflict of Interest and OLG's Ethics Executive**

A current or former OLG employee is required to promptly notify his or her Ethics Executive (as defined in the *PSOA*) in writing, if he or she has a conflict of interest or a potential conflict of interest. If a current or former employee has a personal or pecuniary interest that could raise an issue under the conflict of interest rules, the current or former employee should notify the Ethics Executive directly.

A Board member or former Board member is required to promptly notify his or her Ethics Executive, in writing, if he or she has a conflict of interest or a potential conflict of interest, including a personal or pecuniary interest. The Ethics Executive will provide direction as to the handling of any issue.

OLG's Ethics Executives are:

- for current employees, the President and Chief Executive Officer (CEO), subject to his/her discretion to refer the matter for determination to the Ontario Conflict of Interest Commissioner;<sup>1</sup>
- for Board members, the Chair of the Board, subject to his/her discretion to refer the matter for determination to the Ontario Conflict of Interest Commissioner; and,
- for former employees or Board members, the Ontario Conflict of Interest Commissioner.

A current or former OLG employee or Board member may request that his or her Ethics Executive provide advice concerning the application of the conflict of interest rules.

All current or former OLG employees and Board members shall comply with the direction of their Ethics Executive or the Conflict of Interest Commissioner.

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<sup>1</sup> In accordance with Ontario Regulation 147/10 under the *PSOA*.

## **Part I: Rules Applicable to Current OLG Employees and Board Members**

### **Benefiting Self, Spouse or Children**

An OLG employee or Board member:

- shall not use or attempt to use his or her employment or appointment to directly or indirectly benefit himself or herself, or his or her spouse or children. The employee or Board member must refrain from participating in any decision-making activity in the course of employment that could be seen to confer a benefit on himself or herself or his or her spouse or children; and,
- shall not allow the prospect of his or her future employment by another person or entity to detrimentally affect the performance of his or her duties to OLG or to the Crown.

### **Accepting Gifts**

If a reasonable person might conclude that a gift could influence an employee or Board member when performing his or her duties to OLG or the Crown, the employee or Board member shall not, directly or indirectly, accept a gift from any of the following persons or entities:

- a person, group or entity that has dealings with OLG or the Crown;
- a person, group or entity to whom the employee or Board member provides services in the course of his or her duties to OLG or the Crown;
- A person, group or entity that seeks to do business with OLG or the Crown.

If an employee or Board member receives a gift as described above, the employee or Board member shall notify his or her Ethics Executive. Unacceptable gifts should be returned with thanks and clarification of OLG's Conflict of Interest Rules.

These Rules do not prevent an employee or Board member from accepting a gift of nominal value given as an expression of courtesy or hospitality if doing so is reasonable in the circumstances. Gaming employees may accept gratuities pursuant to OLG's internal policies.

## **Disclosing confidential information**

OLG employees and Board members may obtain access to confidential information, as defined under “Definitions” in these Rules, over the course of their duties at OLG. OLG employees and Board members are prohibited from:

- disclosing confidential information – directly or indirectly – obtained during the course of their employment or appointment with OLG to any person or entity unless permitted to do so by law or by OLG or the Crown;
- using confidential information in a business or undertaking outside their work for OLG;
- accepting a gift directly or indirectly in exchange for disclosing confidential information.

## **Giving Preferential Treatment**

When performing his or her duties to OLG or the Crown, an OLG employee or Board member:

- shall not give preferential treatment to any person or entity, including a person or entity in which the OLG employee or Board member, or a member of his or her family or a friend, has an interest; and
- shall endeavor to avoid creating any appearance that preferential treatment has been given to a person or entity that could benefit from it.
- An OLG employee or Board member shall not offer assistance to a person or entity in dealing with OLG other than assistance given in the ordinary course of his or her employment or appointment by OLG.

## **Hiring Family Members**

An OLG employee or Board member shall not, on behalf of OLG:

- Hire his or her spouse, child, parent or sibling;
- Enter into a contract with his or her spouse, child, parent or sibling or with a person or entity in which any of them has a substantial interest;

- Participate on any panel that will interview a family member and must not exert any influence, directly or indirectly, in the hiring decision regarding a family member.

Where OLG employees and Board members are responsible for hiring decisions, they must ensure that no person so hired reports to or supervises the work of a spouse, child, parent or sibling.

An OLG employee or Board member who reports to, or supervises the work of, his or her spouse, child, parent or sibling shall notify his or her Ethics Executive of the same.

