

## **John Zilli and Johnny Zilli - A contributor in the 2018 Municipal Election who appears to have contravened Contribution Limits under Section 88.9 of the Municipal Elections Act**

**Date:** October 31, 2019

**To:** Compliance Audit Committee

**From:** City Clerk

**Wards:** All

### **SUMMARY**

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The City Clerk is sending an external auditor's report to the Compliance Audit Committee for consideration. The auditor completed its review of initial financial statements filed and identified John Zilli and Johnny Zilli as having a similar name at the same address and, if they are the same contributor, appear to have exceeded the contribution limits in the Municipal Elections Act, 1996 (Municipal Elections Act). Within 30 days of receiving this report, the Compliance Audit Committee is required to decide whether to: (1) commence legal proceedings against the contributor for an apparent contravention; or (2) not to commence legal proceedings against the contributor for an apparent contravention. The Committee must also provide brief written reasons for its decision.

The Municipal Elections Act requires the City Clerk to review all contributions reported in financial statements submitted by candidates and registered third party advertisers in the 2018 municipal election and to prepare a separate report for each contributor who appears to have exceeded any of the contribution limits. The City Clerk retained an external auditor, BDO Canada LLP, through a competitive procurement process, to review all candidates and registered third party advertisers' financial statements and report on each apparent over-contribution.

### **RECOMMENDATIONS**

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The City Clerk recommends that the Compliance Audit Committee consider the auditor's report from BDO Canada LLP, attached as Appendix "B" to this report, and decide whether to commence a legal proceeding against the contributor for an apparent over-contribution.

## **FINANCIAL IMPACT**

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There is no financial impact associated with adopting the recommendation in this report.

## **DECISION HISTORY**

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There is no relevant decision history associated with this report.

## **COMMENTS**

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The City Clerk is sending to the Compliance Audit Committee for consideration the auditor's report entitled – John Zilli and Johnny Zilli – Appears to have Contravened Contribution Limits under Section 88.9 of the Municipal Elections Act, 1996 and as attached as Appendix "B". The Municipal Elections Act requires that within 30 days of receiving this report, the Compliance Audit Committee must decide whether or not to commence legal proceedings against the contributor for an apparent contravention and provide brief written reasons for its decision.

For the 2018 municipal election, every candidate and third party advertiser is required to file an initial financial statement reflecting their campaign finances from the date they filed their nomination paper or had a notice of registration paper certified, respectively, up to December 31 of the election year. The financial statement captures campaign finance information, including expenses incurred and contributions received. Contributors who contributed more than \$100 to a candidate and/or third party advertiser must be listed on the financial statement, including the contributor name, address, and amount of contribution(s).

The City Clerk is required to review the list of contributions on all candidate and third party advertiser financial statements and prepare a report identifying each contributor who appears to have contravened any of the contribution limits set out in section 88.9 of the Municipal Elections Act.

The City Clerk hired an external auditor, BDO Canada LLP, to review the financial statements and report on each apparent over-contribution. The City Clerk provided the auditor with all relevant City records, including copies of every filed financial statement filed and contribution data extracted from the City of Toronto's Electronic Financial Filing System for the initial campaign period. The Electronic Financial Filing System is an in-house developed online application that allows candidates and third party advertisers to, among other things, electronically complete contribution receipts, track total amount of contributions received, and generate financial statements.

In compliance with the City Clerk's responsibilities under sections 88.34 and 88.36, the external auditor has:

- Reviewed official copies of candidate and third party advertisers' financial statements, as filed with the City Clerk, for the initial campaign period

(supplementary financial statements for candidates who extended their campaign will be considered at a later time); and/or

- Utilized contribution data extracted from the Electronic Financial Filing System, as necessary, to assist with the audit process; and
- Established data cleansing processes related to identifying information duplications, transposition errors, and similar/same names.

The auditor identified individuals with similar first or last names listed at the same address (e.g., M. vs. Mike vs. Michael) or same names listed at different addresses to determine any potential over-contributions. The auditor provided its preliminary findings to the City Clerk's Office, who performed its own due diligence by contacting the candidate to ask them to provide supporting documentation to help the City Clerk determine whether or not the contributors were the same individual.

The candidate, Angelo Carnevale, submitted documentation in the form of personal cheques from the contributor(s), as attached as Appendix "A". In detail, each cheque was examined for the following information: signatures, bank account numbers, printed names on the cheques, handwriting on the cheques and explanation provided with the documents (if applicable). With these factors considered, it could not be concluded with certainty that John Zilli and Johnny Zilli were different individuals. If they are the same contributor, the contribution limits in the Municipal Elections Act appear to have been exceeded.

## **CONTACT**

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Fiona Murray, Deputy City Clerk, Election Services, 416-392-8019,  
[fiona.murray@toronto.ca](mailto:fiona.murray@toronto.ca).

## **SIGNATURE**

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Ulli S. Watkiss  
City Clerk

## **ATTACHMENTS**

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A. Documentation provided on behalf of candidate Angelo Carnevale, dated Monday, October 21, 2019, that shows two personal cheques related to this matter.

B. BDO Canada LLP Report – John Zilli and Johnny Zilli – Appears to have Contravened Contribution Limits under Section 88.9 of the Municipal Elections Act, 1996.

## Appendix "A"

MR JOHN ZILLI OR  
MRS RACHELE ZILLI  
23 MODESTO GROVES  
WOODBIDGE L4L 8C9

DATE 2018-09-23  
442

PAY TO THE ORDER OF ANGELO CARNEVALE CAMPAIGN TWO HUNDRED \$200.00

**TD Canada Trust**  
1050 WILSON AVE. AT KEELE ST.  
DOWNSVIEW, ONTARIO M3K 1G6

MEMO Johnny Zilli Downview R Zilli

100 DOLLARS

53211

John Zilli

tdc... www.tdcanadatrust.com www.tdcanadatrust.com www.tdcanadatrust.com

MR JOHN ZILLI OR  
MRS RACHELE ZILLI  
23 MODESTO GROVES  
WOODBIDGE L4L 8C9

DATE 2018-09-23  
048

TO THE ORDER OF ANGELO CARNEVALE CAMPAIGN ONE THOUSAND TWO HUNDRED \$1200.00

**Canada Trust**  
1050 WILSON AVE. AT KEELE ST.  
DOWNSVIEW, ONTARIO M3K 1G6

100 DOLLARS

53211

John Zilli

All contributors are different people who made contributions