## **Engaging in Business, etc.**

An OLG employee or Board member shall not become employed by, or engage in a business or undertaking outside his or her employment or appointment in any of the following circumstances:

- If the employee or Board member's private interests in connection with the outside employment or undertaking could conflict with his or her duties to OLG or the Crown.
- If the outside employment or undertaking would interfere with the employee or Board member's ability to perform his or her duties to OLG or the Crown.
- If the outside employment is in a professional capacity and is likely to influence or detrimentally affect the employee or Board member's ability to perform his or her duties to OLG or the Crown.
- If the outside employment would constitute full-time employment for another person. However, this paragraph does not apply with respect to an employee who is employed part-time by OLG, or to an employee or Board member who is on an authorized leave of absence from his or her position but only if the outside employment is not contrary to or inconsistent with the terms of the leave of absence.
- If, in connection with the outside employment or undertaking, any person would derive an advantage from the employee or Board member's employment with OLG.
- If OLG or government premises, equipment or supplies are used in the outside employment or undertaking.

## **Participating in Decision-Making**

Unless he or she obtains prior approval from his or her Ethics Executive, an OLG employee or Board member is prohibited from participating in decision-making by OLG or the Crown with respect to a matter that the employee or Board member is able to influence in the course of his or her duties if the employee or Board member could benefit, directly or indirectly, from the decision in any material way.

An OLG employee or Board member who, in the course of his or her employment or appointment, is a member of an outside body or group, shall not participate in or attempt to influence decision-making by that body or group with respect to a matter if the employee or Board member could benefit from the decision directly or indirectly, or if, as a result of the decision, the interests of the body or group could conflict with the interests of OLG or the Crown. If such circumstances exist, the OLG employee or Board member shall inform the outside body or group.

## **Financial Declarations and Prohibitions on Certain Purchases**

The rules in this section apply to OLG employees and Board members who:

1. routinely work on one or more “matters that might involve the private sector,” which is defined as a matter that relates to services:
  - a. currently provided by an OLG or Crown program where it is possible that a private sector entity will provide any of the services or any of the financing for the services; and,
  - b. that has been referred to a Ministry, a public body or an agency of the Crown by the Executive Council for review or implementation;
2. have access to confidential information about the matter or matters involving the private sector obtained during their employment or appointment at OLG.

### ***Financial Declarations***

When an OLG employee or Board member covered by this section begins work on a matter that might involve the private sector, he or she must make a financial declaration to the Conflict of Interest Commissioner in accordance with section 11 of Ontario Regulation 381/07 in respect to that specific matter. This financial declaration includes certain disclosure obligations in relation to the financial interests of the employee or Board member’s spouse and dependent children. Whenever there is a change in any of the information to be disclosed, the employee or Board member must provide the Conflict of Interest Commissioner with a revised declaration.

An OLG employee or Board member must disclose the following matters respecting his or her financial interests:

- a) legal or beneficial interest in securities or derivatives of corporations or governments, other than the Government of Ontario;
- b) legal or beneficial interest in a business entity or a commercial operation or in the assets of such an entity or operation;
- c) legal or beneficial interest in real property;
- d) legal or beneficial interest in a mutual fund that is operated as an investment club where:
  - i. its shares or units are held by not more than 50 persons and its indebtedness has never been offered to the public;
  - ii. it does not pay or give any remuneration for investment advice or in respect of trades in securities, except normal brokerage fees; and
  - iii. all of its members are required to make contributions in proportion to the shares or units each holds for the purpose of financing its operations.

The OLG employee or Board member shall also disclose the above information in respect of his or her spouse and dependent children, but only to the extent that the legal or beneficial interests of the spouse or a child would create a conflict or interest. The OLG employee or Board member shall make reasonable efforts to obtain information of the financial interest of his or her spouse and dependent children in order to comply with this requirement.

However, an OLG employee or Board member is not required to disclose his or her legal or beneficial interest in any of the following:

1. A mutual fund within the meaning of subsection 1(1) of the *Securities Act* other than a mutual fund described in paragraph (d) above;
2. Fixed-value securities issued or guaranteed by a government or a government agency;
3. A guaranteed investment certificate or similar financial instrument issued by a financial institution entitled by law to issue such instruments;
4. A registered pension plan, employee benefit plan, annuity or life insurance policy, or a deferred profit sharing plan;
5. Real property that the OLG employee or Board member, or a member of their family, uses primarily as a residence or for recreational purposes.

## ***Prohibitions on Certain Purchases***

OLG employees or Board members falling within this section are also prohibited from purchasing, directly or indirectly, any interest in an entity that is carrying on or proposes to carry on any activity which falls within a “matter that might involve the private sector”, as described above. However, there is an exception and limitation to the prohibitions on certain purchases:

- An OLG employee or Board member may purchase an interest in a mutual fund that includes securities of a person or entity described in the preceding paragraph, but not an interest in a mutual fund described in paragraph (d) under the “Financial Declarations” section.
- The prohibition on certain purchases ceases to have effect six months after the date on which the action in respect of the matter is completed, or six months after the date the OLG or the Crown ceases to work on the matter.

## **Part II: Rules That Apply to Former OLG Employees and Board Members**

These rules apply to every former OLG employee or OLG Board member, except those who ceased to be public servants prior to August 20, 2007.

Please also see the section entitled “Disclosure of Conflict of Interest and OLG’s Ethics Executive” above in relation to the disclosure obligations of former employees and Board members.

### **Seeking Preferential Treatment, etc.**

A former OLG employee or Board member shall not seek preferential treatment by, or privileged access to, employees or Board members who work at OLG or in a minister’s office, a ministry, or in any public body.

### **Disclosing Confidential Information**

A former OLG employee or Board member shall not disclose confidential information obtained during the course of his or her employment by OLG to a person or entity unless he or she is authorized to do so by law, the Crown, or OLG.

A former OLG employee or Board member shall not use confidential information in a business or undertaking.

## **Restriction on Lobbying**

This section applies to a former OLG employee who, immediately before ceasing to be an OLG employee, was employed in a “designated senior position”.

For 12 months after ceasing to be an OLG employee, the former employee shall not lobby any of the following persons:

1. Any individual who works at OLG or in a ministry or public body in which the former OLG employee worked at any time during the 12 months before he or she ceased to be a public servant and no longer receiving remuneration, including ongoing severance payments, from OLG;
2. The minister of any ministry in which the former OLG employee worked at any time during the 12 months before he or she ceased to be a public servant;
3. Any individual who works in the office of a minister described in paragraph 2.

## **Restriction on Employment, etc.**

For 12 months after ceasing to be an OLG employee, including the receipt of any remuneration from OLG, former OLG employees are not permitted to accept employment or serve as a member of the board of directors of a public body, person or entity if they fit the following three criteria:

- (i) s/he was employed in a designated senior position immediately before ceasing to be employed by OLG;
- (ii) s/he had substantial involvement with the public body, person or entity in the 12-month period before ceasing employment with OLG; and
- (iii) s/he had access to confidential information that could result in harm to OLG or the Crown if disclosed to the public body, person or entity or could give the public body, person or entity an unfair advantage in relation to one or more third parties.

To be clear, the 12-month restriction on employment commences on the date that the employee leaves OLG or ceases to receive remuneration from OLG, whichever is later. For those employees who occupy a designated senior position immediately before leaving OLG and have access to confidential information, but do not have substantial involvement with a public body, person or entity in the 12-month period before leaving OLG, the restriction on employment will not apply.

## **Restriction re Certain Transactions**

This section applies to a former OLG employee or Board member who, when employed as an OLG employee or Board member, provided advice to OLG or the Crown about a particular proceeding, negotiation or other transaction.

The former OLG employee or Board member shall not advise or otherwise assist any public body or any other person or entity in connection with the particular proceeding, negotiation or other transaction until OLG or the Crown ceases to be involved in the particular proceeding, negotiation or other transaction. The issue of when OLG or the Crown “ceases to be involved” will be determined based upon the relevant circumstances surrounding the proceeding, negotiation or other transaction, taking into account what is reasonably required to avoid unfairness to OLG from having a former OLG or Board member advising a public body or any other person or entity on a proceeding, negotiation or other transaction that he or she has earlier advised OLG.

For greater certainty, and subject to the “Restriction on Employment, etc.” section above, this section does not prevent a former OLG employee or Board member from immediately working for that public body or other person or entity so long as that work does not include advising on the proceeding, negotiation or other transaction in relation to which that he/she had formerly advised or assisted OLG or the Crown.

Despite the preceding paragraph, the former public servant may continue to advise or otherwise assist OLG or the Crown in connection with the particular proceeding, negotiation or other transaction.